

**KNIGHTSEN TOWN COMMUNITY  
SERVICES DISTRICT**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

**JUNE 30, 2022**

Working Draft



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**CROCE, SANGUINETTI, & VANDER VEEN**

INC.

**CERTIFIED PUBLIC ACCOUNTANTS**

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## Independent Auditor's Report

To the Board of Directors  
**Knightsen Town Community Services District**  
Knightsen, California

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Knightsen Town Community Services District** (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Knightsen Town community Services District** as of June 30, 2022 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Knightsen Town Community Service District**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Knightsen Town Community Services District's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **Knightsen Town Community Services District's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Knightsen Town Community Services District's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

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

Accounting principles generally accepted in the United States of America require that the statement of revenues, expenditures and changes in fund balance - budget and actual - governmental funds on pages 17 through 18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

CROCE, SANGUINETTI, & VANDER VEEN, INC.  
Certified Public Accountants  
Stockton, California  
October 17, 2022

**KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

**Statement of Net Position**

June 30, 2022

	<u>Governmental activities</u>
<b>Assets</b>	
Cash and investments	\$ 235,585
Prepaid insurance	<u>1,289</u>
Total assets	<u>236,874</u>
<b>Deferred outflows of resources</b>	<u>-</u>
<b>Liabilities</b>	<u>-</u>
<b>Deferred inflows of resources</b>	<u>-</u>
<b>Net position</b>	
Unrestricted	<u>236,874</u>
Total net position	<u>\$ 236,874</u>

The accompanying notes are an integral part of this financial statement.

**KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

**Statement of Activities**

For the year ended June 30, 2022

	<u>Expenses</u>	<u>Program revenues Operating grants and contributions</u>	<u>Net (expenses) revenues and changes in net position</u>
<b>Governmental activities</b>			
Operations	\$ 12,247	\$ -	\$ (12,247)
Net program (expenses) revenues			<u>(12,247)</u>
<b>Change in net position</b>			(12,247)
<b>Net position, beginning of year</b>			<u>249,121</u>
<b>Net position, end of year</b>			<u>\$ 236,874</u>

The accompanying notes are an integral part of this financial statement.

**KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

**Balance Sheet - Governmental Funds**

June 30, 2022

	<u>General Fund</u>
<b>Assets</b>	
<b>Assets</b>	
Cash and investments	\$ 235,585
Prepaid insurance	<u>1,289</u>
Total assets	<u>\$ 236,874</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	\$ _____ -
Total liabilities	_____ -
<b>Fund balance</b>	
Nonspendable:	
Prepaid insurance	1,289
Unassigned	<u>235,585</u>
Total fund balance	<u>236,874</u>
Total liabilities and fund balance	<u>\$ 236,874</u>

The accompanying notes are an integral part of this financial statement.



**KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Governmental Funds**

For the year ended June 30, 2022

	<u>General fund</u>
<b>Revenues</b>	\$ <u>          -</u>
<b>Expenditures</b>	
Professional fees	6,591
Office expense	2,615
Insurance	2,317
Rent	500
Dues and memberships	200
County charges	<u>          24</u>
Total expenditures	<u>         12,247</u>
<b>Net change in fund balance</b>	(12,247)
<b>Fund balance, beginning of year</b>	<u>         249,121</u>
<b>Fund balance, end of year</b>	<u><u>         236,874</u></u>

The accompanying notes are an integral part of this financial statement.

# KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT

## Notes to Financial Statements

June 30, 2022

### Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of Knightsen Town Community Services District (the District) is presented to assist in understanding the District's financial statements.

#### Description of the reporting entity

The District was formed on July 1, 2005 and operates under Section 61000 et. seq. of the California State Government Code for the purpose of constructing, operating, maintaining and servicing flood control and water quality improvements within District boundaries, located in Contra Costa County, California and encompassing approximately 5,131 acres. The District is governed by a five-member board of directors, each elected by the registered voters within the District to a four-year term. The District has started the application process for dissolution with the Contra Costa County Local Agency Formation Commission.

The District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

#### 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 activity of the primary government.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not classified as program revenues are presented as general revenues.

#### Fund financial statements

The fund financial statements provide information about the District's funds. The District has one type of fund (governmental), which is comprised of one major fund as follows:

General fund - This fund is established to account for resources devoted to financing the general services that the District performs. Assessments and other sources of revenue used to finance the fundamental operations of the District are included in this fund. This fund is charged with all costs of operating the District for which a separate fund has not been established.

(Continued)

# KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT

## Notes to Financial Statements

June 30, 2022

### Note A - Summary of Significant Accounting Policies (Continued)

#### Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures to the extent that they have matured.

Assessments, interest, and other sources of revenue within the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues provided they were collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

#### Cash and investments

For the purpose of financial reporting “cash and investments” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

#### Budgetary accounting

The District does not adopt an appropriated budget and is not required to adopt such a budget by law. However, the District does adopt a non-appropriated budget annually, which is approved by the Board of Directors.

#### Assessments

Assessments are levied at the discretion of the Board of Directors.

(Continued)

# KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT

## Notes to Financial Statements

June 30, 2022

### Note A - Summary of Significant Accounting Policies (Continued)

#### Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

#### Net position

Equity in the financial statements is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted - Amounts not required to be reported in the other components of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

(Continued)

# KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT

## Notes to Financial Statements

June 30, 2022

### Note A - Summary of Significant Accounting Policies (Continued)

#### Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision making authority.

Assigned - Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors, District manager or their designee.

Unassigned - Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

#### Estimates

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

**KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

**Notes to Financial Statements**

June 30, 2022

**Note B - Cash and Investments**

Cash and investments of the District as of June 30, 2022, consist of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>	<u>Fair value</u>
<u>Deposits in commercial accounts</u>			
Public checking	\$ 235,585	\$ 235,618	\$ -
	<u>\$ 235,585</u>	<u>\$ 235,618</u>	<u>\$ -</u>
<u>Investment in external investment pool</u>			
Contra Costa County	<u>\$ -</u>		<u>\$ -</u>

Deposit and Investment Policy

California statutes authorize special districts to invest idle, surplus or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. As specified in Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of the District's investment policy shall be (1) safety, (2) liquidity, and (3) yield. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600-53609 (authorized investments), 53630-53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. The table below identifies the investment types that are authorized for the District by the California Government Code, Section 53600 (or District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk.

(Continued)

**KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

**Notes to Financial Statements**

June 30, 2022

**Note B - Cash and Investments (Continued)**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Bills, Notes, and Bonds	5 years	None	None
U.S. Government Agency Obligations	5 years	None	None
California Local Agency Debt	5 years	None	None
Repurchase Agreements	1 year	20%	None
State Registered Warrants, Notes or Bonds	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Medium Term Corporate Notes	5 years	30%	5%
Mutual Funds	N/A	20%	None
Mortgage Backed Securities	5 years	20%	5%
Collateralized Notes, Bonds, Time Deposits, or Other Obligations	5 years	15%	5%
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pools	N/A	None	None

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments. The District does not maintain a formal investment policy.

*Disclosures Relating to 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. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

(Continued)

**KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

**Notes to Financial Statements**

June 30, 2022

**Note B - Cash and Investments (Continued)**

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment type</u>	<u>Total</u>	<u>Remaining maturity (in months)</u>					<u>More than 60 months</u>
		<u>12 months or less</u>	<u>13 - 24 months</u>	<u>25 - 36 months</u>	<u>37-48 months</u>	<u>49-60 months</u>	
Contra Costa County							
Treasurer	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is 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 rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of fiscal year end for each investment type.

<u>Investment type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt from Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
Contra Costa County							
Treasurer	\$ _____ -	<u>N/A</u>	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total	<u>\$ _____ -</u>	<u>N/A</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

Concentration of Credit Risk

The District had no investment policy limiting the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

(Continued)



# KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT

## Notes to Financial Statements

June 30, 2022

### Note B - Cash and Investments (Continued)

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The 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 or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government 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. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, the District's bank balance was \$235,618 and \$235,618 of that amount was insured by the Federal Deposit Insurance Corporation and collateralized as required by state law.

#### Investment in External Investment Pool

The District's investment in the Contra Costa County investment pool is managed by the Contra Costa County Treasurer and is stated at fair value or amortized cost, which approximates fair value. Cash held by the Contra Costa County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.co.contra-costa.ca.us/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained by the Pool. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. In accordance with applicable State laws, the Contra Costa County Treasurer may invest in derivative securities. However, at June 30, 2022, the Contra Costa County Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

(Continued)

# KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT

## Notes to Financial Statements

June 30, 2022

### Note B - Cash and Investments (Continued)

#### Fair value hierarchy

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 fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District's investment in certificates of deposit is classified as Level 1 and its value is based on quoted market prices. The District's investment in the County of Contra Costa Treasury Pool is classified as Level 2 and its value is based on the fair value factor provided by the Treasurer of the County of Contra Costa, which is calculated as the fair value divided by the amortized cost of the investment pool.

### Note C - Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to insure for risks of loss, the District purchases insurance through commercial insurance carriers. As of June 30, 2022, the District's insurance coverage includes general liability insurance with liability limits of \$1,000,000 per occurrence and \$3,000,000 in the aggregate.

### Note D - Governing Board

As of June 30, 2022, the five members of the District's Board of Directors were as follows:

<u>Director</u>	<u>Term expires</u>
Trish Bello-Kunkel	December 2022
Gilbert Somerhalder	December 2022
Linda Matteri	December 2022
Curt Caldwell	December 2024
Angie De Fremery	December 2024

### Note E - Contingencies

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. Subsequent to the declaration of a pandemic, a variety of federal, state, and local governments have taken actions in response to the pandemic, which have ranged in jurisdiction, but are generally expected to result in a variety of negative economic consequences, the scope of which are not currently known or quantifiable. The duration and intensity of the impact of the coronavirus and resulting impact to the District is unknown.

**REQUIRED SUPPLEMENTAL INFORMATION**

Working Draft

**KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

**Statement of Revenues, Expenditures and  
Changes in Fund Balance -  
Budget and Actual - Governmental Funds**

For the year ended June 30, 2022

	General fund		
	Budgeted amounts <u>original/final</u>	Actual amounts	Variance with final budget positive <u>(negative)</u>
<b>Revenues</b>	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Professional fees	15,720	6,591	9,129
Office expenses	3,730	2,615	1,115
Insurance	2,300	2,317	(17)
Rent	900	500	400
Dues and memberships	200	200	-
County charges	65	24	41
Total expenditures	<u>22,915</u>	<u>12,247</u>	<u>10,668</u>
<b>Net change in fund balance</b>	(22,915)	(12,247)	10,668
<b>Fund balance, beginning of year</b>	<u>249,121</u>	<u>249,121</u>	-
<b>Fund balance, end of year</b>	<u>\$ 226,206</u>	<u>\$ 236,874</u>	<u>\$ 10,688</u>

## **KNIGHTSEN TOWN COMMUNITY SERVICES DISTRICT**

### **Notes to Required Supplemental Information**

June 30, 2022

The District prepares a budget annually which is approved by the Board of Directors setting forth the contemplated fiscal requirements. The District's budget is maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the final adopted annual budget. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for certain line items may vary significantly from the budget due to timing of such expenditures.

Working Draft