

**TWAIN HARTE COMMUNITY  
SERVICES DISTRICT**

Financial Statements  
And  
Independent Auditor's Report

For the Fiscal Year Ended June 30, 2021 and 2020



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**OF TUOLUMNE COUNTY**

**TWAIN HARTE, CALIFORNIA**

**JUNE 30, 2021 and 2020**

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**GOVERNING BOARD**

MEMBERS

OFFICE

Gary Sipperley

President

Kathryn deGroot

Vice President

Richard Knudson

Director

Charlotte Bohlman

Director

Eileen Mannix

Director

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

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**JUNE 30, 2021 and 2020**

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Blomberg & Griffin Accountancy Corporation  
Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Twain Harte Community Services District  
Twain Harte, CA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Twain Harte Community Services District as of and for the year ended June 30, 2021, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express 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 State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Twain Harte Community Services District, as of June 30, 2021, 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 the management's discussion and analysis on pages 1 through 9 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.

### Report on Summarized Comparative Information

Other auditors have previously audited Twain Harte Community Service District June 30, 2020, financial statements, and their report dated July 26, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent in all material respects, with the audited financial statements from which it has been derived.

*Blomberg & Griffin A.C.*

Blomberg & Griffin A.C.

Stockton, CA

October 27, 2021

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

This section of the annual financial report of the Twain Harte Community Services District (District) presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2021. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follows this section.

The relationship between revenues and expenses is the District's *operating results*. Since the Board's responsibility is to provide services to customers and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the service provided, and the safety of our employees and the general public will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

**Governmental Activities** – The Fire Protection and Park and Recreation funds consist of this activity. Revenue for the Fire Protection fund is primarily derived from property taxes. Park and Recreation fund revenue is obtained from donations and special fees charged to use Park and Recreation facilities and funding through property taxes.

**Business-type Activities** – The District charges fees for water and sewer services to help cover the costs of certain services provided. These represent revenue from special fees, connection fees, and water and sewer usage charges.

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

*Governmental Funds* – Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

**REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS (Continued):**

The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

*Enterprise Funds* – When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in enterprise funds. Enterprise funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. In fact, the District's Enterprise funds are the same as the business-type activities we report in the government-wide financial statements, but provide more detail and additional information, such as cash flows, for enterprise funds.

**FINANCIAL HIGHLIGHTS OF THE PAST YEAR**

**Water and Sewer Division**

- The water division's change in net position was \$321,480. The sewer division's change in net position was \$117,331. The total net position increased by \$438,811 or 9%.

**Fire Protection Division**

- Fire protection division received \$1,167,004 of tax revenue which consisted of 82% of total revenues for the division. The fire protection division's change in fund balance was \$136,398. The percentage increase in fund balance was 109% primarily due to decrease in Capital Outlays.

**Park and Recreation Division**

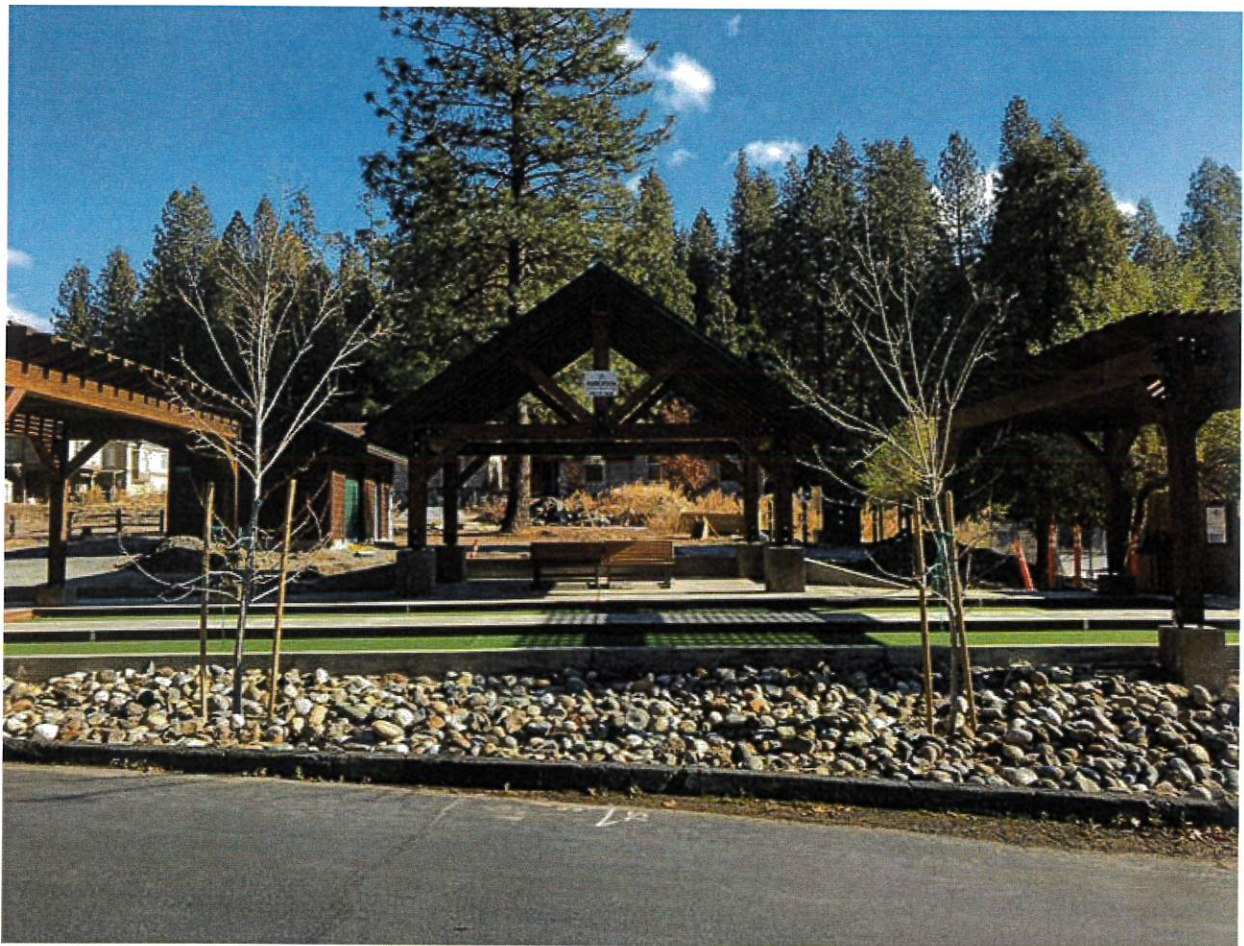
- The park and recreation division continues to rely on tax, donation, and grant revenues to fund projects. Tax revenue received was \$137,200. The tax revenues consist of 52% of total revenues. Grant, donation, and other revenues received totaled \$124,829 or 48% of total revenues.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

**THE DISTRICT AS A WHOLE**

**Net Position**

The District's net position was \$10,178,599 for the fiscal year ended June 30, 2021, and \$9,619,066 for the fiscal year ended June 30, 2020 which is an increase of \$559,533. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use net position for day-to-day operations. Our analysis in the following pages focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.





**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion Analysis**  
**June 30, 2021 and 2020**

**THE DISTRICT AS A WHOLE (Continued)**

**Table 1**

	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>Difference</b></u>	<u><b>Percent Difference</b></u>
Current Assets	\$ 5,507,789	\$ 5,068,150	\$ 439,639	8.67%
Capital Assets - Net	6,470,609	6,572,942	(102,333)	-1.56%
Deferred Outflows	345,022	248,676	96,346	38.74%
<b>Total Assets &amp; Deferred Outflows</b>	<u><u>\$ 12,323,420</u></u>	<u><u>\$ 11,889,768</u></u>	<u><u>\$ 433,652</u></u>	<u><u>3.65%</u></u>
Current Liabilities	\$ 635,232	\$ 729,900	\$ (94,668)	-12.97%
Long-Term Obligations	1,482,614	1,519,702	(37,088)	-2.44%
Deferred Inflows	26,975	21,100	5,875	27.84%
<b>Total Liabilities &amp; Deferred Inflows</b>	<u><u>2,144,821</u></u>	<u><u>2,270,702</u></u>	<u><u>(125,881)</u></u>	<u><u>-5.54%</u></u>
<b>Net Position</b>				
Invested in Capital Assets, Net of Related Debt	5,411,246	5,285,229	126,017	2.38%
Restricted	144,625	146,326	(1,701)	-1.16%
Unrestricted	4,622,728	4,187,511	435,217	10.39%
<b>Total Net Position</b>	<u><u>10,178,599</u></u>	<u><u>9,619,066</u></u>	<u><u>559,533</u></u>	<u><u>5.82%</u></u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 12,323,420</u></u>	<u><u>\$ 11,889,768</u></u>	<u><u>\$ 433,652</u></u>	<u><u>3.65%</u></u>

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion Analysis**  
**June 30, 2021 and 2020**

**THE DISTRICT AS A WHOLE (Continued)**

	<u>Table 2</u>			
	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent Difference</u>
Revenues				
Services Rendered	\$ 2,844,809	\$ 2,606,900	\$ 237,909	9.13%
Operating Grants and Contributions	447,326	299,117	148,209	49.55%
Interest Earnings	25,612	67,633	(42,021)	-62.13%
Taxes	1,414,737	1,394,594	20,143	1.44%
Other Income (Expense)	(37,417)	66,589	(104,006)	-156.19%
Total Revenues	<u>4,695,067</u>	<u>4,434,833</u>	<u>260,234</u>	<u>5.87%</u>
Expenses				
Fire Protection	1,391,389	1,182,946	208,443	17.62%
Park & Recreation	184,991	166,134	18,857	11.35%
Water	1,370,169	1,281,744	88,425	6.90%
Sewer	1,196,050	1,193,625	2,425	0.20%
Total Expenses	<u>4,142,599</u>	<u>3,824,449</u>	<u>318,150</u>	<u>8.32%</u>
Change in Net Position	<u>\$ 552,468</u>	<u>\$ 610,384</u>	<u>\$ (57,916)</u>	<u>-9.49%</u>

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

**THE DISTRICT AS A WHOLE (Continued)**

As reported in the statement of activities, the cost of all our activities this year was \$4,142,599 which was an increase of \$318,150 compared to the prior year. The amount that our taxpayers ultimately financed for these activities through local taxes was \$1,414,737. Change in net position was \$552,468.

In Table 3, we have presented cost including depreciation of the District's functions.

**Table 3**

	<b>2021</b>	<b>2020</b>
	<b><u>Cost of Service</u></b>	<b><u>Cost of Service</u></b>
Park & Recreation	<b><u>\$ 184,991</u></b>	<b><u>\$ 166,134</u></b>
Fire	<b><u>\$ 1,391,389</u></b>	<b><u>\$ 1,182,946</u></b>
Water	<b><u>\$ 1,370,169</u></b>	<b><u>\$ 1,281,744</u></b>
Sewer	<b><u>\$ 1,196,050</u></b>	<b><u>\$ 1,193,625</u></b>

**THE DISTRICT'S FUNDS**

The District has elected to report two of the governmental funds as major funds, as such information may be of importance to certain financial statement users. As the District completed this year, our governmental funds reported a combined fund balance of \$1,668,782, which is an increase of \$114,112 compared to the prior year. The District's enterprise funds ended the year with a combined net position balance of \$5,948,248 which is an increase of \$438,811 compared to the prior year.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion Analysis**  
**June 30, 2021 and 2020**

**THE DISTRICT'S FUNDS (Continued)**

**Table 4**

	<b>Balances</b>			
	<b><u>June 30, 2021</u></b>	<b><u>June 30, 2020</u></b>	<b><u>Change \$</u></b>	<b><u>Change %</u></b>
Governmental Funds				
Park & Recreation	\$ 328,019	\$ 327,329	\$ 690	0.21%
Fire Protection	1,340,763	1,227,341	113,422	9.24%
Total Governmental Funds	<u>\$ 1,668,782</u>	<u>\$ 1,554,670</u>	<u>\$ 114,112</u>	<u>7.34%</u>
Proprietary Funds				
Water	\$ 3,900,679	\$ 3,579,199	\$ 321,480	8.98%
Sewer	2,047,569	1,930,238	117,331	6.08%
Total Proprietary Funds	<u>\$ 5,948,248</u>	<u>\$ 5,509,437</u>	<u>\$ 438,811</u>	<u>7.96%</u>

**GENERAL FUND BUDGET INFORMATION**

In June of each year, a budget is adopted for the subsequent year by the District's Board of Directors. Budget preparation begins with results from the current year and is completed with assumptions derived from various sources including the different departments. The budget is updated during the year.

**CAPITAL ASSET & DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2021, the District had \$6,470,609 in a broad range of capital assets net of accumulated depreciation, including land, buildings, and furniture and equipment. This amount represents a decrease (including additions and deductions) of \$102,333 from the prior year.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion Analysis**  
**June 30, 2021 and 2020**

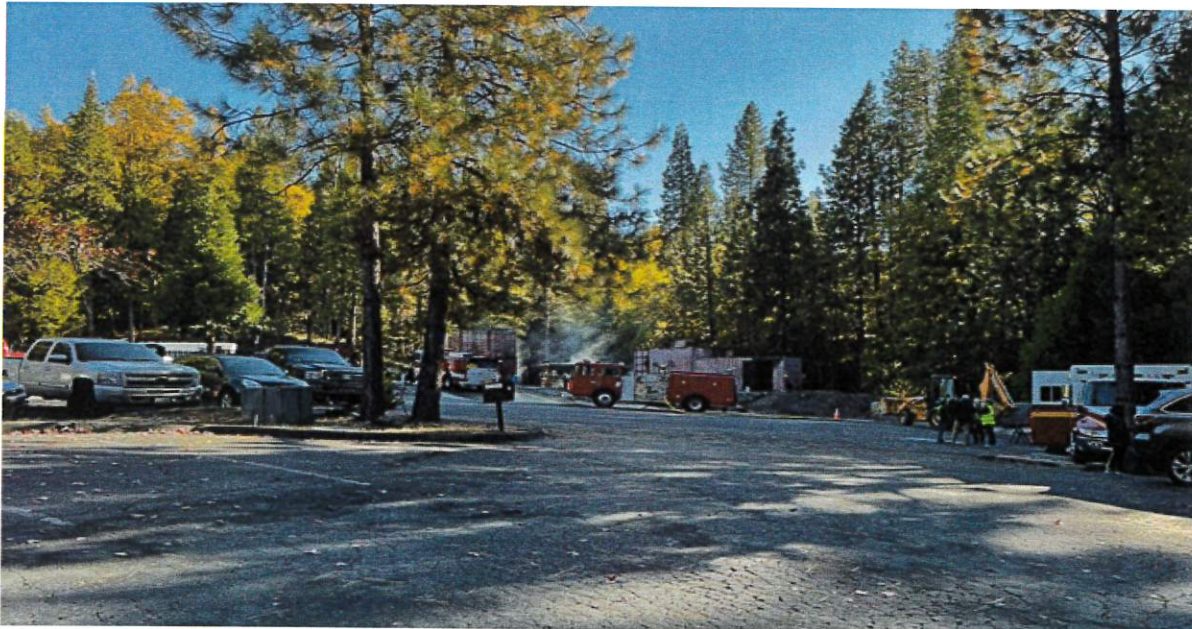
**CAPITAL ASSET & DEBT ADMINISTRATION (Continued)**

**Table 5**

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent Difference</u>
Land	\$ 1,070,803	\$ 1,070,803	\$ -	0.00%
Construction In Progress	25,514	42,889	(17,375)	-40.51%
Plant and Equipment, Net of Accumulated Depreciation	<u>5,374,292</u>	<u>5,459,250</u>	<u>(84,958)</u>	<u>-1.56%</u>
Total	<u>\$ 6,470,609</u>	<u>\$ 6,572,942</u>	<u>\$ (102,333)</u>	<u>-1.56%</u>

**Long-Term Obligations**

At June 30, 2021, the District's outstanding long-term debt was 1,059,363. During the fiscal year ended June 30, 2021, payments made on principal decreased long-term debt by \$206,114. We present more detailed information regarding our long-term obligations in the notes to the financial statements on pages 35 and 36.



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2021 and 2020**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, 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 about this report or need any additional financial information, contact Carolyn Higgins, Finance Officer, P.O. Box 649, Twain Harte, CA 95383 or call at (209) 586-3172.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Statement of Net Position**  
**June 30, 2021 and 2020**

	Governmental Activities	Business-Type Activities	Combined Funds	
			2021	2020
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 1,621,980	\$ 2,982,729	\$ 4,604,709	\$ 4,261,543
Restricted Cash	4,691	144,625	149,316	140,345
Accounts Receivable	-	340,758	340,758	454,372
Taxes Receivable	64,443	3,771	68,214	66,995
Grants Receivable	5,237	227,681	232,918	122,137
Prepaid Expenses	2,661	9,505	12,166	8,485
Store Inventory	-	6,239	6,239	6,239
Due from Other Governments	93,469	-	93,469	8,034
<b>Total Current Assets</b>	<b>1,792,481</b>	<b>3,715,308</b>	<b>5,507,789</b>	<b>5,068,150</b>
<b>Non-Current Assets</b>				
Construction in Progress	-	25,514	25,514	42,889
Land	841,263	229,540	1,070,803	1,070,803
Structures and Improvements	2,099,493	1,203,377	3,302,870	3,021,246
Equipment	1,913,255	9,536,538	11,449,793	11,372,670
Less: Accumulated Depreciation	(2,070,767)	(7,307,604)	(9,378,371)	(8,934,666)
<b>Total Non-Current Assets</b>	<b>2,783,244</b>	<b>3,687,365</b>	<b>6,470,609</b>	<b>6,572,942</b>
<b>Deferred Outflow of Resources</b>				
Pension deferred charges	142,544	202,478	345,022	248,676
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$ 4,718,269</b>	<b>\$ 7,605,151</b>	<b>\$ 12,323,420</b>	<b>\$ 11,889,768</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 45,160	\$ 179,127	\$ 224,287	\$ 278,735
Accrued Payables	9,859	14,177	24,036	92,136
Employee Benefits	36,680	62,697	99,377	35,013
Interest Payable	-	40,150	40,150	36,504
Current Portion of Long-Term Obligations	38,940	173,741	212,681	207,200
Deferred Revenue	32,000	1,591	33,591	80,312
<b>Total Current Liabilities</b>	<b>162,639</b>	<b>471,483</b>	<b>634,122</b>	<b>729,900</b>
<b>Non-Current Liabilities</b>				
Net Pension Liability	267,573	369,469	637,042	383,000
Employee Benefits	-	-	-	70,024
Noncurrent Portion of Long-Term Obligations	81,241	978,122	1,059,363	1,273,878
Less: Current Portion of Long-Term Obligations	(38,940)	(173,741)	(212,681)	(207,200)
<b>Total Non-Current Liabilities</b>	<b>309,874</b>	<b>1,173,850</b>	<b>1,483,724</b>	<b>1,519,702</b>
<b>Total Liabilities</b>	<b>472,513</b>	<b>1,645,333</b>	<b>2,117,846</b>	<b>2,249,602</b>
<b>Deferred Inflow of Resources</b>				
Pension deferred credits	15,405	11,570	26,975	21,100
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>487,918</b>	<b>1,656,903</b>	<b>2,144,821</b>	<b>2,270,702</b>
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	2,702,003	2,709,243	5,411,246	5,285,279
Restricted for:				
Debt Service	-	144,625	144,625	146,326
Unrestricted	1,528,348	3,094,380	4,622,728	4,187,461
<b>Total Net Position</b>	<b>4,230,351</b>	<b>5,948,248</b>	<b>10,178,599</b>	<b>9,619,066</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,718,269</b>	<b>\$ 7,605,151</b>	<b>\$ 12,323,420</b>	<b>\$ 11,889,768</b>

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

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2021 and 2020**

	Governmental Activities	Business-Type Activities	Combined Funds	
			2021	2020
<b>PROGRAM EXPENSES</b>				
Fire Protection	\$ 1,391,389	\$ -	\$ 1,391,389	\$ 1,182,946
Park & Recreation	184,991	-	184,991	166,134
Water	-	1,370,169	1,370,169	1,281,744
Sewer	-	1,196,050	1,196,050	1,193,625
<b>Total Program Expenses</b>	<b>1,576,380</b>	<b>2,566,219</b>	<b>4,142,599</b>	<b>3,824,449</b>
<b>PROGRAM REVENUE</b>				
Services Rendered	226,665	2,618,144	2,844,809	2,606,900
Operating Grants and Contributions	153,331	293,995	447,326	299,117
<b>Total Program Revenues</b>	<b>379,996</b>	<b>2,912,139</b>	<b>3,292,135</b>	<b>2,906,017</b>
<b>Net Program Expenses (Income)</b>	<b>1,196,384</b>	<b>(345,920)</b>	<b>850,464</b>	<b>918,432</b>
<b>GENERAL REVENUES</b>				
Property Taxes	1,304,204	110,533	1,414,737	1,394,594
Interest Income	9,109	16,503	25,612	67,633
Interest Expense	(3,425)	(37,671)	(41,096)	(47,654)
Miscellaneous	153	26	179	114,243
Sale of Assets	-	3,500	3,500	-
<b>Total General Revenues</b>	<b>1,310,041</b>	<b>92,891</b>	<b>1,402,932</b>	<b>1,528,816</b>
<b>Excess of Revenues over Expenses</b>	<b>113,657</b>	<b>438,811</b>	<b>552,468</b>	<b>610,384</b>
<b>Change in Net Position</b>	<b>113,657</b>	<b>438,811</b>	<b>552,468</b>	<b>610,384</b>
Net Position-Beginning of Year	4,109,629	5,509,437	9,619,066	9,008,682
Prior Period Adjustment	7,065	-	7,065	-
<b>Net Position-End of Year</b>	<b>\$ 4,230,351</b>	<b>\$ 5,948,248</b>	<b>\$ 10,178,599</b>	<b>\$ 9,619,066</b>

The notes are an integral part of these financial statements.



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Governmental Funds**

**Balance Sheet**

**June 30, 2021 and 2020**

	<u>Park &amp; Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Funds - 2021</u>	<u>Total Governmental Funds - 2020</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 349,897	\$ 1,272,083	\$ 1,621,980	\$ 1,634,846
Restricted Cash	-	4,691	4,691	-
Accounts Receivable	-	-	-	-
Taxes Receivable	7,008	57,435	64,443	66,995
Grants Receivable	-	5,237	5,237	8,262
Prepaid Expenses	872	1,789	2,661	1,740
Due from Other Governments	-	93,469	93,469	8,034
<b>Total Assets</b>	<u>\$ 357,777</u>	<u>\$ 1,434,704</u>	<u>\$ 1,792,481</u>	<u>\$ 1,719,877</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 8,490	\$ 36,670	\$ 45,160	\$ 28,112
Accrued Payables	685	9,174	9,859	30,864
Compensated Absences	4,583	32,097	36,680	39,341
Deferred Revenue	16,000	16,000	32,000	66,890
<b>Total Liabilities</b>	<u>29,758</u>	<u>93,941</u>	<u>123,699</u>	<u>165,207</u>
<b>FUND BALANCES</b>				
Nonspendable	872	1,789	2,661	1,740
Committed	254,751	732,431	987,182	818,706
Assigned	72,997	602,850	675,847	628,723
Unassigned	(601)	3,693	3,092	105,501
<b>Total Fund Balances</b>	<u>328,019</u>	<u>1,340,763</u>	<u>1,668,782</u>	<u>1,554,670</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 357,777</u>	<u>\$ 1,434,704</u>	<u>\$ 1,792,481</u>	<u>\$ 1,719,877</u>

The notes are an integral part of these financial statements.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2021 and 2020**

	<u>Park &amp; Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Funds - 2021</u>	<u>Total Governmental Funds - 2020</u>
<b>GENERAL REVENUES</b>				
Taxes and Assessments	\$ 137,200	\$ 1,167,004	\$ 1,304,204	\$ 1,279,183
Interest	2,357	6,752	9,109	23,620
Charges for Services	15,378	211,287	226,665	5,180
Grants	81,890	44,270	126,160	34,872
Donations	25,204	1,967	27,171	39,200
Miscellaneous	-	153	153	113,231
<b>Total Revenues</b>	<u>262,029</u>	<u>1,431,433</u>	<u>1,693,462</u>	<u>1,495,286</u>
<b>EXPENDITURES</b>				
Operating Expenditures				
Salaries and Benefits	61,782	901,271	963,053	749,882
Materials, Supplies, and Services	73,121	236,897	310,018	434,898
Capital Outlay	126,436	114,502	240,938	141,097
Debt Service	-	42,365	42,365	42,365
<b>Total Expenditures</b>	<u>261,339</u>	<u>1,295,035</u>	<u>1,556,374</u>	<u>1,368,242</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>690</u>	<u>136,398</u>	<u>137,088</u>	<u>127,044</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of Sale of Assets	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	690	136,398	137,088	127,044
Fund Balances - Beginning	327,329	1,227,341	1,554,670	1,427,626
Prior Period Adjustment	-	(22,976)	(22,976)	-
<b>Fund Balances - Ending</b>	<u>\$ 328,019</u>	<u>\$ 1,340,763</u>	<u>\$ 1,668,782</u>	<u>\$ 1,554,670</u>

The notes are an integral part of these financial statements.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2021 and 2020**

	2021	2020
<b>Total Fund Balance-Governmental Funds</b>	\$ 1,668,782	\$ 1,554,670
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 as assets in governmental funds.		
	2021	2020
Capital Assets	4,854,011	4,616,348
Accumulated Depreciation	(2,070,767)	(1,919,849)
	2,783,244	2,696,499
Deferred pension charges not reported in funds balance sheet	142,544	94,667
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(81,241)	(146,407)
Deferred pension credits not reported in funds balance sheet	(15,405)	(2,800)
Net Pension liability not reported in funds balance sheet	(267,573)	(87,000)
<b>Total Net Position-Governmental Activities</b>	<b>\$ 4,230,351</b>	<b>\$ 4,109,629</b>

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

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$ 137,088</b>	<b>\$ 127,044</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital outlays is reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions of \$237,661 was more than depreciation of \$150,918 in the current period.	86,743	(8,091)
Compensated absences	(10,453)	(19,978)
Pension expense adjustment for deferred items	(138,661)	4,866
Payments of long-term debt is reported in governmental funds as expenditures. However, in the government-wide financial statements the payment of long-term debt are recorded as a reduction of liability.	38,940	37,861
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 113,657</b>	<b>\$ 141,702</b>

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

TWAIN HARTE COMMUNITY SERVICES DISTRICT

Enterprise Funds  
Statement of Net Position  
June 30, 2021 and 2020

	Business-Type Activities Enterprise Funds			
	Water	Sewer	2021	2020
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 1,659,835	\$ 1,322,894	\$ 2,982,729	\$ 2,626,697
Restricted Cash	144,625	-	144,625	140,345
Accounts Receivable	193,209	147,549	340,758	352,102
Taxes Receivable	3,771	-	3,771	6,064
Grants Receivable	164,037	63,644	227,681	210,081
Prepaid Expenses	5,974	3,531	9,505	6,745
Stores Inventories	5,299	940	6,239	6,239
<b>Total Current Assets</b>	<b>2,176,750</b>	<b>1,538,558</b>	<b>3,715,308</b>	<b>3,348,273</b>
<b>Noncurrent Assets</b>				
Construction in Progress	21,514	4,000	25,514	28,779
Land	103,322	126,218	229,540	229,540
Structures and Improvements	905,106	298,271	1,203,377	1,144,865
Equipment	7,593,644	1,942,894	9,536,538	9,488,076
Less: Accumulated Depreciation	(5,737,795)	(1,569,809)	(7,307,604)	(7,014,817)
<b>Total Noncurrent Assets</b>	<b>2,885,791</b>	<b>801,574</b>	<b>3,687,365</b>	<b>3,876,443</b>
<b>Deferred Outflow of Resources</b>				
Pension deferred charges	131,610	70,868	202,478	154,009
<b>Total Assets</b>	<b>\$ 5,194,151</b>	<b>\$ 2,411,000</b>	<b>\$ 7,605,151</b>	<b>\$ 7,378,725</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 42,440	\$ 136,687	\$ 179,127	\$ 235,265
Accrued Payables	8,953	5,224	14,177	61,316
Compensated Absences	40,552	22,145	62,697	-
Interest Payable	38,105	2,045	40,150	47,490
Current Portion of Long-Term Obligations	158,600	15,141	173,741	168,260
Unearned Revenue	1,591	-	1,591	13,422
<b>Total Current Liabilities</b>	<b>290,241</b>	<b>181,242</b>	<b>471,483</b>	<b>525,753</b>
<b>Noncurrent Liabilities</b>				
Net Pension Liability	240,155	129,314	369,469	296,000
Noncurrent Portion of Long-Term Obligations	914,157	63,965	978,122	1,153,698
Compensated absences	-	-	-	43,797
Less: Current Portion of Long-Term Obligations	(158,600)	(15,141)	(173,741)	(168,260)
<b>Total Noncurrent Liabilities</b>	<b>995,712</b>	<b>178,138</b>	<b>1,173,850</b>	<b>1,325,235</b>
<b>Total Liabilities</b>	<b>1,285,953</b>	<b>359,380</b>	<b>1,645,333</b>	<b>1,850,988</b>
<b>Deferred Inflow of Resources</b>				
Pension deferred credits	7,519	4,051	11,570	18,300
<b>Total Liabilities and Deferred Inflows</b>	<b>1,293,472</b>	<b>363,431</b>	<b>1,656,903</b>	<b>1,869,288</b>
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	1,971,634	737,609	2,709,243	2,708,960
Restricted	144,625	-	144,625	144,586
Unrestricted	1,784,420	1,309,960	3,094,380	2,655,891
<b>Total Net Position</b>	<b>3,900,679</b>	<b>2,047,569</b>	<b>5,948,248</b>	<b>5,509,437</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 5,194,151</b>	<b>\$ 2,411,000</b>	<b>\$ 7,605,151</b>	<b>\$ 7,378,725</b>

The notes are an integral part of these financial statements.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Enterprise Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2021 and 2020**

	<b>Business-Type Activities</b>			
	<b>Enterprise Funds</b>			
	<u>Water</u>	<u>Sewer</u>	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>				
Service Charges	\$ 1,481,865	\$ 1,136,279	\$ 2,618,144	\$ 2,578,823
Other Operating Revenues	122,995	171,000	293,995	247,942
<b>Total Operating Revenues</b>	<u>1,604,860</u>	<u>1,307,279</u>	<u>2,912,139</u>	<u>2,826,765</u>
<b>OPERATING EXPENSES</b>				
General and Administrative	265,903	141,438	407,341	364,067
Plant	863,761	989,486	1,853,247	1,827,441
Depreciation	240,505	65,126	305,631	283,861
<b>Total Operating Expenses</b>	<u>1,370,169</u>	<u>1,196,050</u>	<u>2,566,219</u>	<u>2,475,369</u>
<b>Net Operating Income (Loss)</b>	<u>234,691</u>	<u>111,229</u>	<u>345,920</u>	<u>351,396</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	9,231	7,272	16,503	44,013
Taxes and Assessments	110,533	-	110,533	115,411
Interest Expense	(35,268)	(2,403)	(37,671)	(43,150)
Gain on Sale of Assets	2,275	1,225	3,500	425
Miscellaneous	18	8	26	587
<b>Total Nonoperating Revenues (Expenses)</b>	<u>86,789</u>	<u>6,102</u>	<u>92,891</u>	<u>117,286</u>
<b>Income (Loss) Before Transfers</b>	<u>321,480</u>	<u>117,331</u>	<u>438,811</u>	<u>468,682</u>
<b>Change in Net Position</b>	321,480	117,331	438,811	468,682
<b>Total Net Position - Beginning</b>	<u>3,579,199</u>	<u>1,930,238</u>	<u>5,509,437</u>	<u>5,040,755</u>
<b>Total Net Position - Ending</b>	<u>\$ 3,900,679</u>	<u>\$ 2,047,569</u>	<u>\$ 5,948,248</u>	<u>\$ 5,509,437</u>

The notes are an integral part of the financial statements.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Enterprise Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2021 and 2020**

	Business-Type Activities Enterprise Funds			
	Water	Sewer	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 1,505,561	\$ 1,139,041	\$ 2,644,602	\$ 2,797,324
Cash Received from Operating Grants	33,448	208,325	241,773	24,337
Cash Payments for Goods and Services	(479,898)	(789,615)	(1,269,513)	(1,665,455)
Cash Payments to Employees and benefits	(680,102)	(389,929)	(1,070,031)	(698,039)
Net Cash Provided (Used) by Operating Activities	<u>379,009</u>	<u>167,822</u>	<u>546,831</u>	<u>458,167</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Cash Received from Property Taxes	106,762	-	106,762	115,514
Miscellaneous, Non Operating Income (Expense)	18	8	26	587
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>106,780</u>	<u>8</u>	<u>106,788</u>	<u>116,101</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principle Payments to Loans	(149,982)	(14,608)	(164,590)	46,032
Interest Expense on Long-Term Loans	(42,142)	(2,869)	(45,011)	(43,150)
Acquisition of Capital Assets	(47,540)	(56,169)	(103,709)	(1,300,049)
Proceeds from Sale of Asset	2,275	1,225	3,500	633,394
Net Cash Provided (Used) from Capital and Related Financing Activities	<u>(237,389)</u>	<u>(72,421)</u>	<u>(309,810)</u>	<u>(663,773)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Income	9,231	7,272	16,503	44,013
Net Cash Provided (Used) from Investing Activities	<u>9,231</u>	<u>7,272</u>	<u>16,503</u>	<u>44,013</u>
<b>Net Increase (Decrease) in Cash</b>	<b>257,631</b>	<b>102,681</b>	<b>360,312</b>	<b>(45,492)</b>
Cash-Beginning of Year	<u>1,546,829</u>	<u>1,220,213</u>	<u>2,767,042</u>	<u>2,812,534</u>
<b>Cash-End of Year</b>	<b><u>\$ 1,804,460</u></b>	<b><u>\$ 1,322,894</u></b>	<b><u>\$ 3,127,354</u></b>	<b><u>\$ 2,767,042</u></b>

The notes are an integral part of these financial statements.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Enterprise Funds**

**Statement of Cash Flows (Continued)**

**For the Year Ended June 30, 2021 and 2020**

	<b>Business-Type Activities Enterprise Funds</b>			
	<u>Water</u>	<u>Sewer</u>	<u>2021</u>	<u>2020</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (loss)	\$ 234,691	\$ 111,229	\$ 345,920	\$ 351,396
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Depreciation	240,505	65,126	305,631	283,861
Changes in Assets and Liabilities:				
Receivables	(56,957)	52,994	(3,963)	(4,051)
Prepaid Expenses	(1,803)	(957)	(2,760)	(215)
Inventory	-	(60,570)	(60,570)	770
Accounts Payable and Other Accrued Liabilities	(37,427)	-	(37,427)	(187,016)
Deferred Revenue	-	-	-	13,422
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 379,009</u></b>	<b><u>\$ 167,822</u></b>	<b><u>\$ 546,831</u></b>	<b><u>\$ 458,167</u></b>

The notes are an integral part of the financial statements.



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies.

**Financial Reporting Entity**

Twain Harte Community Services District (“District”) was formed in 1996 under Section 3 of the County District Act of 1923. The District’s primary function is to provide water, sewer, fire protection, and parks and recreation services to properties in a specific geographical area in the Twain Harte area of Tuolumne County.

**Budgetary Reporting**

The District’s annual budget is a management tool that assists its users in analyzing financial activity for the fiscal year ended June 30, 2018. Budgets are formally adopted by the Board in June and take effect the following July 1. The budget disclosed is the original budget which is updated during the year. A department head is allowed to transfer line item expenditures within the same fund up to a maximum of \$5,000. An amount over \$5,000 for any line item transfer requires Board approval. Use of any capital asset funds for anything other than their intended purpose requires Board approval.

**Basis of Presentation – 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, liabilities, fund net position, revenues, and expenditures or expenses, as appropriate. The various funds are summarized by type in the general-purpose financial statements. Fund types used by the District are described below:

**Governmental Fund Types:**

Fire Protection: The fire protection fund is authorized fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection District. All transactions related to fire protection are recorded in the fire protection fund. In addition, 18% of administrative costs of the District are allocated to the fire protection fund.

Park and Recreation: The park and recreation fund operate a variety of public park facilities including Eproson Park, Community Center/American Legion Hall, and Twain Harte Tennis Courts. Also, the District is currently evaluating the possibility of providing senior and/or teen services at the Community Center. Ten percent of administrative costs of the District are allocated to the park and recreation fund.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Enterprise Fund Types:**

Enterprise Funds: Account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent to the Board of Directors is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District applies all applicable GASB statements effective as of fiscal year end. The water and sewer funds are considered Enterprise Funds.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in current net position.

All enterprise funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

**Basis of Accounting – Measurement Focus**

**Government – Wide Financial Statements:** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the enterprise fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government – Wide Financial Statements (Continued):** The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the District and for each governmental function. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and the restrictions on their net position use.

**Fund Financial Statements:** Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated to the general fund.

**Governmental Funds:** All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Enterprise Funds:** Enterprise funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement revenues, expenses, and changes in fund net position present increases (revenues) and decreases (expenses) to total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its enterprise funds.

**Revenues – Exchange and Non-Exchange Transactions:** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year-end. Service charges and interest are considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received or when assessed if received within 60 days of the fiscal year-end. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Expenses/Expenditures:** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in 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, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

**Hookup Fees**

Fees charged for hookup of water and sewer services are considered income in the period the service is performed.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Inventory**

Inventories in the enterprise funds are stated at cost, using the first-in first-out method.

**Capital Assets and Depreciation**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statements. The valuation basis for capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Capital assets in the enterprise funds are capitalized in the fund in which they are utilized. The valuation basis for enterprise fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 50 years; equipment, 2 to 15 years.

**Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position and governmental funds balance sheet.

Sick leave is accumulated for each employee at the rate of one day for each month worked to a limit of 960 hours for regular employees and 1,328 hours for Fire Department shift employees. Leave with pay is provided when employees are absent for health reasons.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The employees gain a vested right to accumulated sick leave of up to 480 hours for regular employees and 664 hours for Fire Department employees.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the enterprise fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full of current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and any special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term obligations are recognized as liabilities in the governmental fund financial statements when due.

**Fund Balance**

In pursuant of GASB 54, District procedures to classify fund balance are as follows:

- Restricted
- Nonspendable
- Committed
- Assigned
- Unassigned

In the Governmental Fund Balance Sheet, the District has three classifications of fund balances: nonspendable, assigned, and unassigned. The District has classified nonspendable fund balance to the extent of prepaid expense amounts. Assigned represents designated fund balances by the Board of Directors or management. The unassigned fund balance is used to classify the fund balance that has not been assigned to other funds and that has not been restricted or committed to a specific purpose.

**Net Position**

Net positions represent the difference between assets and liabilities. Net position invested in capital assets; net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The government-wide financial statements report \$144,625 of restricted net position.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the District, these revenues are water and sewer usage fees. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Property Tax**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Unsecured property taxes are payable in one installment on or before August 31. The County of Tuolumne bills and collects the taxes on behalf of the District. Revenue from property taxes is recognized in the fiscal year in which the taxes are received or assessed if received within 60 days of the fiscal year.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2021 and 2020 are classified in the accompanying financial statements as follows:

US Bank:	<u>2021</u>	<u>2020</u>
General and Capital Funds	\$ 1,643,044	\$ 1,320,104
Restricted:		
Davis Grunsky #1	71,820	69,385
Davis Grunsky #2	72,805	70,960
LAIF	<u>2,966,356</u>	<u>2,941,439</u>
Total Deposits and Investments	<u>\$ 4,754,025</u>	<u>\$ 4,401,888</u>

**Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or it's agencies; bankers acceptances; commercial paper; certificates of deposits placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

**Investment in the State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of investments in the pool is determined quarterly.



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

The fair value of the District's investment in the pool is reported in the accompanying financial statement 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 is recorded on the amortized cost basis with funds generally available next business day.

**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 value to changes in market interest rates

The District manages its exposures to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**Credit Risk**

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. The District's investment is not required to be rated, nor has it been rated as of June 30, 2021 and 2020.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

Cash balances held in banks and revolving funds are insured up to \$250,000 per institution by the Federal Depository Insurance Corporation (“FDIC”). All cash held by the financial institutions is fully insured or collateralized, except the amount that exceeds the maximum insured levels of the FDIC.



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 3 - RECEIVABLES**

Receivables at June 30, 2021, consisted of the following:

	<u>Park &amp; Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Activities</u>	<u>Water</u>	<u>Sewer</u>	<u>Total Business-Type Activities</u>
Local Government						
Taxes	\$ 7,008	\$ 57,435	\$ 64,443	\$ 3,771	\$ -	\$ 3,771
Utility Billings	-	-	-	193,209	147,549	340,758
Grants Receivable	-	5,237	5,237	164,037	63,644	227,681
Total	<u>\$ 7,008</u>	<u>\$ 62,672</u>	<u>\$ 69,680</u>	<u>\$ 361,017</u>	<u>\$ 211,193</u>	<u>\$ 572,210</u>

**NOTE 4 - CAPITAL ASSETS**

A summary of the government-wide property plant and equipment at June 30, 2021, is as follows:

**Governmental Activities:**

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance June 30, 2021</u>
Fire & Park and Recreation				
Capital Assets not being Depreciated				
Land	\$ 841,263	\$ -	\$ -	\$ 841,263
Construction in Progress	14,110	-	(14,110)	-
Total Assets not being Depreciated	<u>855,373</u>	<u>-</u>	<u>(14,110)</u>	<u>841,263</u>
Capital Assets being Depreciated				
Structures and Improvements	1,876,381	223,112	-	2,099,493
Equipment	1,884,594	28,661	-	1,913,255
Total Assets being Depreciated	<u>3,760,975</u>	<u>251,773</u>	<u>-</u>	<u>4,012,748</u>
Total Capital Assets	4,616,348	251,773	(14,110)	4,854,011
Accumulated Depreciation	<u>(1,919,849)</u>	<u>(150,918)</u>	<u>-</u>	<u>(2,070,767)</u>
Total Book Value	<u>\$ 2,696,499</u>	<u>\$ 100,855</u>	<u>\$ (14,110)</u>	<u>\$ 2,783,244</u>

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 4 - CAPITAL ASSETS (Continued)**

A summary of changes in the District's water service fixed assets is as follows:

**Enterprise Funds:**

<u><b>WATER</b></u>	<u><b>Balance July 1, 2020</b></u>	<u><b>Additions</b></u>	<u><b>Adjustments</b></u>	<u><b>Balance June 30, 2021</b></u>
Capital Assets not being Depreciated				
Land	\$ 103,322	\$ -	\$ -	\$ 103,322
Construction in Progress	22,514	-	(1,000)	21,514
Total Assets not being Depreciated	<u>125,836</u>	<u>-</u>	<u>(1,000)</u>	<u>124,836</u>
Capital Assets being Depreciated				
Building and Improvements	898,104	7,002	-	905,106
Plant and Equipment	7,552,106	49,793	(8,255)	7,593,644
Total Capital Assets being Depreciated	<u>8,450,210</u>	<u>56,795</u>	<u>(8,255)</u>	<u>8,498,750</u>
Accumulated Depreciation	<u>(5,505,545)</u>	<u>(240,505)</u>	<u>8,255</u>	<u>(5,737,795)</u>
Total Book Value	<u>\$ 3,070,501</u>	<u>\$ (183,710)</u>	<u>\$ (1,000)</u>	<u>\$ 2,885,791</u>

A summary of changes in the District's sewer service fixed assets is as follows:

<u><b>SEWER</b></u>	<u><b>Balance July 1, 2020</b></u>	<u><b>Additions</b></u>	<u><b>Adjustments</b></u>	<u><b>Balance June 30, 2021</b></u>
Capital Assets not being Depreciated				
Land	\$ 126,218	\$ -	\$ -	\$ 126,218
Construction in Progress	6,265	4,000	(6,265)	4,000
Total Assets not Depreciated	<u>132,483</u>	<u>4,000</u>	<u>(6,265)</u>	<u>130,218</u>
Capital Assets being Depreciated				
Building and Improvements	246,761	51,510	-	298,271
Plant and Equipment	1,935,970	11,513	(4,589)	1,942,894
Total Capital Assets being Depreciated	<u>2,182,731</u>	<u>63,023</u>	<u>(4,589)</u>	<u>2,241,165</u>
Accumulated Depreciation	<u>(1,509,272)</u>	<u>(65,126)</u>	<u>4,589</u>	<u>(1,569,809)</u>
Total Book Value	<u>\$ 805,942</u>	<u>\$ 1,897</u>	<u>\$ (6,265)</u>	<u>\$ 801,574</u>

Depreciation Expense was charged as follows:

Governmental Activities	
Park and Recreation	\$ 50,086
Fire Protection	100,832
Total Depreciation Expense-Governmental Activities	<u>\$ 150,918</u>
Business-Type Activities	
Water Fund	\$ 240,505
Sewer Fund	65,126
Total Depreciation Expense Business-Type Activities	<u>\$ 305,631</u>

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 5 - ALLOCATION FROM GENERAL FUND**

The District allocates a percentage of administrative expenses to each of the four funds of the District. The following shows the allocation percentages to allocate the administrative expenses:

Water	47.0%
Sewer	25.0%
Park and Recreation	10.0%
Fire Protection	18.0%

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2021, consisted of the following:

	<u>Park &amp; Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Activities</u>	<u>Water</u>	<u>Sewer</u>	<u>Total Business-Type Activities</u>
Vendor Payables	\$ 8,490	\$ 36,670	\$ 45,160	\$ 42,440	\$ 136,687	\$ 179,127
Accrued Payables	685	9,174	9,859	8,953	5,224	14,177
Interest Payables	-	-	-	38,105	2,045	40,150
Total	<u>\$ 9,175</u>	<u>\$ 45,844</u>	<u>\$ 55,019</u>	<u>\$ 89,498</u>	<u>\$ 143,956</u>	<u>\$ 233,454</u>

**NOTE 7 - COMPENSATED ABSENCES**

The District's compensated absences at June 30, 2021 consisted of the following:

	<u>Park &amp; Recreation</u>	<u>Fire Protection</u>	<u>Total Governmental Activities</u>	<u>Water</u>	<u>Sewer</u>	<u>Total Business-Type Activities</u>
Compensated Absences	<u>\$ 4,583</u>	<u>\$ 32,097</u>	<u>\$ 36,680</u>	<u>\$ 40,552</u>	<u>\$ 22,145</u>	<u>\$ 62,697</u>

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits and limited sick leave. A portion of these benefits is paid to the employee upon separation of employment from the District. The liability has been provided for in the government-wide financial statements, governmental funds financial statements, and enterprise funds.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 8 - LONG-TERM OBLIGATIONS**

**Summary – Enterprise Activities**

The changes to the District’s long-term obligations for its enterprise activities during the year consisted of the following:

<b>Enterprise Funds:</b>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>	<u>Due in One Year</u>
<b>Water Fund</b>					
Davis – Grunsky loan #1. Original indebtedness – \$950,000, payable in annual installments of Principal and semi-annual installments of interest At 2.5%, maturity date is 2023.	\$ 108,093	\$ -	\$ (35,145)	\$ 72,948	\$ 35,397
Davis – Grunsky #1, deferred interest, payable in annual installments without interest, original indebtedness - \$84,239, maturity date is 2023.	10,986	-	(3,663)	7,323	3,662
Davis – Grunsky #2. Original indebtedness – \$860,535, payable in annual installments of Principal and semi-annual installments of interest At 2.5% maturity is 2023.	106,211	-	(34,533)	71,678	36,024
Municipal Finance Corporation, payable in annual installments and interest of 4.98%, maturity date is 2028	849,835	-	(80,304)	769,531	83,517
Total-Water Fund	<u>1,075,125</u>	<u>-</u>	<u>(153,645)</u>	<u>921,480</u>	<u>158,600</u>
<b>Sewer Fund</b>					
US Bancorp, payable in annual installments of \$17,478, maturity date is August 2024	78,573	-	(14,608)	63,965	15,141
Total-Sewer Fund	<u>78,573</u>	<u>-</u>	<u>(14,608)</u>	<u>63,965</u>	<u>15,141</u>
Total	<u>\$ 1,153,698</u>	<u>\$ -</u>	<u>\$ (168,253)</u>	<u>\$ 985,445</u>	<u>\$ 173,741</u>
<b>Governmental Activities-Fire Fund</b>					
Municipal Finance Corporation, payable in annual installments and interest of 2.85% per annum Beginning Febuary 1, 2013 through Febuary 1, 2023	\$ 120,180	\$ -	\$ (38,939)	\$ 81,241	\$ 38,940

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 8 - LONG-TERM OBLIGATIONS (Continued)**

**Debt Service Requirements to Maturity**

The debt matures through 2028 as follows:

Fiscal Year	Fire Fund Loans		Sewer Fund Sewer Bonds		Water Fund Loans and Deferred Interest		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 40,050	\$ 2,315	\$ 15,141	\$ 2,337	\$ 158,599	\$ 39,663	\$ 213,790	\$ 44,315
2023	42,269	1,174	15,694	1,784	160,062	29,241	218,025	32,199
2024	-	-	16,268	1,210	90,330	23,966	106,598	25,176
2025	-	-	16,862	616	93,944	20,353	110,806	20,969
2026-2028	-	-	-	-	418,545	42,302	418,545	42,302
Total	<u>\$ 82,319</u>	<u>\$ 3,489</u>	<u>\$ 63,965</u>	<u>\$ 5,947</u>	<u>\$ 921,480</u>	<u>\$ 155,525</u>	<u>\$ 1,067,764</u>	<u>\$ 164,961</u>

**NOTE 9 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 15, 2022, the date these financial statements were available.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 10 – DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The assets and any related income are maintained in a third party trust and are not included in the District's financial statements.

**NOTE 11 – FUND BALANCES**

Fund balances of the governmental funds are composed of the following elements:

	<u>Park &amp; Recreation</u>	<u>Fire</u>	<u>Total Governmental Funds- 2021</u>	<u>Total Governmental Funds-2020</u>
Nonspendable	\$ 872	\$ 1,789	\$ 2,661	\$ 1,740
Restricted	-	-	-	-
Assigned	72,997	602,850	675,847	628,723
Total Assigned	72,997	602,850	675,847	628,723
Committed	254,751	732,431	987,182	818,706
Total Committed	254,751	732,431	987,182	818,706
Unassigned	(601)	3,693	987,182	105,501
Total Fund Balances	<u>\$ 328,019</u>	<u>\$ 1,340,763</u>	<u>\$ 1,668,782</u>	<u>\$ 1,554,670</u>



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 12 – EXPENDITURES (BUDGET VERSUS ACTUAL)**

At June 30, 2021, the following District major funds compared to budgeted amounts as follows:

Funds	<u>Expenditures and Other Uses</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<b>Park &amp; Recreation</b>			
Employee Cost	\$ 14,771	\$ 12,574	\$ 2,197
General Operating Cost	77,200	65,754	11,446
Admin	59,836	56,575	3,261
Capital Outlay	170,240	126,436	43,804
<b>Total Park and Recreation</b>	<u>\$ 322,047</u>	<u>\$ 261,339</u>	<u>\$ 60,708</u>
<b>Fire</b>			
Employee Costs	\$ 758,770	\$ 812,696	\$ (53,926)
General Operating Cost	231,550	223,637	7,913
Admin	107,705	101,835	5,870
Capital Outlay	219,230	114,502	104,728
Debt Services	42,365	42,365	-
<b>Total Fire</b>	<u>\$ 1,359,620</u>	<u>\$ 1,295,035</u>	<u>\$ 64,585</u>

**NOTE 13 – RISK MANAGEMENT**

The Twain Harte Community Services 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. During the year ended June 30, 2021, the District contracted with the Special District Risk Management Authority (the Authority) for workers' compensation, and property and liability insurance coverage. The relationship between the District and the Authority is such that it is not a component unit of the District for financial reporting purposes. The Authority has reporting requirements independent of members units and its financial statements are not presented in these final statements. Audited financial statements are generally available from the Authority.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

**Grants**

The District received financial assistance from State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

**Litigation**

The District is not currently a party to any legal proceedings.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**

**A. Plan Description**

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS annual financial report may be obtained from their Executive Office – 400 Q Street, Sacramento, CA 95814.

**A. DEFINED BENEFITS PENSION PLANS - (Safety Plan)**

The District provides eligible employee's pension plans benefits through the Twain Harte Community Services District – Safety Plan.

**Plan Description, Benefits Provided and Employees Covered**

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

**Contribution Description**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees. For the Safety Plan CalPERS valuation date as of June 30, 2018, the active employee contribution rate is 8.987 percent of annual pay, the average employer's contribution rate is 20.585 percent of annual payroll, and the required annual unfunded contributions is \$13,501.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)**

Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

For the measurement period ending June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. Both the June 30, 2017 total pension liability and the June 30, 2018 total pension liability were based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

*Discount Rate*

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely results in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund.

The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)**

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11 +</u>
Global Equity	50.0%	4.8%	5.98%
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Infrastructure and Forestland	-	-	-
Liquidity	1.00	-	(0.92)

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	<u>Plan Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u>
Balance at : 6/30/2019 (MD)	\$ 1,591,313	\$ 1,357,113	\$ 234,200
Balance at : 6/30/2020 (MD)	\$ 1,767,791	\$ 1,500,218	\$ 267,573
Net Changes during 2019-20	\$ 176,478	\$ 143,105	\$ 33,373

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)**

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The collection total pension liability was based on the following assumptions:

	<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
Plan's Net Pension Liability/(Asset)	\$ 507,646	\$ 267,573	\$ 70,571

*Subsequent Events*

There were no subsequent events that would materially affect the results presented in this disclosure.

**PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS**

For the fiscal year ended June 30, 2021 pension expense recognized is as follows:

	<b>2021</b>
Total Service Costs	\$ 19,282
Interest on TPL	67,372
Recognize Changes of Assumptions	9,162
Changes of Benefit Terms	-
Plans Share of Employee Contribution	(7,392)
Net Plan to Plan Resource Movement	(5,959)
Projected Earnings on PPI	(49,411)
Recognized Difference Between Projected and Actual Plan Earnings	10,717
Recognized Difference Between Expected & Actual Experience	5,305
Administrative Expenses	971
Other Miscellaneous Income	-
<b>Total Pension Expense Recognized</b>	<b>\$ 50,047</b>

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**A. DEFINED BENEFITS PENSION PLANS - Safety Plan (Continued)**

For the measurement period ended June 30, 2020 (the measurement date), Twain Harte Community Services District incurred a pension expense of \$50,047 for the Plan (the pension expense for risk pool for the measurement period is \$1,246,131,760).

As of June 30, 2021, the Twain Harte Community Services District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ -	\$ 891
Difference between Expected and Actual Experience	20,749	-
Difference between Projected and Actual Investment Earnings	5,815	14,514
Difference between Employer's Contribution and Proportionate Share of Contributions	1,199	-
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	39,284	-
	<u>75,497</u>	<u>-</u>
Total	<u>\$ 142,544</u>	<u>\$ 15,405</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<b>Measurement Period Ended June 30,</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2022	41,777
2023	31,756
2024	20,492
2025	18,013
2026	15,099
Thereafter	-

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan**

The District provides eligible employee’s pension plans benefits through the Twain Harte Community Services District – Miscellaneous Plan (The Plan).

*Plan Description, Benefits Provided and Employees Covered*

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

*Contribution Description*

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees. The CalPERS Annual Valuation Report as of June 30, 2018, reported 2020-2021, required the following:

<u>Plan</u>	<u>Employer Normal Cost Rate</u>	<u>Employer Payment of Unfunded Liability</u>	<u>Employee Contribution</u>
Miscellaneous Plan	14.7290%	\$ 19,367	7.787%
PEPRA Misc Plan	0.0000%	\$ -	0.000%

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The collection total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

*Discount Rate*

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely results in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)**

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11 +</u>
Global Equity	50.0%	4.8%	5.98%
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Infrastructure and Forestland	-	-	-
Liquidity	1.00	-	(0.92)

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	<u>Plan Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u>
Balance at : 6/30/2019 (MD)	\$ 2,130,104	\$ 1,802,121	\$ 327,983
Balance at : 6/30/2020 (MD)	\$ 2,485,161	\$ 2,115,692	\$ 369,469
Net Changes during 2019-20	\$ 355,057	\$ 313,571	\$ 41,486

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)**

	<b>Discount Rate - 1%</b>	<b>Current</b>	<b>Discount Rate + 1%</b>
	<b>(6.15%)</b>	<b>Discount</b>	<b>(8.15%)</b>
	<u>                    </u>	<u>Rate (7.15%)</u>	<u>                    </u>
Plan's Net Pension Liability/(Asset)	\$ 700,183	\$ 369,469	\$ 96,210

*Subsequent Events*

There were no subsequent events that would materially affect the results presented in this disclosure.

**PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS**

For the fiscal year ended June 30, 2021 pension expense recognized is as follows:

	<u><b>2021</b></u>
Total Service Costs	\$ 37,876
Interest on TPL	111,811
Recognize Changes of Assumptions	13,432
Changes of Benefit Terms	79
Plans Share of Employee Contribution	(17,319)
Net Plan to Plan Resource Movement	(3,526)
Projected Earnings on PPI	(87,497)
Recognized Difference Between Projected and Actual Plan Earnings	9,213
Recognized Difference Between Expected & Actual Experience	10,212
Administrative Expenses	1,724
Other Miscellaneous Income	<u>-</u>
<b>Total Pension Expense Recognized</b>	<u><b>\$ 76,005</b></u>

For the measurement period ended June 30, 2020 (the measurement date), the Twain Harte Community Services District incurred a pension expense/(income) of \$76,005 for the Plan (the pension expense for risk pool for the measurement period is \$867,712,876).

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**

**Notes to the Financial Statements**

**June 30, 2021 and 2020**

**NOTE 15 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**B. DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)**

As of June 30, 2021, Twain Harte Community Services District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ -	\$ 2,635
Difference between Expected and Actual Experience	19,040	-
Difference between Projected and Actual Investment Earnings	10,976	-
Difference between Employer's Contribution and Proportionate Share of Contribution	8,362	8,932
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	50,086	-
	<u>114,008</u>	<u>-</u>
<b>Total</b>	<u>\$ 202,472</u>	<u>\$ 11,567</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<b>Measurement Period Ended June 30,</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2022	59,561
2023	47,931
2024	32,547
2025	28,066
2026	22,800
Thereafter	-

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Schedules of Required Supplementary Information - Safety Plan**  
**As of June 30, 2021**  
**Last 10 Years\***

**Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.00148%	0.00136%	0.00107%	0.00115%	0.00563%	0.00294%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 267,573	\$ 87,000	\$ 172,722	\$ 174,115	\$ 83,756	\$ 43,065
Plan's Covered-Employee Payroll	\$ 351,060	\$ 291,915	\$ 351,060	\$ 291,915	\$ 339,294	\$ 318,223
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	76.2%	29.8%	49.2%	59.6%	24.7%	13.5%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	84.9%	85.3%	87.9%	85.7%	89.3%	94.4%
<b>Schedule of Plan Contributions</b>						
Actuarially Determined Contribution	\$ 92,359	\$ 70,698	\$ 65,305	\$ 58,566	\$ 54,826	\$ 60,458
Contributions in Relation to the Actuarially Determined Contribution	(92,359)	(70,698)	(65,305)	(58,566)	(54,826)	(60,458)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 392,982	\$ 392,982	\$ 377,796	\$ 351,060	\$ 291,915	\$ 339,294
Contributions as a Percentage of Covered-Employee Payroll	23.50%	17.99%	17.29%	16.68%	18.78%	17.82%

**Notes to Schedule**

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2019 as they have minimal cost impact.

Change in Assumptions: None

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Schedules of Required Supplementary Information**  
**Miscellaneous Plan PEPRA Miscellaneous**  
As of June 30, 2021  
Last 10 Years\*

**Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.00251%	0.00235%	0.00189%	0.00161%	0.00911%	0.00339%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 369,469	\$ 296,000	\$ 248,443	\$ 258,041	\$ 140,775	\$ 111,247
Plan's Covered-Employee Payroll	\$ 688,435	\$ 608,372	\$ 646,007	\$ 630,659	\$ 644,354	\$ 626,570
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	53.67%	48.65%	38.46%	40.92%	21.85%	21.84%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	85.13%	84.60%	86.39%	83.70%	89.27%	89.66%

**Schedule of Plan Contributions**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially Determined Contribution	\$ 123,252	\$ 84,878	\$ 89,837	\$ 82,407	\$ 75,332	\$ 79,387
Contributions in Relation to the Actuarially Determined Contribution	(123,252)	(84,878)	(89,837)	(82,407)	(75,332)	(79,387)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 688,435	\$ 688,435	\$ 661,270	\$ 646,007	\$ 630,659	\$ 644,354
Contributions as a Percentage of Covered-Employee Payroll	17.90%	12.33%	13.59%	12.76%	11.94%	12.32%

**Notes to Schedule**

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2019 as they have minimal cost impact.

Change in Assumptions: None

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Park and Recreation**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances-</u>
	<u>Original</u>	<u>Final</u>		<u>Final</u>
				<u>to Actual</u>
<b>REVENUES</b>				
<b>Program Revenues:</b>				
Taxes and Assessments	\$ 134,556	\$ 134,556	\$ 137,200	\$ 2,644
Charges for Services	1,000	11,180	15,378	4,198
Grants & Donations	28,000	120,390	107,094	(13,296)
Revenue from Use of Money	-	-	2,357	2,357
Other Revenues	2,350	2,350	-	(2,350)
<b>Total Revenues</b>	<u>165,906</u>	<u>268,476</u>	<u>262,029</u>	<u>(6,447)</u>
<b>EXPENDITURES</b>				
<b>Operating Expenditures:</b>				
Salaries and Benefits	15,430	9,345	12,574	(3,229)
General Operating Costs	65,670	82,625	65,754	16,871
Administrative	59,962	59,836	56,575	3,261
Capital Outlay	70,400	170,240	126,436	43,804
<b>Total Expenditures</b>	<u>211,462</u>	<u>322,046</u>	<u>261,339</u>	<u>60,707</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(45,556)</u>	<u>(53,570)</u>	<u>690</u>	<u>54,260</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from the sale of assets	-	-	-	-
<b>Net Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(45,556)</u>	<u>(53,570)</u>	<u>690</u>	<u>54,260</u>
<b>Fund Balance – Beginning</b>	<u>-</u>	<u>-</u>	<u>327,329</u>	<u>-</u>
<b>Fund Balance – Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,019</u>	<u>\$ -</u>

The notes are integral part of these statements.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Park and Recreation**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variances- Final to Actual</u>
<b>REVENUES</b>			
<b>Program Revenues:</b>			
Taxes and Assessments	\$ 130,786	\$ 132,564	\$ 1,778
Charges for Services	5,800	5,180	(620)
Grants & Donations	18,000	19,945	1,945
Revenue from Use of Money	4,500	5,660	1,160
Other Revenues	56,000	81	(55,919)
<b>Total Revenues</b>	<u>215,086</u>	<u>163,430</u>	<u>(51,656)</u>
<b>EXPENDITURES</b>			
<b>Operating Expenditures:</b>			
Salaries and Benefits	13,679	8,939	4,740
Materials, Supplies and Services	121,699	102,143	19,556
Capital Outlay	57,000	4,265	52,735
<b>Total Expenditures</b>	<u>192,378</u>	<u>115,347</u>	<u>77,031</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>22,708</u>	<u>48,083</u>	<u>25,375</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from the sale of assets	-	-	-
<b>Net Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	48,083	-
<b>Fund Balance – Beginning</b>	<u>-</u>	<u>279,246</u>	<u>-</u>
<b>Fund Balance – Ending</b>	<u>\$ -</u>	<u>\$ 327,329</u>	<u>\$ -</u>

The notes are integral part of these statements.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Fire Protection Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances- Final to Actual</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
<b>Program Revenues:</b>				
Taxes and Assessments	\$ 1,135,367	\$ 1,135,367	\$ 1,167,004	\$ 31,637
Grants & Donations	7,700	50,545	46,237	(4,308)
Revenue from Use of Money	-	-	6,752	6,752
Other Revenues	16,680	104,554	211,440	106,886
<b>Total Revenues</b>	<b>1,159,747</b>	<b>1,290,466</b>	<b>1,431,433</b>	<b>140,967</b>
<b>EXPENDITURES</b>				
<b>Operating Expenditures:</b>				
Salaries and Benefits	755,988	758,770	812,696	(53,926)
Materials, Supplies and Services	210,100	231,550	223,637	7,913
Capital Outlay	311,680	219,230	114,502	104,728
Administrative	107,931	107,705	101,835	5,870
Debt Service	42,365	42,365	42,365	-
<b>Total Expenditures</b>	<b>1,428,064</b>	<b>1,359,620</b>	<b>1,295,035</b>	<b>64,585</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(268,317)</b>	<b>(69,154)</b>	<b>136,398</b>	<b>76,382</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(268,317)</b>	<b>(69,154)</b>	<b>136,398</b>	<b>-</b>
<b>Fund Balance – Beginning</b>	<b>-</b>	<b>-</b>	<b>1,227,341</b>	<b>-</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>(22,976)</b>	<b>-</b>
<b>Fund Balance – Ending</b>	<b>\$ (268,317)</b>	<b>\$ (69,154)</b>	<b>\$ 1,340,763</b>	<b>\$ -</b>

The notes are an integral part of these statements.



**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Fire Protection Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Final to Actual</u>
<b>REVENUES</b>			
<b>Program Revenues:</b>			
Taxes and Assessments	\$ 1,129,565	\$ 1,146,619	\$ 17,054
Grants	56,075	30,762	(25,313)
Donations	3,000	23,365	20,365
Revenue from Use of Money	18,000	17,960	(40)
Other Revenues	90,238	113,150	22,912
<b>Total Revenues</b>	<u>1,296,878</u>	<u>1,331,856</u>	<u>34,978</u>
<b>EXPENDITURES</b>			
<b>Operating Expenditures:</b>			
Salaries and Benefits	781,887	740,943	40,944
Materials, Supplies and Services	350,058	332,755	17,303
Capital Outlay	331,395	136,832	194,563
Administrative	-	-	-
Debt Service	42,365	42,365	-
<b>Total Expenditures</b>	<u>1,505,705</u>	<u>1,252,895</u>	<u>252,810</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(208,827)</u>	<u>78,961</u>	<u>287,788</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
<b>Net Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	78,961	-
<b>Fund Balance – Beginning</b>	<u>-</u>	<u>1,148,380</u>	<u>-</u>
<b>Fund Balance – Ending</b>	<u>\$ -</u>	<u>\$ 1,227,341</u>	<u>\$ -</u>

The notes are an integral part of these statements.

**TWAIN HARTE COMMUNITY SERVICES DISTRICT**  
**Notes to Required Supplementary Information**  
**June 30, 2021 and 2020**

**BUDGETARY BASIS OF ACCOUNTING**

The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 of the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Unused appropriations for the budgeted funds lapse at the end of the fiscal year. Budgets are adopted on a modified accrual basis. Expenditures in excess of budgeted amounts are approved individually by the Board.