

WEOTT COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2019 and 2018

WEOTT COMMUNITY SERVICES DISTRICT

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For the Year Ended June 30, 2019

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Statement of Revenues, Expenses
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For the Year Ended June 30, 2018

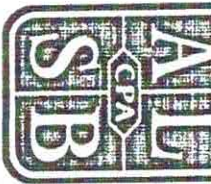
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C E R T I F I E D P U B L I C A C C O U N T A N T S

KEITH D. BORGES, CPA
BARBARA J. GUEST, CPA
RITA CHISM
VANESSA ANDERSON, EA

1338 MAIN STREET
FORTUNA, CALIFORNIA 95540
(707) 725-4483 & (707) 725-4442
FAX: (707) 725-6340

JAMES M. ANDERSON (1964-2001)
EUGENE B. LUCAS (1950-2013)
DAVID A. SOMERVILLE, INACTIVE

Email: team@alsb.com

www.alsb.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Weott Community Services District

We have audited the accompanying financial statements of the business-type activities and each major fund of the Weott Community Services District as of and for the years ended June 30, 2019 and 2018, 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.

Auditors' 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 minimum audit requirements for California Special Districts issued by the State Controller's Office. 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 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 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 business-type activities of the Weott Community Services District, as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

ANDERSON, LUCAS, SOMERVILLE, & BORGES, LLP

Anderson, Lucas, Somerville, & Borges

October 17, 2019
Fortuna, California

WEOT COMMUNITY SERVICES DISTRICT

Exhibit A

Statements of Net Position

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 225,489	\$ 217,666
Accounts Receivable	26,461	36,168
Prepaid Expenses	<u>8,179</u>	<u>7,058</u>
Total Current Assets	<u>260,129</u>	<u>260,892</u>
Restricted Assets		
USDA Loan Reserve	17,575	17,283
Capital Assets, Net of depreciation	1,393,176	1,515,757
Other Assets		
Bond Issuance Costs, Net of amortization	<u>10,034</u>	<u>10,371</u>
Total Assets	<u>1,680,914</u>	<u>1,804,303</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	-	2,661
Accrued Interest	3,167	3,402
Accrued Liabilities and Customer Deposits	18,436	11,249
Current Portion of Long-Term Debt	<u>20,007</u>	<u>19,467</u>
Total Current Liabilities	41,610	36,779
Long-Term Debt, Net of Current Portion	<u>198,697</u>	<u>218,972</u>
Total Liabilities	<u>240,307</u>	<u>255,751</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	1,174,472	1,277,318
USDA Loan Reserve	17,575	17,283
Unrestricted	<u>248,560</u>	<u>247,181</u>
Total Net Position	<u>\$ 1,440,607</u>	<u>\$ 1,541,782</u>

The accompanying notes are an integral part of these financial statements

WEOTT COMMUNITY SERVICES DISTRICT

Statement Of Revenues, Expenses, And Changes In Net Position

For the Year Ended June 30, 2019

	2019			
	Water	Sewer	Other	Total
OPERATING REVENUES				
Water Sales	\$ 124,348	\$ -	\$ -	\$ 124,348
Sewer Services	-	80,842	-	80,842
Community Revenue	-	-	570	570
Total Operating Revenue	124,348	80,842	570	205,760
OPERATING EXPENSES				
Payroll and Payroll Taxes	65,938	35,954	-	101,892
Materials and Supplies	10,460	725	-	11,185
Travel	1,676	1,388	-	3,064
Laboratory, Research and Monitoring	4,926	2,603	-	7,529
Office Expense	4,857	1,897	314.00	7,068
Insurance	3,934	3,891	-	7,825
Professional Services	3,638	3,637	-	7,275
Repairs and Maintenance	16,186	6,544	66.00	22,796
Utilities	5,904	5,269	134	11,307
Other	1,121	111.00	-	1,232
Depreciation and Amortization	27,032	102,205	-	129,237
Total Operating Expense	145,672	164,224	514	310,410
Operating Income (Loss)	(21,324)	(83,382)	56	(104,650)
NONOPERATING REVENUES AND (EXPENSES)				
Property Taxes and Exemptions	5,364	-	-	5,364
Penalties	(345)	-	-	(345)
Other Revenue	4,355	2,250	-	6,605
Interest Income	1,580	361	-	1,941
Interest Expense	(1,311)	(8,779)	-	(10,090)
Total Nonoperating Revenues and (Expenses)	9,643	(6,168)	-	3,475
Change in Net Position	(11,681)	(89,550)	56	(101,175)
NET POSITION				
Beginning	197,776	1,337,247	6,759	1,541,782
Ending	<u>\$ 186,095</u>	<u>\$ 1,247,697</u>	<u>\$ 6,815</u>	<u>\$ 1,440,607</u>

The accompanying notes are an integral part of these financial statements

WEOTT COMMUNITY SERVICES DISTRICT
Statement Of Revenues, Expenses, And Changes In Net Position
For the Year Ended June 30, 2018

	2018			
	<u>Water</u>	<u>Sewer</u>	<u>Other</u>	<u>Total</u>
OPERATING REVENUES				
Water Sales	\$ 116,261	\$ -	\$ -	\$ 116,261
Sewer Services	-	80,191	-	80,191
Community Revenue	-	-	640	640
Total Operating Revenue	116,261	80,191	640	197,092
OPERATING EXPENSES				
Payroll and Payroll Taxes	48,414	37,369	-	85,783
Materials and Supplies	7,465	1,250	-	8,715
Travel	980	853	-	1,833
Laboratory, Research and Monitoring	3,357	1,818	-	5,175
Office Expense	4,004	1,538	-	5,542
Insurance	3,730	3,230	-	6,960
Professional Services	3,650	3,575	-	7,225
Repairs and Maintenance	17,046	14,530	-	31,576
Utilities	5,983	5,978	284	12,245
Other	275	-	-	275
Depreciation and Amortization	26,430	100,576	-	127,006
Total Operating Expense	121,334	170,717	284	292,335
Operating Income (Loss)	(5,073)	(90,526)	356	(95,243)
NONOPERATING REVENUES AND (EXPENSES)				
Property Taxes and Exemptions	-	-	5,654	5,654
Grant Revenue	39,634	-	-	39,634
Grant Expenses	(39,634)	-	-	(39,634)
Other Revenue	5,540	2,298	-	7,838
Interest Income	1,029	346	103	1,478
Interest Expense	(1,773)	(9,067)	-	(10,840)
Total Nonoperating Revenues and (Expenses)	4,796	(6,423)	5,757	4,130
Change in Net Position	(277)	(96,949)	6,113	(91,113)
NET POSITION				
Beginning	105,576	1,434,196	93,123	1,632,895
Inter fund Transfers	92,477	-	(92,477)	-
Ending	<u>\$ 197,776</u>	<u>\$ 1,337,247</u>	<u>\$ 6,759</u>	<u>\$ 1,541,782</u>

The accompanying notes are an integral part of these financial statements

WEOTT COMMUNITY SERVICES DISTRICT

Exhibit D

Statements Of Cash Flows

For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	215,773	211,601
Cash Paid for Goods and Services	(80,701)	(79,868)
Cash Paid for Employees	<u>(104,678)</u>	<u>(81,233)</u>
Net Cash Provided by Operating Activities	30,394	50,500
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Property Taxes	5,364	5,654
Penalties Paid	(345)	-
Miscellaneous Revenues	<u>6,605</u>	<u>7,838</u>
Net Cash Provided by Non-Capital Financing Activities	<u>11,624</u>	<u>13,492</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Long-term Debt	(19,735)	(18,703)
Interest Paid on Long-term Debt	(10,090)	(10,840)
Acquisition of Capital Assets	<u>(6,019)</u>	<u>(36,540)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(35,844)</u>	<u>(66,083)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	<u>1,941</u>	<u>1,478</u>
Net Cash Provided by Investing Activities	<u>1,941</u>	<u>1,478</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,115	(613)
Cash and Cash Equivalents - Beginning of Year	<u>234,949</u>	<u>235,562</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 243,064</u></u>	<u><u>\$ 234,949</u></u>

WEOTT COMMUNITY SERVICES DISTRICT

Exhibit D

Statements Of Cash Flows

For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (104,650)	\$ (95,243)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization (Increase) Decrease in:	129,235	127,005
Accounts Receivable	9,707	13,348
Prepaid Expenses	(1,418)	(321)
Increase (Decrease) in:		
Accounts Payable	(2,661)	2,661
Accrued Payroll & Taxes	110	2,175
Accrued Interest	(235)	(286)
Customer Deposits	306	1,161
Total Adjustments	<u>135,044</u>	<u>145,743</u>
Net Cash Provided by Operating Activities	<u>\$ 30,394</u>	<u>\$ 50,500</u>

WEOT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

Exhibit E

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

On September 28, 1965, by the adoption of Resolution No. 2159, the Humboldt County Board of Supervisors organized Weott Community Services District (the "District") under the Community Services District Law, pursuant to Title 6, Division 2 of the Government Code for the following purposes:

1. To supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation;
2. The collection, treatment, or disposal of sewage, waste, and storm water or the District and its inhabitants;
3. The collection or disposal of garbage or refuse matter;
4. Protection against fire;
5. Street lighting.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the options to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Government Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- Financial statements prepared using full accrual accounting for all the District's activities;
- A change in the fund financial statements to focus on the major funds;
- These and other changes, as appropriate for the District are reflected in the accompanying financial statement (including notes to financial statements).

WEOT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity

There are no significant activities or organizations over which the District has financial accountability which would require inclusion in the financial statements. Other entities operate within the District's boundaries. The following criteria were used to include or exclude other entities:

1. Simple Accountability:

The District's ability to appoint a voting majority of the other entities' governing board and, either

- a. The District's ability to impose its will on the other entity, or
- b. The existence of a financial benefit or burden consideration between the other entity and the District
2. Fiscal dependency of the other entity upon the District.

C. Basis of Accounting

The District uses the accrual method of accounting. Under this method of accounting, revenues are recognized when they are earned and measurable and expenses are recognized when the related liabilities are incurred.

D. Grant Accounting

Grants, entitlements or shared revenues are recorded as non-operating revenues when they are earned and are measurable.

E. Cash and Investments

Cash and cash equivalents for purposes of the statement of cash flows includes amounts in demand deposits as well as short-term investments with an original maturity date of three months or less.

F. Capital Assets and Depreciation

Capital assets are recorded at cost. Depreciation is computed under the straight-line method over the following estimated useful lives:

Water System	33 Years
Sewer System	40 Years
Other Equipment	5 to 10 Years

WEOTT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Bond Issuance Costs

Bond issuance costs are amortized using the bonds outstanding method.

H. Compensated Absences

The District does not provide compensation for any payroll related benefit other than actual hours worked or salaries.

I. Inventory

The District does not maintain a supplies inventory. Supplies are purchased as needed and expensed when purchased.

J. Net Position

Reservations of the ending retained earnings indicate the portions of retained earnings not appropriate for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

K. Policy for Defining Operating and Non-Operating Revenues

Operating revenues consist of customer fees for water and sewer services and operating expenses consist of expenses related to providing such services. Non-operating revenues consist of other revenues and expenses such as interest, grants, and government support.

L. Policy for Applying Restricted/Unrestricted Resources

When an expense is incurred for which both restricted and unrestricted net assets are available, restricted resources are applied first.

M. 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 expenses during the reporting period. Actual results could differ from those estimates

WEOT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 2 — CASH AND CASH EQUIVALENTS

The District has no self-directed investments. The District's funds invested in pooled investment funds maintained by other agencies are as follows:

	Cash in Checking Accounts	Cash Held by County	Total
<u>June 30, 2019</u>			
Insured by FDIC	\$114,138	\$ -	\$ 114,138
Pooled with County	<u>-</u>	<u>128,926</u>	<u>128,926</u>
	<u>\$114,138</u>	<u>\$128,926</u>	<u>\$243,064</u>
<u>June 30, 2018</u>			
Insured by FDIC	\$114,193	\$ -	\$ 114,193
Pooled with County	<u>-</u>	<u>120,756</u>	<u>120,756</u>
	<u>\$114,193</u>	<u>\$120,756</u>	<u>\$234,949</u>

NOTE 3 — CASH IN COUNTY TREASURY

Water Bonds

The District has established a sinking fund for the payment of the Safe Drinking Water Bonds with the County of Humboldt. The sinking fund agreement requires the District to make monthly payments of \$1,287 to the County. The County then makes the semiannual payments to the State.

The balance in the sinking fund at June 30, 2019 and 2018 was \$11,752 and \$10,804, respectively.

Sewer Bonds

The District has established a sinking fund for the payment of the above debt service with the County of Humboldt. The sinking fund agreement requires the District to make monthly payments of \$1,350 to the County. The County then makes the semiannual payments to the USDA/RUS. The balance in the sinking fund at June 30, 2019 and 2018 was \$21,592 and \$20,503, respectively.

WEOT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 4 – CAPITAL ASSETS

The following is a summary of capital assets for the years ended June 30, 2019 and 2018:

	2019			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 110,266	\$ -	\$ -	\$ 110,266
Easements	86,119	-	-	86,119
Total Capital Assets, Not Being Depreciated	196,385	-	-	196,385
Other Capital Assets				
Water Facility	814,452	-	-	814,452
Sewage Treatment Plant	3,697,114	-	-	3,697,114
Equipment and Vehicles	83,991	6,022	-	90,013
Total Other Capital Assets	4,595,557	6,022	-	4,601,579
Less: Accumulated Depreciation	3,276,185	128,603		3,404,788
Capital Assets, Net	<u>\$ 1,515,757</u>	<u>\$ (122,581)</u>	<u>\$ -</u>	<u>\$ 1,393,176</u>
2018				
Capital Assets Not Being Depreciated				
Land	\$ 110,266	\$ -	\$ -	\$ 110,266
Easements	86,119	-	-	86,119
Total Capital Assets, Not Being Depreciated	196,385	-	-	196,385
Other Capital Assets				
Water Facility	812,898	1,554	-	814,452
Sewage Treatment Plant	3,697,114	-	-	3,697,114
Equipment and Vehicles	49,005	34,986	-	83,991
Total Other Capital Assets	4,559,017	36,540	-	4,595,557
Less: Accumulated Depreciation	3,149,786	126,399		3,276,185
Capital Assets, Net	<u>\$ 1,605,616</u>	<u>\$ (89,859)</u>	<u>\$ -</u>	<u>\$ 1,515,757</u>

WEOTT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 5 -- LONG-TERM DEBT

State Loans Payable

In 1986-87, the District made improvements financed in part by the sale of bonds pursuant to the Safe Drinking Water Bond Law of 1984. The original amount of the loan was \$269,828. The loan agreement provides for semiannual payments of \$7,337 due April 1 and October 1 of each year including interest at 4.139%.

On December 1, 1992, the District received a matching loan of \$83,428 from the State of California Water Resources Control Board to provide additional funds for the District's sewer improvements. The loan was increased during 1994-95 to \$87,140. Payments of \$5,722, including interest at 2.96%, are due annually commencing June 16, 1996.

The following is a summary of changes in the State loans for the years ended June 30, 2019 and 2018:

	Balance July 1, 2018	Additions	Payments	Balance June 30, 2019	Principal Due Within One Year
Water Loan	<u>\$ 37,939</u>	<u>\$ -</u>	<u>\$ 13,235</u>	<u>\$ 24,704</u>	<u>\$ 13,507</u>
	Balance July 1, 2017	Additions	Payments	Balance June 30, 2018	
Water Loan	<u>\$ 50,642</u>	<u>\$ -</u>	<u>\$ 12,703</u>	<u>\$ 37,939</u>	

Sewer System Improvement Bonds

In connection with a sewer system improvement project, Weott Community Services District entered into two transactions with the U.S. Department of Agriculture/Rural Utilities Service. The project was financed with \$180,000 in grants and the issuance of \$290,000 in improvement bonds.

Date of Issuance of Bonds: December 8, 1998

First Payment: September 1, 1999

Final Payment: September 1, 2038

Security: Installment payments are secured by a pledge of all the District assessments.

WEOT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 5 – LONG-TERM DEBT (Continued)

Sewer System Improvement Bonds (Continued)

Reserve Requirement: An amount equal to an average annual loan installment (\$15,755). This reserve will be accumulated at the rate of at least one-tenth of that average installment each year until the required level is reached and will be maintained for the life of the loan (40 years). The balances in the reserve account as of June 30, 2018 and 2017 were \$17,283 and \$17,052 respectively.

Interest Rate: 4.5%

Payments: Interest semi-annually on March 1 and September 1
Principal on September 1

The following is a summary of changes in the Sewer System Improvement Bonds for the years ended June 30, 2019 and 2018:

	Balance July 1, 2018	Additions	Payments	Balance June 30, 2019	Principal Due Within One Year
Bonds	<u>\$ 200,500</u>	<u>\$ -</u>	<u>\$ 6,500</u>	<u>\$ 194,000</u>	<u>\$ 6,500</u>
	Balance July 1, 2017	Additions	Payments	Balance June 30, 2018	
Bonds	<u>\$ 206,500</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 200,500</u>	

WEOT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 5 – LONG-TERM DEBT (Continued)

All Long-Term Debt

Following are the principal and interest requirements for each of the five subsequent fiscal years and in five-year increments thereafter:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ending June</u>			
2020	20,007	10,243	30,250
2021	18,697	9,370	28,067
2022	7,500	8,134	15,634
2023	8,000	7,785	15,785
2024	8,000	7,425	15,425
2025-2029	47,000	32,175	79,175
2030-2034	57,500	20,700	78,200
2035-2039	52,000	11,533	63,533
	<u>\$ 218,704</u>	<u>\$ 107,365</u>	<u>\$ 326,069</u>

NOTE 6 – NEW ACCOUNTING PRONOUNCEMENTS

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which changed the structure of a government balance sheet. Deferred Outflow – represents the consumption of a government's net assets that is applicable to a future period. Deferred Inflow – represents the acquisition of net assets that is applicable to a future reporting period.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which amends the classification of certain items to be included as deferred inflows and outflows.

Management has determined that the implementation of GASB 63 and 65 has no effect on the financial statements. The District currently has no items that qualify to be reported under the classification of Deferred Outflows or Inflows of resources.

WEOT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors, and omissions; injuries to employees; and natural disasters. The District participates in the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. seq. SDRMA is a public entity risk pool currently operating a common risk management and insurance program for general and auto liability, public officials and employees, errors and omissions and employment practices liability. The District has auto and general liability insurance and property insurance through SDRMA.

Workers' compensation insurance is provided by the County of Humboldt Risk Management. The District is uncertain whether the disbanding of the volunteer fire department will affect this coverage in the future.

NOTE 8 – TAXES/EXEMPTIONS (FROM AUGMENTATION FUND DISTRIBUTION)

The County Board of Supervisors authorized the District's receipt of taxes and exemptions from the Augmentation Fund. This fund is a special allocation of part of the taxes collected from the county-wide general \$1 tax rate based on the enabling State legislation. The purpose of the appropriation was to assist the District in providing fire protection services. Following is a listing of the District's receipts by source:

	<u>2019</u>	<u>2018</u>
Taxes - Current Secured	4,883	4,597
Taxes - Current Unsecured	349	182
Taxes - Prior Years	3	0
Taxes - Supplemental	73	85
Other - Prop 172	<u>-</u>	<u>729</u>
State - Homeowners' Exemptions	<u>5,308</u>	<u>5,593</u>
	56	61
Total Taxes / Exemptions	<u>\$ 5,364</u>	<u>\$ 5,654</u>

NOTE 9 – FINANCIAL STATEMENT PRESENTATIONS

Certain amounts have been reclassified in the prior year financial statements to conform to the current year presentation.

NOTE 10 – FIRE PROTECTION SERVICES DISCONTINUED

Effective March 1, 2017, the Weott Volunteer Fire Department disbanded. The District sold the 2006 Pierce Kenworth Pumper Fire Truck for \$100,000. Remaining miscellaneous fire equipment is out of service pending possible donation to another volunteer fire department.

WEOTT COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2019

NOTE 11 – INTER FUND TRANSFERS

Management has approved transferring the funds received from the sale of the Fire equipment to the Water Fund for capital improvements. \$60,000 was transferred to the Savings Account and \$32,477 was transferred to the Construction account.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 17, 2019, which is the date the financial statements were available to be issued.