

TWAIN HARTE COMMUNITY SERVICES DISTRICT

WATER – SEWER – FIRE – PARK
22912 Vantage Pointe Drive, Twain Harte, CA 95383
Phone (209) 586-3172 Fax (209) 586-0424

REGULAR MEETING OF THE BOARD OF DIRECTORS VIDEO TELECONFERENCE April 14, 2021 9:00 A.M.

IMPORTANT NOTICE:

To help slow the spread of COVID-19, the District offices are closed to the public. Under the Governor's Executive Order N-25-20, this meeting will be held remotely by teleconference using Zoom:

- Videoconference Link: <https://us02web.zoom.us/j/86176804595>
- Meeting ID: 861 7680 4595
- Telephone: (669) 900-6833

ANYONE CAN PARTICIPATE IN THIS MEETING: see details at the end of this agenda.

AGENDA

The board may take action on any item on the agenda.

1. Call to Order

2. Pledge of Allegiance & Roll Call

3. Reading of Mission Statement

4. Public Comment:

This time is provided to the public to speak regarding items not listed on this agenda.

5. Presentations:

A. Presentation of the Fiscal Year 2019-20 Audit Report by Jacobson Jarvis & Co.

6. Consent Agenda:

A. Presentation and approval of financial statements through March 31, 2021.

B. Approval of the minutes of the Regular Meeting held on March 14, 2021.

7. New Business

A. Discussion/action to adopt Resolution #21-09 – Authorization to Enter into a Funding Agreement with the State Water Resources Control Board and

Authorization and Designation of a Representative for the Twain Harte Community Stormwater Enhancement Project.

- B. Discussion/action to adopt Resolution #21-10 – Approval of Fiscal Year 2020-21 Water, Park and Fire Funds Budget Adjustments in the Amount of \$60,000 for Power Resiliency Projects Funded by the California Office of Emergency Services Community Power Resiliency Program.
- C. Discussion/action regarding selection of an auditor for Fiscal Year 2020-21.
- D. Discussion/action to review and evaluate the existing suspension of water and sewer late fees due to COVID-19.
- E. Discussion/action regarding COVID-19 restrictions and public access to District facilities.

8. Reports:

- A. President and Board member reports
- B. Fire Chief's report
- C. Water/Sewer Operations Manager's report
- D. General Manager's report

9. Closed Session

- A. With respect to every item of business to be discussed in closed session pursuant to Section 54957: Public Employee Performance Evaluation, General Manager.

10. Adjourn

HOW TO OBSERVE THIS MEETING:

The public can observe and participate in a meeting as follows:

- **Computer:** Join the videoconference by clicking the videoconference link located at the top of this agenda or on our website. You may be prompted to enter your name and email. Your email will remain private and you may enter "anonymous" for your name.
- **Smart Phone/Tablet:** Join the videoconference by clicking the videoconference link located at the top of this agenda OR log in through the Zoom mobile app and enter the Meeting ID# and Password found at the top of this agenda. You may be prompted to enter your name and email. Your email will remain private and you may enter "anonymous" for your name.
- **Telephone:** Listen to the meeting by calling Zoom at (4669) 900-6833. Enter the Meeting ID# listed at the top of this agenda, followed by the pound (#) key.

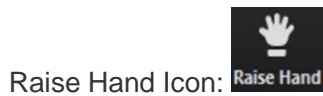
* NOTE: your personal video will be disabled and your microphone will be automatically muted.

FOR MORE DETAILED INSTRUCTIONS, CLICK [HERE](#)

HOW TO SUBMIT PUBLIC COMMENTS:

The public will have an opportunity to comment before and after the meeting as follows:

- **Before the Meeting:** If you cannot attend the meeting, you may:
 - Email comments to ksilva@twainhartecsd.com, write “Public Comment” in the subject line. In the body of the email, include the agenda item number and title, as well as your comments.
 - Mail comments to THCS Board Secretary: P.O. Box 649, Twain Harte, CA 95383
- **During the Meeting:** The public will have opportunity to provide comment before and after the meeting as follows:
 - Computer/Tablet/Smartphone: Click the “Raise Hand” icon and the host will unmute your audio when it is time to receive public comment. If you would rather make a comment in writing, you may click on the “Q&A” icon and type your comment. You may need to tap your screen or click on “View Participants” to make icons visible.



- Telephone: Press *9 if to notify the host that you have a comment. The host will unmute you during the public comment period and invite you to share comments.

* NOTE: If you wish to speak on an item on the agenda, you are welcome to do so during consideration of the agenda item itself. If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period. Persons speaking during the Public Comment will be limited to five minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. Except as otherwise provided by law, no action or discussion shall be taken/conducted on any item not appearing on the agenda. Public comments must be addressed to the board as a whole through the President. Comments to individuals or staff are not permitted.

ACCESSIBILITY:

Board meetings are accessible to people with disabilities. In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the District office 48 hours prior to the meeting at (209) 586-3172.

WRITTEN MEETING MATERIALS:

If written materials relating to items on this Agenda are distributed to Board members prior to the meeting, such materials will be made available for public inspection on the District’s website: www.twainhartecsd.com

**TWAIN HARTE COMMUNITY SERVICES
DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2020



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TWAIN HARTE COMMUNITY SERVICES DISTRICT

JUNE 30, 2020

Director	OFFICE	TERM EXPIRES
Eileen Mannix	President	2022
Gary Slipperley	Vice President	December 2020
Bill McManus	Director	2022
Richard Knudson	Director	2022
Kathryn deGroot	Director	2020

ADMINISTRATION

Tom Trott	General Manager
Todd McNeal	Fire Chief
Robb Perry	Operations Manager
Carolyn Higgins	Finance Officer

ORGANIZATION

The Twain Harte Community Services District (also referred to as THCS D, District or Twain Harte CSD) was formed on August 1, 1996, under Government Code §61000 et seq., to provide water, sewer, park and recreation, fire protection and hydroelectric services to the Twain Harte community. Its formation resulted in the consolidation of three districts whose service to the community dates back as far as 1935 - Twain Harte Fire Protection District, Tuolumne County Water District No. 1 and Twain Harte Recreation and Park District.

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TWAIN HARTE COMMUNITY SERVICES DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Twain Harte Community Services District
Twain Harte, California

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and each major fund, of Twain Harte Community Services District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules, on pages 4–11 and 42–45, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

April XX, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) or activities and financial performance of the Twain Harte Community Services District (District), provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2020. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying financial statements and related notes, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased over the course of this year's operations.
- During the year, the District's expenses were \$610,384 less than the \$4,434,833 million generated in taxes and other revenues. This is similar than last year, when revenues exceeded expenses by \$618,025.
- The total cost of the District's programs decreased approximately 2% and no new programs were added this year.

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TWAIN HARTE COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2020

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section

This annual report consists of three parts – Management’s Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of three kinds of statements that present financial information from different perspectives:

Major Features of Twain Harte Community Services District’s Government-wide, Fund Financial Statements and Proprietary Funds Statement

	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire District government	The activities of the District that are not proprietary or fiduciary	The activities of the District that are not governmental or fiduciary
Required financial statements	<ul style="list-style-type: none"> ➤ Statement of net position ➤ Statement of activities 	<ul style="list-style-type: none"> ➤ Balance sheet ➤ Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> ➤ Statement of net position ➤ Statement of activities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All assets and liabilities, both financial and capital, and short-term and long-term

TWAIN HARTE COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued JUNE 30, 2020

Government-wide Statements

Statements of Net Position and Statements of Activities

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – The fire and parks departments are included here. Property taxes, property assessments and donations finance most of these activities.
- *Business -type Activities* – The water and sewer department's financial information are included here. The District charges fees for water and sewer services to cover the cost of these services. These represent revenue from special fees, connection fees and water and sewer charges.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The District Board establishes other funds to control and manage money for particular purposes (like the Certified Emergency Response (CERT) fund) or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental funds*—The District's Park and Recreation and Fire protection services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The District's water and sewer funds, (also known as *enterprise funds*, one type of proprietary fund), are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

Financial Analysis of the District as a Whole

Net position. The District's *combined* net position increased between fiscal years 2019 and 2020 by approximately \$610,000. (See Table 1.) In comparison, last year's net position increased by approximately \$618,000.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 JUNE 30, 2020

Government-Wide Financial Analysis

Condensed Statements of Net Position

Table 1 - Net Position for the District as a Whole

	2020	2019	\$ Change	% Change
Current and other assets	\$ 5,068,150	\$ 4,912,702	\$ 155,448	3%
Capital assets	6,572,942	6,197,814	375,128	6%
Total Assets	11,641,092	11,110,516	530,576	5%
Deferred outflows of resources	248,676	430,516	(181,840)	-42%
Current liabilities	729,900	823,698	(93,798)	-11%
Non-current liabilities	1,519,702	1,680,394	(160,692)	-10%
Total Liabilities	2,249,602	2,504,092	(254,490)	-10%
Deferred inflows of resources	21,100	28,258	(7,158)	-25%
Net position				
Net investment in capital assets	5,285,279	4,740,678	544,601	11%
Restricted	146,326	140,903	5,423	4%
Unrestricted	4,187,461	4,127,101	60,360	1%
Total Net Position	\$ 9,619,066	\$ 9,008,682	\$ 610,384	7%

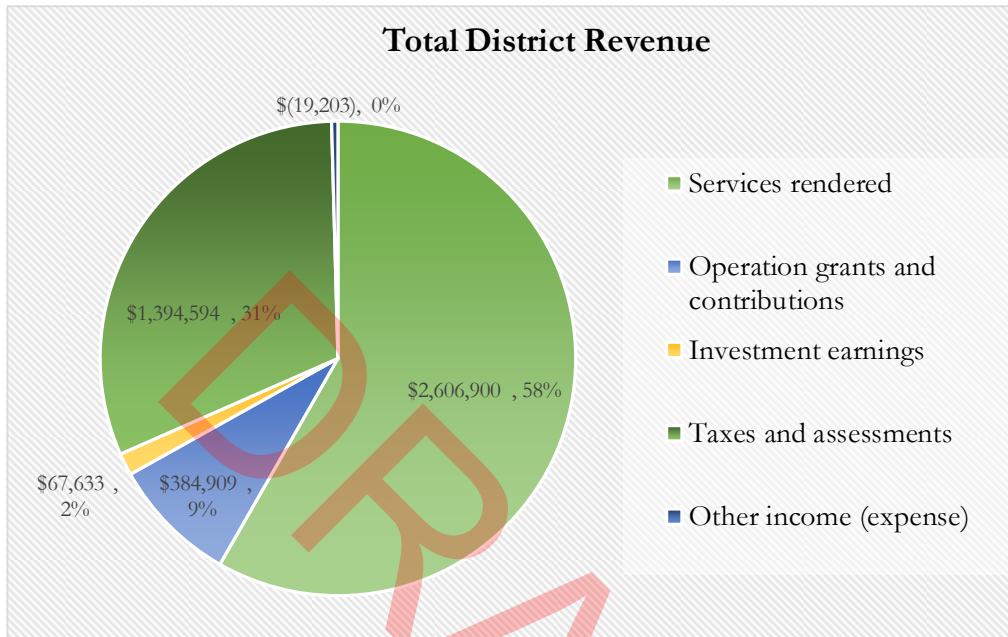
The net position of the District's governmental activities (Fire and Parks & Recreation) increased 3.6 percent to \$4,109,629. This was a result of an increase in all components of net position. Restricted net assets (restricted as to the purposes they can be used for) increased by \$1,740. Net assets that are invested in capital assets (buildings, equipment, and so on) increased by \$29,770. In addition, the *unrestricted* component of net position showed a \$1,421,378 balance at the end of this year which was an increase of \$141,702.

The net position of the District's business-type activities (Water and Sewer) increased 9.3 percent to \$5,509,437. This was a result of an increase in all components of net position. Restricted net assets (restricted as to the purposes they can be used for) increased by \$3,683. Net assets that are invested in capital assets (buildings, equipment, and so on) increased by \$514,831. In addition, the *unrestricted* component of net position showed a \$2,705,273 balance at the end of this year which was an decrease of \$49,382.

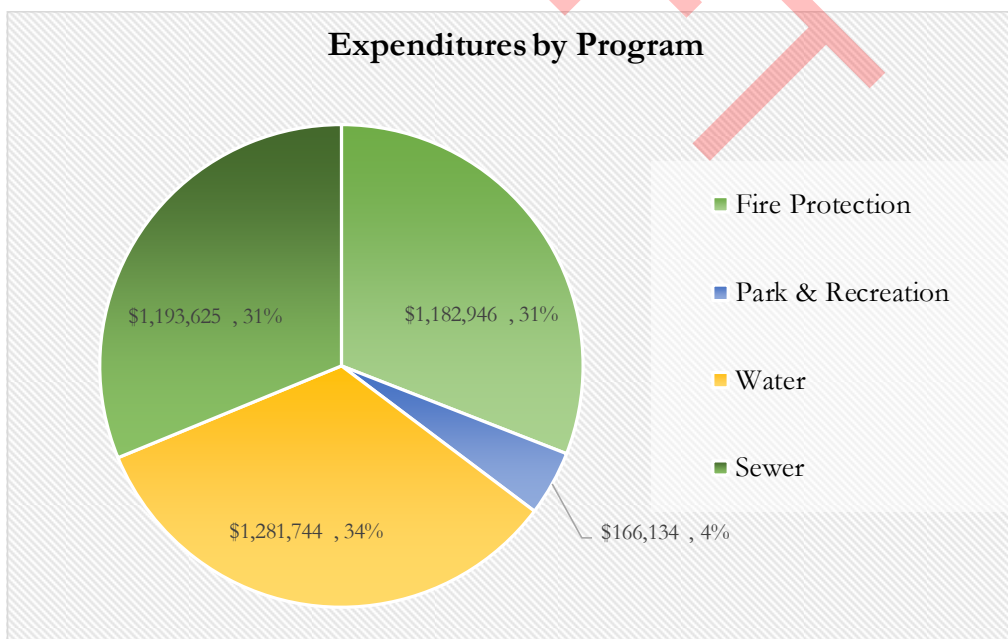
TWAIN HARTE COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2020

Changes in net position. The District’s total revenues (excluding special items) was virtually unchanged increasing by 1.2 percent to \$4,434,833. (See graph below) Virtually ninety percent of the District’s revenue comes from property taxes and services rendered (water and sewer fees, and 90 cents of every dollar raised comes from some type of tax or service fee. (See Table 2) The other ten percent mostly comes from state and federal aid.



The total cost of all programs and services increased by \$59,895 approximately 2%. The District’s expenses cover a range of services, with about 31% relating to fire services, 34% relating to water services, 32% relating to sewer services and 4% relating to park and recreation services. (See graph below)



TWAIN HARTE COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2020

Governmental Activities and Business Type Activities

Revenues for the District’s governmental activities (excluding Strike Team revenue) increased 5 percent to \$1.4 million, while total expenses decreased 10 percent to \$1.3 million. Factors contributing to these results included:

- The District’s property assessments and tax revenue increased by approximately 3.3 percent. This increase was the result of a CPI increase to property assessments and an increase in property tax revenues due to increasing property values.
- The District’s expenditure decreased primarily due to the completion of less capital projects.

Revenues of the District’s business-type activities increased 6.2 percent to \$2.9 million, and expenses increased 3.6 percent to \$2.3 million. (Refer to Table A-2.) Factors contributing to these results included:

- A 14.7 percent increase in sewer operating revenues driven by the last year of a five-year rate increase and a Sewer System Planning grant. Sewer operating expenses rose by 11.5% due primarily to project costs associated with the Sewer System Planning grant.
- Water revenues remained virtually unchanged even though the last year of a five-year rate increase was levied for the fiscal year. The increase created by the rate change was offset by a decrease in grant revenue resulting in a negligible net gain. Water operating expenses decreased 4.2% due to a decrease in grant related costs and the payoff of a loan in FY 18/19.

Table 2 - Changes in Net Position of the District as a Whole

	2020	2019	\$ Change	% Change
Services rendered	\$ 2,606,900	\$ 2,826,085	\$ (219,185)	-8%
contributions	384,909	231,446	153,463	66%
Investment earnings	67,633	28,935	38,698	134%
Taxes and assessments	1,394,594	1,351,092	43,502	3%
Other income (expense)	(19,203)	(54,979)	35,776	-65%
Total Revenue	4,434,833	4,382,579	52,254	1%
Fire Protection	1,182,946	1,345,493	(162,547)	-12%
Park & Recreation	166,134	185,381	(19,247)	-10%
Water	1,281,744	1,232,535	49,209	4%
Sewer	1,193,625	1,001,145	192,480	19%
Total Expenses	3,824,449	3,764,554	59,895	2%
Change in net position	\$ 610,384	\$ 618,025	\$ (7,641)	1%

TWAIN HARTE COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2020

Capital Asset and Debt Administration

At the end of fiscal year 2019/2020, the District had invested \$6.5 million in a broad range of capital assets, including fire equipment, buildings, park facilities, and water and sewer lines. (See Table 3.) This amount represents a net increase (including additions and deductions) of \$375 thousand, or 6 percent, over last year.

Table 3 - Capital Assets for the District as a Whole

	2020	2019	\$ Change	% Change
Land	\$ 1,070,803	\$ 1,070,803	\$ -	0%
Construction in progress	42,889	652,109	(609,220)	-93%
Building and improvements	3,021,246	2,599,849	421,397	16%
Furniture and equipment	11,372,670	10,389,295	983,375	9%
Accumulated depreciation	(8,934,666)	(8,514,242)	(420,424)	5%
Total	\$ 6,572,942	\$ 6,197,814	\$ 375,128	6%

This year’s major capital asset additions included (dollars in thousands):

- Recoating/Refurbishing of a million-gallon water tank —\$428,000
- Replacement of a water/sewer work truck—\$56,000
- Completion of the drilling of a third water well, financed by a state grant—\$90,692
- Purchase and installation of two sewer lift station generators—\$42,612
- Repairs of the fire station apron—\$53,695

Long-Term Debt

At year-end the District had \$1,273,878 outstanding, a decrease of 13.44 percent over last year—as shown in Table 4. More detailed information about the District’s long-term liabilities is presented in Note 6 to the financial statements.

No new debt was issued during the fiscal year.

Table 4 - Long-Term Liabilities for the District as a Whole

	2020	2019	\$ Change	% Change
Net Pension Liability (NPL)	\$ 383,000	\$ 421,165	\$ (38,165)	-9%
Compensated Absences	70,024	-	70,024	100%
Long Term Debt	1,273,878	1,457,136	(183,258)	-13%
Less current portion	(207,200)	(197,907)	(9,293)	5%
Total	\$ 1,519,702	\$ 1,680,394	\$ (160,692)	-10%

TWAIN HARTE COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
JUNE 30, 2020

Next Year’s Budget

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

Contacting the District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Carolyn Higgins, Finance Officer, P.O. Box 649 Twain Harte, CA 95383 or call at (209)586-3172.

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TWAIN HARTE COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activites	Business-Type Activities	Combined Funds
Assets			
Cash and investments	\$ 1,634,846	\$ 2,626,697	\$ 4,261,543
Restircted cash	-	140,345	140,345
Accrued receivables	83,291	568,247	651,538
Prepaid expenditures	1,740	6,745	8,485
Inventory	-	6,239	6,239
Nondepreciable capital assets	855,373	258,319	1,113,692
Depreciable capital assets, net	1,841,126	3,618,124	5,459,250
Total Assets	4,416,376	7,224,716	11,641,092
Deferred Outflows of Resources	94,667	154,009	248,676
Total Assets and Deferred Outflows of Resources	\$ 4,511,043	\$ 7,378,725	\$ 11,889,768
Liabilities			
Accrued payables	\$ 98,317	\$ 344,071	\$ 442,388
Unearned revenue	66,890	13,422	80,312
Long-term liabilities, current	38,940	168,260	207,200
Long-term liabilities, non-current	194,467	1,325,235	1,519,702
Total Liabilities	398,614	1,850,988	2,249,602
Deferred Inflows of Resources	2,800	18,300	21,100
Net Position			
Net investment in capital assets	2,576,319	2,708,960	5,285,279
Restricted	1,740	144,586	146,326
Unrestricted	1,531,570	2,655,891	4,187,461
Total Net Position	4,109,629	5,509,437	9,619,066
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,511,043	\$ 7,378,725	\$ 11,889,768

The accompanying notes are an integral part of these financial statements

TWAIN HARTE COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activites	Business-Type Activities	Combined Funds
Program Expenses			
Fire Protection	\$ 1,182,946	\$ -	\$ 1,182,946
Parks & Recreation	166,134	-	166,134
Water	-	1,281,744	1,281,744
Sewer	-	1,193,625	1,193,625
Total Program Expenses	1,349,080	2,475,369	3,824,449
Program Revenue			
Services rendered	5,180	2,601,720	2,606,900
Operating grants and contributions	159,864	225,045	384,909
Total Program Revenue	165,044	2,826,765	2,991,809
Net Program Expenses (Income)	1,184,036	(351,396)	832,640
General Revenue			
Property taxes and assessments	\$ 1,279,183	\$ 115,411	\$ 1,394,594
Interest expense	(4,504)	(43,150)	(47,654)
Revenue from use of money	23,620	44,013	67,633
Other revenues	27,439	1,012	28,451
Total General Revenue	1,325,738	117,286	1,443,024
Net Change in Fund Balance	141,702	468,682	610,384
Net Position - Beginning	3,967,927	5,040,755	9,008,682
Fund Balance / Net Position - Ending	\$ 4,109,629	\$ 5,509,437	\$ 9,619,066

The accompanying notes are an integral part of these financial statements

TWAIN HARTE COMMUNITY SERVICES DISTRICT

GOVERNMENT FUNDS – BALANCE SHEET
 JUNE 30, 2020

	Park and Recreation	Fire Protection	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 386,673	\$ 1,248,173	\$ 1,634,846
Accrued taxes receivables	6,971	60,024	66,995
Accrued grants receivables	-	8,262	8,262
Internal balances	-	-	-
Prepaid expenditures	465	1,275	1,740
Due from other Governments	-	8,034	8,034
Total Assets	394,109	1,325,768	1,719,877
Liabilities			
Accrued payables	\$ 14,890	\$ 83,427	\$ 98,317
Unearned revenue	51,890	15,000	66,890
Total Liabilities	66,780	98,427	165,207
Fund Balance			
Non-spendable	465	1,275	1,740
Committed	241,017	577,689	818,706
Assigned	70,531	558,192	628,723
Unassigned	15,316	90,185	105,501
Total Fund Balance	327,329	1,227,341	1,554,670
Total Liabilities and Fund Balance	\$ 394,109	\$ 1,325,768	\$ 1,719,877

The accompanying notes are an integral part of these financial statements

TWAIN HARTE COMMUNITY SERVICES DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Fund Balance - Governmental Funds \$ 1,554,670

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets relating to governmental activities, at historical cost:	\$ 4,616,348	
Accumulated depreciation:	<u>(1,919,849)</u>	2,696,499

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

	Note payable	(120,180)	
	Compensated absences	(26,227)	
	Net Pension Liability (Asset)	<u>(87,000)</u>	(233,407)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

		Deferred outflows of resources relating to pensions	94,667
		Deferred inflows of resources relating to pensions	(2,800)

Total Net Position - Governmental Activities: \$ 4,109,629

TWAIN HARTE COMMUNITY SERVICES DISTRICT

**GOVERNMENTAL FUNDS – STATEMENT OF REVENUE EXPENDITURES AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

	Park and Recreation	Fire Protection	Total Governmenta l Funds
General Revenues			
Property taxes and assessments	\$ 132,564	\$ 1,146,619	\$ 1,279,183
Charges for services	5,180	-	5,180
Grants	4,110	116,554	120,664
Donations	15,835	23,365	39,200
Revenue from use of money	5,660	17,960	23,620
Other revenues	81	27,358	27,439
Total Revenue	163,430	1,331,856	1,495,286
Expenditures / Expenses			
Operating Expenditures:			
Salaries and benefits	8,939	740,943	749,882
Materials, Supplies and Services	102,143	332,755	434,898
Capital outlay	4,265	136,832	141,097
Debt service - Principal	-	37,861	37,861
Debt service - Interest	-	4,504	4,504
Total Expenditures	115,347	1,252,895	1,368,242
Excess of Revenue over Expenditures	48,083	78,961	127,044
Fund Balances - Beginning	279,246	1,148,380	1,427,626
Fund Balances - Ending	\$ 327,329	\$ 1,227,341	\$ 1,554,670

The accompanying notes are an integral part of these financial statements

TWAIN HARTE COMMUNITY SERVICES DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE
EXPENDITURES AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Net Changes in Fund Balances - Total Governmental Funds \$ 127,044

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 141,097	
Depreciation expense:	<u>(149,188)</u>	(8,091)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

37,861

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:

(19,978)

Pensions:

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

4,866

Change in Net Position of Governmental Activities: \$ 141,702

TWAIN HARTE COMMUNITY SERVICES DISTRICT

PROPRIETARY FUNDS – STATEMENT OF NET POSITION
 JUNE 30, 2020

	Water	Sewer	Total
ASSETS			
Current Assets			
Cash and investments	\$ 1,406,484	\$ 1,220,213	\$ 2,626,697
Restricted cash	140,345	-	140,345
Customer receivables	201,791	150,311	352,102
Taxes receivable	6,064	-	6,064
Grants receivable	96,205	113,876	210,081
Prepaid expenditures	4,171	2,574	6,745
Stores inventory	5,299	940	6,239
Total Current Assets	1,860,359	1,487,914	3,348,273
Noncurrent Assets			
Nondepreciable capital assets	125,836	132,483	258,319
Depreciable capital assets, net	2,944,665	673,459	3,618,124
Total Noncurrent Assets	3,070,501	805,942	3,876,443
TOTAL ASSETS	4,930,860	2,293,856	7,224,716
DEFERRED OUTFLOWS OF RESOURCES	100,106	53,903	154,009
DEFERRED OUTFLOWS OF RESOURCES	\$ 5,030,966	\$ 2,347,759	\$ 7,378,725
LIABILITIES			
Current Liabilities			
Accrued liabilities	\$ 136,094	\$ 207,977	\$ 344,071
Unearned revenue	13,422	-	13,422
Long-term debt, current	153,652	14,608	168,260
Total Current Liabilities	303,168	222,585	525,753
Noncurrent Liabilities			
Net pension liability	192,400	103,600	296,000
Compensated absences	28,321	15,476	43,797
Long-term debt	921,473	63,965	985,438
Total Noncurrent Liabilities	1,142,194	183,041	1,325,235
TOTAL LIABILITIES	1,445,362	405,626	1,850,988
DEFERRED INFLOWS OF RESOURCES	6,405	11,895	18,300
Net investment in capital assets	1,995,377	713,583	2,708,960
Restricted	144,586	-	144,586
Unrestricted	1,439,236	1,216,655	2,655,891
Total Net Position	3,579,199	1,930,238	5,509,437
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION	\$ 5,030,966	\$ 2,347,759	\$ 7,378,725

The accompanying notes are an integral part of these financial statements

TWAIN HARTE COMMUNITY SERVICES DISTRICT

**PROPRIETARY FUNDS – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

	Water	Sewer	Total
OPERATING REVENUE			
Service charges	\$ 1,446,545	\$ 1,132,278	\$ 2,578,823
Other operating revenue	82,219	165,723	247,942
Total Operating Revenue	1,528,764	1,298,001	2,826,765
OPERATING EXPENSES			
General and administrative	237,655	126,412	364,067
Plant	819,028	1,008,413	1,827,441
Depreciation	225,061	58,800	283,861
Total Operating Expenses	1,281,744	1,193,625	2,475,369
Net Operating Income (Loss)	247,020	104,376	351,396
NONOPERATING REVENUES (EXPENSES)			
Interest income	23,842	20,171	44,013
Taxes and assessments	115,411	-	115,411
Interest expense	(40,215)	(2,935)	(43,150)
Gain on sale of assets	276	149	425
Miscellaneous	383	204	587
Total Nonoperating Revenues (Expenses)	99,697	17,589	117,286
NET CHANGE IN FIDUCIARY NET POSITION	346,717	121,965	468,682
Fiduciary Net Position - Beginning	3,232,482	1,808,273	5,040,755
Fiduciary Net Position - Ending	\$ 3,579,199	\$ 1,930,238	\$ 5,509,437

The accompanying notes are an integral part of these financial statements

TWAIN HARTE COMMUNITY SERVICES DISTRICT

PROPRIETARY FUNDS – STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds		
	WATER	SEWER	TOTAL
Cash Flows from Operating Activities			
Cash received from customers	\$ 1,499,991	\$ 1,297,333	\$ 2,797,324
Cash received from operating grants	123,751	(99,414)	24,337
Cash payments for goods and services	(816,484)	(848,971)	(1,665,455)
Cash payments to employees and benefits	(446,076)	(251,963)	(698,039)
<i>Net Cash Provided (Used) by Operating Activities</i>	361,182	96,985	458,167
Cash Flows from Non-Capital Financing Activities			
Cash received from property taxes	115,514	-	115,514
Miscellaneous, non-operating income (expense)	383	204	587
<i>Net Cash Provided (used) by Non-Capital Financing Activities</i>	115,897	204	116,101
Cash Flows from Capital Related Financing Activities			
Repayments on long-term debt	(12,261)	58,293	46,032
Interest expense on long-term debt	(40,215)	(2,935)	(43,150)
Purchases of property and equipment	(1,230,838)	(69,211)	(1,300,049)
Proceeds from disposal of property and equipment	632,415	979	633,394
<i>Net Cash Provided (Used) by Capital Related Financing Activities</i>	(650,899)	(12,874)	(663,773)
Cash Flows from Investing Activities			
Interest income	23,842	20,171	44,013
Changes in Cash and Cash Equivalents	(149,978)	104,486	(45,492)
Cash and Cash Equivalents - beginning of year	1,696,807	1,115,727	2,812,534
Cash and Cash Equivalents - end of year	\$ 1,546,829	\$ 1,220,213	\$ 2,767,042

The accompanying notes are an integral part of these financial statements

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 - A. Financial Reporting Entity

The Twain Harte Community Services District (the District) was formed in 1996 under Section 3 of the County Act of 1923. The District's primary function is to provide water, sewer, fire protection and Parks and recreation services to an approximate 3-square mile area, consisting of Twain Harte's downtown residential and commercial zones (approximate 2,500 population).

The accompanying financial statements present the activities of Twain Harte Community Services District ("the District") and does not have any component units, legally separate organizations for which the County is financially accountable.

1 - B. Other Related Entities

The District is associated with Special District Risk Management Authority "the Agency". This organizations does not meet the criteria for inclusion as a component unit of the District. Additional information is presented in Note 10 to the financial statements.

1 - C. Basis of Presentation

Government-wide Statements. The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

Fund Financial Statements. The fund financial statements provide information about the District's finds. Separate statement for each fund category – *governmental and proprietary* – are presented.

Governmental funds – are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include operations of park and recreation, operation of the fire station and repayment of long-term debt.

Proprietary funds – are used to account for activities that are more business like in nature. Business-type activities include those in which a fee is charged to external users. For the District the proprietary funds are enterprise in nature for both the Water and Sewer funds.

1 - D. Basis of Accounting – Measurement Focus

Government-wide Statements. The government-wide statements are reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, assessments and government grants. On an accrual basis, revenue from property taxes and assessments is recognized in the fiscal year for which they are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2020

1 - E. Basis of Accounting – Measurement Focus

Government-wide Statements. The government-wide statements are reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, assessments and government grants. On an accrual basis, revenue from property taxes and assessments is recognized in the fiscal year for which they are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, assessments, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

1 - F. Assets, Liabilities, and Net Position

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2020:

Cash in County of \$2.7 million is valued using quoted market prices (Level 1 inputs)

Acquisition Value

The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2020, based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash in County." Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Accrued Receivables

The District considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise fund is also capitalized.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial statements.

Capital assets in the enterprise funds are capitalized in the fund in which they are utilized. The valuation basis for enterprise fund capital assets is the same as those used for the capital assets of governmental funds. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Vehicles	5 years
Furniture and equipment	5-7 years
Building and improvements	10-39 years

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as liabilities in the governmental fund financial statements when due.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employee Retirement System ("Cal PERS") and additions to/deductions from Cal PERS' fiduciary net position have been determined on the same basis as they are reported by Cal PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2020

Gains and losses related to the changes in total pension liability are recognized in pension expense systematically over time. The amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts that are categorized as deferred outflows and inflows of sources related to pension are to be recognized in further pension expense. The amortization period differs depending in the source of the gain or loss. The difference between projected and actual earnings is amortized over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Committed. The District's highest decision-making level of authority rests with the Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned. Resources that are constrained by the government's intent to use them for a specific purpose but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the County for any purpose. When expenditures are incurred and both restricted and unrestricted resources are available, it is the County's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

1 - G. Revenue and Expenditures/Expenses

Revenues – Exchange Transactions (Program Revenue).

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year-end.

Property Tax (General Purpose Revenue) and Special Assessments (Program Revenue).

The County of Tuolumne assesses, bills, and collects property taxes and special assessments for the District. Property taxes are government mandated non-exchange transactions and are recognized in the fiscal year in which the taxes are received or when assessed if received within 60 days of the fiscal year-end. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2020

Expenses/Expenditures.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations which have not matured are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Compensated Absences

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

Sick leave is accumulated for each employee at the rate of one day for each month worked to a limit of 960 hours for regular employees and 1.328 hours for Fire Department shift employees. Leave with pay is provided when employees are absent for health reasons.

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

Estimates

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

Budgetary Data

Per Government Code §61110, on or before July 1 of each year or the board of directors may adopt a preliminary budget that conforms to generally accepted accounting and budgeting procedures for special districts.

The board of directors may divide the preliminary budget into categories, including, but not limited to Maintenance and operation, Services and supplies, Employee compensation, Capital outlay, Interest and redemption for indebtedness, Designated reserve for capital outlay, Designated reserve for contingencies.

On or before July 1 of each year the board of directors shall publish a notice stating either that it has adopted a preliminary budget or that the general manager has prepared a proposed final budget which is available for inspection at a time and place within the district specified in the notice; and the date, time, and place when the board of directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

The board of directors shall publish the notice at least two weeks before the hearing in at least one newspaper of general circulation in the district pursuant to Government Code § 6061.

At the time and place specified for the hearing, any person may appear and be heard regarding any item in the budget or regarding the addition of other items. The hearing on the budget may be continued from time to time.

On or before September 1 of each year the board of directors shall adopt a final budget that conforms to generally accepted accounting and budgeting procedures for special districts. The general manager shall forward a copy of the final budget to the auditor of each county in which the district is located.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

1 - H. New Accounting Pronouncements

The Governmental Accounting Standards Board (“GASB”) has issued the following standards:

- ❖ GASB Statement No. 84, *Fiduciary Activities*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged.
- ❖ GASB Statement No. 87, *Leases*. Effective Date: For reporting periods beginning after June 15, 2021.
- ❖ GASB Statement No. 92, *Omnibus 2020*. The provisions of this Statement are effective for periods beginning after June 15, 2021. Earlier application is encouraged.

For specific details about the standards, please see www.gasb.org.

NOTE 2 – DEPOSITS AND INVESTMENTS

2 - A. Summary of Deposit and Investment Balances

	Park and Recreation	Fire Protection	Total Governmental Funds	Water	Sewer	Total Business- Type Activities
Deposits in bank	\$ 128,236	\$ 413,923	\$ 542,159	\$ 512,773	\$ 404,627	\$ 917,400
Cash in LAIF	258,433	834,176	1,092,609	1,033,388	815,442	1,848,830
Cash on hand	4	74	78	668	144	812
Total Cash and Cash Equivalents	\$ 386,673	\$ 1,248,173	\$ 1,634,846	\$ 1,546,829	\$ 1,220,213	\$ 2,767,042

2 - B. Policies and Practices

The Districts investment policy permits investments in LAIF, time certificates of deposits issued by a nationally or state-chartered bank, US Treasury notes, bonds, bills or certificates of indebtedness, and savings accounts secured by federal insurance or collateralized. The board may authorize additional types of investments including bonds issued by the District, the State of California or any local agency within the State, and obligations issued by federal agencies.

2 - C. Custodial Credit Risk – Deposits

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 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, 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% of the total amount deposited by the public agencies.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued JUNE 30, 2020

At June 30, 2020 of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

2 - D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal policy to manage interest rate risk. For 2020, the maturity in months of certificates of deposit is 24 months.

2 - E. Credit Risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. The District's investments in LAIF and certificates of deposit are not rated.

2 - F. Concentration of Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of June 30, 2020, there are no investments in any one issuer (other than external investment pools) that represent 32% or more of the total investments of the District.

2 - G. Investment in State Investment Pool

The pooled investments are with the State of California State Treasurer's LAIF. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The District is a voluntary participant in the investment pool. The District relied on information provided by the State Treasurer in estimating the District's fair value position of its holdings in LAIF. The District had a contractual withdrawal value of \$2,941,439 whose pro-rata share of fair value was estimated by the State Treasurer to be \$2,955,890 as of June 30, 2020. LAIF is not subject to a credit-quality rating.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, consists of the following:

GOVERNMENT FUNDS	Balance 2019	Additions	Deletions	Balance 2020
Capital Assets Not Being Depreciated				
Land	\$ 841,263	\$ -	\$ -	\$ 841,263
Construction in progress	-	14,110	-	14,110
Total Capital Assets Not Being Depreciate	\$ 841,263	\$ 14,110	\$ -	\$ 855,373
Capital Assets Being Depreciated				
Building and improvements	\$ 1,802,496	\$ 73,885	\$ -	\$ 1,876,381
Furniture and equipment	1,831,492	53,102	-	1,884,594
Total assets being depreciated	3,633,988	126,987	-	3,760,975
Accumulated depreciation	(1,770,661)	(149,188)	-	(1,919,849)
Total Capital Assets Depreciated, Net	\$ 1,863,327	\$ (22,201)	\$ -	\$ 1,841,126
WATER				
Capital Assets Not Being Depreciated				
Land	\$ 103,322	\$ -	\$ -	\$ 103,322
Construction in progress	652,109	1,000	(630,595)	22,514
Total Capital Assets Not Being Depreciate	\$ 755,431	\$ 1,000	\$ (630,595)	\$ 125,836
Capital Assets Being Depreciated				
Building and improvements	\$ 551,213	\$ 346,891	\$ -	\$ 898,104
Furniture and equipment	6,678,909	882,947	(9,750)	7,552,106
Total assets being depreciated	7,230,122	1,229,838	(9,750)	8,450,210
Accumulated depreciation	(5,288,690)	(225,061)	8,206	(5,505,545)
Total Capital Assets Depreciated, Net	\$ 1,941,432	\$ 1,004,777	\$ (1,544)	\$ 2,944,665

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

SEWER	Balance			Balance
	2019	Additions	Deletions	2020
Capital Assets Not Being Depreciated				
Land	\$ 126,218	\$ -	\$ -	\$ 126,218
Construction in progress	-	6,265		6,265
Total Capital Assets Not Being Depreciate	\$ 126,218	\$ 6,265	\$ -	\$ 132,483
Capital Assets Being Depreciated				
Building and improvements	\$ 246,140	\$ 621	\$ -	\$ 246,761
Furniture and equipment	1,878,894	62,325	(5,249)	1,935,970
Total assets being depreciated	2,125,034	62,946	(5,249)	2,182,731
Accumulated depreciation	(1,454,891)	(58,800)	4,419	(1,509,272)
Total Capital Assets Depreciated, Net	\$ 670,143	\$ 4,146	\$ (830)	\$ 673,459

NOTE 4 – ALLOCATION FROM GENERAL FUND

The District allocates a percentage of administrative expenses to each of the four funds of the District.

The following shows the allocation percentages to allocate the administrative expenses:

Parks and Recreation	10%
Fire Protection	18%
Water	47%
Sewer	25%

NOTE 5 – ACCRUED PAYABLES

Payables at June 30, 2020, were as follows:

	Park and	Fire	Total			Total Business-
	Recreation	Protection	Governmental	Water	Sewer	Type
			Funds			Activities
Vendors	\$ 11,133	\$ 23,780	\$ 34,913	\$ 61,194	\$ 182,628	\$ 243,822
Payroll	2,121	48,169	50,290	26,746	15,100	41,846
Compensated absences	1,636	11,478	13,114	14,161	7,738	21,899
Accrued interest	-	-	-	33,993	2,511	36,504
Total Accrued Payable:	\$ 14,890	\$ 83,427	\$ 98,317	\$ 136,094	\$ 207,977	\$ 344,071

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2020

NOTE 6 – LONG-TERM LIABILITIES

6 - A. Long-Term Liabilities Summary

Long-term liability activity for the year ended June 30, 2020 was as follows:

Enterprise Funds:	2019	Additions	Deletions	2020
Water				
Net Pension Liability "NPL"	\$ 156,519	\$ 35,881	\$ -	\$ 192,400
Compensated absences	31,130	11,352	(14,161)	28,321
Debt Obligations	1,221,079	-	(145,954)	1,075,125
Total Water Fund	1,408,728	47,233	(160,115)	1,295,846
Sewer Fund				
Net Pension Liability "NPL"	\$ 91,924	\$ 11,676	\$ -	\$ 103,600
Compensated absences	35,430	-	(19,954)	15,476
Debt Obligations	92,665	-	(14,092)	78,573
Total Sewer Fund	\$ 220,019	\$ 11,676	\$ (34,046)	\$ 197,649
Governmental Activities				
Net Pension Liability "NPL"	\$ 172,722	\$ -	\$ (85,722)	\$ 87,000
Compensated absences	23,805	15,536	(13,114)	26,227
Debt Obligations	158,041	-	(37,861)	120,180
Total for Governmental Activities	\$ 354,568	\$ 15,536	\$ (136,697)	\$ 233,407

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

6 - B. Debt Obligations

Changes to the District's long term obligations during the year consist of the following:

Enterprise Funds:	Balance		Balance	Due In
	2019	Deletions	2020	One Year
Water Fund				
Davis - Grunsky loan #1. Original indebtedness - \$950,000, payable in annual installments of Principal and semi-annual installments of interest at 2.5%, maturity date is 2023.	\$ 142,381	\$ (34,288)	\$ 108,093	\$ 35,153
Davis - Grunsky #1, deferred interest, payable in annual installments without interest, original indebtedness - \$84,239, maturity date is 2023.	14,649	(3,663)	10,986	3,663
Davis - Grunsky #2. Original indebtedness - \$860,535. payable in annual installments of principal and semi-annual installments of interest at 2.5% maturity is 2023.	139,902	(33,691)	106,211	34,533
Municipal Finance Corporation, payable in annual installments and interest of 4.98%, maturity date is 2028.	924,147	(74,312)	849,835	80,303
Total Water Fund	1,221,079	(145,954)	1,075,125	153,652
Sewer Fund				
US Bancorp, payable in annual installments of \$17,418, maturity date is August 2024.	92,665	(14,092)	\$ 78,573	14,608
Total Business Type Funds	\$ 1,313,744	\$ (160,046)	\$ 1,153,698	\$ 168,260
Governmental Activities - Fire Fund				
installments and interest of 2.85% per annum beginning February 1, 2013 through February 1, 2023.	\$ 158,041	\$ (37,861)	\$ 120,180	\$ 38,940

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

Debt Service requirements to maturity as of June 30, 2020 as follows:

Fiscal Year	Fire Fund		Sewer Fund		Water Fund		Total	
	Loans		Sewer Bonds		Loans and Deferred Interest		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 38,940	\$ 3,425	\$ 14,608	\$ 2,870	\$ 153,652	\$ 39,350	\$ 207,200	\$ 45,645
2022	40,050	2,315	15,141	2,337	158,600	34,396	213,791	39,048
2023	41,190	1,174	15,694	1,784	163,713	29,271	220,597	32,229
2024	-	-	16,268	1,210	90,330	23,966	106,598	25,176
2025	-	-	16,862	616	93,844	20,353	110,706	20,969
2026-2028	-	-	-	-	414,986	42,301	414,986	42,301
Total	\$ 120,180	\$ 6,914	\$ 78,573	\$ 8,817	\$ 1,075,125	\$ 189,637	\$ 1,273,878	\$ 205,368

6 - C. Compensated Absences

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

6 - D. Net Pension Liability

The District's pension activities between the District and CalPERS for the year ended June 30, 2019, resulted in net pension obligations and other related balances as follows:

	CalPERS Risk Pool		
	Safety	Miscellaneous	Total
Net Pension Liability	\$ (87,000)	\$ (296,000)	\$ (383,000)
Deferred Outflows of Resources	94,667	154,009	248,676
Deferred inflows of Resources	(2,800)	(18,300)	(21,100)
Effect on Net Position	\$ 4,867	\$ (160,291)	\$ (155,424)
Pension Expense	\$ 26,400	\$ 108,000	\$ 134,400

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

NOTE 7– DEFINED BENEFIT PENSION

7 - A. General Information about the Pension Plans

Plan Description

The District contributes to the California Public Employees’ Retirement System (“CalPERS” or the System) is a cost-sharing, multiple-employer defined benefit public pension fund. CalPERS provides retirement benefit services for state, school, and public employers. The plan is governed by a 13-member Board of Administration consisting of member-elected, appointed, and ex officio members. Established by legislation in 1931, the System became operational in 1932 to provide retirement to state employees. In 1939, new legislation allowed public agency and classified school employees to join CalPERS for retirement benefits. The benefits for the public agencies are established by contract with the System, in accordance with the provisions of the Public Employees’ Retirement Law. CalPERS issues a publicly available financial report that can be obtained at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2020.pdf>.

For accounting purposes only, Public Employees’ Retirement Fund (“PERF”) is comprised of and reported as three separate entities. PERF A is comprised of agent multiple-employer plans, which includes the State of California and most public agencies’ rate plans with more than 100 active members. PERF B is a cost-sharing multiple employer plan of school employers consisting of non-teaching and non-certified employees. PERF C is a cost-sharing multiple-employer plan of public agencies with generally less than 100 active members. The District’s net pension liability (“NPL”) is a part of PERF C.

Benefits Provided

The benefits for the defined benefit plans are based on members’ years of service, age, final compensation, and benefits formula. The District participates in the following plans:

Plan	Benefit Formula
Safety Fire Plan	3.0% @ 55
PEPRA Miscellaneous	2.0% @ 62
Miscellaneous Plan	3.0% @ 60

More detailed calculation can be found in Appendix B in Section 2 of the Risk Pool Valuation Reports. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service. All non-state Second Tier members are eligible to receive cost-of-living (COLA) adjustments up to a maximum of 2 percent compounded annually (up to 5 percent maximum as a contract option for retired members of local agencies).

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements are identified by the pension plan terms.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

The CalPERS Annual Valuation Report for Twain Harte Community Service District as of June 30, 2017, reported 2019-2020 required the following required contributions:

Plan	Employer Normal Cost Rate	Employer Payment of Unfunded Liability	Employee Contributions
Safety Fire Plan	18.928%	\$ 10,169	8.986%
PEPRA Safety Fire Plan	6.985%	\$ 59	6.750%
Miscellaneous Plan	13.690%	\$ 15,431	7.784%

Contributions to the pension plans from the District for the Safety and Miscellaneous plan was \$80,867 and \$100,309 respectively, including the payment for unfunded liability.

7 - B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2020, the District reported a Safety liability of \$87,000 and a Miscellaneous liability of \$296,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined. The District's proportion was calculated as follows:

	June 30, 2019	June 30, 2018	Difference
Safety Plan:			
Total Pension Liability Allocation Basis	0.0000209	0.000068	-0.0000471
Fiduciary Net Position Allocation Basis	0.0000234	0.0000821	-0.0000587
Miscellaneous Plan:			
Total Pension Liability Allocation Basis	0.000122	0.0001145	0.0000075
Fiduciary Net Position Allocation Basis	0.0001357	0.0001286	0.0000071

For the year ended June 30, 2020, the District recognized pension expense of \$134,400. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows (Inflows) of Resources		
	Safety	Miscellaneous	Total
Changes of assumptions	\$ 4,300	\$ 14,100	\$ 18,400
Differences between expected and actual experience	8,500	29,300	37,800
Net difference between projected and actual earnings on pension plan investments	(1,800)	(8,000)	(9,800)
Contributions subsequent to the measurement date	80,867	100,309	181,176
Total	\$ 91,867	\$ 135,709	\$ 227,576

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

\$181,176 was the current year contribution and is reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30:	Amount
2021	\$ 224,376
2022	(4,000)
2023	5,300
2024	1,900
Total	\$ 227,576

7 - C. Actuarial Assumptions and Discount Rate Information

Actuarial Assumptions

Following are the actuarial assumptions used to determine the net pension liability:

	Classic & PEPRA Plans
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method:	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount Rate:	7.15%
Inflation rate	2.75%
Salary increases	(1)
Mortality Rate Table ¹	(2)
Post-Retirement Benefit Increase	(3)

(1) Varies by entry age and service

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Floor on Purchasing Power applies, 2.50% thereafter.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Current Target Allocation	Real Return Years 1 – 10 (b)	Real Return Years 11+ (c)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	(0.00%)	(0.92%)

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.00% used for this period

(c) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of benefit payments to determine the total pension liability.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the District’s proportionate share of the net pension liability of each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

Safety Plan	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability:	\$ 197,600	\$ 87,000	\$ 75,400

Miscellaneous Plan	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability:	\$ 735,500	\$ 296,000	\$ 108,000

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS Comprehensive Annual Financial Report.

NOTE 8 – DEFERRED COMPENSATION PLAN

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

NOTE 9 – FUND BALANCE

Fund balance components at June 30, 2020, were as follows:

	Parks and Recreation	Fire Protection	Total Governmental Funds
Nonspendable			
Prepaid	\$ 465	\$ 1,275	\$ 1,740
Committed			
Capital improvement	241,017	577,689	818,706
Assigned			
Board assigned for Operating Reserve	70,531	558,192	628,723
Unassigned	15,316	90,185	105,501
Total Fund Balances	\$ 327,329	\$ 1,227,341	\$ 1,554,670

TWAIN HARTE COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2020

NOTE 10 – PARTICIPATION IN A JOINT POWERS AUTHORITY

During the year ended June 30, 2020, the District contracted with the Special District Risk Management Authority (the Authority) for workers' compensation, and property and liability insurance coverage. The Authority has reporting requirements independent of members units and its financial statements are not presented in these final statements. Audited financial statements are generally available from the Authority.

During the year ended June 30, 2020, the District made payments of \$113,237 to the Authority.

NOTE 11 – CONTINGENCIES AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. On March 16, 2020, the Governor of California declared a health emergency and issued an order to close all nonessential businesses until further notice. Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the District's financial position, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 12– SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2020 through April XX, 2021 which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at June 30, 2020, including the estimates inherent in the processing of financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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TWAIN HARTE COMMUNITY SERVICES DISTRICT

**PARKS AND RECREATION FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

PARKS AND RECREATION	Budgeted		with Final Budget - Positive / (Negative)
	Original/Final	Actual	
REVENUE			
Program Revenue:			
Property taxes and assessments	\$ 130,786	\$ 132,564	\$ 1,778
Charges for services	5,800	5,180	(620)
Grants	56,000	4,110	(51,890)
Donations	18,000	15,835	(2,165)
Revenue from use of money	4,500	5,660	1,160
Other revenues	-	81	81
Total Revenue	215,086	163,430	(51,656)
EXPENDITURES			
Operating Expenditures:			
Salaries and benefits	13,679	8,939	4,740
Materials, Supplies and Services	121,699	102,143	19,556
Capital outlay	57,000	4,265	52,735
Total Expenditures	192,378	115,347	77,031
NET CHANGE IN FUND BALANCE	22,708	48,083	25,375
Fund Balance - Beginning	279,246	279,246	-
Fund Balance - Ending	\$ 301,954	\$ 327,329	\$ (25,375)

TWAIN HARTE COMMUNITY SERVICES DISTRICT

**FIRE PROTECTION FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020**

FIRE PROTECTION FUND	Budgeted Amounts		with Final Budget - Positive / (Negative)
	Original/Final	Actual	
REVENUE			
Program Revenue:			
Property taxes and assessments	\$ 1,129,565	\$ 1,146,619	\$ 17,054
Grants	56,075	116,554	60,479
Donations	3,000	23,365	20,365
Revenue from use of money	18,000	17,960	(40)
Other revenues	90,238	27,358	(62,880)
Total Revenue	1,296,878	1,331,856	34,978
EXPENDITURES			
Operating Expenditures:			
Salaries and benefits	781,887	740,943	40,944
Materials, Supplies and Services	350,058	332,755	17,303
Capital outlay	331,395	136,832	194,563
Debt service - Principal	37,861	37,861	-
Debt service - Interest	4,504	4,504	-
Total Expenditures	1,505,705	1,252,895	252,810
NET CHANGE IN FUND BALANCE	(208,827)	78,961	287,788
Fund Balance - Beginning	1,148,380	1,148,380	-
Fund Balance - Ending	\$ 939,553	\$ 1,227,341	\$ (287,788)

TWAIN HARTE COMMUNITY SERVICES DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2020	2019	2018	2017	2016
Safety Plan:					
District's proportion of the net pension liability (asset)	0.0021%	0.0068%	0.0012%	0.0056%	0.0019%
District's proportionate share of the net pension liability (asset)	\$ 87,000	\$ 172,000	\$ 174,000	\$ 84,000	\$ 43,000
District's covered payroll	\$ 291,915	\$ 351,060	\$ 291,915	\$ 339,294	\$ 318,228
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.8%	49.0%	59.6%	24.8%	13.5%
Plan fiduciary net position as a percentage of the total pension liability	73.4%	87.9%	85.7%	89.3%	94.4%
Miscellaneous Plan:					
District's proportion of the net pension liability (asset)	0.0122%	0.0115%	0.0107%	0.0091%	0.0034%
District's proportionate share of the net pension liability (asset)	\$ 296,000	\$ 248,000	\$ 258,000	\$ 141,000	\$ 111,000
District's covered payroll	\$ 608,372	\$ 646,007	\$ 630,659	\$ 644,354	\$ 626,570
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	48.7%	38.4%	40.9%	21.9%	17.7%
Plan fiduciary net position as a percentage of the total pension liability	77.7%	77.7%	85.7%	75.9%	79.9%

The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year.

TWAIN HARTE COMMUNITY SERVICES DISTRICT

SCHEDULE OF CONTRIBUTIONS

	2020	2019	2018	2017	2016
Safety Plan:					
Contractually required contribution	\$ 70,698	\$ 65,305	\$ 58,566	\$ 54,826	\$ 60,458
Contributions in relation to the contractually required contribution	(70,698)	(65,305)	(58,566)	(54,826)	(60,458)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 317,506	\$ 377,796	\$ 351,060	\$ 291,915	\$ 339,294
Contributions as a percentage of covered payroll	22.3%	17.3%	16.7%	18.8%	17.8%

	2020	2019	2018	2017	2016
Miscellaneous Plan:					
Contractually required contribution	\$ 84,878	\$ 89,837	\$ 82,407	\$ 75,332	\$ 79,387
Contributions in relation to the contractually required contribution	(84,878)	(89,837)	(82,407)	(75,332)	(79,387)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 650,336	\$ 608,372	\$ 646,007	\$ 630,659	\$ 644,354
Contributions as a percentage of covered payroll	13.1%	14.8%	12.8%	11.9%	12.3%

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
20/21 OPERATING EXPENDITURE SUMMARY
As of March 31, 2021**

Fund	TOTAL Budget*	YTD Expended	Budget Balance	% Spent (Target 75%)
Park	91,971	50,286	41,685	54.68%
Water	1,069,667	763,235	306,432	71.35%
Sewer	1,207,857	644,882	562,975	53.39%
Fire	1,032,684	846,075	186,609	81.93%
Admin	598,360	411,462	186,898	68.76%
TOTAL	\$ 4,000,539	\$ 2,715,940	\$ 1,284,599	67.89%

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
20/21 CAPITAL EXPENDITURE SUMMARY
As of March 31, 2021**

Fund	TOTAL Budget*	YTD Expended	Budget Balance	% Spent (Target 75%)
Park	154,240	102,207	52,033	66.26%
Water	381,220	50,344	330,876	13.21%
Sewer	339,900	54,574	285,326	16.06%
Fire	203,230	112,952	90,278	55.58%
Admin		-	-	
TOTAL	\$ 1,078,590	\$ 320,077	\$ 758,513	29.68%

Reflects Mid-Year Budget Revision - Approved 01/13/21

TWAIN HARTE COMMUNITY SERVICES DISTRICT
BANK BALANCES
As of March 31, 2021

Account	Beginning Balance	Receipts	Disbursements	Current Balance
U.S. Bank Operating	902,723	263,363	(232,844)	933,242
U.S. Bank - D Grunsky #1*	53,483		(25)	53,458
U.S. Bank - D Grunsky #2*	56,609			56,609
LAIF	2,963,118			2,963,118
TOTAL	\$ 3,975,933	\$ 263,363	\$ (232,869)	\$ 4,006,427

*Davis Grunsky reserve money restricted for Davis Grunsky Loan Payments

TWAIN HARTE COMMUNITY SERVICES DISTRICT
Board of Directors Regular Meeting via Teleconference due to COVID-19
March 10, 2021

CALL TO ORDER: President Sipperley called the meeting to order at 09:02 a.m. The following Directors, Staff, and Community Members were present:

DIRECTORS:

Director Sipperley, President
Director McManus
Director Mannix
Director Knudson
Director deGroot

STAFF:

Tom Trott, General Manager
Neil Gamez, Fire Chief
Kim Silva, Administrative Coordinator/ Board Secretary
Lewis Giambruno, Operations Manager
Carolyn Higgins, Finance Officer

AUDIENCE: 1 Attendee.

PUBLIC COMMENT ON NON-AGENDIZED ITEMS:

Carol Hallet provided an update regarding CERT and their activity over the last month– including volunteering at the vaccine clinics, UAV deployment and crosswalk assistance.

PRESENTATIONS:

- A. Presentation of the flag by Mick Grimes.

CONSENT AGENDA:

- A. Presentation and approval of financial statements through February 28, 2021.
- B. Approval of the minutes of the Regular Meeting held on February 10, 2021.

MOTION: Director DeGroot made a motion to accept the consent agenda in its entirety.

SECOND: Director McManus

AYES: Mannix, deGroot, McManus, Sipperley, Knudson

NOES: None

ABSTAIN:

OLD BUSINESS

- A. None.

NEW BUSINESS:

- A. Discussion/action to adopt Resolution #21-07 – Approving the Application for Statewide Park Development and Community Revitalization Program Grant Funds.

MOTION: Director McManus made a motion to adopt Resolution #21-07 – Approving the Application for Statewide Park Development and Community Revitalization Program Grant Funds.

SECOND: Director deGroot

AYES: Mannix, deGroot, McManus, Sipperley, Knudson

NOES: None

ABSTAIN:

- B. Discussion/action regarding preliminary award of a Proposition 1 Storm Water Grant for the Twain Harte Community Stormwater Enhancement Project.

GM Trott discussed all of the details of the grant and the board stated that there was no action needed.

- C. Discussion/action to adopt Resolution #21-08 – Awarding a Services Agreement to the Tuolumne County Resource Conservation District in the Amount of \$72,960 for the Administration of a Proposition 1 Storm Water Grant.

MOTION: Director McManus made a motion to adopt Resolution #21-08 – Awarding a Services Agreement to the Tuolumne County Resource Conservation District in the Amount of \$72,960 for the Administration of a Proposition 1 Storm Water Grant.

SECOND: Director Mannix

AYES: Mannix, deGroot, McManus, Sipperley, Knudson

NOES: None

ABSTAIN:

- D. Annual review of Policy #1030 - Communications Policy.

GM Trott discussed the details of the annual review of Policy #1030-Communications Policy and the board started that there was no action needed.

- E. Discussion/action to approve revisions to Policy #3070 – Encroachment Permits.

MOTION: Director DeGroot made a motion to approve revisions to Policy #3070 – Encroachment Permits.

SECOND: Director Mannix

AYES: Mannix, deGroot, McManus, Sipperley, Knudson

NOES: None

ABSTAIN:

- F. Discussion/action to approve revisions to Policy #3071 – Construction Code Enforcement.

MOTION: Director Mannix made a motion to approve revisions to Policy #3071– Construction Code Enforcement.

SECOND: Director DeGroot

AYES: Mannix, deGroot, McManus, Sipperley, Knudson

NOES: None

ABSTAIN:

REPORTS:

President and Board member reports.

- *President Sipperley provided a report regarding attending the water shed advisory committee of IRWM as well as the most recent TUD meeting.*

Fire Chief Report by Chief Gamez

- *A verbal summary of the written report was provided.*

Water/Sewer/Park Operations Report Provided by Operations Manager Giambruno

- *A verbal summary of the written report was provided.*

General Manager Report Provided by General Manager Trott

- *A verbal summary of the written report was provided.*

Closed Session: *The Board of Directors convened into closed session at 10:37 a.m.*

- A. With respect to every item of business to be discussed in closed session pursuant to Section 54957: Public Employee Performance Evaluation, General Manager.
- *President Sipperley reconvened the meeting into regular session at 11:36 a.m. with no reportable action.*

ADJOURNMENT:

The meeting was adjourned at 11:37a.m.

Respectfully submitted,

APPROVED:

Kimberly Silva, Board Secretary

Gary Sipperley, President

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 21-09**

**AUTHORIZATION TO ENTER INTO A FUNDING AGREEMENT WITH THE STATE
WATER RESOURCES CONTROL BOARD AND AUTHORIZATION AND
DESIGNATION OF A REPRESENTATIVE FOR THE TWAIN HARTE COMMUNITY
STORMWATER ENHANCEMENT PROJECT**

WHEREAS, Twain Harte Community Services District (District) has submitted an application to the State Water Resources Control Board for funding for the Twain Harte Community Stormwater Enhancement Project (Project), which consists of a series of innovative stormwater improvements across the community to enhance water quality, decrease creek scouring, reduce sedimentation, improve water supply self-reliance and educate the community to encourage similar improvements on private properties throughout Twain Harte; and

WHEREAS, prior to the State Water Resources Control Board's executing a funding agreement, the District is required to adopt a resolution authorizing an agent, or representative, to sign the funding agreement, amendments, and requests for disbursement on behalf of the District, and to carry out other necessary Project-related activities.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Twain Harte Community Services District that:

1. Twain Harte Community Services District is hereby authorized to carry out the Project, enter into a funding agreement with the State Water Resources Control Board, and accept and expend State funds for the Project; and
2. The District's **General Manager**, or designee, is hereby authorized and designated to sign, for and on behalf of the District, the funding agreement for the Project and any amendments thereto; and
3. The **General Manager**, or designee, is hereby authorized and designated to represent the District in carrying out the District's responsibilities under the funding agreement, including certifying invoices and disbursement requests for Project costs on behalf of the District and compliance with applicable state and federal laws.
4. Any and all actions, whether previously or subsequently taken by the District, which are consistent with the intent and purposes of the foregoing resolution, shall be, and hereby are, in all respects, ratified, approved and confirmed.

CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of the resolution duly and regularly adopted by the Twain Harte Community Services District Board of Directors at their Regular Meeting held on April 14, 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Gary Sipperley, Board President

ATTEST:

Kimberly Silva, Board Secretary

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 21-10**

**APPROVAL OF FISCAL YEAR 2020-21 WATER, PARK AND FIRE FUNDS
BUDGET ADJUSTMENTS IN THE AMOUNT OF \$60,000 FOR BACKUP POWER
PROJECTS FUNDED BY THE CALIFORNIA OFFICE OF EMERGENCY SERVICES
COMMUNITY POWER RESILIENCY PROGRAM**

WHEREAS, the health and safety of Twain Harte Community Services District's (District) residents greatly depend on continual operation of the District's facilities; and

WHEREAS, some of the District's critical facilities do not have backup power to provide continuous service during Public Safety Power Shutoffs or other frequent power outages; and

WHEREAS, the District applied for funding from the California Office of Emergency Services (Cal OES) Community Power Resiliency Program to install backup power generation at the following critical facilities – Groundwater Well #1, Fire Fuel and SCBA Fill Station and Community Center; and

WHEREAS, Cal OES awarded the District \$60,000 to install backup generators at these facilities within a performance period of July 1, 2020 to October 31, 2021; and

WHEREAS, the District must begin work on these projects this fiscal year to meet the performance period requirements.

NOW, THEREFORE, BE IT RESOLVED, by the District Board of Directors that the Fiscal Year 2020-21 Budget be adjusted as follows:

1. Add \$28,000 to the Water Fund revenue line item "Grant Revenue – Misc"; and
2. Add \$16,000 to the Fire Fund revenue line item "Grant Revenue"; and
3. Add \$16,000 to the Park Fund revenue line item "Grant Revenue"; and
4. Add a "Fuel & SCBA Fill Station Generator" expense line item to the Fire Fund Capital Outlay budget in the amount of \$16,000; and
5. Add a "Community Center Generator" expense line item to the Park Fund Capital Outlay budget in the amount of \$16,000.

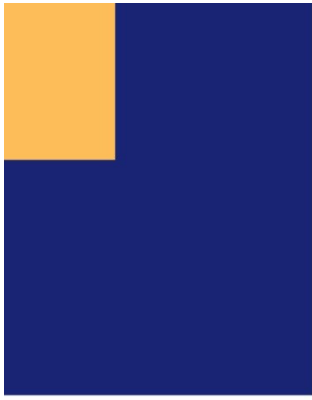
PASSED AND ADOPTED, by the Board of Directors of Twain Harte Community Services District on April 14, 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Gary Sipperley, Board President

Kimberly Silva, Board Secretary



JACOBSON JARVIS
CERTIFIED PUBLIC ACCOUNTANTS & CO^{PLLC}

A Proposal for Professional
Services Presented to

Twain Harte Community
Services District

June 8, 2020

Contact: Christy Tyler-Cooper, CPA
909.364.0126
2175 Foothill Blvd., Suite B
La Verne, CA 91750



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TRANSMITTAL LETTER

June 8, 2020

Board of Directors
Twain Harte Community Services District
P.O. Box 649,
Twain Harte, CA 95383

We are pleased to provide our audit proposal to Twain Harte Community Services District (the District) for the year ending June 30, 2020 with the option to renew for 2021 and 2022. Audit is to be performed in accordance with generally accepted auditing standards set forth by the American Institute of Certified Public Accountants; Government Auditing Standards issued by the Comptroller General of the United States; the standards for financial audits as set forth by the U.S. General Accounting Office's Government Auditing Standards; and the State Controller's minimum audit requirements for California Special Districts.

Our Firm specializes in Not-for-Profit and Governmental Audits. We appreciate the confidence that you and your Board of Directors place in Jacobson Jarvis by considering us in your search for the right CPA firm for the Twain Harte Community Services District. We know that you are looking for a firm that understands your district and that will work efficiently, causing minimal disruption to your busy schedules.

Jacobson Jarvis has the experience, processes, and team required to provide the Twain Harte Community Services District with exceptional service. As a team, Jacobson Jarvis brings:

Deep Expertise. Our partners and team members are nonprofit leaders at the national and local level. Our active roles with the AICPA, CalCPA, and GASB give you immediate access to these resources and timely alerts to developments that may impact your operations.

Exceptional Efficiency. At Jacobson Jarvis, we continue to focus on improving the client experience to minimize disruption and improve communication. We tailor the amount of time we spend on-site to best fit your needs. We will provide a customized list of the required documents well in advance, centralize requests through a single team member to reduce duplication, and work to deliver your audit on time and on budget.

Ongoing Communication. You want year-round access to our expertise, and we will have it. Our clients enjoy the opportunity to ask questions of anyone at the firm throughout the year of the engagement: before, during and after the audit process.

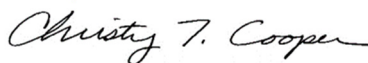
I can attest that our firm is a legal entity in the State of California. We are members in good standing of both the American Institute and California Society of Certified Public Accountants. Jacobson Jarvis is independent of the District. The firm is not currently, nor has been in the past, involved with any legal or regulatory actions. We have the direct experience necessary and the availability of resources to carry out the objectives outlined in this proposal listed in the services to be provided.

As a Partner listed on this proposal, I am authorized to make representations for and to bind our firm. Should you have any questions, I encourage you to contact me at 909-364-0126 or email at ctyler@jjco.com.

We appreciate the opportunity to do business with you and are confident that our proposal addresses the needs of the District. If you should have any questions or concerns, please do not hesitate to contact me.

This proposal is final and an irrevocable offer for 90 days from the submitted date.

Sincerely,



Christy Tyler-Cooper, CPA

Audit Partner

Ctyler@jjco.com

EXECUTIVE SUMMARY

For Jacobson Jarvis, the not-for-profit sector isn't just one of many audit practice areas. It's the reason we exist. Since 1991 Jacobson Jarvis has been assisting a broad range of clients, from small not-for-profits and family foundations to large organizations headquartered in the Pacific Northwest. In a recent merger with Parks and Associates, CPA Firm, located in La Verne California, we have added Christy Tyler-Cooper from Dennis, Cooper and Associates, CPA's. Christy's experience is primarily with California governmental clients.

With our exclusive focus on the not-for-profit community, Jacobson Jarvis' nonprofit audit team is one of the largest and most experience, having over 25 years of experience involving hundreds of not-for-profit and nonprofit audits across a wide spectrum of organizations.

As a result, we know what works and what does not. We know what information is required and we know where to find it if it is not readily available.

As a member of the American Institute of CPAs Government Audit Quality Center, we are committed to maintaining the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our nonprofit audit practice, establishing quality control programs, performing annual internal inspection procedures and making our peer review report findings publicly available.

As far as governmental audits are concerned, the partners' experience includes audits of school districts, Proposition 39 bonds, Uniform Guidance Single Audits, water districts, public utility districts, fire districts and a variety of special districts. The diversity of clients has been from 50,000 ADA school districts down to single school districts; and the location of these districts has been all points within the state of California. The size of all the entities audited range in size from \$300,000 to \$450 million in general fund revenue.

At Jacobson Jarvis, the audit process is not simply a means to an end. Rather, it is an opportunity to provide insight and guidance that may help an organization thrive long after the audit is complete. We bring a wealth of practical experience and knowledge to each engagement. Our team members are available for questions and consultation by telephone and email throughout the year.

GENERAL INFORMATION

We have read the specific information requested within the request for proposal and believe all areas have been addressed within this proposal. This proposal is not a joint venture nor is it a consortium.

SERVICES TO BE PROVIDED

We understand that the proposal is for the following services for Twain Harte Community Services District:

- Auditor will prepare the basic financial statements, required supplementary information, and management discussion and analysis in accordance with GASB 34 and 68. Additionally, the auditor will be responsible for communication and interpretation of any significant changes made in governmental reporting standards.
- The audit will include:
 - Review of information prepared and provided by the District for consistency with the financial statements and documentation requirements generally accepted by auditing standards.
 - Verification of the District's appropriation limit calculation.
 - All GASB required statements for Special District compliance.

- Auditor will perform audit and provide an opinion on the funds of the Twain Harte Community Services District. Funds are to be audited in accordance with generally accepted auditing standards set forth by the American Institute of Certified Public Accountants; Government Auditing Standards issued by the Comptroller General of the United States; the standards for financial audits as set forth by the U.S. General Accounting Office's Government Auditing Standards; and the State Controller's minimum audit requirements for California Special Districts. The reports will include:
 - A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
 - A report on compliance and internal control over financial reporting based on an audit of the financial statements
- Annual Report of Financial Transactions of Special District - Auditor shall prepare the annual report to the State Controller pursuant to Government Code Section 53891.
- Review existing accounting practices to ensure compliance with the Generally Accepted Accounting Practices (GAAP) and the California State Uniform System for accounting procedures, and to all applicable laws.
- Auditor will calculate CalPERS pension and OPEB liabilities from the actuarial reports provided to the District by CalPERS and GovInvest respectively, inform the District of any adjustments and the basis for the adjustment, and communicate the information to the Board Audit Committee.
- If applicable, a written report would be issued immediately to management upon the discovery of illegal acts or major irregularities discovered during the audit.
- Audit procedures will include a review of the Investment Policy to provide assurances of strong internal controls by reviewing compliance with established policies and procedures. The result of this review will be included with the annual audit report to the Board of Directors.
- A presentation of the audit to the District's Board of Directors at a regularly scheduled Board meeting each year.
- Final Audit Report – An electronic copy and one (1) bound copies of the opinion letter and final comprehensive financial report shall be submitted to the District. One (1) copies of the final management letter shall be submitted to the District.

In addition to auditing, we are a full-service firm and we are available to provide the following services to school districts, California special districts, and other not-for-profit entities:

- Budget development
- Internal control design and consulting services
- GASB 34 maintenance and analysis
- GASBs 43, 45, 57, 75 Other Postemployment Benefits ("OPEB") accounting, reporting and analysis
- GASB 63 and 65 implementation for deferred inflows and deferred outflows
- GASB 82 implementation for pension reporting such as California Public Employee Retirement System ("CalPERS") and California State Teachers' Retirement System ("CalSTRS")
- GASB 84 implementation for the new standards for lease accounting

MEMBERSHIPS

When you hire a CPA firm, you expect them to know what they are doing, and to do it well and responsibly. Jacobson Jarvis is committed to delivering high quality, technically proficient, and ethical services, and we are proud to be:



- **Members of the American Institute of CPAs Governmental Audit Quality Center.** As members of the AICPA Governmental Audit Quality Center, we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available.
- **American Institute of Certified Public Accountants (“AICPA”)** – The American Institute of CPAs is the world’s largest member association representing the accounting profession, with more than 431,000 members, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting.
- **California Society of Certified Public Accountants (“CalCPA”)** – CalCPA’s vision is to cause CalCPA members to be viewed as leaders in professional competency and integrity by clients, employers, the public and government officials. Their mission is to increase the value and promote the integrity of the CPA profession, contribute to the success of our members, and strengthen client, employer, public and government trust in CalCPA member advice, work products and opinions.
- **Member of AICPA’s Peer Review Program and Recipients of Unmodified Peer Review Reports.** Jacobson Jarvis is a participant in the American Institute of Certified Public Accountants Peer Review Program, administered by the Washington Society of CPAs, and is required to have the firm’s auditing and accounting work periodically reviewed.



In our most recent review, Jacobson Jarvis was proud to receive another unmodified report, without a Letter of Comment. An unmodified report is issued when the reviewer believes that the information reviewed is in conformity with professional standards in all material respects and is the highest-level report that can be received. A copy of the opinion is provided in the Exhibit D.

FIRM OFFICES

We are a national boutique firm with local offices in both Seattle, Washington and La Verne, California. La Verne serves as our California home office. In addition, we have affiliate offices in Richmond, Virginia and Houston, Texas. Our La Verne office is 18 people strong with 2 partners, 2 managers, 4 seniors and staff.

INDEPENDENCE

Jacobson Jarvis & Co is independent of Twain Harte Community Services District as defined by auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States.

LICENSE TO PRACTICE

Jacobson Jarvis & Company, PLLC is also licensed by the Board of Accountancy as PAR 7869. Christy Tyler-Cooper is licensed by the California Board of Accountancy as Certified Public Accountants, #127448.

LEGAL OR REGULATORY ACTION

The firm is not currently, nor has been in the past, involved with any legal or regulatory actions.

STAFF ASSIGNED TO THE AUDIT

The staff available to the job would be Christy Tyler-Cooper CPA, Mathew Cyr, CPA, Quynh Van, and/or Zi Yang. In the case of the district we propose that Christy and Quynh would perform the audit. For specific information, please see the Staffing section. Other staff would be assigned as needed and as scheduling permits.

The Firm is an Equal Opportunity Employer and follows the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable Federal and State laws and regulations relating to equal opportunity employment, including executive Order No. 11246 of September 24, 1965.

CONTINUING PROFESSIONAL EDUCATION (“CPE”)

To further enhance their knowledge, our professionals focus their annual continuing education on issues and legislation impacting our field we are continual learners. As a result, our professional staff is aware of the most current changes in accounting, auditing and reporting requirements that can affect such things as accounting procedures and available funding. By paying close attention to changes in these areas we help you take advantage of opportunities or avoid financial penalties. Our CPAs also stay abreast of cutting-edge information and trends. They are able to make recommendations that allow your district to be forward looking and anticipatory, rather than reactive. All our partners and auditors meet the continuing education requirements under Government Auditing Standards.

Auditors performing work in accordance with Generally Accepted Government Auditing Standards (“GAGAS”), including planning, directing, performing audit procedures, or reporting on an audit conducted in accordance with GAGAS, should maintain their professional competence through continuing professional education (CPE). Therefore, each auditor performing work in accordance with GAGAS should complete, every 2 years, at least 24 hours of CPE that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. Auditors who are involved in any amount of planning, directing, or reporting on GAGAS audits and auditors who are not involved in those activities but charge 20 percent or more of their time annually to GAGAS audits should also obtain at least an additional 56 hours of CPE (for a total of 80 hours of CPE in every 2-year period) that enhances the auditor’s professional proficiency to perform audits. Auditors required to take the total 80 hours of CPE should complete at least 20 hours of CPE in each year of the 2-year periods. Auditors hired or initially assigned to GAGAS audits after the beginning of an audit organization’s 2-year CPE period should complete a prorated number of CPE hours.

As described above, we are required to obtain a minimum amount of CPE; we achieve this from various organizations. Most of our CPE is provided by the AICPA, as well as the California Education Foundation, which is in cooperation with the California Society of Certified Public Accountants. Some examples of CPE titles are as follows:

- Accountancy Laws, Ethics, Taxes, and Financial Reporting Review – Ethics
- Annual School District Accounting/Auditing Update (class developed with the California Department of Education and California State Controller’s Office)
- California Regulatory Review
- Fraud – Governmental and Not-For-Profits
- GASB Basic Financial Statements for State and Local Governments
- Governmental Accounting and Auditing Update

INSURANCE/INDEMNITY

The firm has professional liability insurance policy in aggregate of \$2,000,000 with CAMICO Mutual Insurance Company and will indemnify and hold harmless the District from and against all losses and claims in the execution of our work or the consequences of any negligence or carelessness on our part. We are aware of the provisions of Sections 3700 et seq. of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake insurance in accordance with the provisions of that code before commencing the performance of the work of the contract.

EXPERIENCE

The quality of service is guaranteed to be consistently professional, no matter who is assigned to your team. We take pride in our ability to provide reliable expertise as well as strong and effective communication throughout the entire audit process.

We are committed to the governmental auditing segment. We understand fund accounting with the challenges that can come with it. Our staff is trained in various versions of QuickBooks Pro, and each is equipped with a laptop that has the most current version, updated every year. We request our clients to provide an accountant back-up or read-only rights (QuickBooks Online) so that we may pull reports and gather information without being intrusive. In addition, we will have a client portal set up securely just for your district. On the portal you will always have access to your audited financial statements, internal control documents and items needed list. Our audit software is Advance Flow Audit Engagement Software by Thompson Reuters that allows us to work remotely and efficiently.

Every person staffed to a client engagement is an experienced audit professional who is committed to working with your District. Because they work with Districts just like the Twain Harte Community Services District every day, they know the right questions to ask to make every engagement move forward smoothly and efficiently.

Cost is also a serious consideration when assigning team members. We will never assign unnecessary personnel to your audit team. We carefully assess your needs and assign the correct number of people to provide you with the maximum level of service. We also insist on assigning people who are technically appropriate to each specific task, ensuring that costs are kept to a minimum.

QUALITY/STANDARDS

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America. The audit will also be conducted in accordance with the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, as required, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as required. Our audit will include tests of your accounting records and any other necessary procedures to enable us to express an opinion on your financial statements in conformity with accounting principles generally accepted in the United States of America. Our audit will also include procedures necessary to enable us to express an opinion on Senior Services of Island County's compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

WORK-PAPER RETENTION

The firm's policy is to retain all work-papers for a period of seven years, as is required by law.

REFERENCES

While we are happy to tell you why we think we would be the best choice for Twain Harte Community Services District, we know that message is most persuasive when coming from a client. We are proud to have satisfied government clients who would be delighted to tell you why they were happy with their choice of Christy Tyler-Cooper as their auditor.

We recommend that you start with the following individuals:

Kathleen Jurasky, District Manager
Palm Springs Cemetery District
kjurasky@pscemetery.com
31705 Da Vall Drive
Cathedral City, CA 92234
760.328.3316

Ronan Collver
Brisbane School District
rcollver@brisbanesd.org
One Solano Street
Brisbane, CA 94005
415.467.0550

Violette Begley, Director of Business Services
Yuba County Office of Education
violette.begley@yubacoe.k12.ca.us
935 14th Street
Marysville, CA 95901-4198
530.749.4856

Monte B Keady, Fire Chief
Burney Fire Protection District
c17@burneyfireems.org
37072 Main Street
Burney, CA 96013
530.335.2212

Mike Marsalek, General Manager
Arroyo Grande Public Cemetery District
agcemetery@sbcglobal.net
895 El Camino Real
Arroyo Grande, CA 93420
805.489.2475

Craig Guensler, Superintendent
Wheatland School District
cguensler@wheatland.k12.ca.us
111 Main Street
Wheatland, CA 95692
530.633.4807

THE AUDIT ENGAGEMENT

Standards

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America. The audit will also be conducted in accordance with the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, as required. Our audit will include tests of your accounting records and any other necessary procedures to enable us to express an opinion on your financial statements in conformity with accounting principles generally accepted in the United States of America. Our audit will also include procedures necessary to enable us to express an opinion on Twain Harte Community Services District' compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Interacting with the Governing Board

We meet with the Governing Board prior to the start of the audit process to open the lines of communication, gain an understanding of their areas of concern, and get their perspective of the District and the year under audit. At the meeting we also establish an understanding as to the level of communication desired by the committee and to whom the communication should be directed.

Audit Timing

We understand your audit timeline and reporting expectation. The audit is a partnership between your staff and the auditor, and meeting reporting deadline is a team effort. We will actively communicate progress and expectations to ensure a smooth and timely completion of the audit process. We understand that the proposal for Twain Harte Community Services District to include all items noted in the cover letter and once awarded the contract we will coordinate with you and schedule dates to start the audit and interim fieldwork in August and final in September. The initial draft of the audited financial statements shall be provided to the Budget and Finance Committee within 30 days of audit completion. The final draft shall be no later than December 1st of each respective year.

Scope of Work

We understand that the proposal for Twain Harte Community Services District to include all items noted in the cover letter and once awarded the contract we will coordinate with you and schedule dates to start the audit and fieldwork in August or early September. The audit is broken up in following phases:

- Planning/Pre-audit preparation
- Fieldwork, Final (generally a couple of weeks or month subsequent to general ledger closing)
- Post fieldwork procedures.

I. Planning/Pre-audit Preparation

- A. Initially we will speak with the Twain Harte Community Services District, in a pre-audit conference to coordinate the following:
 - 1. Establish points of contact for scheduling, data gathering/audit responsibilities, and other logistical details.
 - 2. Dates and specific timelines for the various phases of the audit.
 - 3. To provide a clear understanding of any conditions to be met by District staff and the responsibilities of the auditor.

- B. Review and document the following:
 - 1. Pertinent state and federal statutes (compliance) that apply to the Twain Harte Community Services District, regulations, charters and any other appropriate documentation available concerning the Twain Harte Community Services District.
 - 2. Prior year audit work-papers, with client's approval, and any other reports issued. Additionally, we would want to speak to the prior auditor to determine if there were any issues, we would need to be aware of.
 - 3. Board minutes, starting with the date under audit, typically July 1.
 - 4. Determine we are still, in fact, independent of the client.

- C. Interview and make inquires of:
 - 1. The Twain Harte Community Services District's chief financial officer, legal counsel and other appropriate personnel to determine if here are specific laws, regulations or policies that are in place on which we may need additional information and address problems or areas of concern that they may have at that time.
 - 2. Appropriate people about the political climate to determine if there are initiatives that are pending that may affect operations.

II. Interim Field Work, if applicable, may be performed at Fieldwork

- A. Perform analytical review procedures on the Twain Harte Community Services District's financial statements to obtain a better understanding of the operation and to identify areas that may need increased attention. Areas that may be analyzed are comparisons of account balances between periods and/or to budget amounts. There may be some ratio and trend analysis to better understand the operations and to help in identifying critical audit areas. A comparison of revenue and expenditures may be conducted to aid in following patterns or trends.

- B. Assess the internal control structure of the Twain Harte Community Services District's for the 1.) revenue cycle, from revenue collection to deposit; 2.) purchasing cycle, from ordering goods and services to paying for them; and 3.) payroll cycle, from hiring to payment of employees. - we would review and test the following:
 - 1. Control environment: Review the organizational structure, management's philosophy and operating style, assignment of authority and responsibilities, human resources policies and procedures, management oversight and experience levels of personnel.
 - 2. Risk assessment: Review the processes used to identify potential risk that can affect the Twain Harte Community Services District and the steps it takes to counter these risks.
 - 3. Control activities: Review the policies and procedures that help ensure management's directives are carried out.

4. Information and communication: Review and test the methods and records established to identify, assemble, analyze, classify, record and report the Twain Harte Community Services District's transactions, events and conditions; determine how the Twain Harte Community Services District maintains accountability over related assets and liabilities; review written policies and procedures to determine their completeness and effectiveness in addressing reporting controls.
 5. Monitoring: Review management's oversight of the internal control process.
 6. Sampling of the various transaction cycles will depend on the sizes of the populations as well as logistical concerns for obtaining the sample and requisite back-up. The following are some examples of sampling methods:
 - a) Systematic, whereby we will select one of every "nth" transactions of the entire population to reach our determined sample amount.
 - b) Haphazard, where we approximate randomization, without the statistical modeling.
 - c) Judgmental, where we are looking for something specific in the transactions, we are sampling.
- C. Perform fraud analysis through interviews of the staff and roundtable discussion amongst the audit team.
- D. Meet with management, and as necessary the board/audit committee, to provide an update on the audit and discuss any issues with respect to the audit.

III. Field Work

- A. Obtain electronic version trial balance, for import into audit software.
- B. Obtain total federal expenditures for the fiscal year, and perform Single Audit calculation, to determine whether or not federal testing is necessary, and if so the major programs to be tested. If needed testing is completed. Finish all required state compliance started in the Interim portion of the audit.
- C. Test account balances based on results of risk assessments. Such tests could include the following:
 1. Vouching cash in county balances to the county treasury confirmation.
 2. Obtain aging schedule for accounts receivable and test reported balances. Additionally, we would test the revenue for billings, etc., connected with the previously mentioned accounts receivable.
 3. Analysis and substantiation of revenue, such as billings, sales, and other "exchange revenue" and the related accounts receivable balances.
 4. Accounts payable testing, including subsequent disbursements.
 5. Agreeing beginning fund balance to prior year audit report.
- D. Obtain pertinent information for required GASB 34 conversion entries to assist compilation of adjustments necessary for entity-wide financial statements. Such information can include the following:
 1. Capital asset listing as well as capital outlay expenditures and/or any information on any other additions or dispositions of fixed/capital assets.
 2. Debt schedules, official statements, trustee statements, and any other statements relevant to payment of long-term debt, including any new issuances, refunding, or refinancing.
 3. Obtain Cal PERS actuarial studies for pension liabilities OPEB actuarial.
 4. Any other pertinent information regarding revenue or expenses not recognized for modified accrual but would be for full accrual.

- E. Perform final analytical review of various account balances being reported.
- F. Management inquiries, review methods of preparation, and other procedures regarding Required Supplementary Information (RSI) for thing such as the following:
 - 1. Management Discussion and Analysis
 - 2. CalPERS funding progress
 - 3. OPEB funding progress
- G. Hold exit conference with management, and as necessary board and audit committee, and review:
 - 1. Any findings/issues noted for possible inclusion into management letter.
 - 2. Any proposed adjustments/reclassification entries to determine whether or not to post to trial balance.
- H. Obtain a management representation letter.

I. Post field work procedures

- A. Prepare draft report and submit to the Twain Harte Community Services District's management for review.
- B. Review:
 - 1. Twain Harte Community Services District's Management's Discussion and Analysis and provide assistance to the Twain Harte Community Services District concerning tables and any other graphically represented financial data.
 - 2. Twain Harte Community Services District's responses to findings and recommendations, if applicable.
- C. Issue:
 - 1. Management letter, if necessary.
 - 2. Submit audit reports to all required agencies, such as State Controller's Office
- D. Make board presentation of the Audited Financial Statements and present the following:
 - 1. Provide brief overview of what is included in the Audited Financial Statements and Report
 - 2. Explain the audit opinions and what they mean
 - 3. Answer any board questions

OUR EXPERIENCE WITH DISTRICTS LIKE TWAIN HARTE COMMUNITY SERVICES DISTRICT

While every special district is different, we have enough experience with a broad range of Government entities – including many districts like Twain Harte Community Services District - that we are quick to recognize the common issues districts face and experienced enough to spot potential issues before they become serious issues.

Since 1991, Jacobson Jarvis has conducted well over 1,000 audits for a wide spectrum of organizations and districts. GASB 68 calculations are performed with our audits, not in addition to our audits. We always let you know where you stand on internal controls as are evaluation is done during the audit process. The following is a sample our partner’s recent special district and government clients:

Special Districts

<u>Special District Audits</u>	<u>Uniform Guidance / Single Audit</u>	<u>2018 Entity-Wide Revenue</u>
Big River Community Services District	No	\$ 146,000
Burney Fire Protection District	No	\$ 555,000
Chester Public Utility District	No	\$ 7,150,000
San Jacinto Basin Resource Conservation District	No	\$ 1,241,000
Soledad-Mission Recreation District	No	\$ 512,000
Three Arch Bay Community Services District	No	\$ 2,038,000

<u>Cemetery District Audits</u>	<u>Uniform Guidance / Single Audit</u>	<u>2018 Entity-Wide Revenue</u>
Arroyo Grande	No	\$ 518,000
Kern River Valley	No	\$ 217,000
North County	No	\$ 2,484,000
Pomerado	No	\$ 1,342,000
Palm Springs	No	\$ 1,587,000
Soledad	No	\$ 136,000
Temecula Public	No	\$ 1,090,000
Visalia Public	No	\$ 2,831,000

School District Audits	Uniform Guidance / Single Audit	2018 Entity-Wide Revenue
Bayshore Elementary	No	\$ 5,484,000
Bella Vista Elementary	No	\$ 4,226,000
Brisbane Elementary	No	\$ 8,344,000
Camptonville Union Elementary	No	\$ 847,000
Coalinga-Huron Joint Unified	Yes	\$ 65,060,000
Indian Diggings Elementary	No	\$ 268,000
Indian Springs Elementary	No	\$ 598,000
Mountain Union Elementary	No	\$ 1,373,000
Mojave Unified	Yes	\$ 39,995,000
Oak Run Elementary	No	\$ 848,00
Parlier Unified	Yes	\$ 49,666,000
Plumas Lake Elementary	Yes	\$ 14,627,000
Wheatland Elementary	Yes	\$ 17,636,000
Wheatland Union High	Yes	\$ 9,692,000
Whitmore Union Elementary	No	\$ 729,000
County Office of Education Audit	Uniform Guidance / Single Audit	2018 Entity-Wide Revenue
Yuba County	Yes	\$ 32,139,000

AUDIT FEE SCHEDULE

	2019/20	2020/21	2021/22
Audit of the Basic Financial Statements	\$ 7,560	\$ 7,700	\$ 7,800
Management Letter	Included	Included	Included
State Controller's Transaction Report	Included	Included	Included
Total	\$ 7,560	\$ 7,700	\$ 7,800

	Est. Hours	Billing Rates	2019/20 Fees
Partner	28	\$ 185	\$ 5,180
Senior Manager	4	160	640
Staff Accountant	16	90	1,440
Clerical	6	50	300
Total hours	54		\$ 7,560

Additional Professional Services

Jacobson Jarvis and Company, PLLC may also furnish other accounting services, which may include advisory and system accounting services as requested by the Twain Harte Community Services District. If it should become necessary for the District to request Jacobson Jarvis and Company, PLLC to render any additional services to either supplement the services requested to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and Jacobson Jarvis and Company, PLLC. Any such additional work agreed to between the District and Jacobson Jarvis and Company, PLLC all be performed at the quoted hourly rates listed above.

Christy Tyler-Cooper, CPA

Audit Partner Christy started in public accounting in 2002 and has performed audits of over 50 California governmental entities and special districts throughout California.

Professional Experience

Christy's professional experience started at the largest California firm specializing in government audits, where she was educated in auditing school districts and financial institutions. She came to us from Dennis Cooper & Associates, CPAs where Christy was a partner. In this small firm she enjoyed the opportunity to foster client relationships and work on audits from beginning to end which still does.

This experience includes but is not limited to:

- Audits and preparation of Government Annual Financial Reports (including Uniform Guidance Reports)
- Audits and preparation of Special District Annual Financial Reports
- State Controller's Financial Transaction Reports
- Board presentations and training
- GEMT negotiations with state and documentation for grant funding
- Oversight of all audit work involved for engagements
- Review of Federal and State programs for compliance requirements
- Performs quality control reviews of Financial Reports
- Performs Fraud Audits and agreed upon procedures
- Performance Bond Audits for governmental agencies
- GASB 34 conversion entries
- Pension and OPEB calculations

Representative Clients (past and current)

- Mojave Water Agency, Victorville CA
- Chester Public Utilities District, Chester CA
- Idyllwild Fire Protection District, Idyllwild CA
- Barstow Fire Protection District, Barstow CA
- Hesperia Parks and Recreation District, Hesperia CA
- 18th District Agricultural Association, Bishop CA
- Joshua Basin Water District, Joshua CA
- Western Science Community Foundation, Riverside CA
- Care-A-Van Transit System, Hemet CA

Education

Graduated from Cal Poly Pomona, BS in Business Administration with concentration Accounting

Affiliations

- Member, California Society of CPAs
- Member, American Institute of Certified Public Accountants
- Member, California Association of Nonprofits

Mathew J. Cyr, CPA

Senior Manager

Professional Experience

Audit Manager Matt Cyr has been an auditor since 2007. As a manager in the audit department, Matt focuses on providing attestation services to not-for-profits of many sizes and missions. Financial analysis, budgeting, and GAAP research are just some of the areas of accounting that he performs, also assisting clients with QuickBooks and other accounting needs. Matt has an extensive background with employee benefit plan audits and is our in-house Uniform Guidance expert.

This experience includes but is not limited to:

- Employee Benefit Plan Audits
- Audits and preparation Not -for -Profit Annual Financial Reports
- State Controller's Financial Transaction Reports
- Board presentations and training
- Oversight of all audit work involved for engagements
- Uniform Guidance Audits (previously Single Audit)
- Performs quality control reviews of Financial Reports
- Performs Fraud Audits and agreed upon procedures
- Pension and OPEB calculations

Representative Clients

- Multi-Service Center
- Lifelong AIDS Alliance
- Tacoma Art Museum
- Child Care Resources

Recent Publications & Presentations

- *New Not-for-Profit Standard Means New Disclosures and Big Changes to Your Financial Statements*, Jacobson Jarvis Communique newsletter

Education

- Bachelor of Science in Accounting, Central Washington University

Affiliations

- Member, Washington Society of CPAs
- Member, American Institute of Certified Public Accountants

Quynh Van

Staff Accountant

Professional Experience: Over three years in public accounting which includes work on over many private and non-profit entities. Including yearend financial reports and tax planning. Quynh is excellent with our clients and enjoys walking them through difficult transactions and business decisions. She also interned for the business and planning department at Downtown Laying City government.

This experience includes but is not limited to:

- Audits of Government Annual Financial Reports (including Uniform Guidance Reports)
- State Controller's Financial Transaction Reports
- Prepared individual and business tax returns for clients
- Provide business services to clients on a consultant basis. Services include full bookkeeping and payroll services, human resources and related accounting projects, as well as, supervised staff
- Worked on audit teams preparing compliance audits for government agencies
- Maintained full accounting cycle, accounts payable and account receivable and fixed assets
- Prepared financial statements, monthly, quarterly

Education: Graduated from University of Louisiana at Laying with a Bachelor of Science in Business Administration with a dual major Economics & Finance, Accounting minor

- Outstanding Graduate of the Department of Economics & Finance
- Phi Kappa Phi Honor Society
- Delta Sigma Pi: VP Finance, "2013 Collegian of the Year" Leadership Award

Zi Yang

Staff Accountant

Experience:

Zi has been a corporate accountant for 3 years and joined our firm late last year.

This experience includes but is not limited to:

- ASB audits
- State compliance audits
- Prepared individual and business tax returns for clients
- Assisted in tax planning as needed for clients
- Worked on audit teams preparing compliance audits for government agencies
- Maintained full accounting cycle, accounts payable and account receivable and fixed assets
- Prepared financial statements, monthly, quarterly
- Prepared quarterly sales tax returns

Education:

- Graduated from University of La Verne, with an MBA in Accounting
- Graduated from University of California Riverside with a Bachelor of Science, Accounting
- Completed University of California Irvine Business Management and Marketing Certificate

Professional Organizations:

- American Institute of Certified Public Accountants (“AICPA”)
- California Society of Certified Public Accountants

PEER REVIEW REPORTS

Due to the recent addition to Christy Tyler-Cooper, CPA, to our team we have included the peer review report for her former practice.



MATHEW D. PETERSEN

ANGELA M. PRATT

RYAN D. SMITH



3702 KERN ROAD

YAKIMA, WA 98902

509 575 1040 P

509 457 2145 F

Report on the Firm's System of Quality Control

January 30, 2019

To the Partners of Jacobson Jarvis & Co PLLC and the
Peer Review Committee of the Washington Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Jacobson Jarvis & Co PLLC (the firm) in effect for the year ended September 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Jacobson Jarvis & Co PLLC in effect for the year ended September 30, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Jacobson Jarvis & Co PLLC has received a peer review rating of *pass*.

Petersen CPAs + Advisors, PLLC

Petersen CPAs and Advisors, PLLC

Report on the Firm's System of Quality Control

July 10, 2019

To the Partners of Dennis, Cooper and Associates and the Peer Review Committee of the California Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of Dennis, Cooper and Associates in effect for the year ended March 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

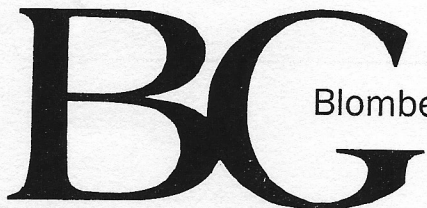
Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Dennis, Cooper and Associates, in effect for the year ended March 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Dennis, Cooper and Associates has received a peer review rating of *pass*.

Very truly yours,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

Carolyn Higgins
Finance Officer/Board Secretary
Twain Harte Community Services District
P.O. Box 649
Twain Harte, CA 95383

June 18, 2020

Dear Mrs. Higgins and Members of the Board,

Thank you for the opportunity to submit the following proposal to serve as independent auditor for the Twain Harte Community Services District. This letter provides the following confirmation.

Independence: Our firm is independent of the THCS D and meets the client audit or rotation requirements by maintaining additional certified public accountants on staff.

License to Practice: Our firm and all assigned key professional staff are properly registered and licensed to practice in the state of California.

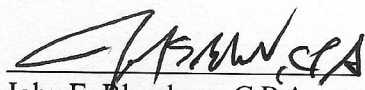
Experience: Our firm has the direct experience necessary to carry out the objectives outlined and the work proposed in this RFP.

Availability: All of our resources as available to meet the objectives of this proposal.

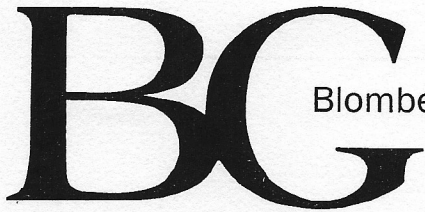
Lawsuits or Claims: There are no lawsuits or claims of fraud or malpractice relating to our firm's government audit and consulting practice.

Should you need any additional information regarding this proposal please call John E. Blomberg, C.P.A. at (209) 466-3894.

Respectfully Submitted,



John E. Blomberg, C.P.A.



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDIT PROPOSAL

Carolyn Higgins
Finance Officer/Board Secretary
Twain Harte Community Services District
P.O. Box 649
Twain Harte, CA 95383

June 18, 2020

Dear Mrs. Higgins:

We propose to conduct the audit(s) of the financial statements of the Twain Harte Community Services District for the fiscal year(s) ending June 30, 2020 (at the option of Twain Harte Community Services District 2021 and 2022) in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and in accordance with the "Minimum Audit Requirements and Reporting Guidelines for California Special Districts" as required by the State Controller's Office.

Our proposal includes a report of the fair presentation of the financial statements in accordance with auditing standards generally accepted in the United States of America. Our proposal also includes Required Supplemental Schedules (RSI) as required by GASB 34 and 68.

We will render a report on compliance and internal control over financial reporting based on an audit of the financial statements. A written report will be issued immediately to management upon the discovery of illegal acts or major irregularities discovered during the audit.

We will prepare and forward the Annual Report of Financial Transactions of Special Districts pursuant to Government Code Section 53891 to the State Controller's Office. We will provide a copy of report filed including the signature page for processing to the finance officer.

We will present the completed audited financial statements to the Board of Directors at a regularly scheduled board meeting in person or by teleconference.

Our firm is comprised of six professional and support staff, was incorporated in 1981 and has over thirty years of government audit experience. The size of our government audit contracts performed range from less than \$100,000 to more than 30 million (annual budget). Our listing of local government auditing work performed in the last five years includes over one hundred fifty audits of California Special Districts of the following types:

- Community Services District
- Fire Districts
- Water Districts

Independent Audit Proposal Pg. 2

- Irrigation Districts
- Cemetery Districts
- Resource Conservation Districts

Our Government Consulting Work Performed Includes:

- Compliance Audits (OMB A-133) single audits
- Rate Studies
- Asset Observations
- Depreciation Schedules
- GANN Limit Calculations
- CalPers Pension Disclosures
- OPEB Accruals and Disclosures
- Internal Controls/Procedures
- Various Computer Programs
- State Controller's Report
- Payroll Compliance
- Various Other Matters

References:

	<u>Contact</u>	<u>Phone</u>
• Woodside Fire Protection District	Kate Edwards	(650) 851-6205
• Browns Valley Irrigation District	Donna	(530) 743-5703
• Lockeford Community Services District	Heather Artiaga	(209) 727-5035

Our Proposed Audit Work Plan:

- Preliminary Planning/Analytical Review
- Roll Forward of Various Files
- GASB 68 Update
- Preliminary Financial Statement Layout
- Preliminary Depreciation Schedule Test
- Review of Controls and Update of I/C and W/P
- Various Analytical Procedures
- Preparation of and Electronic Filing of State Controller's Report

Field Work:

- Review of G/L and Beginning Balance Test
- Review of Minutes
- Payroll Test
- Revenue Test
- Disbursement Test
- Review of Contracts, Grants and Agreements, Asset Additions and Deletions
- GASB 68 Update

- Review of MD&A and Footnotes Update
- Prepare Various Confirmations

Independent Audit Proposal Pg. 3

- Exit Conference

Report Preparation:

- Prepare Comparative Financial Statements and Footnotes
- Various Analytical Procedures
- Assists with Preparation of MD&A
- Prepare Preliminary Audit Report for Management Review
- Prepare Final Audit Report and Presentation at Board Meeting

Hourly Rates:

Partner/Senior Auditor	\$95.
Manager	\$75.
Support Staff	\$45.

Cost Proposal:

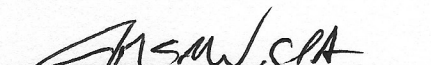
	<u>Est. Hours</u>	<u>Cost</u>
One Year Term	115	\$9,925.
Prepare State Controller's Report	10	\$950.
Three Year Term	115/YR	
Y/E 6/30/20		\$9,925.
Y/E 6/30/21		\$9,925.
Y/E 6/30/22		\$9,925.
Prepare State Controller Report		950/YR

Other Relevant Information:

Member California Society of CPA's
 Member California Special Districts Association
 Peer Reviewed AICPA Peer review program
 Professional Liability Insurance Carrier State Farm Ins. \$1,000,000. Limit

Should you need any additional information regarding this proposal please call John E. Blomberg, CPA at (209) 466-3894.

Respectfully Submitted,


 John E. Blomberg, CPA, President

**TWAIN HARTE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 20-09**

**AUTHORIZING THE SUSPENSION OF WATER AND SEWER LATE FEES DURING
THE COVID-19 PANDEMIC EMERGENCY**

WHEREAS, the Twain Harte Community Services District's (District) Water and Sewer Ordinances (Ordinances #22 and #29, respectively) provide methods for shutting off services and charging fees for late payment or non-payment of monthly water and sewer bills; and

WHEREAS, Governor Newsom's recent executive orders to prevent the spread of COVID-19 require state residents to shelter-in-place and stop all non-essential business; and

WHEREAS, as a result, some District customers may have difficulty paying their water or sewer bills due to the temporary loss of income; and

WHEREAS, water and sewer services are critical to the health and safety of District customers; and

WHEREAS, in recognition of this fact, Governor Newsom, by Executive Order N-42-20, temporarily prohibited disconnection of water services due to non-payment; and

WHEREAS, in addition to suspending water disconnections for non-payment, the District desires to further assist its customers through this difficult time by suspending late fees, penalties and interest for late or non-payment of water and sewer bills.

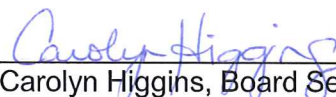
NOW, THEREFORE, BE IT RESOLVED, by the District Board of Directors that:

1. Water and sewer services shall not be disconnected for non-payment during the COVID-19 pandemic emergency; and
2. All penalties, fees and interest associated with late or non-payment of District water and sewer bills shall be waived during the COVID-19 pandemic emergency; and
3. This resolution is effective immediately, cannot be applied retroactively, and will remain in effect until modified by the Board.

PASSED AND ADOPTED, by the Board of Directors of Twain Harte Community Services District on April 8, 2020 by the following vote:

AYES: deGroot, Mannix, Sipperley, Knudson, McManus
NOES:
ABSENT:
ABSTAIN:


Eileen Mannix, Board President

ATTEST:

Carolyn Higgins, Board Secretary

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-42-20

WHEREAS on March 4, 2020, I proclaimed a state of emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS it is the established policy of the State under Water Code section 106.3 that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes; and

WHEREAS to limit the spread of COVID-19 it is crucial that Californians wash their hands regularly and thoroughly; and

WHEREAS many Californians are experiencing or will experience substantial losses of income as a result of business closures, the loss of work hours or wages, or layoffs related to COVID-19, which may hinder their ability to make payments for water service and subject them to water shutoffs due to non-payment; and

WHEREAS many small businesses that provide services essential to the health and well-being of Californians have experienced substantial reductions in income, which may hinder their ability to make payments for water service and subject them to water shutoffs due to non-payment; and

WHEREAS the California Public Utilities Commission has directed private water utilities under its jurisdiction to implement customer service protections, including a moratorium on service disconnections, during the COVID-19 emergency; and

WHEREAS more than 100 public and private water systems have voluntarily agreed to halt disconnections as well; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with the various statutes and regulations concerning water shutoffs specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and the statutes of the State of California, and in particular, Government Code sections 8567, 8570, 8571, and 8627, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

- 1) The authority of urban and community water systems, as defined in Health and Safety Code section 116902, subdivision (d), to discontinue residential service, as defined in Health and Safety Code section 116902, subdivision (c), for non-payment under Health and Safety Code sections 116908 and 116910, is suspended.
- 2) Water systems not subject to the requirements of Health and Safety Code sections 116908 and 116910 shall not discontinue residential

service, as defined in Health and Safety Code section 116902, subdivision (c), for non-payment.

- 3) Water systems shall restore any residential service to occupied residences that has been discontinued for nonpayment since March 4, 2020.
- 4) Water systems shall not discontinue service to any business in the critical infrastructure sectors designated by the State Public Health Officer as critical to protect the health and well-being of all Californians that qualifies as a small business under 13 C.F.R. § 121.201 of the Small Business Administration's regulations.
- 5) The State Water Resources Control Board shall identify best practices, guidelines, or both to be implemented during the COVID-19 emergency (i) to address non-payment or reduced payments, (ii) to promote and to ensure continuity of service by water systems and wastewater systems, and (iii) to provide measures such as the sharing of supplies, equipment and staffing to relieve water systems under financial distress.

Nothing in this Order eliminates the obligation of water customers to pay for water service, prevents a water system from charging a customer for such service, or reduces the amount a customer already may owe to a water system.

Nothing in this Order modifies the obligations of urban and community waters systems to comply with provisions of the Water Shutoff Protection Act not specifically addressed by this Order or other applicable laws, regulations, and guidelines.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 2nd day of April 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

Water/Sewer Late Fee Analysis

	16/17	17/18	18/19	Three Year Average
Water	\$ 11,248	\$ 12,158	\$ 11,128	\$ 11,511
Sewer	\$ 8,657	\$ 9,326	\$ 8,604	\$ 8,862
GRAND TOTAL	\$ 19,905	\$ 21,484	\$ 19,732	\$ 20,374

Blueprint for a Safer Economy

Activity and Business Tiers

April 2, 2021

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
Critical Infrastructure	Open with modifications	Open with modifications	Open with modifications	Open with modifications
Gatherings * <ul style="list-style-type: none"> - Social, informal gatherings - No defined guest list required - No testing or vaccination required 	Current: Outdoor gatherings only with modifications <ul style="list-style-type: none"> • Max 3 households Effective April 15, 2021 Outdoor only <ul style="list-style-type: none"> • Max 3 households 	Current: Indoor gatherings strongly discouraged, allowed with modifications <ul style="list-style-type: none"> • Max 3 households Effective April 15, 2021 Outdoor <ul style="list-style-type: none"> • Max 25 people Indoor <ul style="list-style-type: none"> • Indoor gatherings strongly discouraged, allowed with modifications (no food/drink except when following the standards in the guidance) 	Current: Indoor gatherings strongly discouraged, allowed with modifications <ul style="list-style-type: none"> • Max 3 households Effective April 15, 2021 Outdoor <ul style="list-style-type: none"> • Max 50 people Indoor <ul style="list-style-type: none"> • Indoor gatherings strongly discouraged, allowed with modifications (no food/drink except when following the standards in the guidance) 	Current: Indoor gatherings strongly discouraged, allowed with modifications <ul style="list-style-type: none"> • Max 3 households Effective April 15, 2021 Outdoor <ul style="list-style-type: none"> • Max 100 people Indoor <ul style="list-style-type: none"> • Indoor gatherings strongly discouraged, allowed with modifications (no food/drink except when following the standards in the guidance)

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
		<ul style="list-style-type: none"> Max 25% capacity in settings where capacity limits exist and up to 3 households or 10 people 	<ul style="list-style-type: none"> Max 25% capacity in settings where capacity limits exists or 25 people or whichever is fewer 	<ul style="list-style-type: none"> Max 50% capacity in settings where capacity limits exist or 50 people or whichever is fewer
Private Events ** (meetings/receptions/ conferences) Required mitigation measures: <ul style="list-style-type: none"> - Purchased tickets or defined guest list - Seating chart/Assigned seating - Testing and vaccination can increase capacity - No intermingling of multiple private events 	Effective April 15, 2021 Outdoor only <ul style="list-style-type: none"> • Maximum 25 people • If all guests are tested or show proof of full vaccination: Max 100 	Effective April 15, 2021 Outdoor <ul style="list-style-type: none"> • Maximum of 50 people • If all guests are tested or show proof of full vaccination: Max 200 Indoor <ul style="list-style-type: none"> • If all guests are tested or show proof of full vaccination: Max 100 people 	Effective April 15, 2021 Outdoor <ul style="list-style-type: none"> • Maximum of 100 people • If all guests are tested or show proof of full vaccination: Max 300 Indoor <ul style="list-style-type: none"> • If all guests are tested or show proof of full vaccination: Max 150 people 	Effective April 15, 2021 Outdoor <ul style="list-style-type: none"> • Maximum of 200 people • If all guests are tested or show proof of full vaccination: Max 400 Indoor <ul style="list-style-type: none"> • If all guests are tested or show proof of full vaccination: Max 200 people

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
Indoor Seated Live Events and Performances **	Closed	<p>Effective April 15, 2021:</p> <p>All venues:</p> <ul style="list-style-type: none"> In-state visitors only, check for current CDPH Travel Advisory in effect Weekly worker testing program All tickets delivered digital, advanced purchase only Pre-designated eating area (no eating/drinking allowed in seats) – 6 feet of distance. Suites 25% capacity, max three households. <p>Venues: 0-1,500</p> <ul style="list-style-type: none"> Maximum 10% or 100 people 25% if all guests are tested or show proof of full vaccination 	<p>Effective April 15, 2021</p> <p>All venues:</p> <ul style="list-style-type: none"> In-state visitors only, check for current CDPH Travel Advisory in effect Weekly worker testing program All tickets delivered digital, advanced purchase only Pre-designated eating area (no eating/drinking allowed in seats) – 6 feet of distance. Suites 25% capacity, max three households. <p>Venues: 0-1,500</p> <ul style="list-style-type: none"> Maximum 15% or 200 people 35% if all guests are tested or show proof of full vaccination 	<p>Effective April 15, 2021</p> <p>All venues:</p> <ul style="list-style-type: none"> In-state visitors only, check for current CDPH Travel Advisory in effect Weekly worker testing program All tickets delivered digital, advanced purchase only Pre-designated eating area (no eating/drinking allowed in seats) – 6 feet of distance. Suites 25% capacity, max three households. <p>Venues: 0-1,500</p> <ul style="list-style-type: none"> Maximum 25% or 300 people 50% if all guests are tested or show proof of full vaccination

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
		Venues: 1,501 and above <ul style="list-style-type: none"> 20% if all guests are tested or show proof of full vaccination 	Venues: 1,501 and above <ul style="list-style-type: none"> 10% capacity or 2000, whatever is fewer; with modifications, and no eating/drinking 35% if all guests are tested or show proof of full vaccination 	Venues: 1,501 and above <ul style="list-style-type: none"> 10% capacity or 2000, whatever is fewer; with modifications, and no eating/drinking 50% if all guests are tested or show proof of full vaccination
Limited Services	Open with modifications	Open with modifications	Open with modifications	Open with modifications
Outdoor Playgrounds & Outdoor Recreational Facilities	Open with modifications	Open with modifications	Open with modifications	Open with modifications
Hair Salons & Barbershops	Open indoors with modifications	Open indoors with modifications	Open indoors with modifications	Open indoors with modifications
All Retail (including critical infrastructure, except standalone grocers)	Open indoors with modifications <ul style="list-style-type: none"> Max 25% capacity 	Open indoors with modifications <ul style="list-style-type: none"> Max 50% capacity 	Open indoors with modifications	Open indoors with modifications

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
Shopping Centers (Malls, Destination Centers, Swap Meets)	Open indoors with modifications <ul style="list-style-type: none"> • Max 25% capacity • Closed common areas • Closed food courts 	Open indoors with modifications <ul style="list-style-type: none"> • Max 50% capacity • Closed common areas • Reduced capacity food courts (see restaurants) 	Open indoors with modifications <ul style="list-style-type: none"> • Closed common areas • Reduced capacity food courts (see restaurants) 	Open indoors with modifications <ul style="list-style-type: none"> • Reduced capacity food courts (see restaurants)
Personal Care Services	Open indoors with modifications	Open indoors with modifications	Open indoors with modifications	Open indoors with modifications
Museums, Zoos, and Aquariums	Outdoor only with modifications	Open indoors with modifications <ul style="list-style-type: none"> • Indoor activities max 25% capacity 	Open indoors with modifications <ul style="list-style-type: none"> • Indoor activities max 50% capacity 	Open indoors with modifications
Places of Worship	<ul style="list-style-type: none"> • Outdoor encouraged • Indoor strongly discouraged, allowed with modifications • Max 25% capacity 	Open indoors with modifications <ul style="list-style-type: none"> • Max 25% capacity 	Open indoors with modifications <ul style="list-style-type: none"> • Max 50% capacity 	Open indoors with modifications <ul style="list-style-type: none"> • Max 50% capacity
Movie Theaters	Outdoor only with modifications	Open indoors with modifications <ul style="list-style-type: none"> • Max 25% capacity or 100 people, whichever is fewer 	Open indoors with modifications <ul style="list-style-type: none"> • Max 50% capacity or 200 people, whichever is fewer 	Open indoors with modifications <ul style="list-style-type: none"> • Max 50% capacity

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
Hotels and Lodging	Open with modifications	Open with modifications <ul style="list-style-type: none"> +Fitness centers (+10%) 	Open with modifications <ul style="list-style-type: none"> +Fitness centers (+25%) +Indoor pools 	Open with modifications <ul style="list-style-type: none"> +Fitness Centers (50%) +Spa facilities etc.
Gyms and Fitness Centers	Outdoor only with modifications	Open indoors with modifications <ul style="list-style-type: none"> Max 10% capacity +Climbing walls 	Open indoors with modifications <ul style="list-style-type: none"> Max 25% capacity +Indoor pools 	Open indoors with modifications <ul style="list-style-type: none"> Max 50% capacity +Saunas +Steam rooms
Restaurants	Outdoor only with modifications	Open indoors with modifications <ul style="list-style-type: none"> Max 25% capacity or 100 people, whichever is fewer 	Open indoors with modifications <ul style="list-style-type: none"> Max 50% capacity or 200 people, whichever is fewer 	Open indoors with modifications <ul style="list-style-type: none"> Max 50% capacity
Wineries, Breweries and Distilleries	Outdoor only with modifications <ul style="list-style-type: none"> Reservations 90-minute time limit Seating/tables only Limited hours (service for on-site consumption closed by 8 pm) 	Outdoor only with modifications <ul style="list-style-type: none"> Reservations 90-minute time limit Seating/tables only Limited hours (service for on-site consumption closed by 8 pm) 	Open indoors with modifications <ul style="list-style-type: none"> Max 25% capacity indoors, or 100 people, whichever is fewer 	Open indoors with modifications <ul style="list-style-type: none"> Max 50% capacity or 200 people indoors, whichever is fewer

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
Bars (where no meal provided; follow restaurant guidance where meal is provided)	Closed	Closed	Open outdoors with modifications	Open indoors with modifications <ul style="list-style-type: none"> Max 25% capacity indoors, or 100 people, whichever is fewer
Family Entertainment Centers ***	Outdoor only with modifications	Outdoor only with modifications	Indoor <ul style="list-style-type: none"> Max 25% capacity 50% if all guests are tested or show proof of full vaccination With modifications <ul style="list-style-type: none"> 100% masking except for food and beverage service Food/beverage consumption must be restricted to designated areas separated from activity area Service of alcohol without meals must follow bar guidance (outdoor only) 	Indoor <ul style="list-style-type: none"> Max 50% capacity 75% if all guests are tested or show proof of full vaccination With modifications <ul style="list-style-type: none"> 100% masking except for food and beverage service Food/beverage consumption must be restricted to designated areas separated from activity area

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
Cardrooms, Satellite Wagering	Outdoor only with modifications	Outdoor only with modifications	Open indoors with modifications <ul style="list-style-type: none"> Max 25% capacity 	Open indoors with modifications <ul style="list-style-type: none"> Max 50% capacity
Offices	Remote	Remote	Open indoors with modifications <ul style="list-style-type: none"> Encourage telework 	Open indoors with modifications <ul style="list-style-type: none"> Encourage telework
Outdoor Live Events with Assigned Seats and Controlled Mixing (e.g., sports and live performances)	<ul style="list-style-type: none"> 100 people or fewer Regional visitors (120 miles) Advanced reservations only No concessions or concourse sales 	<ul style="list-style-type: none"> Max 20%, includes suites with 25% occupancy per suite and suites no more than 3 households Weekly worker testing program In-state visitors only, check for current CDPH Travel Advisory in effect Advanced reservations only Primarily in-seat concessions (no concourse sales) 	<ul style="list-style-type: none"> Max 33%, includes suites with 25% occupancy per suite Weekly worker testing program In-state visitors only, check for current CDPH Travel Advisory in effect Primarily in-seat concessions (no concourse sales) Max 67% if all guests are tested or show proof of full vaccination 	<ul style="list-style-type: none"> Max 67%, includes suites with 25% occupancy per suite In-state visitors only, check for current CDPH Travel Advisory in effect Primarily in-seat concessions (no concourse sales)

SECTORS	Tier 1 Widespread (Case Rate >7 and Test Positivity >8%)	Tier 2 Substantial (Case Rate 4-7 and Test Positivity 5-8%)	Tier 3 Moderate (Case Rate 1-3.9 and Test Positivity 2-4.9%)	Tier 4 Minimal (Case Rate <1 and Test Positivity <2%)
Post 2 million doses administered in first Healthy Places Index quartile	CR >10	CR 4-10	CR 1-3.9	CR <1
Post 4 million doses administered in first Healthy Places Index quartile	CR >10	CR 6-10	CR 2-5.9	CR <2
Amusement Parks/ Fairs ****	Closed	<ul style="list-style-type: none"> • Max 15% • Small Groups - Max 10 people or 3 household groups with no intergroup mixing • Indoor capacity max 15% with time restrictions • No indoor dining • Weekly worker testing program • In-state visitors only, check for current CDPH Travel Advisory in effect • Online ticket purchases only 	<ul style="list-style-type: none"> • Max 25% • Indoor capacity max 25% with time restrictions • Weekly worker testing program • With other modifications • In-state visitors only, check for current CDPH Travel Advisory in effect 	<ul style="list-style-type: none"> • Max 35% • Indoor capacity max 25% with time restrictions • Weekly worker testing program • With other modifications • In-state visitors only, check for current CDPH Travel Advisory in effect
Overnight Sleepaway Camps *****	Closed	Effective June 1, 2021: Open with modifications	Effective June 1, 2021: Open with modifications	Effective June 1, 2021: Open with modifications

Updated on April 2, 2021:

*Updated Gatherings effective April 15, 2021

**Added private events and indoor seated live events and performances effective April 15, 2021

***Updated Family Entertainment Centers

****Added Fairs to Amusement Parks

Updated on March 11, 2021:

*****Regardless of trigger being met, these activities (overnight sleepaway camps) cannot begin any sooner than June 1, 2021.

As we reach 20 million vaccines administered and COVID-19 case rates and hospitalizations have stabilized, California is looking to move beyond the Blueprint for a Safer Economy to fully reopening our economy. On June 15, all industries across the state can return to usual operations with common-sense risk reduction measures such as masking and vaccinations.

We will only progress to this stage if we continue to stay vigilant, keep wearing our masks and getting vaccinated. The state will monitor hospitalization rates, vaccine access, and vaccine efficacy against variants with the option to revisit the June 15 date if needed.

What triggers our move Beyond the Blueprint?

On June 15, California will fully open its economy if two criteria are met:

1. **Equitable vaccine availability:** If vaccine supply is sufficient for Californians 16 years or older who wish to be inoculated. [i]

AND

2. **Consistently low burden of disease:** Hospitalizations are stable and low, and specifically, hospitalizations among fully vaccinated individuals are low.

What happens beyond the Blueprint?

When California fully reopens the economy, the state will move beyond the Blueprint for a Safer Economy. Common-sense health measures such as masking will remain across the state. Testing or vaccination verification requirements will remain in relevant settings. Additionally:

- All sectors listed in the current Blueprint Activities and Business Tiers Chart may return to usual operations in compliance with ETS/Cal OSHA and other statewide agency guidelines and standards with limited public health restrictions, such as masking, testing, and testing or vaccination verification requirements for large-scale higher-risk events. In addition, the following restrictions apply (via a narrow public health order):
 - Unless testing or vaccination status is verified for all attendees, conventions will be capped at 5,000 persons until October 1.
 - International convention attendees will only be allowed if fully vaccinated.
- Schools and institutions of higher education should conduct full-time, in person instruction, in compliance with Cal/OSHA emergency temporary standards and public health guidelines.
- Workplaces promote policies that reduce risk, including improved indoor ventilation, and mask wearing in indoor and other high-risk settings as well as remote work when possible without impacting business operations.
- Californians and travelers will be subject to any current CDPH and CDC travel restrictions.

California will also need to maintain the public health and medical infrastructure in these five priority areas:

1. Continue to provide vaccinations and be prepared for the vaccination of Californians under 16 years old. It is critical that vaccines remain effective against circulating strains.
2. Conduct equity-focused monitoring and surveillance by maintaining adequate testing capacity and strategies for the early detection of cases including variants via genomic sequencing.
3. Contain disease spread through timely investigation of cases, contacts, and outbreaks.
4. Maintain a statewide plan to scale up resources for isolation or quarantine.
5. Monitor hospital admissions and maintain adequate personal protective equipment (PPE) and healthcare surge capacity that can be easily mobilized.

The transition from Blueprint

Our strategy is to use various levers and incentives to increase protection of Californians and incentivize vaccination to move us towards community immunity. Since March we have adjusted the Blueprint to recognize the role of vaccines in reducing transmission. These strategies include:

- Reopening and expanding the capacity of outdoor sectors
- Adding the Vaccine Equity Benchmarks to adjust the case rate thresholds for Blueprint tiers
- Allowing increased capacity or numbers of persons allowed, including indoors, with proof of testing or vaccination
- Developing guidance or minimum standards to ensure equity, privacy, and ethical practices are integral in the deployment of vaccination and testing verification methods
- Focusing on equity allocations and implementation plans to improve vaccination coverage in our least advantaged and hardest-hit communities

The efforts Californians have taken to date have allowed us to fully reopen safely so we can move beyond the Blueprint.

[i] Vaccine supply is sufficient for eligible individuals wanting a vaccine to obtain an appointment to receive the inoculation within 2 weeks.

OPERATIONS REPORT FIRE DIVISION MARCH 2021



INCIDENTS FOR MARCH

Monthly emergency call total 41

Public Contacts 5



PERSONNEL

Total personnel roster: 18



EQUIPMENT & APPARATUS

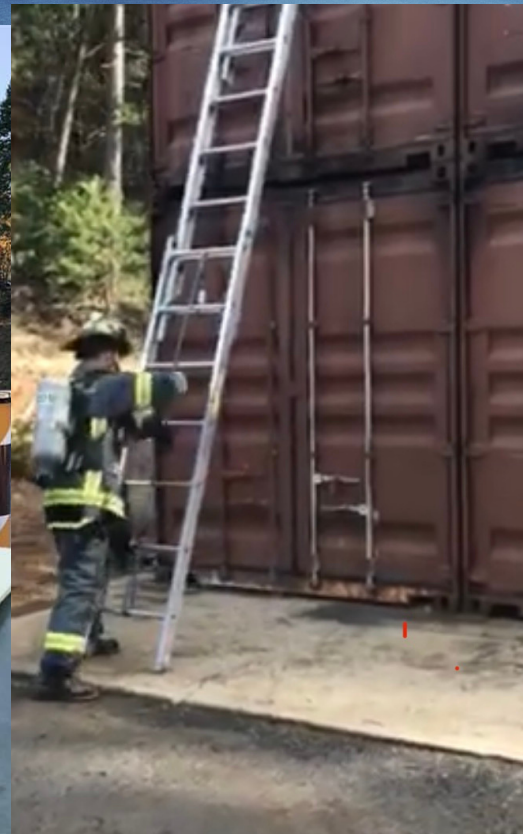
E-721 received a clean bill of health on the transmission

All apparatuses are currently going through the quarterly D.O.T./B.I.T. inspections

The annual ladder test was completed on all fire ladders. All ladders passed



EXPECT FIRE
EXPECT VICTIMS



FACILITIES

Pipe leaking in the apparatus bay was identified and fixed

Kitchen faucet was replaced due to corrosion and leaks



TRAINING

All Shifts completed: 141 hours of training

Twain Harte Fire staff assisted Columbia College and Chabot College with Fire Control 3-B Live Fire Training

Two new training props were installed at the training center



FINANCIAL

Currently working on a Cal Fire Prevention grant for fuels reduction for THCSO infrastructure

Finalized Sonora Area Foundation Grant for a CPR machine and CPR classes for all business owners in Twain Harte



TUOLUMNE COUNTY FIRE CHIEFS ASSOCIATION

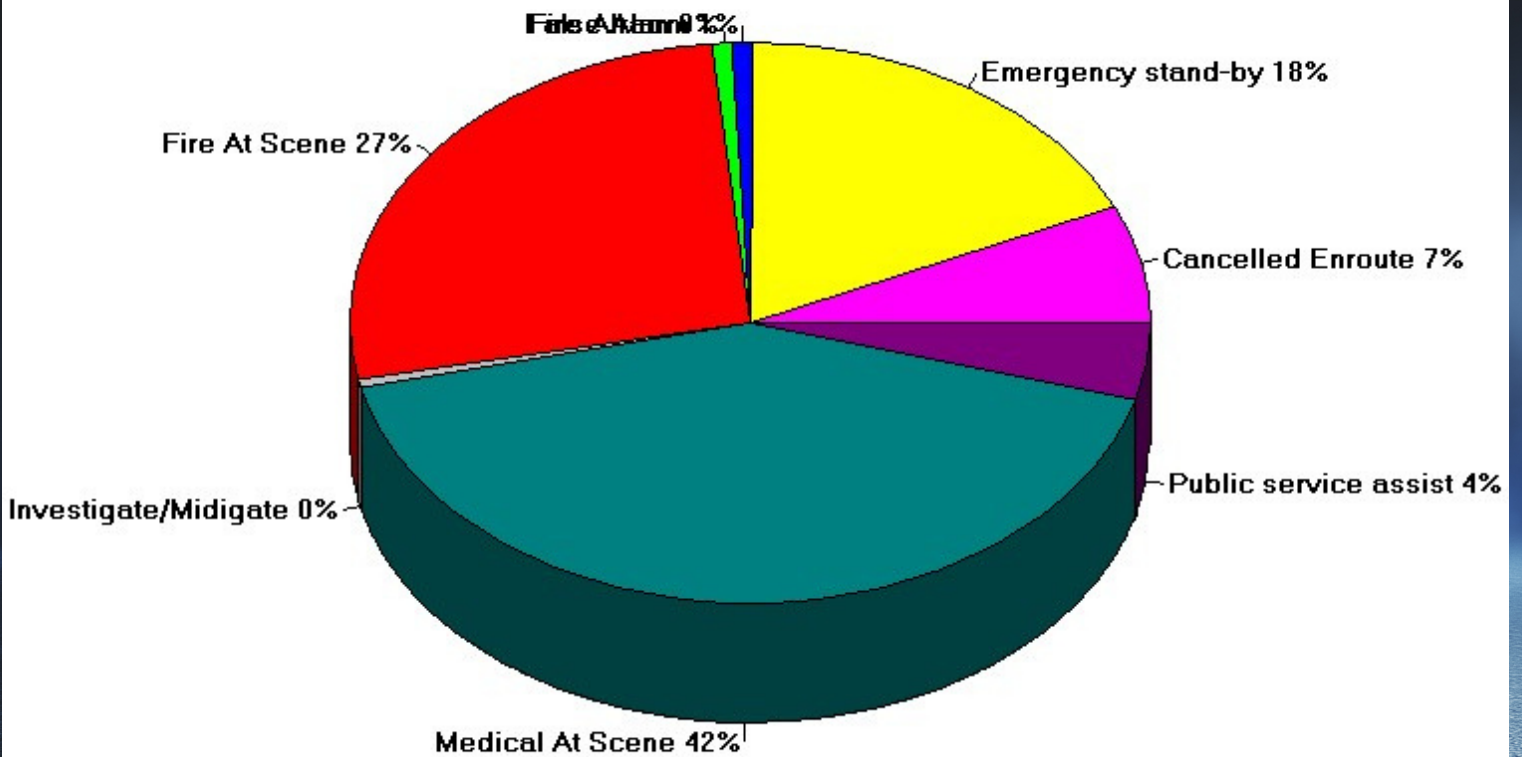
Measure V talks have started. Chief Murphy has requested a letter from THCSD supporting the tax

Tuolumne County Board of Supervisors have selected members for the Fire Safe Advisory Committee

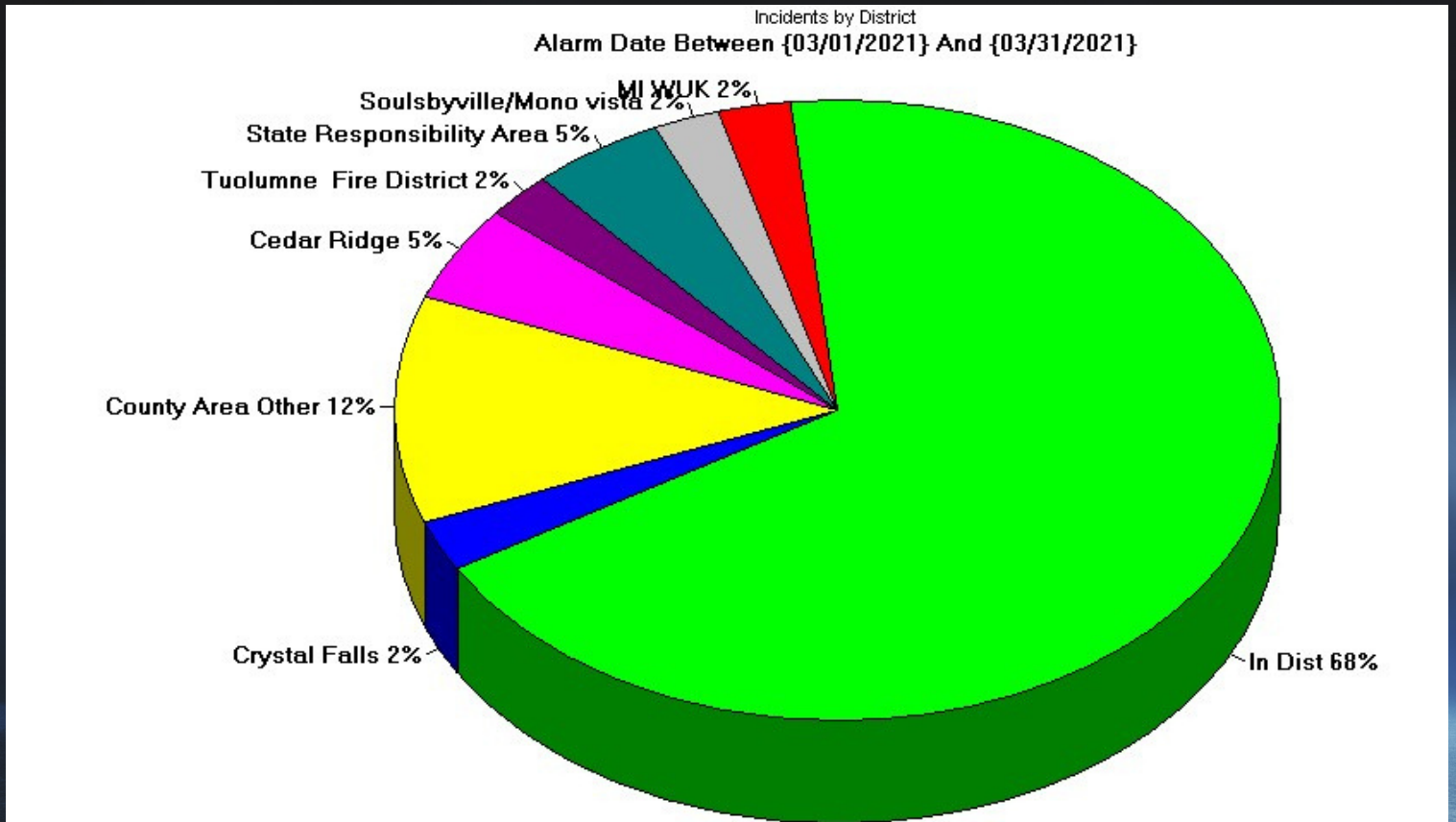


INCIDENTS BY TYPE

Total Staff Hours by Activity Code
Date Between {03/01/2021} And {03/31/2021}

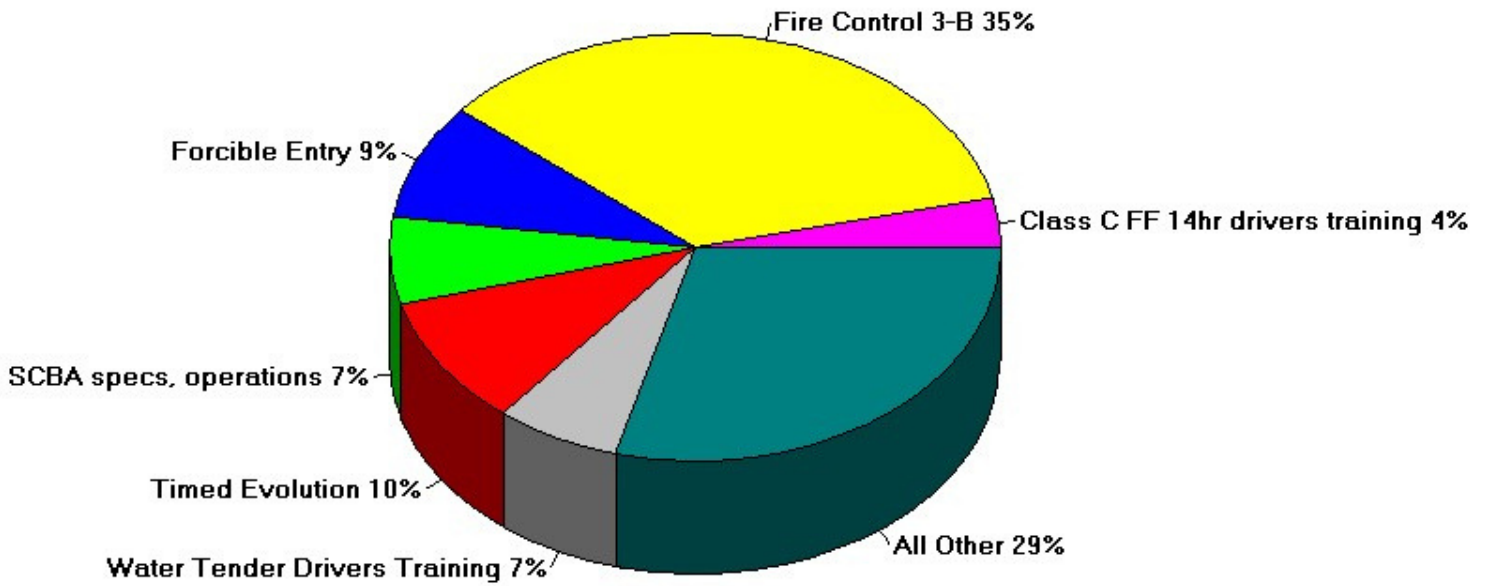


INCIDENTS BY LOCATION



TRAINING BY TYPE

Copy of Total Staff Hours by Training Category
Date Between {03/01/2021} And {03/31/2021}





What's New

- Cross-training and new employee training continues to go well.



- Operator II Tom Chimente passed the Distribution 2 exam.
- New water heaters purchased and beginning process of installation to deliver tepid water for eyewash station as recommended by the SWTP assesment and safety regulations

Operations Highlights

Water

- Number of customer service calls were below average for this time of year (20-30) for a total of 10.

TWAIN HARTE CSD OPERATIONS REPORT



Water/Sewer/Park Division

For March 2021

4/14/21

- Well #1 generator: Electrical should be done by 4/9/21. Suburban Propane to come back out to finish hooking up the propane



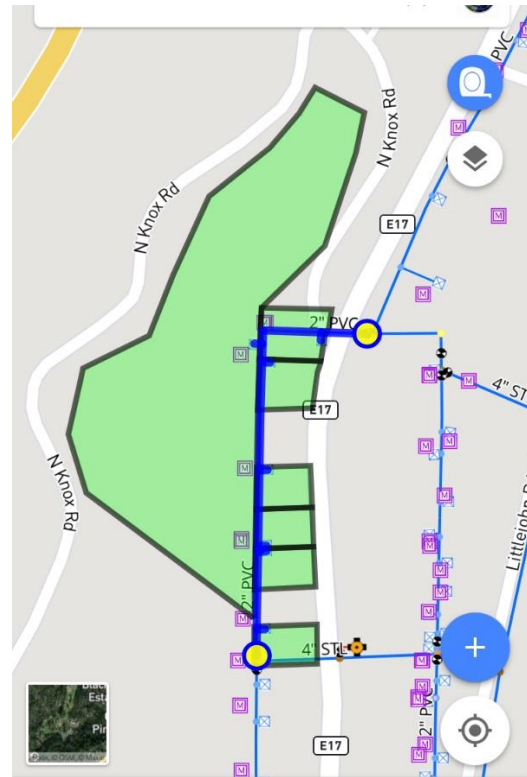
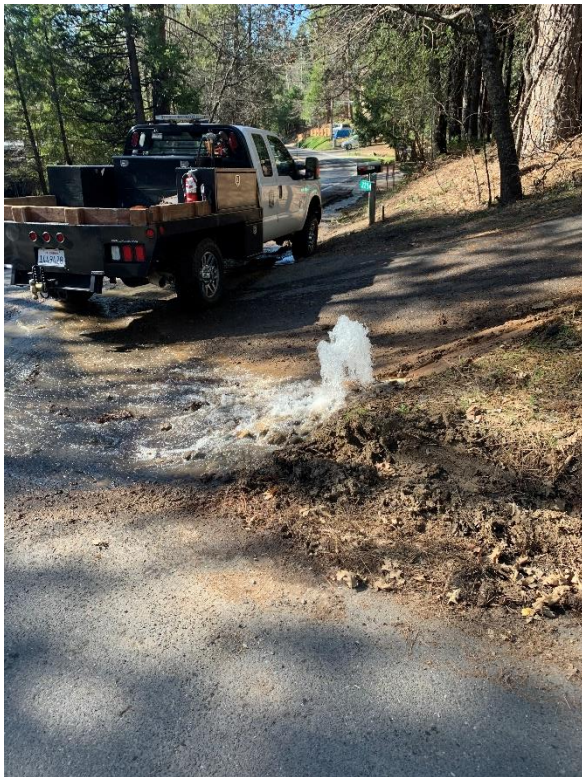
- New cold weather/low alkaline water clarifier mixer installed as suggested by SWTP assessment. This will help our treatment process during seasonal extreme weather events be more reliable and resilient.



- New Clarifier rubber extensions for scrapers. This will help us to draw down the clarifier much more quickly for cleaning so that it can be brought back online faster.

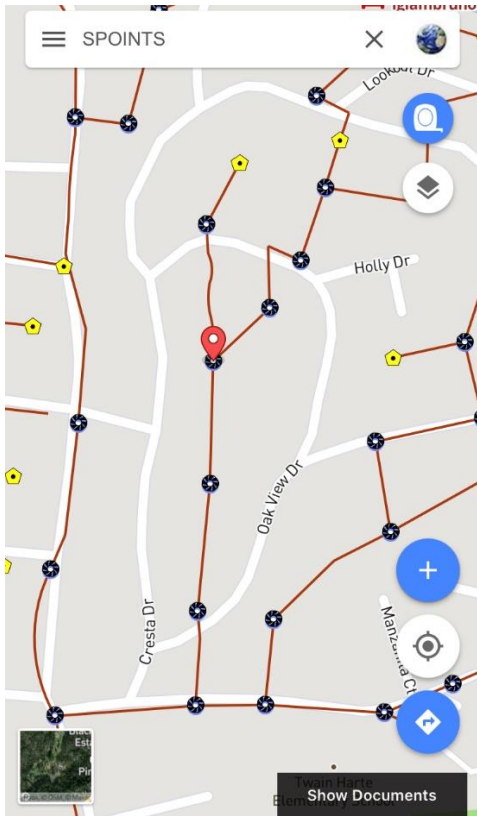


- A 2" water main brake at Knox and North Tuolumne Road. Operators were able to get it shut off and repaired very quickly with a little help from our GIS system – GeoViewer

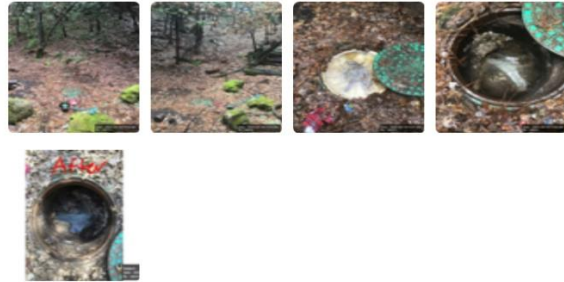


Sewer

- Number of customer service calls were average for this time of year (1-10) for a total of 3.
- We are doing manhole spot checks during and after wet events to look for any major differences that may indicate inflow or infiltration. Photos and or video is taken and uploaded onto GeoViewer.



Images



Hotlinks



Videos



Park

- Irrigation tank is set.



- The baseball infield is scheduled to be aerated and overseeded the week of 4/12/21.
- We are still working towards the new sprinkler system for the park and ballfield.

Year: 2021

Month	*Treatment Plant (Gal)	Well #1 (Gal)	Well #2 (Gal)	Well #3 (Gal)	**Total Recycled (Gal)	***Total Production (Gal)	2013 Total Production (Gal)	Percentage Conserved (%)	Rain (inches)	Snow (inches)
Jan	1,782,867	888,093	1,724,068	830,885	171,667	5,225,913	8,304,262	37.07%	5.95	31.5
Feb	812,370	1,084,946	1,670,276	1,048,320	79,857	4,615,912	5,836,362	20.91%	2.72	0
Mar	682,442	1,106,362	2,160,718	960,206	89,574	4,909,728	5,776,198	15.00%	2.69	15
Apr						0	6,737,931	100.00%		
May						0	9,624,851	100.00%		
Jun						0	11,912,958	100.00%		
Jul						0	14,740,484	100.00%		
Aug						0	14,605,710	100.00%		
Sep						0	10,891,827	100.00%		
Oct						0	9,867,000	100.00%		
Nov						0	6,638,895	100.00%		
Dec						0	7,410,084	100.00%		
Total	3,277,679	3,079,401	5,555,062	2,839,411	341,098	14,751,553	112,346,562	86.87%	11.36	46.5



GENERAL MANAGER'S REPORT

April 14, 2021

Administration / Operations

- *FY 2021-22 Budget Prep*
- *Supplemental Stormwater Grant Application*
- *Slash Vouchers*
- *Document Retention Policy*

Planning Projects

- *Sewer System Evaluation/Analysis* – Condition Assessment, Sherwood Forest Analysis, Hydraulic Model complete. Engineering Report in process.
- *Water System Hydraulic Model* – Anticipated completion this week, including a cost estimate to eliminate Cedar Pines Tank and the Laurel Pump Station Upgrade.

Capital Projects

- *Bocce Court Improvements* – Rain tank set. Pillar rock ordered. Lighting selection in progress. Rain tank piping and rain garden planned for May.
- *TH School Sewer Re-Alignment* – Selected a cost-effective alignment. Deep manhole safety platform ordered. Re-alignment anticipated in June.

Funding Opportunities

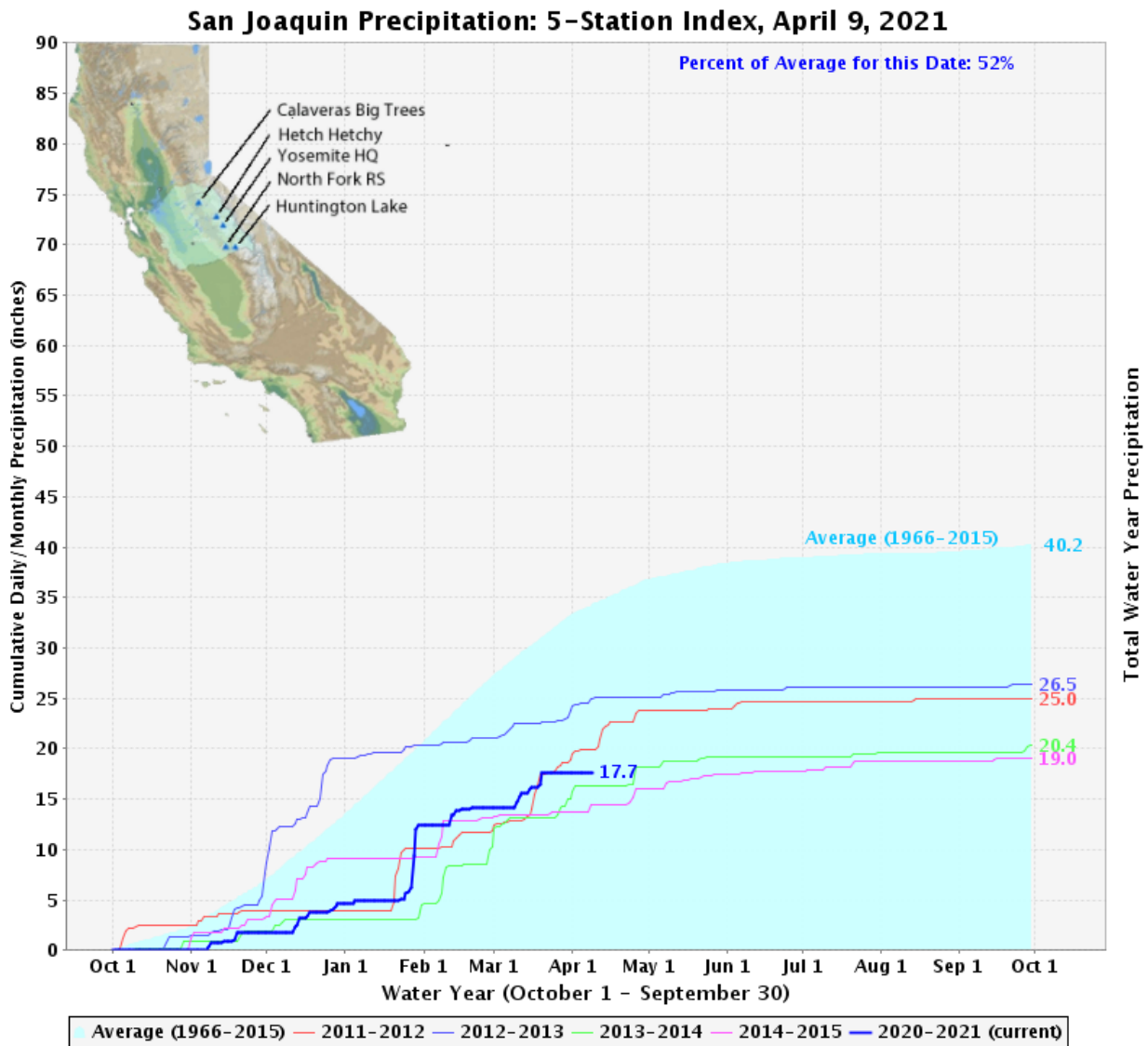
- *Prop 68 Per Capita Park Grant* – Park revenue enhancement (\$177,952): **Awarded**
- *Prop 1 Stormwater Grant* – TH Stormwater Enhancement (\$3.478 M): **Awarded**
- *Cal OES PSPS Grant* – Critical Facility Generators (\$60,000): **Awarded**
- *SWRCB Water System Planning Grant* – Water System (\$500 K): **Likely award May 2021**
- *Assistance to Firefighters Grant* – SCBA Replacement (\$150,000): **Find out in May 2021**
- *Prop 68 Statewide Park Program* – TH Meadows Park (\$1.25 M): **Find out Summer 2021**
- *Prop 68 Rural Recreation Program* – TH Meadows Park (\$1.25 M): **Due Nov 2021**

Meetings of Interest

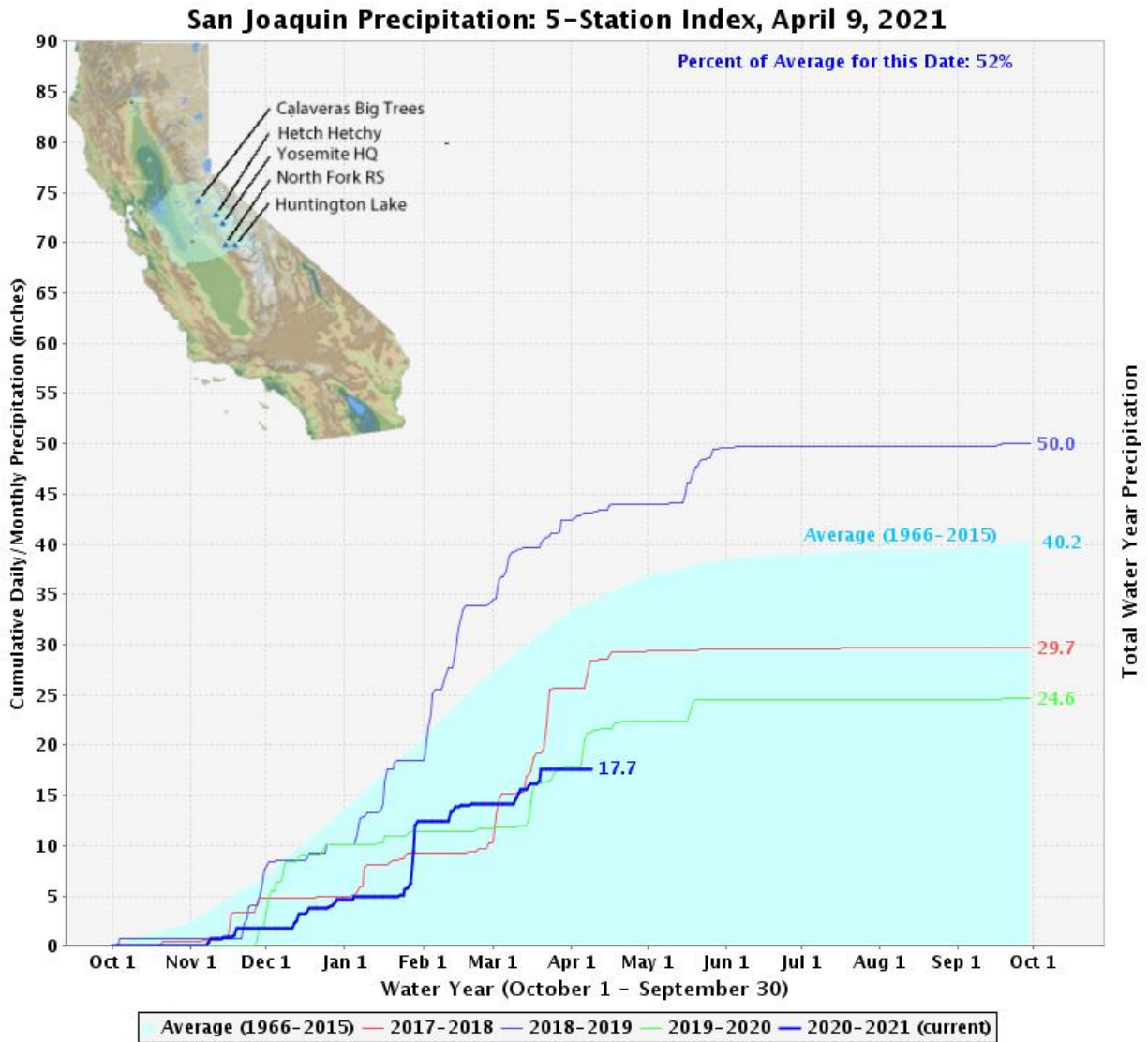
- *COVID-19 Staff Vaccinations* – 3/5/21 & 4/1/21
- *Countywide Utility Stakeholder Meeting* – 4/21/21

WATER SUPPLY UPDATE – APRIL 2021

PRECIPITATION – Current Year vs. Last Drought



PRECIPITATION – Last 4 Years



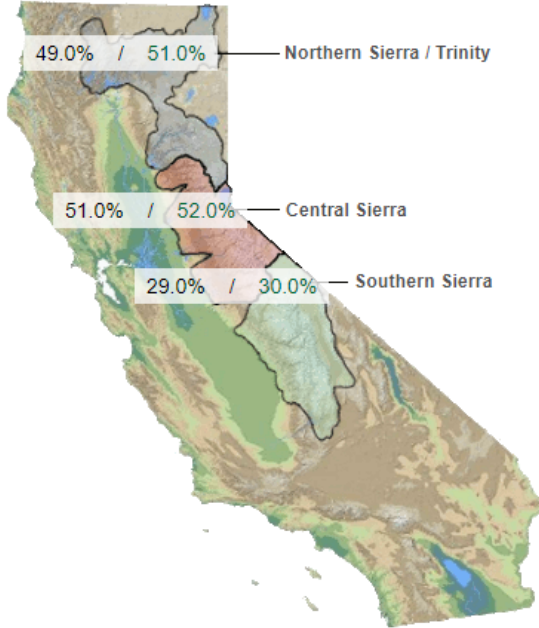
SNOW PACK

→ Snow Water Equivalents (inches)

Provided by the California Cooperative Snow Surveys

Data For: 09-Apr-2021

% Apr 1 Avg. / % Normal for this Date



Change Date :

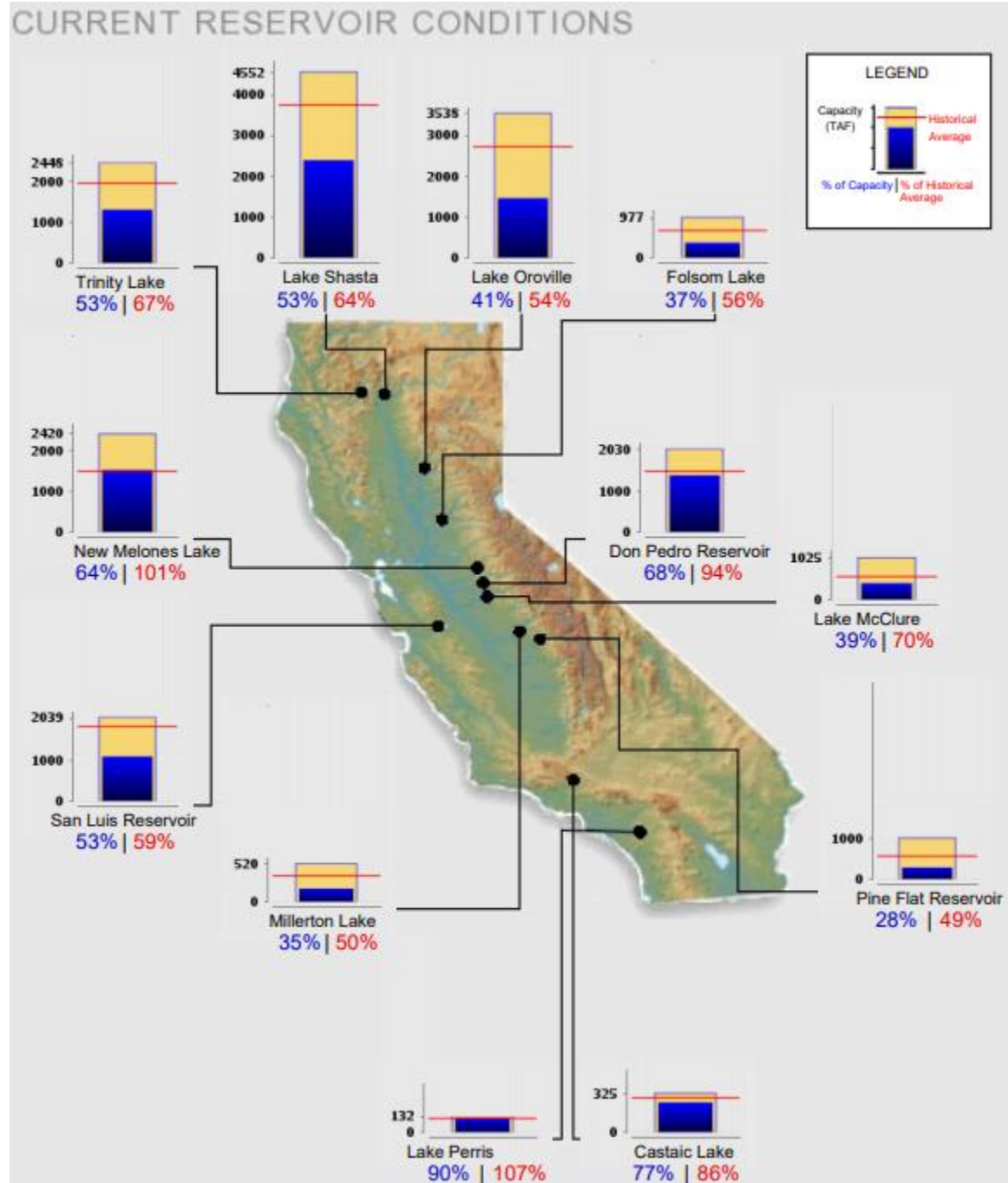
NORTH	
Data For:	09-Apr-2021
Number of Stations Reporting	31
Average snow water equivalent	13.7"
Percent of April 1 Average	49%
Percent of normal for this date	51%

CENTRAL	
Data For:	09-Apr-2021
Number of Stations Reporting	41
Average snow water equivalent	15.3"
Percent of April 1 Average	51%
Percent of normal for this date	52%

SOUTH	
Data For:	09-Apr-2021
Number of Stations Reporting	26
Average snow water equivalent	7.2"
Percent of April 1 Average	29%
Percent of normal for this date	30%

STATEWIDE SUMMARY	
Data For:	09-Apr-2021
Number of Stations Reporting	98
Average snow water equivalent	12.6"
Percent of April 1 Average	45%
Percent of normal for this date	46%

RESERVOIR STORAGE



Pinecrest Storage (4/9): 5,602 AF

~58% of Normal

~32% less than 2014

Lyons Storage (4/1): 2,835 AF

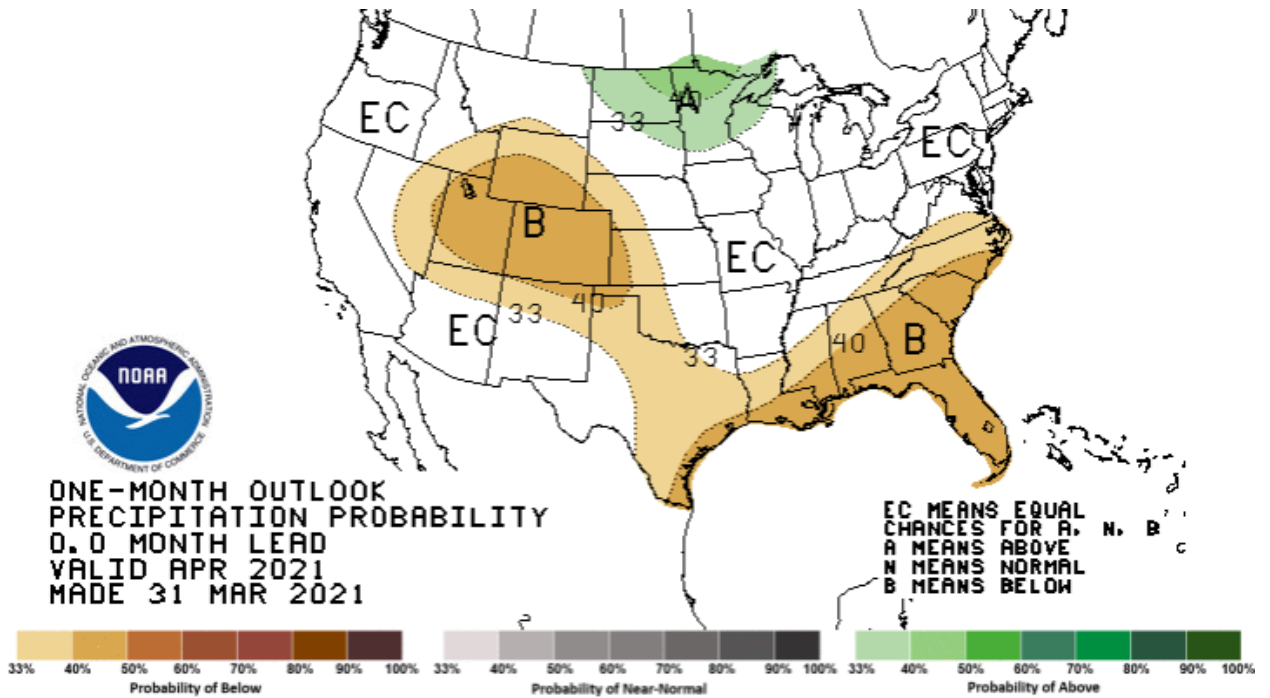
~67% of Normal

~32% less than 2014

TUD ASSURES THAT BOTH RESERVOIRS WILL FILL AND SPILL

PRECIPITATION/TEMPERATURE FORECAST

1 Month Precipitation – NORMAL



1 Month Temperature – NORMAL

