

CAMERON PARK AIRPORT DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2015

CAMERON PARK AIRPORT DISTRICT

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LARRY BAIN, CPA

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cameron Park Airport District
Cameron Park, CA

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the general fund of the Cameron Park Airport District, as of and for the year ended June 30, 2015, 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 the 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.

Auditors' Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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 District'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 District'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 financial statement presentation.

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

Basis for Qualified Opinion

The District does not utilize an accounting system with a self-balancing set of accounts for recording transactions to each fund. As a result entries can be posted to the general ledger causing the financial statements to be out of balance by fund and entries posted to funds causing material misstatement without being detected in a timely manner by the financial staff

Qualified Opinion

Except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and the general fund of the Cameron Park Airport District as of June 30, 2015, and the changes in financial position, of those activities and funds for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

The Cameron Park Airport District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The required supplementary information other than MD&A, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Other Information

We have also issued our report dated June 27, 2016 on our consideration of the District’s internal control over financial reporting. That report should be read in conjunction with this report in considering our audit.

Larry Bain, CPA,
An Accounting Corporation
June 27, 2016

CAMERON PARK AIRPORT DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2015**

Assets			
Cash and investments	\$ 234,643	\$ 86,562	\$ 321,205
Fuel inventory		30,794	30,794
Accounts receivable	8,150	51,160	59,310
Deposits with others	650		650
Interfund activity	930	(930)	-
Capital assets:			
Land		210,000	210,000
Buildings and improvements	3,514	197,738	201,252
Site improvements	511,970	2,618	514,588
Equipment	11,650	128,953	140,603
Infrastructure	2,002,948		2,002,948
Less: accumulated depreciation	(678,981)	(198,202)	(877,183)
Total Assets	<u>\$ 2,095,474</u>	<u>\$ 508,693</u>	<u>\$ 2,604,167</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 7,745	\$ 865	\$ 8,610
Accrued payroll	162		162
Due to other funds	2,918	-	2,918
Deposit liability	2,615		2,615
Accrued interest payable		2,132	2,132
Current portion of long-term debt		27,867	
Noncurrent liabilities:			
Due in more than one year		18,152	18,152
Total Liabilities	<u>13,440</u>	<u>49,016</u>	<u>62,456</u>
Net Position			
Net investment in capital assets	(151,847)	295,088	143,241
Unrestricted	<u>2,233,881</u>	<u>164,589</u>	<u>2,398,470</u>
Total Net Position	<u>\$ 2,082,034</u>	<u>\$ 459,677</u>	<u>\$ 2,541,711</u>

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

CAMERON PARK AIRPORT DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Airport operations	\$ 157,747	\$ 60,339	\$ 10,000	\$ (87,408)	\$ -	\$ (87,408)
Total Governmental Activities	<u>157,747</u>	<u>60,339</u>	<u>10,000</u>	<u>(87,408)</u>		<u>(87,408)</u>
Business-type activities:						
Fixed base airport operations	276,010	290,809			14,799	14,799
Interest on long-term debt	<u>2,504</u>				<u>(2,504)</u>	<u>(2,504)</u>
Total Business-type Activities	<u>278,514</u>	<u>290,809</u>			<u>12,295</u>	<u>12,296</u>
Total Government	<u>\$ 436,260</u>	<u>\$ 351,148</u>	<u>\$ 10,000</u>	<u>(87,408)</u>	<u>12,295</u>	<u>(75,113)</u>
General Revenues:						
Taxes and assessments:						
Property taxes				12,569		12,569
ERAF				9,933		9,933
Investment income				93	-	93
Interfund transfers				<u>(24,802)</u>	<u>24,802</u>	
Total general revenues				<u>(2,207)</u>	<u>24,802</u>	<u>22,594</u>
Change in Net Position				<u>(89,615)</u>	<u>37,097</u>	<u>(52,518)</u>
Net Position - beginning				<u>2,171,649</u>	<u>422,580</u>	<u>2,594,229</u>
Net Position - ending				<u>\$ 2,082,034</u>	<u>\$ 459,677</u>	<u>\$ 2,541,711</u>

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

CAMERON PARK AIRPORT DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Assets		
Cash and investments	\$ 234,643	\$ 234,643
Accounts receivable	8,150	8,150
Due from other funds	930	930
Deposits with others	<u>650</u>	<u>650</u>
Total Assets	<u>\$ 244,373</u>	<u>\$ 244,373</u>
Liabilities and Fund Equity		
Liabilities		
Claims payable	\$ 7,745	\$ 7,745
Accrued payroll	162	162
Due to others	2,918	2,918
Deposit liability	<u>2,615</u>	<u>2,615</u>
Total Liabilities	<u>13,440</u>	<u>13,440</u>
Fund Equity		
Fund balances		
Unreserved		
General fund	<u>230,933</u>	<u>230,933</u>
Total Fund Equity	<u>230,933</u>	<u>230,933</u>
Total Liabilities and Fund Equity	<u>\$ 244,373</u>	<u>\$ 244,373</u>

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

CAMERON PARK AIRPORT DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Fund Balances of Governmental Funds	\$ 230,933
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	<u>1,851,101</u>
Net Position of governmental activities	\$ <u><u>2,082,034</u></u>

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

CAMERON PARK AIRPORT DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Revenues		
Property taxes	\$ 22,502	\$ 22,502
Intergovernmental revenue	10,000	10,000
Use of money and property	93	93
Charges for current services	19,643	19,643
Special assessments	40,650	40,650
Miscellaneous	46	46
	<u>92,934</u>	<u>92,934</u>
Expenditures		
Salaries and benefits	22,261	22,261
Services and supplies	47,002	47,002
Capital outlay	8,025	8,025
	<u>77,288</u>	<u>77,288</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>15,646</u>	<u>15,646</u>
Other Financing Sources (Uses)		
Operating transfers (out)-net	<u>(24,802)</u>	<u>(24,802)</u>
Total Other Financing Sources (Uses)	<u>(24,802)</u>	<u>(24,802)</u>
Change in Fund Balances	<u>(9,156)</u>	<u>(9,156)</u>
Fund Balances, July 1, 2014	<u>240,089</u>	<u>240,089</u>
Fund Balances, June 30, 2015	<u>\$ 230,933</u>	<u>\$ 230,933</u>

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

CAMERON PARK AIRPORT DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Net Change in Fund Balances - Total Governmental Funds \$ (9,156)

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This and the net effect of various other transactions involving capital assets increased net position as follows:

General government capital outlay expenditures	8,025
Depreciation expense	<u>(88,484)</u>

Change in net position of governmental activities \$ (89,615)

CAMERON PARK AIRPORT DISTRICT

**PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Airport Fixed Base Operation	Totals
Current assets:		
Cash	\$ 86,562	\$ 86,562
Fuel inventory	30,794	30,794
Accounts receivable	51,160	51,160
Due from other fund	-	-
Total current assets	168,516	168,516
Noncurrent Assets		
Capital assets:		
Nondepreciable capital assets:		
Land	210,000	210,000
Depreciable capital assets		
Building and hangars	197,738	197,738
Site improvements	2,618	2,618
Fuel Equipment	128,953	128,953
Less accumulated depreciation	(198,202)	(198,202)
Total capital assets (net of accumulated depreciation)	341,107	341,107
Total noncurrent assets	341,107	341,107
Total Assets	\$ 509,623	\$ 509,623
Liabilities		
Current liabilities:		
Accounts payable	\$ 865	\$ 865
Accrued interest	2,132	2,132
Due to other fund	930	930
Current portion of long-term debt	27,867	27,867
Total current liabilities	31,794	31,794
Noncurrent liabilities:		
Long-term portion leases payable	18,152	18,152
Total noncurrent liabilities	18,152	18,152
Total Liabilities	49,946	49,946
Net Position:		
Net investment in capital assets	295,088	295,088
Unrestricted	164,589	164,589
Total Net Position	\$ 459,677	\$ 459,677

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

CAMERON PARK AIRPORT DISTRICT

PROPRIETARY FUND

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2015**

	<u>Airport Fixed Base Operation</u>	<u>Totals</u>
Operating Revenues		
Fuel sales	\$ 242,412	\$ 242,412
Hangar rent	48,397	48,397
	<hr/>	<hr/>
Total Operating Revenues	290,809	290,809
	<hr/>	<hr/>
Operating Expenses		
Wages	20,558	20,558
Maintenance, operation and administration	17,521	17,521
Cost of goods sold	227,235	227,235
Depreciation expense	10,696	10,696
	<hr/>	<hr/>
Total Operating Expenses	276,010	276,010
Operating Inome	14,799	14,799
	<hr/>	<hr/>
Non-operating Revenue (Expense)		
Interest revenue	-	-
Interest expense	(2,504)	(2,504)
Total Non-operating Revenue (Expense)	<hr/> (2,504) <hr/>	<hr/> (2,504) <hr/>
Net Income Before Other Financing Sources (Uses)	12,295	12,295
	<hr/>	<hr/>
Other financing sources and (uses)		
Operating transfers in-net	24,802	24,802
Total Other Financing Sources and (Uses)	<hr/> 24,802 <hr/>	<hr/> 24,802 <hr/>
Change in Net Position	<hr/> 37,097 <hr/>	<hr/> 37,097 <hr/>
Net Position, July 1, 2014	<hr/> 422,580 <hr/>	<hr/> 422,580 <hr/>
Net Position, June 30, 2015	<hr/> \$ 459,677 <hr/>	<hr/> \$ 459,677 <hr/>

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

CAMERON PARK AIRPORT DISTRICT

**PROPRIETARY FUND
STATEMENT OF CASH FLOWS
JUNE 30, 2015**

	Airport Fixed Base Operation	Totals
Cash Flows from Operating Activities		
Cash received from customers	\$ 281,446	\$ 281,446
Cash payments to suppliers	(208,197)	(208,197)
Cash payments to employees	(20,558)	(20,558)
Net Cash Provided By Operating Activities	<u>52,691</u>	<u>52,691</u>
Cash Flows from Non-Capital Financing Activities		
Interfund lending	25,732	25,732
Net Cash Used For Non-Capital Financing Activities	<u>25,732</u>	<u>25,732</u>
Cash Flows from Capital and Related Financing Activities		
Reductions of debt	(42,375)	(42,375)
Interest expense	(4,466)	(4,466)
Net Cash Used For Capital and Related Financing Activities	<u>(46,841)</u>	<u>(46,841)</u>
Cash flows from investing activities:		
Interest received on investments	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	31,582	31,582
Cash and Cash Equivalents, July 1, 2013	54,980	64,334
Cash and Cash Equivalents, June 30, 2014	<u>\$ 86,562</u>	<u>\$ 95,916</u>
 Reconciliation of Cash and Cash Equivalents:		
Cash and investments	<u>\$ 86,562</u>	<u>\$ 86,562</u>
 Reconciliation of operating income to net cash flows from operating activities:		
Operating Income	\$ 14,799	\$ 14,799
Noncash items included in operating loss:		
Depreciation	10,696	10,696
Changes in:		
Accounts receivable	(9,363)	(9,363)
Fuel Inventory	35,694	35,694
Accounts payable	865	865
Net Cash Provided By Operating Activities	<u>\$ 52,691</u>	<u>\$ 52,691</u>

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

CAMERON PARK AIRPORT DISTRICT

**AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015**

ASSETS

Cash and investments	\$	164,146
Due from other fund		2,918
Due from landowners		<u>834,315</u>
Total Assets	\$	<u><u>1,001,379</u></u>

LIABILITIES

Accounts payable	\$	-
Accrued interest		14,393
Due to bondholders		<u>986,986</u>
Total Liabilities	\$	<u><u>1,001,379</u></u>

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

CAMERON PARK AIRPORT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies

Description of the Organization

Cameron Park Airport District (the “District”) was established in 1987 pursuant to Public Utilities Code Section 22256 for the purpose of providing and maintaining a public airport and landing places for aerial traffic, and the power to utilize various public financing procedures for construction and maintenance. Revenues are derived primarily from the property taxes, a special assessment on parcels within the district, fuel sales, hanger leases, and tie down fees.

The District is administered by five Board of Directors that act as the authoritative and legislative body of the district. The Directors are required to be residents of the district and are elected by qualified electors residing within the district.

The accounting policies of the Cameron Park Airport District, California conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The District has defined its reporting entity in accordance with U. S. generally accepted accounting principles, which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body’s financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit’s governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying financial statements in accordance with Governmental Accounting Standards Board.

B. Basis of Accounting

The government-wide, proprietary and agency fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue from sales tax is recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

CAMERON PARK AIRPORT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

When applicable, the District reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue source does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the occurrences of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has legal claim to the resources, deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

C. Basis of Presentation

Government-Wide Financial Statements

The statement of Net Position and statement of activities display information about the primary government (the District) and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

CAMERON PARK AIRPORT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) 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, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position is available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in separate columns. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

The District reports the following major enterprise fund.

Airport Fixed Base Operation - accounts for the operation of the District's owned airport enterprise activities. Activities of this fund include administration, operation and maintenance of the fuel sales, pilot supply sales and hangars, including billing and collection activities. The Fund also accumulates resources for, and payment of long-term debt principal and interest for the hangars, land and fuel system assets. Operations are financed through charges made for fuel sales, hangar rents and pilot supply sales. Administrative costs, major repairs and other operating expenses are subsidized by the general fund with operating transfers.

The District also reports the following Fiduciary Fund type:

Agency Fund – is used to account for resources held by the District in an agency capacity that are used to pay special assessment debt with no government commitment.

D. Use of Estimates

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

CAMERON PARK AIRPORT DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (Continued)

E. Inventory

Inventory for fuel is valued at the lower of cost or market using the first-in, first-out method of valuation.

F. Fixed Assets

Capital assets are capitalized at acquisition cost; donated equipment is recorded at the fair market value at the time of donation. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Depreciation for the business-type activities on the government wide financial statements is calculated using the straight-line method over the estimated life of the asset.

The District has determined the straight-line method of depreciation of 5 to 30 year lives of the capital assets in the governmental activities on the government wide financial statement. Depreciation and accumulated depreciation has been recorded from assets acquired after 2003.

G. Cash Equivalents

For purpose of the statement of cash flows, the District considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes bank accounts and deposits with the State of California Local Agency Investment Fund (LAIF).

H. Transfers

The District transfers funds from the Governmental activities to the Business activities as needed to subsidize these activities. The amount transferred during the 2014-15 fiscal year was \$24,802.

I. Property Tax and Assessments

El Dorado County, through the Auditor-Controller's Office and the Treasurer-Tax Collector, is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. Property taxes, in general, attach as an enforceable lien on property on January 1. Taxes are levied on July 1 and are payable in two instalments, November 1 and February 1. The County apportions property taxes according to the alternative method of distribution know as the Teeter Plan. Under the Teeter Plan, the current year's secured property tax levy is distributed to participating agencies within the County without consideration of delinquency factors. The district recognizes property taxes as revenue when the County distributes them.

The parcel assessment is a voter approved special tax of \$300 per year on parcels within the District. Parcel assessments are allocated to the District when the taxes are paid. The parcel assessments was approved by the voters in 1988 and are exempt from the taxation limits imposed by Proposition 13 and are not required to comply with Proposition 218, unless increases to the assessment are needed in future years.

CAMERON PARK AIRPORT DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1: Summary of Significant Accounting Policies (Continued)

Note 2: Cash and Investments

Cash and investments are reported on the balance sheet as follows:

Primary government	\$ 321,205
Agency fund	164,146
Total cash and investments	<u>\$ 485,351</u>

Cash and investments at June 30, 2015 consisted of the following

Checking account	\$ 479,118
Certificate of deposit	1,173
Imprest cash	200
Cash with County	4,860
Total cash and investments	<u>\$ 485,351</u>

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the Cameron Park Airport District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address **interest rate risk, credit risk** and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA			
Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

CAMERON PARK AIRPORT DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 2: Cash and Investments (Continued)

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of all investments. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investment maturity:

Investment Type	Totals	Remaining Maturity (in Months)	
		12 Months or Less	13-48 Months
El Dorado County*	\$ 4,860	\$ 4,860	\$ -
Totals	\$ 4,860	\$ 4,860	\$ -

*Not subject to categorization

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District’s deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2015, the District’s deposits balance, including certificates of deposit, was \$480,071 and the carrying amount was \$480,291. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance \$250,000 was covered by the Federal Depository Insurance and/or by collateral held in the pledging bank’s trust department in the District’s name.

E. Investment in Investment Pool

Investments are accounted for in accordance with the provisions of GASB Statement No. 31, which requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in fair value of investments in the year in which the change occurred. The District reports its investment in the El Dorado County Investment Pool at fair value based on quoted market information obtained from the County if the change is material to the financial statements.

CAMERON PARK AIRPORT DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 3: Property and Equipment

Activity for general fixed assets capitalized by the District is summarized below:

	Balance June 30, 2014	Additions	Retirements/ Adjustments	Balance June 30, 2015
Governmental Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 3,514	\$ -	\$ -	\$ 3,514
Site improvements	503,945	8,025		511,970
Equipment	11,650			11,650
Infrastructure	2,002,948			2,002,948
Total capital assets, being depreciated	<u>2,522,057</u>	<u>8,025</u>		<u>2,530,082</u>
Less accumulated depreciation:	<u>(590,497)</u>	<u>(88,484)</u>		<u>(678,981)</u>
Total capital assets, being depreciated, net	<u>1,931,560</u>	<u>(80,459)</u>		<u>1,851,101</u>
Governmental activities capital assets, net	<u>\$ 1,931,560</u>	<u>\$ (80,459)</u>	<u>\$ -</u>	<u>\$ 1,851,101</u>
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 210,000	\$ -	\$ -	\$ 210,000
Capital assets, being depreciated:				
Buildings and improvements	197,738			197,738
Site improvements	2,618			2,618
Equipment	128,953			128,953
Total capital assets, being depreciated	<u>329,309</u>	<u>-</u>	<u>-</u>	<u>329,309</u>
Less accumulated depreciation:	<u>(187,506)</u>	<u>(10,696)</u>		<u>(198,202)</u>
Total capital assets, being depreciated, net	<u>141,803</u>	<u>(10,696)</u>	<u>-</u>	<u>131,107</u>
Business- type activities capital assets, net	<u>\$ 351,803</u>	<u>\$ (10,696)</u>	<u>\$ -</u>	<u>\$ 341,107</u>

Note 4: Long-Term Debt – Enterprise Fund

At June 30, 2015, business-type long-term debt consisted of the following:

FBO loan

On July 6, 1998, the District entered into an agreement with the State of California Department of Transportation to obtain a loan in the amount of \$405,000 for the purchase of hangars, the fuel facility, and land at Cameron Air Park Airport. The loan has a maturity of 17 years with successive annual payments, including interest accruing at 5.0498% per year starting in August 1999. Interest for this loan is expensed directly to the proprietary fund.

Hangar Loan

On May 9, 2003, the District entered into an agreement with the State of California Department of Transportation to obtain a loan in the amount of \$90,000 for the purchase of a hangar at Cameron Air Park Airport. The loan has a maturity of 14 years with an annual successive payment and interest accruing at 5.0569% per year starting in August 2004. Interest for this loan is expensed directly to the propriety fund.

CAMERON PARK AIRPORT DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 4: Long-Term Debt – Enterprise Fund (Continued)

Future maturities of long – term debts are as follows:

For Year Ended June 30,	FBO Loan	Hangar Loan	Total
2016	\$ 19,367	\$ 8,500	\$ 27,867
2017		8,959	8,959
2018		9,193	9,193
Total	<u>\$ 19,367</u>	<u>\$ 26,652</u>	<u>\$ 46,019</u>

Note 5: Interfund Transactions

Operating transfers are transactions to allocate resources from one fund to another fund not contingent on the incurrence of specific expenditures in the receiving fund. Interfund transfers are generally recorded as operating transfers in and operating transfers out in the same accounting period.

Receivables and Payables:

Balances representing lending/borrowing transactions between funds outstanding at the fiscal year end are reported as “due from/due to other funds” (amounts due within one year).

Interfund transactions for the fiscal year ended June 30, 2015 are summarized as follows:

Fund Type	Due To Other Funds	Due From Other Funds	Operating Transfers In	Operating Transfers Out
General	\$ 2,918	\$ 930	\$ -	\$ 24,802
Agency Fund		2918		
Enterprise	930		24,802	
Total	<u>\$ 3,848</u>	<u>\$ 3,848</u>	<u>\$ 24,802</u>	<u>\$ 24,802</u>

Note 6: Special Assessment Debt with No Government Commitment

The Cameron Park Airport District’s Board and management are responsible for the administration of the Assessment District (Assessment District No. 2009-1) formed under the provisions of Municipal Improvement Act of 1913, Division 12 of the Streets and Highways Code of California. The District is not obligated to repay the special assessment debt to the special assessment debt holders. Special assessments collected from property owners within the assessment district are used to repay the debt holders. The assets and liabilities of the assessment district are accounted for in the basic financial statements agency fund.

The amount of special assessment debt with no government commitment at June 30, 2015, is:

Assessment District #2009-1 \$986,986

CAMERON PARK AIRPORT DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 7: Lease Income

The District derives a portion of its revenue from the rental of hangars based on a fixed lease amount. All leases of the District are treated as operating leases for accounting purposes. Lease terms are for a period of twelve months. Because the lease term does not exceed one year, we do not present the operating revenue over the term of the lease.

Note 8: Insurance

The District maintains a commercial package policy covering general and auto liability, public officials' and employees' errors and omissions and employment general practices. The policy provides combined single limits of liability per occurrence and with variable deductibles.

Note 9: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the City's ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 10: Gann Limit

Amount of subject proceeds for 2014-2015	\$ 22,594
Gann limit for 2014-2015	<u>51,415</u>
Amount under/(over) the limit	<u>\$ 28,821</u>

Note 11: Commitments and Contingencies

Grants

Amounts received or receivable from grant and lending agencies are subject to audit and adjustment by grantor and lending agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor or lender cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

In the normal course of business, the District is a defendant in various lawsuits. Defence of lawsuits are typically handled by the District's insurance carrier and losses, if any, are expected to be covered by insurance.

CAMERON PARK AIRPORT DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Property taxes	\$ 24,000	\$ 24,000	\$ 22,502	\$ (1,498)
Intergovernmental	10,000	10,000		(10,000)
Charges for current services	20,880	20,880	19,643	(1,237)
Special assessments	40,500	40,500	40,650	150
Use of money and property	<u>240</u>	<u>240</u>	<u>93</u>	<u>(147)</u>
 Total Revenues	 <u>95,620</u>	 <u>95,620</u>	 <u>82,888</u>	 <u>(12,732)</u>
Expenditures				
Salaries and benefits	23,200	23,200	22,261	939
Services and supplies	42,595	42,595	47,002	(4,407)
Capital outlay	<u>-</u>	<u>-</u>	<u>8,025</u>	<u>(8,025)</u>
 Total Expenditures	 <u>65,795</u>	 <u>65,795</u>	 <u>77,288</u>	 <u>(11,493)</u>
 Excess (Deficit) of Revenues Over (Under) Expenditures	 <u>29,825</u>	 <u>29,825</u>	 <u>5,600</u>	 <u>(24,225)</u>
Other Financing Sources (Uses)				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(24,802)</u>	<u>(24,802)</u>
 Total Other Financing Uses	 <u>-</u>	 <u>-</u>	 <u>(24,802)</u>	 <u>(24,802)</u>
 Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	 <u>\$ 29,825</u>	 <u>\$ 29,825</u>	 <u>(19,202)</u>	 <u>\$ (49,026)</u>
 Fund Balances, July 1, 2014			<u>240,089</u>	
 Fund Balances, June 30, 2015			<u>\$ 220,887</u>	

CAMERON PARK AIRPORT DISTRICT

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Note 1: Budgets and Budgetary Accounting

As required by State law the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the sources of financing.

The budget for the general fund is adopted on the modified accrual basis of accounting. The budget for the general fund is the only legally adopted budgets.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.

LARRY BAIN, CPA

An Accounting Corporation

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Board of Directors:

Cameron Park Airport District

Cameron Park, CA

We have audited the financial statements of Cameron Park Airport District as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated June 27, 2016 We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cameron Park Airport District's (District) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We consider findings 15-1 through 15-6 in the following schedule of findings to be deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 15-7 to 15-15 in the following schedule of findings to be significant deficiencies in the District's internal control:

Cameron Park Airport District's Response to Findings

The Cameron Park Airport District's separate written response to the significant deficiencies identified in our audit and any follow up for subsequent year corrections has not been subjected to the audit procedures applied in the audit of the financial statements and accordingly, we do not express an opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls over financial reporting and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the District's internal control over financial reporting accordingly this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the audit committee, Board of Directors, the El Dorado County Auditor Controller's Office, the California State Controller's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Larry Bain, CPA,
An Accounting Corporation
June 27, 2016

CAMERON PARK AIRPORT DISTRICT
SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

INTERNAL CONTROL FINDINGS

Significant Deficiencies Deemed Material Weaknesses

FS 15-1 (Prior Year FS 10-1): During our setup of the auditor's trial balance we noted the District's general ledger does not have a self-balancing set of accounts for the general fund and the enterprise fund. These two funds are combined in the general ledger with the revenues and expenses assigned to the two funds and the balance sheet combined. Significant adjustments need to be made through accounts receivable and operating transfers in order to balance the funds. In the aggregate the District trial balance does balance.

Current year follow up: Condition still exists and is a condition for the qualified opinion in the auditors report.

Recommendation: We recommend either obtaining an accounting program that will create a self-balancing set of accounts for each fund, or modify the existing accounting program in order to have the ability to generate a self-balancing set of accounts.

FS 15-2 (Prior Year FS 10-3): During our audit we noted the District did not have a written financial and accounting policy/manual that included internal control procedures. The District should create the financial and accounting policies that demonstrate how transactions are processed from beginning to end. The policy should include the processes for internal controls that are designed to provide reasonable assurance that objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations are met. This also should include documenting controls over processing transactions, authorizing transactions and for maintaining and safeguarding assets.

The District also relies on the external auditor to ensure its financial statements are in accordance with GAAP. In addition, the District relies on the external auditor to ensure that all necessary disclosures are included in the notes to the financial statements. The District does not employ a staff member with the necessary knowledge and training to prepare governmental financial statements. In accordance with Statement of Auditing Standards No. 115 external auditors cannot be part of an entity's internal controls over preparation of the financial statements and are prohibited from auditing their own work, which would impair their independence.

Recommendation: We recommend the District create a written financial and accounting policy. The District should also consider training staff in preparing GAAP financial statements or hire an external qualified accountant to prepare the GAAP financial statements. The District could opt to take no action if it considers the cost will outweigh the benefit.

Current year follow up: Condition still exists.

FS 15-3 (Prior Year FS 11-3): The material misstatements that were corrected during the 2010/11 fiscal year audit were to reduce accumulated depreciation in the enterprise fund \$282,117 to agree with the prior year audit, eliminate \$38,919 depreciation expense recorded in the general fund, fund financial statements, reclassify \$49,723 interest expense that was recorded as a reduction to the USDA loan, reclassify \$10,000 to grant revenue that was miscoded, and we recorded a reclassification entry to enterprise interest expense for \$16,665.

Current year follow up: Condition still exists. The balance on the depreciation expense was the same and should have been adjusted to reflect the appropriate balance. The enterprise fund beginning accumulated depreciation was \$360,571 overstated. We also noted the audit adjustments from the June 30, 2012 and June 30, 2013 audits were not posted to the District book of original entry (QuickBooks).

Recommendation: We recommend the district review the accounts prior to the audit and inform the auditor about all known misstatements. The District should also review and post all audit adjustments so the District trial balance reflects the audit balances as of the audited period.

CAMERON PARK AIRPORT DISTRICT
SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Significant Deficiencies Deemed Material Weaknesses (Continued)

FS 15-4 (Prior Year FS 11-5): The District did not implement the provisions of Government Accounting Standards Board Statement 54 as required by U.S. generally accepted accounting policies. This new standard went into effect for fiscal year ending June 30, 2011. The new requirement categorizes fund balances into five separate categories and sets a new definition for special revenue funds.

Current year follow up: Condition still exists.

Recommendation: We recommend the District review the provisions of GASB 54 and take action to adopt the new standard.

FS 15-5: During our testing we noted the District has a reserve requirement for their USDA Loan. Per the Cameron Park Airport District Resolution of Issuance “On each Interest Payment Date, and for the first ten years of the terms of the Bonds, the Office Administrator shall cause to be placed in the Reserve Fund an amount equal to 1/10th of the maximum annual Debt Service on the Bonds.” As of June 30, 2015 the Reserve Fund should have held 60% of the Reserve Requirement.

Recommendation: We recommend the District contact the bond Administrator to help calculate the balance the District should have in the Reserve Fund and then establish the reserve fund in order to comply with the letter of conditions for the USDA bond.

Significant Deficiencies Not Deemed Material Weaknesses:

FS 15-6: We noted the District has a lack of segregation of duties, as one person is capable of handling all aspects of processing transactions from beginning to end. A lack of segregation of duties increases the risk of potential errors or irregularities; however, due to a limited number of personnel an adequate segregation of duties is not possible without incurring additional costs. We have noted this finding in our prior audit.

FS 15-7 (Prior Year FS 13-6): During our audit we noted several accounts on the aged accounts receivables ledger that were over two years old.

Current year follow up: Condition still exist

Recommendation: We recommend the District accountant review the receivables ledger to determine collectability of the older accounts and then bring these to the board for review and guidance on collection procedures or writing the accounts off.

FS 15-8 (Prior Year FS 12-7): We noted a payment to Camino Outdoor Power for \$400 attached to the Growlerburg Conservation Camp agreement without an invoice. The agreement did have a email attached with a list of fees, however there was not enough information to determine what the \$400 was for.

We also noted an \$87.66 invoice from El Dorado Irrigation District coded to #8010 accounting services where the correct account was #7200 utilities. We also noted a \$45.22 reimbursement for printer ink coded to #5073 repairs and maintenance where account #8155 office expense would have been more appropriate.

We noted a \$226.41 expenditure for petty cash without invoices attached describing what the petty cash reimbursement was for a \$69.94 expenditure paid to WorldSmart without an invoice attached.

CAMERON PARK AIRPORT DISTRICT
SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2012/13 follow up: We noted that the District coded the garbage service expense from El Dorado Irrigation District to account #8010 accounting services as opposed to a utility account. The total payment during 2012/13 fiscal year for this activity was \$742.47.

We noted the payment to AT&T with check 1018 on July 23, 2012 for \$19.81 did not have a supporting invoice.

2013/14: We were not provided documentation for two items from our random sample

Current year follow up: We noted El Dorado Irrigation District expenses charged to account #8010 rather than #7300

Additionally, an \$8,025 expenditure for gate replacement should have been recorded to capital expense as opposed to a capital asset account. The governmental fund financial statements should not record capital assets.

Recommendation: We recommend more attention to detail when recording expenditures.

FS 15-9 (Prior Year FS 12-10): Government Code section 26909 requires the District audit to be completed within 12 months after fiscal year end and for a copy to be submitted to the County Auditor Controller and to the State Controller's Office. We were given access to the records more than 12 months after fiscal year end.

2012/13: The District provided the 2011/12 and 2012/13 fiscal year records in February 2014 allowing ample time to complete the 2012/13 fiscal year audit within the prescribed deadline. The 2011/12 fiscal year audit was submitted after the prescribed deadline and because of the time taken for the District to review the June 30, 2013 audit it also was issued after the prescribed deadline.

Current year follow up: No change, the June 30, 2014 and June 30, 2015 audits were completed more than one year after fiscal year end.

Recommendation: We recommend the District ensure that records are provided to the auditor allowing enough time to complete the audits within the Government Code deadline and submit the reports to the State Controller's Office and the El Dorado County Auditor Controller within 12 months after fiscal year end.

FS 15-10 (Prior Year 12-11): During our audit we noted that the General Manager's most recent contract expired on 8/15/11 and has not been renewed.

Current year follow up: The District hired a new General Manager during the 2014/15 fiscal year. While the General Manager is under a contract, he is being treated as an exempt employee. We do not believe this employee qualifies as an exempt employee because the administrative requirements are not met and because the employee does not supervise two full time employees who report directly to him.

Recommendation: We recommend the District review if the new general manager qualifies and exempt employee. This would involve providing the Board with the appropriate documentation to prove compliance. If it is determined that the employee qualifies, then the District should make the administrative changes, such as adding the appropriate language to the employee's job description and contract. The District may need to obtain legal guidance to ensure compliance.

FS 15-11 (Prior Year 12-12): During our audit we did not observe a fee ordinance for charging hangar rents, tie downs and any other charges for services.

CAMERON PARK AIRPORT DISTRICT
SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Significant Deficiencies Not Deemed Material Weaknesses (Continued):

Recommendation: We recommend the District review current laws for establishing fees for services and take action to comply. The District should consult with legal counsel to ensure compliance with Proposition 218 and any other applicable laws in establishing rates.

FS 15-12 (Prior Year 14-13) During our testing of account receivables, we noted Tie-down B-6 receivable was charged and then voided each month during the 2012/13 fiscal year. Per Discussion with District staff the tenant passed away and the outstanding balance was determined uncollectable. The District did not have documentation in the file to support why the monthly rent was voided.

Current year follow up: The accounts receivable balances were misstated by an immaterial amount.

Recommendation: We recommend the District review the accounts receivable balances and determine what accounts are collectable. Once this is determined the Board of Directors should review the uncollectable accounts and authorize either collection procedures or write off.

FS 15-13: During our testing we noted, the District is not maintaining timesheets or vacation/sick leave schedules to track how much vacation/sick leave is earned and used during each pay period.

Recommendation: We recommend the District maintain the appropriate documentation for payroll and vacation/sick leave record keeping.

FS 15-14 (Prior Year 14-16): During our testing we noted, some of the FBO Fund and General Fund checks were posted to the incorrect classes and as a result required adjustments. The incorrect postings between classes was a conditions for the funds to be out of balance resulting in a qualified opinion.

Recommendation: We recommend the District review postings periodically to ensure FBO checks are only being posted to FBO accounts.

FS 15-15 (Prior Year 14-17): We noted the District received \$20,000 from the Department of Transportation during the 2014/15 fiscal year, however the District did not record this activity as an account receivable as of 6/30/14. \$10,000 of this revenue was for the 2012/13 fiscal year and \$10,000 was for the 2013/14 fiscal year. We proposed adjustments to properly record this activity.

Recommendation: We recommend the District review and accrue all know account receivables.