

CAMERON PARK AIRPORT DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2018

CAMERON PARK AIRPORT DISTRICT

Table of Contents

Independent Auditor's Report..... 1

Basic Financial Statements:

 Proprietary Funds:

 Statement of Net Position..... 3

 Statement of Revenues, Expenses and Changes in Net Position..... 4

 Statement of Cash Flows..... 5

 Agency Fund

 Statement of Fiduciary Assets and Liabilities..... 6

Notes to the Financial Statements..... 7

LARRY BAIN, CPA

An Accounting Corporation

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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 business-type activities of the Cameron Park Airport District, as of and for the year ended June 30, 2018, and the 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 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.

Opinion

The basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Cameron Park Airport District as of June 30, 2018, and the changes in financial position, and the results of its cash flows 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.



Larry Bain, CPA,
An Accounting Corporation
March 18, 2020

CAMERON PARK AIRPORT DISTRICT

PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2018

Current assets:	
Cash	\$ 193,766
Fuel inventory	57,701
Accounts receivable	48,674
Deposits with others	650
Total current assets	<u>300,791</u>
Noncurrent Assets	
Capital assets:	
Nondepreciable capital assets:	
Land	210,000
Depreciable capital assets	
Building and Hangers	303,417
Site improvements	564,970
Equipment	187,267
Infrastructure	1,842,376
Less accumulated depreciation	<u>(1,176,473)</u>
Total capital assets (net of accumulated depreciation)	<u>1,931,557</u>
Total noncurrent assets	<u>1,931,557</u>
Total Assets	<u>\$ 2,232,348</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 10,689
Accrued Payroll	1,830
Deposits	3,200
Due to others	3,935
Total Liabilities	<u>19,654</u>
Net Position:	
Net investment in capital assets	1,931,557
Unrestricted	281,137
Total Net Position	<u>\$ 2,212,694</u>

CAMERON PARK AIRPORT DISTRICT

PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2018

Operating Revenues	
Fuel sales	\$ 201,348
Transient Parking/District Tie Down	16,902
Hangar rent	<u>47,272</u>
Total Operating Revenues	<u>265,522</u>
Operating Expenses	
Wages	68,343
Maintenance, operation and administration	212,361
Cost of goods sold	171,345
Depreciation expense	<u>99,293</u>
Total Operating Expenses	<u>551,342</u>
Operating Inome	<u>(285,820)</u>
Non-operating Revenue (Expense)	
Property tax	14,039
Special tax	40,822
Grant income	104,677
Misc Revenue	17,664
Interest revenue	<u>308</u>
Total Non-operating Revenue (Expense)	<u>177,510</u>
Change in Net Position	<u>(108,310)</u>
Net Position, July 1, 2017	<u>2,321,004</u>
Net Position, June 30, 2018	<u>\$ 2,212,694</u>

CAMERON PARK AIRPORT DISTRICT

**PROPRIETARY FUND
STATEMENT OF CASH FLOWS
JUNE 30, 2018**

Cash Flows from Operating Activities	
Cash received from customers	\$ 268,078
Cash payments to suppliers	(368,798)
Cash payments to employees	(66,513)
Net Cash Provided (Used) By Operating Activities	<u>(167,233)</u>
Cash Flows from Non-Capital Financing Activities	
Property tax	14,039
Special assessment.	40,822
Grants and miscellaneous	122,341
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>177,202</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(28,558)
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(28,558)</u>
Cash flows from investing activities:	
Interest received on investments	308
Net Increase (Decrease) in Cash and Cash Equivalents	(18,281)
Cash and Cash Equivalents, July 1, 2017	212,047
Cash and Cash Equivalents, June 30, 2018	<u>\$ 193,766</u>
 Reconciliation of Cash and Cash Equivalents:	
Cash and investments	<u>\$ 193,766</u>
 Reconciliation of operating income to net cash flows from operating activities:	
Operating Income	\$ (285,820)
Noncash items included in operating loss:	
Depreciation	99,293
Changes in:	
Accounts receivable	3,379
Prepaid expense	5,270
Fuel Inventory	(2,643)
Deposits with others	-
Accounts payable	10,302
Accrued payroll	1,830
Due to others	1,974
Deposit liability	(818)
Net Cash Provided (Used) By Operating Activities	<u>\$ (167,233)</u>

CAMERON PARK AIRPORT DISTRICT

**AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018**

	Assessment District No. 2009-1
ASSETS	
Cash and investments	\$ 181,528
Restricted cash and investments	14,753
Due from others	3,935
Due from landowners	<u>650,365</u>
Total Assets	<u><u>\$ 850,581</u></u>
LIABILITIES	
Accrued interest	\$ 13,931
Due to bondholders	<u>836,650</u>
Total Liabilities	<u><u>\$ 850,581</u></u>

CAMERON PARK AIRPORT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 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, 2018**

Note 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting (Continued)

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. The District considers property taxes available if they are collected within sixty-days after year-end.

C. Basis of Presentation

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 – proprietary and fiduciary – are presented. All remaining enterprise funds are separately aggregated and reported as nonmajor funds.

The District reports the following enterprise fund.

The financial statements of the District consist of one enterprise fund. The District has no oversight responsibility for any other government entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

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 collect property assessments which 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, 2018

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. Capital 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 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 asset. 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. 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, 2018

Note 2: Cash and Investments

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

Primary government	\$ 193,676
Agency fund	196,281
Total cash and investments	<u>\$ 389,957</u>

Cash and investments at June 30, 2018 consisted of the following

Checking account	\$ 383,635
Imprest cash	500
Cash with County	5,822
Total cash and investments	<u>\$ 389,957</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, 2018

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*	\$ 5,822	\$ 5,822	\$ -
Totals	\$ 5,822	\$ 5,822	\$ -

*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, 2018, the District's deposits balance, including certificates of deposit, was \$394,386 and the carrying amount was \$383,635. 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 the remainder 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, 2018**

Note 3: Property and Equipment

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

Business-Type Activities	Balance July 1, 2017	Additions	Retirements/ Adjustments	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 210,000	\$ -	\$ -	\$ 210,000
Capital assets, being depreciated:				
Buildings and improvements	303,417			303,417
Site improvements	536,412	28,558		564,970
Equipment	187,267			187,267
Infrastructure	1,842,376			1,842,376
Total capital assets, being depreciated	2,869,472	28,558	-	2,898,030
Less accumulated depreciation:	(1,077,180)	(99,293)		(1,176,473)
Total capital assets, being depreciated, net	1,792,292	(70,735)	-	1,721,557
Business- type activities capital assets, net	<u>\$ 2,002,292</u>	<u>\$ (70,735)</u>	<u>\$ -</u>	<u>\$ 1,931,557</u>

Note 4: 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, 2018, is:

Assessment District #2009-1 \$836,650

Note 5: 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 6: 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.

CAMERON PARK AIRPORT DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 7: 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 8: Gann Limit

Amount of subject proceeds for 2017-2018	\$	12,657
Gann limit for 2017-2018		<u>60,036</u>
Amount under/(over) the limit	\$	<u>47,379</u>

Note 9: 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.