

**BEYERS LANE
COMMUNITY SERVICES DISTRICT**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2016 AND 2015

**BODEN KLEIN & SNEESBY
A Professional Corporation**



**BEYERS LANE
COMMUNITY SERVICES DISTRICT
TABLE OF CONTENTS
JUNE 30, 2016 AND 2015**

<u>Page Number</u>	<u>Title</u>
1-2	Independent auditors' report on financial statements
3-4	Governmental funds balance sheet/statement of net position, June 30, 2016 and 2015
5-6	Statement of governmental revenues, expenditures and changes in fund balance/statement of activities, for the years ended June 30, 2016 and 2015
7-12	Notes to the financial statements
	<u>Required Supplementary Information</u>
13-14	Budgetary comparison schedules for years ended June 30, 2016 and 2015



3005 Douglas Blvd., Ste. 115

Roseville, CA 95661

(916) 774-1040

(916) 774-1177 Fax

INDEPENDENT AUDITORS' REPORT

Board of Directors
Beyers Lane Community Services District
Grass Valley, California

We have audited the accompanying financial statements of the governmental activities of Beyers Lane Community Services District as of and for the years ended June 30, 2016 and 2015 which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, of Beyers Lane Community Services District as of June 30, 2016, and 2015 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

- Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 13 and 14 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Beyers Lane Community Services District basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly we do not express an opinion or provide any assurance on them.


BODEN KLEIN & SNEESBY
A Professional Corporation

Sacramento, California
April 27, 2017

BEYERS LANE COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Assets:			
Cash and investments	\$ 21,599	\$ -	\$ 21,599
Prepaid insurance	1,416	-	1,416
Capital assets, net of depreciation	-	381	381
Total Assets	<u>\$ 23,015</u>	<u>\$ 381</u>	<u>\$ 23,396</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 122	\$ -	\$ 122
Total Liabilities	<u>122</u>	<u>-</u>	<u>122</u>
Fund Balance / Net position			
Fund Balance:			
Unassigned	22,893	(22,893)	-
Total Fund Balance	<u>22,893</u>	<u>(22,893)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 23,015</u>		
Net Position:			
Net investment in capital assets		381	381
Unassigned		22,893	22,893
Total Net Position		<u>\$ 23,274</u>	<u>\$ 23,274</u>

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

BEYERS LANE COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
JUNE 30, 2015

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Assets:			
Cash and investments	\$ 16,777	\$ -	\$ 16,777
Prepaid insurance	1,341	-	1,341
Capital assets, net of depreciation	-	397	397
Total Assets	\$ 18,118	\$ 397	\$ 18,515
LIABILITIES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
Fund Balance / Net position			
Fund Balance:			
Unassigned	18,118	(18,118)	-
Total Fund Balance	18,118	(18,118)	-
Total Liabilities and Fund Balance	\$ 18,118		
Net Position:			
Net investment in capital assets		397	397
Unrestricted		18,118	18,118
Total Net Position		\$ 18,515	\$ 18,515

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

BEYERS LANE COMMUNITY SERVICES DISTRICT
STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Adjustments	Statement of Activities
Revenues:			
Property assessments	\$ 12,800	\$ -	\$ 12,800
Interest	158	-	158
Total Revenues	12,958	-	12,958
Expenditures:			
Administration	1,735	-	1,735
Operations - road work expenses	6,398	-	6,398
Election expense	50	-	50
Depreciation	-	16	16
Total Expenditures	8,183	16	8,199
Excess (Deficiency) of Revenues Over Expenditures	4,775	(4,775)	-
Changes in Net Position	-	4,759	4,759
Fund Balance/Net Position Beginning of year	18,118	-	18,515
End of year	\$ 22,893	\$ -	\$ 23,274

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

BEYERS LANE COMMUNITY SERVICES DISTRICT
STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Adjustments	Statement of Activities
Revenues:			
Property assessments	\$ 12,800	\$ -	\$ 12,800
Interest	74	-	74
Total Revenues	12,874	-	12,874
Expenditures:			
Administration	4,120	-	4,120
Operations - road work expenses	2,348	-	2,348
Election expense	50	-	50
Depreciation	-	16	16
Total Expenditures	6,518	16	6,534
Excess (Deficiency) of Revenues Over Expenditures	6,356	(6,356)	-
Changes in Net Position	-	6,340	6,340
Fund Balance/Net Position Beginning of year	11,762	-	12,175
End of year	\$ 18,118	\$ -	\$ 18,515

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

BEYERS LANE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1 SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Policies

The accounting policies of Beyers Lane Community Services District conform to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board.

B. Organization

Beyers Lane Community Services District is a California Special District and was organized in November 1982.

Services provided by the District consists of providing improvements and maintenance to certain roads with in the District

C. Reporting Entity

The reporting entity for the District includes all the funds and operations under the jurisdiction of the Board of Director's of Beyers Lane Community Services District.

D. Use of Estimates

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

E. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the district.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. The financial statements, therefore, include a reconciliation to better identify the relationship between the government-wide statements and the statements for the governmental funds.

BEYERS LANE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Presentation (continued)

Fund Financial Statements

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

F. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under 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 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 collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the district receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the district must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the district on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

BEYERS LANE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1

SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Basis of Accounting (continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Fund Accounting

The accounts of the district are organized on the basis of funds, which are considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The district's accounts are organized into major, non-major, proprietary, and fiduciary funds as follows:

Major Governmental Fund

The General Fund is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Assets

Capital assets are reported at historical cost or estimated historical cost expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over estimated useful lives.

G. Fund Equity

In the fund financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned, based primarily on the extent to which the District is bound to honor constraints on how specific amounts are to be spent:

BEYERS LANE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1

SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Fund Equity (continued)

Non-spendable Fund Balance – Includes the portions of fund balance not appropriate for expenditures.

Restricted Fund Balance – Includes amounts subject to externally imposed and legally enforceable constraints.

Committed Fund Balance – Includes amounts subject to Authority constraints self-imposed by formal action of the Authority Governing Board.

Assigned Fund Balance – Includes amounts the Authority intends to use for a specific purpose. Assignments may be established by the Authority Governing Board with the recommendation of the Treasurer and confirmed by the Governing Board.

Unassigned Fund Balance – Includes the residual balance that has not been assigned to other funds and is not restricted, committed, or assigned to specific purposes.

Fund Balance

The District's fund balances at June 30, 2016 consisted of the following:

	<u>General Fund</u>
Unassigned	<u>\$22,893</u>
Total Fund Balance	<u>\$22,893</u>

The District's fund balances at June 30, 2015 consisted of the following:

	<u>General Fund</u>
Unassigned	<u>\$18,118</u>
Total Fund Balance	<u>\$18,118</u>

BEYERS LANE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 1 SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Fund Equity (concluded)

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain unrestricted fund balance in its General Fund sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District does not have a formal minimum fund balance requirement.

The District's policy is that committed, assigned, or unassigned amounts are considered to have been spent when the expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. This policy also applies to restricted and unrestricted fund balances

Note 2 CASH AND INVESTMENTS

The District maintains its funds with Nevada County. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. Seq. The funds maintained by the County are secured by federal depository insurance.

Note 3 CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2016 and 2015 is shown below:

	<u>Balance</u> <u>07-01-15</u>	<u>Adjustments</u>	<u>Balance</u> <u>06-30-16</u>
Capital assets being depreciated:			
Right of Way	\$ 500	\$	\$ 500
Equipment- office	<u>129</u>	<u> </u>	<u>129</u>
Total Capital Assets Being Depreciated	<u>629</u>	<u> </u>	<u>629</u>
Less accumulated depreciation	<u>(232)</u>	<u>(16)</u>	<u>(248)</u>
Total capital assets, being depreciated, net	<u>\$ 397</u>	<u>\$ (16)</u>	<u>\$ 381</u>
 Governmental activities capital assets, net	 <u>\$ 397</u>	 <u>\$ (16)</u>	 <u>\$ 381</u>

BEYERS LANE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Note 3 CAPITAL ASSETS AND DEPRECIATION (concluded)

	<u>Balance</u> <u>07-01-14</u>	<u>Adjustments</u>	<u>Balance</u> <u>06-30-15</u>
Capital assets being depreciated:			
Right of Way	\$ 500	\$	\$ 500
Equipment- office	<u>129</u>	<u> </u>	<u>129</u>
Total Capital Assets Being Depreciated	<u>629</u>	<u> </u>	<u>629</u>
Less accumulated depreciation	<u>(216)</u>	<u>(16)</u>	<u>(232)</u>
Total capital assets, being depreciated, net	<u>\$ 413</u>	<u>\$ (16)</u>	<u>\$ 397</u>
Governmental activities capital assets, net	<u>\$ 413</u>	<u>\$ (16)</u>	<u>\$ 397</u>

Note 4 COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is unaware of any claims which may have a material effect on the financial statements.

Note 5 SUBSEQUENT EVENTS

The Organization's management has evaluated the potential for subsequent events through the available for issuance date of the financial statements, April 27, 2017.

BEYERS LANE COMMUNITY SERVICES DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016 AND 2015

BEYERS LANE COMMUNITY SERVICES DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 158	\$ 158
Taxes	12,800	12,800	12,800	-
Total Revenues	<u>12,800</u>	<u>12,800</u>	<u>12,958</u>	<u>158</u>
Expenditures:				
Administration	3,687	3,687	1,735	1,952
Operations- road work expenses	9,113	9,113	6,398	2,715
Election expense	-	-	50	(50)
Total Expenditures	<u>12,800</u>	<u>12,800</u>	<u>8,183</u>	<u>4,617</u>
Excess of Revenues Over Expenditures	-	-	4,775	4,775
Fund Balance, beginning of year	<u>18,118</u>	<u>18,118</u>	<u>18,118</u>	<u>-</u>
Fund Balance, end of year	<u><u>\$ 18,118</u></u>	<u><u>\$ 18,118</u></u>	<u><u>\$ 22,893</u></u>	<u><u>\$ 4,775</u></u>

BEYERS LANE COMMUNITY SERVICES DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 74	\$ 74
Taxes	12,800	12,800	12,800	-
Total Revenues	<u>12,800</u>	<u>12,800</u>	<u>12,874</u>	<u>74</u>
Expenditures:				
Administration	4,494	4,494	4,120	374
Operations- road work expenses	9,694	9,694	2,348	7,346
Election expense	-	-	50	(50)
Total Expenditures	<u>14,188</u>	<u>14,188</u>	<u>6,518</u>	<u>7,670</u>
Excess of Revenues Over Expenditures	(1,388)	(1,388)	6,356	7,744
Fund Balance, beginning of year	<u>11,762</u>	<u>11,762</u>	<u>11,762</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 10,374</u>	<u>\$ 10,374</u>	<u>\$ 18,118</u>	<u>\$ 7,744</u>