

**CACHEVILLE COMMUNITY
SERVICE DISTRICT**

Report on Audits
Years Ended June 30, 2019, 2018, 2017, 2016, and 2015

CACHEVILLE COMMUNITY SERVICE DISTRICT

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Independent Auditor's Report

To the Board of Directors
Cacheville Community Service District
Yolo, California

We have audited the accompanying financial statements of the business-type activities of Cacheville Community Service District (District) as of and for the years ended June 30, 2019, 2018, 2017, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors
Cacheville Community Service District
Yolo, California

Opinion

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 Cacheville Community Service District as of June 30, 2019, 2018, 2017, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Perry, Bunch & Johnston, Inc.

Woodland, California
June 1, 2021

CACHEVILLE COMMUNITY SERVICE DISTRICT

STATEMENTS OF NET POSITION

June 30,	2019	2018	2017	2016	2015
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 663,758	\$ 614,824	\$ 573,798	\$ 535,569	\$ 568,717
Property tax receivable	8	(23)	(18)	(8)	(5)
Accounts receivable, net	453	1,090	115	-	-
Total Current Assets	<u>664,219</u>	<u>615,891</u>	<u>573,895</u>	<u>535,561</u>	<u>568,712</u>
NON-CURRENT ASSETS:					
Capital assets:					
Depreciable, net	827	1,187	7,143	13,099	19,055
Other assets:					
Restricted cash	-	-	-	7,251	13,754
Total Non-Current Assets	<u>827</u>	<u>1,187</u>	<u>7,143</u>	<u>20,350</u>	<u>32,809</u>
Total Assets	<u>\$ 665,046</u>	<u>\$ 617,078</u>	<u>\$ 581,038</u>	<u>\$ 555,911</u>	<u>\$ 601,521</u>
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES:					
Accounts payable	\$ 1,634	\$ 1,150	\$ 300	\$ 335	\$ 1,244
Accrued payroll	924	851	853	911	753
Due to other governments	21	21	4,526	4,505	2,230
Unearned revenue	660	200	963	-	-
Bond payable	-	-	-	10,000	10,000
Total Current Liabilities	<u>3,239</u>	<u>2,222</u>	<u>6,642</u>	<u>15,751</u>	<u>14,227</u>
NON-CURRENT LIABILITIES:					
Bond payable	-	-	-	-	10,000
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total Liabilities	<u>3,239</u>	<u>2,222</u>	<u>6,642</u>	<u>15,751</u>	<u>24,227</u>
NET POSITION:					
Net investment in capital assets	827	1,187	7,143	3,099	(945)
Restricted	-	-	-	7,251	13,754
Unrestricted	660,980	613,669	567,253	529,810	564,485
Total Net Position	<u>661,807</u>	<u>614,856</u>	<u>574,396</u>	<u>540,160</u>	<u>577,294</u>
Total Liabilities and Net Position	<u>\$ 665,046</u>	<u>\$ 617,078</u>	<u>\$ 581,038</u>	<u>\$ 555,911</u>	<u>\$ 601,521</u>

CACHEVILLE COMMUNITY SERVICE DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended June 30,	2019	2018	2017	2016	2015
OPERATING REVENUES:					
Charges for services	<u>\$ 121,637</u>	<u>\$ 123,099</u>	<u>\$ 119,128</u>	<u>\$ 120,232</u>	<u>\$ 119,138</u>
Total Operating Revenues	<u>121,637</u>	<u>123,099</u>	<u>119,128</u>	<u>120,232</u>	<u>119,138</u>
OPERATING EXPENSES:					
Salaries and benefits	55,786	54,450	55,030	55,217	54,796
Services and supplies	39,541	32,872	34,235	107,691	29,656
Intergovernmental expenses	1,915	1,915	1,724	1,440	1,205
Depreciation	<u>360</u>	<u>5,956</u>	<u>5,956</u>	<u>5,956</u>	<u>5,956</u>
Total Operating Expenses	<u>97,602</u>	<u>95,193</u>	<u>96,945</u>	<u>170,304</u>	<u>91,613</u>
Operating Income (Loss)	<u>24,035</u>	<u>27,906</u>	<u>22,183</u>	<u>(50,072)</u>	<u>27,525</u>
NON-OPERATING REVENUES (EXPENSES)					
Property taxes	4,644	4,471	8,575	8,424	12,137
Use of money and property	18,127	7,947	3,758	5,270	1,756
Intergovernmental revenue	145	136	223	244	315
Interest expense	<u>-</u>	<u>-</u>	<u>(503)</u>	<u>(1,000)</u>	<u>(1,450)</u>
Total Non-Operating Revenues (Expenses)	<u>22,916</u>	<u>12,554</u>	<u>12,053</u>	<u>12,938</u>	<u>12,758</u>
Change in Net Position	<u>46,951</u>	<u>40,460</u>	<u>34,236</u>	<u>(37,134)</u>	<u>40,283</u>
Net Position, Beginning of Year	<u>614,856</u>	<u>574,396</u>	<u>540,160</u>	<u>577,294</u>	<u>537,011</u>
Net Position, End of Year	<u><u>\$ 661,807</u></u>	<u><u>\$ 614,856</u></u>	<u><u>\$ 574,396</u></u>	<u><u>\$ 540,160</u></u>	<u><u>\$ 577,294</u></u>

CACHEVILLE COMMUNITY SERVICE DISTRICT

STATEMENTS OF CASH FLOWS

Years Ended June 30,	2019	2018	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 122,734	\$ 121,361	\$ 119,976	\$ 120,232	\$ 122,223
Payments to employees	(55,713)	(54,452)	(55,088)	(55,059)	(55,980)
Payments to suppliers	(40,972)	(33,937)	(35,973)	(110,040)	(31,460)
Net Cash Provided by (Used in) Operating Activities	<u>26,049</u>	<u>32,972</u>	<u>28,915</u>	<u>(44,867)</u>	<u>34,783</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Property tax assessments	4,613	4,476	8,585	8,427	12,134
Intergovernmental revenue	145	136	223	244	315
Other	-	(4,505)	-	2,275	2,230
Net Cash Provided by Non-Capital Financing Activities	<u>4,758</u>	<u>107</u>	<u>8,808</u>	<u>10,946</u>	<u>14,679</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on bond payable	-	-	(10,000)	(10,000)	(9,000)
Interest payments on debt	-	-	(503)	(1,000)	(1,450)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(10,503)</u>	<u>(11,000)</u>	<u>(10,450)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest	18,127	7,947	3,758	5,270	1,756
Net Cash Provided by Investing Activities	<u>18,127</u>	<u>7,947</u>	<u>3,758</u>	<u>5,270</u>	<u>1,756</u>
Increase (Decrease) in cash and cash equivalents	48,934	41,026	30,978	(39,651)	40,768
Cash and Cash Equivalents at Beginning of Year	614,824	573,798	542,820	582,471	541,703
Cash and Cash Equivalents at End of Year	<u>\$ 663,758</u>	<u>\$ 614,824</u>	<u>\$ 573,798</u>	<u>\$ 542,820</u>	<u>\$ 582,471</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:					
Cash and investments in County Treasury	\$ 663,758	\$ 614,824	\$ 573,798	\$ 535,569	\$ 568,717
Restricted cash	-	-	-	7,251	13,754
Total Cash and Cash Equivalents	<u>\$ 663,758</u>	<u>\$ 614,824</u>	<u>\$ 573,798</u>	<u>\$ 542,820</u>	<u>\$ 582,471</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating loss	\$ 24,035	\$ 27,906	\$ 22,183	\$ (50,072)	\$ 27,525
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	360	5,956	5,956	5,956	5,956
Decrease (increase) in assets:					
Accounts receivable	637	(975)	(115)	-	3,085
Increase (decrease) in liabilities:					
Accounts payable	484	850	(35)	(909)	(599)
Accrued payroll	73	(2)	(58)	158	(1,184)
Due to other governments	-	-	21	-	-
Unearned revenue	460	(763)	963	-	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 26,049</u>	<u>\$ 32,972</u>	<u>\$ 28,915</u>	<u>\$ (44,867)</u>	<u>\$ 34,783</u>

CACHEVILLE COMMUNITY SERVICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF OPERATIONS:

The Cacheville Community Service District (District) was formed on September 8, 1970, under the provision of Section 61600 of the Government Code of the State of California. The Health and Safety Code and the Water Code of the State of California regulate the District's operations.

The District provides water, lighting, and park services to the community of Yolo.

A five-member board of directors who are elected at large by the voters in the District, or appointed by the County Board of Supervisors in lieu of election governs the District. Each director serves a four-year term.

BASIS OF PRESENTATION:

The District maintains a single general fund. The general fund is used to account for all operations of the District. The fund is comprised of three net asset components: net investment in capital assets, unrestricted, and restricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use unrestricted resources first, then restricted resources as needed.

ACCOUNTS RECEIVABLE:

Accounts receivable are recorded at their gross value and, where appropriate, are reduced by the portion that is considered uncollectible. Accounts receivable consists primarily of service fees that have been bill, but not paid as of year-end and amounts due from other governments. The District utilized the allowance method for bad debts. Accounts receivable at June 30, 2019, 2018, 2017, 2016 and 2015 of \$453, \$1,090, \$115, \$0 and \$0, respectively, were all determined by management to be collectible. Therefore, no reserve for bad debts is reflected on the financial statements for the years ended June 30, 2019, 2018, 2017, 2016, and 2015.

CAPITAL ASSETS:

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value. The District depreciates capital assets over the estimated useful lives of the assets utilizing the straight-line method of depreciation as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Water and sewer lines	50 to 75 years
Structures and improvements	5 to 50 years
Equipment and vehicles	2 to 25 years

CASH AND CASH EQUIVALENTS:

For purpose of the Statement of Cash Flows, the total of restricted and unrestricted cash comprises cash and cash equivalents. The District classifies cash as all cash and highly liquid investments with maturities of three months or less and the District's investment in the County of Yolo's pooled cash and investments.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods and services be financed or recovered primarily through user charges. District transactions are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. The District is considered to be a special-purpose government engaged only in business-type activities. It therefore presents only those financial statements required for enterprise funds, which includes the statement of net position, statement of revenues, expenses and changes in fund net position, and statement of cash flows.

Equity is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

REVENUE:

Revenues generated from service charges are considered program revenues and are reported as operating revenues. All other revenues are reported as non-operating revenues.

ASSESSMENTS:

Yolo County, through the Department of Financial Services, is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. The County apportions property taxes according to the alternative method of distribution known 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 the funds three times during the fiscal year with 50% distributed in December, 45% distributed in April, and 5% distributed in June.

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 2 - DEPOSITS:

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 deposits 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 or collateral securities that are in the possession of another party.

The District maintains cash balances with financial institutions in accordance with California Government Code. The District has not formally adopted its own deposit and investment policies that limit the District's allowable investments or deposits and that address custodial credit risk. The California Government Code does 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 secure 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 governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

DEPOSIT WITH YOLO COUNTY TREASURER:

The District deposits restricted and unrestricted cash and investments in the Yolo County Treasury. Its total deposits with the County at June 30, 2019, 2018, 2017, 2016 and 2015 were \$663,758, \$614,824, \$573,798, \$542,820 and \$582,471, respectively. Funds deposited with the County are part of an investment pool that is managed by the County Treasurer. The District's equity in the County's investment pool is determined by the dollar amount of its deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Income from the County's pooled investments is allocated to the District based on the District's average daily cash balance for each quarter in relationship to the total of the pooled cash and investments.

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6, Section 27131 of the California Government Code. The Board of Supervisors reviews and approves the investment policy annually. The oversight committee reviews investment activity and results quarterly. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual costs, and fair value.

See Yolo County's Comprehensive Annual Financial Report (CAFR) for more details regarding the County's investment pool, including its investment types, investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40.

CACHEVILLE COMMUNITY SERVICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 3 - RESTRICTED CASH:

The balance in restricted cash is comprised of the following at June 30, 2019, 2018, 2017, 2016 and 2015:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt service	\$ -	\$ -	\$ -	\$ 7,251	\$ 13,754

Debt service is used to assist the District with debt payments. The debt service and related interest earnings are legally restricted.

NOTE 4 - CAPITAL ASSETS:

The summary of changes in capital assets for the years ended June 30, 2019, 2018, 2017, 2016 and 2015 are as follows:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2019</u>
Capital assets being depreciated:				
Infrastructure	\$ 382,938	\$ -	\$ -	\$ 382,938
Structures and improvements	9,158	-	-	9,158
Equipment	8,317	-	-	8,317
Total Capital Assets Being Depreciated	<u>400,413</u>	<u>-</u>	<u>-</u>	<u>400,413</u>
Less accumulated depreciation for:				
Infrastructure	\$ (381,751)	(360)	-	(382,111)
Structures and improvements	(9,158)	-	-	(9,158)
Equipment	(8,317)	-	-	(8,317)
Total Accumulated Depreciation	<u>(399,226)</u>	<u>(360)</u>	<u>-</u>	<u>(399,586)</u>
Total Capital Assets - Net	<u>\$ 1,187</u>	<u>\$ (360)</u>	<u>\$ -</u>	<u>\$ 827</u>
	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2018</u>
Capital assets being depreciated:				
Infrastructure	\$ 382,938	\$ -	\$ -	\$ 382,938
Improvements other than buildings	9,158	-	-	9,158
Equipment	8,317	-	-	8,317
Total Capital Assets Being Depreciated	<u>400,413</u>	<u>-</u>	<u>-</u>	<u>400,413</u>
Less accumulated depreciation for:				
Infrastructure	(375,795)	(5,956)	-	(381,751)
Improvements other than buildings	(9,158)	-	-	(9,158)
Equipment	(8,317)	-	-	(8,317)
Total Accumulated Depreciation	<u>(393,270)</u>	<u>(5,956)</u>	<u>-</u>	<u>(399,226)</u>
Total Capital Assets - Net	<u>\$ 7,143</u>	<u>\$ (5,956)</u>	<u>\$ -</u>	<u>\$ 1,187</u>

CACHEVILLE COMMUNITY SERVICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 4 - CAPITAL ASSETS: (Continued)

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2017</u>
Capital assets being depreciated:				
Infrastructure	\$ 382,938	\$ -	\$ -	\$ 382,938
Improvements other than buildings	9,158	-	-	9,158
Equipment	8,317	-	-	8,317
Total Capital Assets Being Depreciated	<u>400,413</u>	<u>-</u>	<u>-</u>	<u>400,413</u>
Less accumulated depreciation for:				
Infrastructure	(369,839)	(5,956)	-	(375,795)
Improvements other than buildings	(9,158)	-	-	(9,158)
Equipment	(8,317)	-	-	(8,317)
Total Accumulated Depreciation	<u>(387,314)</u>	<u>(5,956)</u>	<u>-</u>	<u>(393,270)</u>
Total Capital Assets - Net	<u>\$ 13,099</u>	<u>\$ (5,956)</u>	<u>\$ -</u>	<u>\$ 7,143</u>
	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2016</u>
Capital assets being depreciated:				
Infrastructure	\$ 382,938	\$ -	\$ -	\$ 382,938
Improvements other than buildings	9,158	-	-	9,158
Equipment	8,317	-	-	8,317
Total Capital Assets Being Depreciated	<u>400,413</u>	<u>-</u>	<u>-</u>	<u>400,413</u>
Less accumulated depreciation for:				
Infrastructure	(363,883)	(5,956)	-	(369,839)
Improvements other than buildings	(9,158)	-	-	(9,158)
Equipment	(8,317)	-	-	(8,317)
Total Accumulated Depreciation	<u>(381,358)</u>	<u>(5,956)</u>	<u>-</u>	<u>(387,314)</u>
Total Capital Assets - Net	<u>\$ 19,055</u>	<u>\$ (5,956)</u>	<u>\$ -</u>	<u>\$ 13,099</u>

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CACHEVILLE COMMUNITY SERVICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 4 - CAPITAL ASSETS: (Continued)

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
Capital assets being depreciated:				
Infrastructure	\$ 382,938	\$ -	\$ -	\$ 382,938
Improvements other than buildings	9,158	-	-	9,158
Equipment	8,317	-	-	8,317
Total Capital Assets Being Depreciated	<u>400,413</u>	<u>-</u>	<u>-</u>	<u>400,413</u>
Less accumulated depreciation for:				
Infrastructure	(357,927)	(5,956)	-	(363,883)
Improvements other than buildings	(9,158)	-	-	(9,158)
Equipment	(8,317)	-	-	(8,317)
Total Accumulated Depreciation	<u>(375,402)</u>	<u>(5,956)</u>	<u>-</u>	<u>(381,358)</u>
Total Capital Assets - Net	<u>\$ 25,011</u>	<u>\$ (5,956)</u>	<u>\$ -</u>	<u>\$ 19,055</u>

Total depreciation expense for the years ended June 30, 2019, 2018, 2017, 2016 and 2015 was \$360, \$5,956, \$5,956, \$5,956 and \$5,956, respectively.

NOTE 5 - LONG-TERM DEBT:

The following is a summary of long-term liabilities transactions for the years ended June 30, 2017, 2016 and 2015:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2017</u>	<u>Amounts Due Within One year</u>
Bonds payable	\$ 10,000	\$ -	\$ (10,000)	\$ -	\$ -
Total Long-Term Liabilities	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2016</u>	<u>Amounts Due Within One year</u>
Bonds payable	\$ 20,000	\$ -	\$ (10,000)	\$ 10,000	\$ 10,000
Total Long-Term Liabilities	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>	<u>Amounts Due Within One year</u>
Bonds payable	\$ 29,000	\$ -	\$ (9,000)	\$ 20,000	\$ 10,000
Total Long-Term Liabilities	<u>\$ 29,000</u>	<u>\$ -</u>	<u>\$ (9,000)</u>	<u>\$ 20,000</u>	<u>\$ 10,000</u>

CACHEVILLE COMMUNITY SERVICE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 5 - LONG-TERM DEBT: (Continued)

In 1978, the District issued \$445,991 of General Obligation Bonds to finance a water system for the community of Yolo. The term of the bond issue is 40 years with 5% interest. Principal and interest payments are due annually on July 1 of each year. The debt service is financed by a property assessment which is calculated and enrolled on the tax bills by the Yolo County Department of Financial Services (YCDFs). The assessment is collected by the Yolo County Tax Collector and deposited in a separate trust fund in the Yolo County Treasury which the District has no access to. The annual debt service payments are paid by the YCDFs. The bond issue was paid off during the fiscal year ended June 30, 2017.

NOTE 6 - 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; natural disasters; and general liability.

The District purchases general liability, and public officials and management liability insurance coverage, each of which covers the District up to \$1 million per occurrence and \$10 million in the aggregate. In addition, the District has purchased commercial property insurance providing coverage of up to \$364,343 per property, crime insurance coverage providing coverage of up to \$250,000 per occurrence, and inland marine insurance coverage providing coverage up to a limit of \$25,000 for the years ended June 30, 2019, 2018, 2017, 2016 and 2015. Property insurance claims are subject to a \$1,000 deductible per claim and inland marine insurance claims are subject to a \$500 deductible per claim.

NOTE 7 - SUBSEQUENT EVENTS:

Subsequent events were evaluated through June 1, 2021, which is the date the financial statements were available to be issued.