

**NEWBERRY
COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
(With Independent Auditor's Report Thereon)
FOR THE YEAR ENDED JUNE 30, 2020**



David B. WHITFORD, Jr.

Certified Public Accountant

**NEWBERRY
COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
(With Independent Auditor's Report Thereon)
FOR THE YEAR ENDED JUNE 30, 2020**

NEWBERRY COMMUNITY SERVICES DISTRICT
JUNE 30, 2020
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Newberry Community Services District
30884 Newberry Road
PO Box 206
Newberry Springs, CA 92365

I have audited the accompanying financial statements of the governmental activities, and the major funds of the Newberry Community Services District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that I 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, I 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.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the Newberry Community Services District, as of June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements for the year then ended in accordance 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 management's discussion and analysis and the budgetary comparison information on pages 15 and 16 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. The District has not presented the management's discussion and analysis. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

David B Whitford, Jr CPA

Menifee, California

November 6, 2020

NEWBERRY COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>General Fund</u>	<u>Reconciling Items</u>	<u>Statement of Net Position</u>
ASSETS			
Cash and investments	\$ 650,512	\$ -	\$ 650,512
Property taxes receivable	1,334	-	1,334
Land	-	6,204	6,204
Structures & improvements	-	206,316	206,316
Machinery & equipment	-	794,696	794,696
Furniture & fixtures	-	46,963	46,963
Less accumulated depreciation	-	(1,000,588)	(1,000,588)
Total Assets	<u>651,846</u>	<u>53,591</u>	<u>705,437</u>
DEFERRED OUTFLOW OF RESOURCES			
Non-spendable insurance	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 651,846</u>	<u>\$ 53,591</u>	<u>\$ 705,437</u>
LIABILITIES			
Accounts payable	\$ 908	\$ -	\$ 908
Payroll liabilities	2,547	-	2,547
Credit card payable	17,610	-	17,610
Total Liabilities	<u>21,065</u>	<u>-</u>	<u>21,065</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>21,065</u>	<u>-</u>	<u>21,065</u>
FUND BALANCE / NET POSITION			
Fund Balance:			
Assigned	-	-	-
Unassigned	630,781	(630,781)	-
Total Fund Balance	<u>630,781</u>	<u>(630,781)</u>	<u>-</u>
Total Liabilities, Deferred Inflow of Resources and fund balances	<u>\$ 651,846</u>	<u>\$ (630,781)</u>	<u>\$ 21,065</u>
Net Position			
Net invested in capital assets, net of related debt		53,591	53,591
Restricted		-	(21,065)
Unrestricted		-	651,846
Total Net Position		<u>\$ 53,591</u>	<u>\$ 684,372</u>

NEWBERRY COMMUNITY SERVICES DISTRICT
STATEMENT OF GOVERNMENT FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2020

	General Fund	Reconciling Items	Statement of Net Position
Revenues:			
Property taxes	\$ 228,758	\$ -	\$ 228,758
Interest	1,644	-	1,644
Rent	435	-	435
Donated restricted funds	9,087	-	9,087
Fire department	13,811	-	13,811
Charges for services	1,471	-	1,471
Total Revenues	255,206	-	255,206
Expenditures / Expenses			
Fire protection			
Equipment expense	7,453	-	7,453
Equipment expense, non-vehicle	38,489	-	38,489
Grant Expenses	199	-	199
Insurance	4,814	-	4,814
Membership dues	2,662	-	2,662
Office expenses	1,157	-	1,157
Utilities	6,416	-	6,416
Dispatching expense	11,436	-	11,436
Station expenses	5,549	-	5,549
Firefighter personnel expense	21,874	-	21,874
Fire department explorers expenses	865	-	865
Depreciation	-	9,616	9,616
Parks and recreation			
Community events	11,080	-	11,080
Community center expenses	16,295	-	16,295
Ground expenses	12,028	-	12,028
Administration costs			
Auditor expense	8,938	-	8,938
Bank fees	215	-	215
Directors stipend	3,200	-	3,200
Education expense-staff & directors	55	-	55
LAFCO expense	355	-	355
Legal expenses	44,837	-	44,837
Office expenses	8,730	-	8,730
Admin personnel expenses	46,610	-	46,610
SDRMA insurance-liability/nonding	4,660	-	4,660
Depreciation	-	81	81
Municipal services - street lighting	4,972	-	4,972
Capital Outlay			
Equipment	-	-	-
Total Expenditures / Expenses	262,889	9,697	272,586
Excess (deficiency) of Revenues over Expenditures			
Change in net position	(7,683)	(9,697)	(17,380)
Fund Balance / Net Position:			
Beginning of the year	638,464	-	701,752
End of the Year	\$ 630,781	\$ (9,697)	\$ 684,372

See Independent Auditor's Report and Notes to the Financial Statements

NEWBERRY COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2020

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Newberry Community Services District (the District) was formed in 1958 for the purpose of providing services to the local Newberry Springs area residents. The District was initially authorized to provide water services, sewage and waste treatment services, collection and disposal of garbage, fire protection, parks and recreation services, street lighting and maintenance of a police department. The present-day services provided include parks and recreation, fire protection and street lighting.

The accounting policies of the Newberry Community Services District conform to generally accepted accounting principles as applicable to government units. The following is a summary of the significant accounting policies

Measurement Focus / Basis of Accounting

The accounts of the District are organized on the basis of funds, each fund is considered to be a separate accounting entity. The general fund summarizes all District financial activities. The current financial resources measurement focus and the modified accrual basis of accounting are followed for the general fund for financial reporting purposes. Under the modified accrual basis of accounting, expenditures are recorded when the liability is incurred and revenue is recorded when received in cash unless susceptible to accrual, i.e., measurable and available to finance the District's operations. The length of time used to define "available" for purposes of revenue recognition in the governmental fund financial statements is sixty days.

The District has implemented the financial reporting model, as required by the provisions of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", as of July 1, 2003. The government wide financial statements are prepared using the flow of economic resources and the accrual basis of accounting. In the accrual basis of accounting, expenses and revenues are recorded in the period they occur when the amounts can be identified and measured. Depreciable capital assets are reported in the balance sheet net of accumulated depreciation.

The District has elected to combine its fund and government-wide financial statements.

The district's highest level of decision-making authority for committed fund balances is the board of directors. The formal action that is required to be taken to establish (or modify or rescind) a fund balance commitment is approval of the board of directors.

The length of time used to define available for purposes of revenue recognition in the governmental fund financial statements is sixty days.

The district is not obligated in any manner for special assessment debt as there is none.

Compensated Absences

The District will provide the following employee benefits for sick leave and vacation days. The new company handbook outlines what, how much and when sick leave and vacation days may be taken and carried over. Records were not kept through June 30, 2020 as the policy was just initiated. Previously the district had no provision for sick or vacation days. Therefore, there is no accrual for the year ended June 30, 2020.

Sick leave is defined as absence from work due to illness, non-industrial Injury; or quarantine due to exposure to a contagious disease. In addition, medical appointments and other measures to prevent illness may be excused when prior notice is given the general manager. Employees shall be granted twenty-four (24) hours of sick leave at the beginning of each calendar year for these purposes. Refer to the company policy manual for other details and rules associated to this activity.

Vacation Days are provided to all employees for various lengths and various times as follows: During the first five (5) years of employment, each employee will accrue an amount equal to his or her normal work week. No vacation may be taken until an employee has completed at least six (6) months at the status of a regular employee (unless approved in advance by the general manager). At six (6) through ten (10) years each employee will accrue an amount equal to the normal hours

NEWBERRY COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2020

worked in two (2) weeks. Vacation days may be accumulated or postponed. Only one week of accumulated vacation may be taken in addition to any regular vacation time during any given year. Refer to the company policy manual for additional rules and details associated with vacation days.

Net Position Flow Assumption

Net position is required to be classified into three components – invested in capital assets, net of related debt, restricted and unrestricted. These classifications are defined as follows:

- a. Net invested in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, and unamortized bond issuance cost reduced by the outstanding balances of any bond, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of these assets. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to unspent proceeds is not included in the calculation in capital assets, net of related debt.
- b. Restricted – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- c. Unrestricted – This component of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Sometimes the District will fund outlays for particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in government-wide financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to use restricted resources first, the unrestricted resources as they are needed.

Fund Balance Flow Assumptions

Governmental fund equity is reported as fund balance within each respective fund. For governmental funds, the fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- a. Non-spendable – Amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of the District’s Policy, state or federal laws or externally imposed conditions by grantors or creditors.
- c. Committed – Amounts that can be used only for specific purposes determined by a formal action by the District’s Board of Directors through an ordinance or resolution.
- d. Assigned – Amounts that are designated by the Board of Directors for special purposes, but are not spendable until a budget is passed by the Board.
- e. Unassigned – All amounts not included in other spendable classifications.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amount to report for each category of fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the

NEWBERRY COMMUNITY SERVICES DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDED JUNE 30, 2020

same purpose, committed fund balance is depleted first, followed by the assigned fund balance. Unassigned fund balance is applied last.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net assets that will apply to a future period and will not be recognized as an outflow of resources (expenditure) until that period. The District has no item that qualifies for reporting in this category: Expenditures paid in advance of use. This item would be reported as deferred outflows on the governmental fund balance sheet and will be recognized as expenditure next year.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position/fund balance that will apply to a future period and will not be recognized as an inflow of resources (revenue) until that period. The District has no item that qualifies for reporting in this category: Unavailable revenue received after the availability period. This would be reported as deferred inflows on the governmental fund balance sheet and will be recognized as revenue next year.

Deposits

Deposit risk include:

- Custodial Credit Risk – for deposits, custodial credit risk is the risk that in the event of the failure of a bank or other counterparty, the District will not be able to recover the value of its deposits or collateral securities in the possession of a third party.
- Credit Risk – for deposit, credit risk is the risk that a bank or other counterparty defaults on its principal and/or interest payments owed to the District.
- Interest Rate Risk – for deposits, interest rate risk is the risk that the value of deposits will decrease as a result of a rise in interest rates

The District has not adopted a specific risk management policy for deposits, but does require all deposits and investments be in compliance of State statutes. Statutes authorize the District to invest in time deposits at banks selected as depositories of District funds, direct debt securities of the United States Government, and certain government agency bonds.

Cash held by the District at June 30, 2020, consisted of the following:

Petty Cash	200
On Deposit	650,312
Total	\$ 650,512

The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents are stated at cost, which approximates fair value. The District's cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) and securities held in safekeeping pledged to the entity where the security is held. The financial institution where the District's monies are kept will collateralize all government entity deposits in excess of the FDIC insurance allowance providing a waiver is on file. In the event a waiver is not on file, the institution fully collateralizes all government entity deposits in full. At June 30, 2020, the District's deposits held in financial institutions were \$650,312; all of the District's deposits were fully-insured or collateralized.

Petty Cash is managed as an impressed fund. Paid invoices are retained and the fund is periodically reimbursed to maintain the \$200 combined balance.

The District has adopted an investment policy in accordance with Section 53601 of the State of California Government Code. The District may invest in the following investment types:

- Securities of the U.S. Government, or its agencies

See Independent Auditor's Report

NEWBERRY COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2020

- Certificates of Deposit (or Time Deposits)
- Negotiable Certificates of Deposit
- Local Agency Investment Fund (State Pool) Demand Deposits
- Other investments that are, or may become, legal investments through the State of California Code and with prior approval.

Property Taxes

Real property taxes are levied on October 15, against owners of record at March 1. The taxes are due in two installments, on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Tax liens attach annually as of 12:01 am on the first day of March in the fiscal year for which the taxes are levied. Property tax revenue is recognized in the fiscal year for which the taxes have been levied on the accrual basis of accounting used in the government-wide financial statements and in the general fund on the modified accrual basis of accounting, provided it is collected within 60 days of the end of the fiscal year.

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk Management

The District is exposed to various risks of loss related to torts; theft of or damage to, or destruction of assets; errors or omissions; injuries to employees and the public; or acts of God. For the year ended June 30, 2020, the District has provided for protection against possible losses with insurance.

Taxes Receivable

Taxes receivable reflect monies due to the District at the fiscal year end that have been levied and an enforceable legal claim exists. Unavailable taxes represent the portion of the levied tax revenue that is not expected to be received and available for use within 60 days of the fiscal year end.

Liquidity Statement

The District has \$650,512 of cash financial assets available at the balance sheet date to meet cash needs for annual general expenditures of approximately \$265,000. None of the financial assets are subject to donor or other contractual restrictions that would make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash on hand to meet 30 days of normal operating expenses, which are, on average, approximately \$22,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, future periodic property tax payments from San Bernardino County are anticipated to provide for the District's monthly cash needs.

NEWBERRY COMMUNITY SERVICES DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDED JUNE 30, 2020

NOTE B: CAPITAL ASSETS

Capital assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the general fund and in the government wide financial statements they are capitalized at cost, or at estimated historical costs if original cost is not available. Contributions are recorded at fair value at the date received. There is currently no policy stating what value an asset will be recorded as a depreciable item instead of being expensed. Depreciation is provided on depreciable capital assets in the government wide financial statements over their estimated useful lives on the straight-line method. Depreciable assets include structures and improvements, equipment and office equipment.

The useful lives of asset items vary as follows:

Structures and Improvements	10 - 20 years
Equipment	5 - 10 years

A summary of changes in capital assets is as follows:

Depreciable Assets	Balance			Balance
	June 30, 2019	Additions	(Dispositions)	June 30, 2020
Structures and Improvements	\$ 206,316	\$ -	\$ -	\$ 206,316
Equipment	841,659	-	-	841,659
Total	\$ 1,047,975	\$ -	\$ -	\$ 1,047,975

A summary of changes in accumulated depreciation for capital assets is as follows:

Accumulated Depreciation	Balance			Balance
	June 30, 2019	Additions	(Dispositions)	June 30, 2020
Structures and Improvements	\$ 189,697	\$ 2,251	\$ -	\$ 191,948
Equipment	801,194	7,446	-	808,640
Total	\$ 990,891	\$ 9,697	\$ -	\$ 1,000,588
Capital Assets net of Depreciation				\$ 47,387
Non-Depreciable Assets - Land				6,204
Capital Assets net of Depreciation and Non-Depreciable Assets at June 30, 2020				\$ 53,591

NOTE C: SUBSEQUENT EVENTS

Solar Energy Plant: The building of a Solar Energy Plant east of Daggett was proposed in March 2018. The final Environmental Impact Report for the project was approved by the San Bernardino County Board of Supervisors in September 2019. The building of this Solar Energy Plant is expected to have significant and adverse effects on the community of Newberry Community Services District. Adverse water quality and poor air quality are projected. There will be significant training for the Newberry CSD Fire Department due to the proposed plant having lithium batteries. It is anticipated that the future public health and thereby living conditions will be impacted. The extent to which these adverse issues will affect the community has been adjudicated. The legal action that the District has entered into is resolved by agreement of all parties, with no fault on either side, in July of 2020. The District will receive \$246,000 for anticipated damages that are expected to occur during the plant construction and into the future. No further action will be noted.

NEWBERRY COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2020

COVID-19: Newberry Community Services District has evaluated subsequent events through November 6, 2020 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through the date these financial statements were available to be issued. Based upon this evaluation, it was determined that a comment should be included as to the effect of the COVID-19 pandemic. The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Parks and the Community Center have been temporarily closed in order to observe required government regulations. The District has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our fire department staff and volunteers. We are required to, and have maintained social distancing where possible, and wear professional protective clothing at all times. Extra expense has occurred due to the cost of additional protective clothing and equipment plus the cost of sanitizing everything and every person in any call outs for service. We have been able to secure a supply of materials that are essential to our work process at the above described additional cost. The use of the office for record keeping and paperwork processing has been altered and is used at a minimum. Staff works from home using computers and the internet. The monthly Board of Directors meeting has been changed from a group gathering to a zoom meeting on the internet. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. The main service left for us to provide is fire protection. There has been no change in the demand for our services even with government regulated shutdowns. We anticipate the government regulations will be lifted and we will continue at full capacity in the later 2020-2021 fiscal year. We will continue to follow the required government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our staff and volunteers or the patrons that we serve. We also refer to the Liquidity Statement in Note A which covers proposed future liquidity.

NOTE D: MANAGEMENT SUBSEQUENT REVIEW

Management has evaluated events from the end of the financial statement year through November 6, 2020 to assess the need for their potential recognition or disclosure in this report. Such events were evaluated through the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no additional subsequent events occurred that require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

See Independent Auditor's Report

NEWBERRY COMMUNITY SERVICES DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

REQUIRED SUPPLEMENTARY INFORMATION

	Original and Final Budgeted Amounts	Actual Amounts (Budgetary Basis) (See Note A)	Variance with Final Budget Positive (Negative)
Revenues (inflows)			
Property taxes	\$ 225,000	\$ 228,758	\$ 3,758
Investment earnings	940	1,644	704
Fire department	16,700	13,811	(2,889)
Charges for services	860	1,906	1,046
Donated funds	5,000	9,087	4,087
Amounts available for appropriation	248,500	255,206	6,706
Charges to appropriations (outflows)			
Fire protection			
Apparatus lease/purchase	-	-	-
Capital Improvements - Station	10,000	-	(10,000)
Equipment expense	24,000	7,453	(16,547)
Equipment expense, non-vehicle	18,800	38,489	19,689
Grant expenses	500	199	(301)
Insurance	-	4,814	4,814
Membership dues	-	2,662	2,662
Office expenses	-	1,157	1,157
Utilities	-	6,416	6,416
Dispatching expense	17,500	11,436	(6,064)
Station expenses	13,900	5,549	(8,351)
Firefighter personnel expense	30,000	21,874	(8,126)
Fire department explorers expenses	1,000	865	(135)
Public relations	200	-	(200)
Parks and recreation			
Community events	12,300	11,080	(1,220)
Community center expenses	27,700	16,295	(11,405)
Ground expenses	63,600	12,028	(51,572)
Administration costs			
Advertising	300	-	(300)
Auditor expense	8,000	8,938	938
Bank fees	200	215	15
Directors stipend	4,000	3,200	(800)
Education expense-staff & directors	5,500	55	(5,445)
LAFCO expense	700	355	(345)
Legal expenses	4,000	44,837	40,837
Office expenses	9,600	8,730	(870)
Admin personnel expenses	41,200	46,610	5,410
SDRMA insurance-liability/bonding	4,000	4,660	660
Municipal services - street lighting	8,000	4,972	(3,028)
Capital Outlay			
Equipment	-	-	-
Total Charges to appropriations	305,000	262,889	(42,111)
Excess (Deficiency) of Resources			
Over Charges to Appropriations	\$ (56,500)	\$ (7,683)	\$ 48,817

NEWBERRY COMMUNITY SERVICES DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2020

NOTE C: BUDGETS AND BUDGETARY ACCOUNTING

Prior to the beginning of each fiscal year, the Board of Directors adopts and prepares an itemized statement of estimated operating expenditures, reserve requirements and anticipated revenues, other than taxes. The source of financing for these costs and reserve requirements are (1) the available fund balance carried forward from the preceding years, (2) revenue other than property taxes, and (3) property taxes. Each year's appropriation lapses at year end. The District's policy is to prepare its budget on the cash basis, which recognizes revenues when they are received and expenditures when they are paid. Inter-fund transfers are not budgeted.

NOTE D: BUDGET TO ACTUAL COMPARISON

As described in Note C, the District prepares its budget on the cash basis of accounting. The following adjustments have been made to bring the actual amounts of the statement of revenues and expenditures budget-to-actual into conformity with this basis of accounting:

Total revenues-financial accounting basis	\$	255,206
Accrual adjustments		-
Total revenues--budgetary basis	<u>\$</u>	<u>255,206</u>
Total expenditures-financial accounting basis	\$	272,586
Accrual adjustments		(9,697)
Total expenditures--budgetary basis	<u>\$</u>	<u>262,889</u>

NEWBERRY COMMUNITY SERVICES DISTRICT
COUNTY OF SAN BERNARDINO
JUNE 30, 2020

Supplementary Information

Type of Governmental District - Community services

Date of Formation - December 15, 1958

Statutory Authority - California Government Code Section 61000, et seq., Division 2, Title 6

Audit Period - July 1, 2019 thru June 30, 2020

Formed in County of - San Bernardino, California

Governing Body - Board of directors

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Robert Springer	President	December 2022
Paula Deel	Vice President	December 2020
Larry Clark	Director	December 2020
Victoria Paulsen	Director	December 2022
Jack Unger	Director	December 2022

District Secretary - Jodi Howard

General Manager - Jodi Howard

Location of Financial Records - District Office:
30884 Newberry Road
Newberry Springs, CA 92365

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