



M. Green and Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

January 29, 2021

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GINILU VANDERWALL, C.P.A.

KRISTI WEAVER, C.P.A.

To the Board of Directors
and Management
Tipton Community Services District
263 South Graham Road
Tipton, California 93272

We have audited the financial statements of each major enterprise fund of Tipton Community Services District for the year ended June 30, 2020. Professional standards require that we provide you with information related to our audit and our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated July 24, 2020, our responsibility, as described by professional standards, was to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Accounting principles generally accepted in the United States of America provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis which supplements the basic financial statements, was to apply certain limited procedures in accordance with auditing standards generally accepted in the United States of America. However, the RSI was not audited and, because the limited procedures did not provide us with sufficient evidence to express an opinion or provide any assurance, we did not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedule which accompanies the financial statements but is not RSI. Our responsibility for this supplementary information, as described by professional standards, was to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information was fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

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Tulare
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Planned Scope, Timing of the Audit, and Other (continued)

We communicate significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties were encountered during the audit where assistance was needed to overcome the difficulties or if the difficulties led to a modified opinion. We communicated any internal control related matters that were required to be communicated under professional standards.

We conducted our audit at an agreed upon time and issued our report on January 29, 2021, Marla Borges, CPA was the engagement partner and was responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tipton Community Services District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by Tipton Community Services District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements was:

- Management's estimate of the depreciation is based on scheduled depreciation using the appropriate useful lives of assets belonging to the District. We evaluated the key factors and assumptions used to develop the estimate for depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures of long-term obligations and restricted net position in Notes 6 and 7 to the financial statements. The disclosure of long-term debt informs the users of the financial statements of the amount of principal and interest that is considered due within one year and the amount of principal and interest that will be repaid over the life of the loan. The disclosure for restricted net position informs the users of the financial statements that these balances are restricted for specific purposes.

The financial statement disclosures are neutral, consistent, and clear.

Board of Directors
Management
Tipton Community Services District
January 29, 2021
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Significant Audit Matters (continued)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material either individually or in the aggregate, to the District's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Tipton Community Services District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Tipton Community Services District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Board of Directors
Management
Tipton Community Services District
January 29, 2021
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Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedule, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Tipton Community Services District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



M. GREEN AND COMPANY LLP
Certified Public Accountants

MDB/sas

**TIPTON COMMUNITY
SERVICES DISTRICT**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020

TIPTON COMMUNITY SERVICES DISTRICT

JUNE 30, 2020

BOARD OF DIRECTORS

Doug Cardoza	President
Jerry Stover	Vice-President
Janice McKay	Treasurer
Anthony Mendonsa	Director
Bobby Jackson	Director

ADMINISTRATION

Carol Vaught	Clerk/Secretary
Johnny Price	Maintenance Supervisor

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TIPTON COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

This section of Tipton Community Services District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Assets of the District exceeded its liabilities as of June 30, 2020, by \$4,548,144. Of this amount, unrestricted net position of \$261,565 may be used to meet the District's ongoing obligations to customers and creditors. As of June 30, 2019, assets exceeded liabilities by \$4,629,182 with unrestricted net position equaling \$356,459.
- Total net position decreased by \$81,038 for the year ended June 30, 2020. For the year ended June 30, 2019, total net position decreased by \$10,346. This fluctuation is due primarily to a decrease of current assets.
- During the current year, the District's capital assets increased by a net of \$40,948. This increase was attributable to capital assets and construction in progress additions of \$217,298. Depreciation expense amounted to \$176,350 for the current year, while prior year depreciation was \$149,537.
- Total liabilities decreased by a net of \$27,013 during the current year and was attributable to a decrease in accounts payable and debt. The District has long-term debt of \$798,100. This consists of the loan portion of federal funds awarded and is paid semi-annually. There was no change in their unearned revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The report consists of two parts -- management's discussion and analysis (this section) and the basic financial statements. In addition, we have included other supplementary information pertinent to these basic financial statements. The basic financial statements also include notes that further explain some of the information presented in the basic financial statements and provide more detailed data.

Proprietary Fund Accounting and Reporting

The District operates multiple funds in a business-like manner. Thus, the District uses the accrual approach to account for and report financial transactions. This means that revenues are recognized as soon as they are earned and expenses are recognized as soon as the liability is incurred, regardless of the timing of related cash inflows and outflows. All assets and liabilities that are measurable and probable are included in the financial statements. The full acquisition costs of all capital assets are included in the Statement of Net Position and are depreciated over their estimated useful life. Consequently, the District's accounting practices generally resemble a commercial entity's approach.

See independent auditors' report.

TIPTON COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

CONDENSED COMPARATIVE FINANCIAL STATEMENT INFORMATION

Condensed financial information as compared to the previous year is as follows:

Statement of Net Position

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percentage of Change</u>
Assets:				
Current assets	\$ 375,634	\$ 479,741	\$ (104,107)	-21.701%
Restricted assets	1,763,377	1,808,269	(44,892)	-2.483%
Capital assets	3,316,302	3,275,354	40,948	1.250%
Other assets	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>0.000%</u>
Total assets	<u>\$ 5,460,313</u>	<u>\$ 5,568,364</u>	<u>\$ (108,051)</u>	<u>-1.940%</u>
Liabilities:				
Current liabilities	\$ 57,569	\$ 66,082	\$ (8,513)	-12.882%
Long-term liabilities, net of current portion	779,600	798,100	(18,500)	-2.318%
Unearned revenue, connection fees	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>0.000%</u>
Total liabilities	<u>912,169</u>	<u>939,182</u>	<u>(27,013)</u>	<u>-2.876%</u>
Net Position:				
Net investment in capital assets	2,523,202	2,464,454	58,748	2.384%
Restricted for debt service	52,419	52,398	21	0.040%
Restricted for plant expansion	1,710,958	1,755,871	(44,913)	-2.558%
Unrestricted	<u>261,565</u>	<u>356,459</u>	<u>(94,894)</u>	<u>-26.621%</u>
Total net position	<u>4,548,144</u>	<u>4,629,182</u>	<u>(81,038)</u>	<u>-1.751%</u>
Total liabilities and net position	<u>\$ 5,460,313</u>	<u>\$ 5,568,364</u>	<u>\$ (108,051)</u>	<u>-1.940%</u>

See independent auditors' report.

TIPTON COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Statement of Revenues, Expenses and Changes in Fund Net Position

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percentage of Change</u>
Operating Revenues:				
Customer services fees	\$ 481,918	\$ 479,331	\$ 2,587	0.540%
Other	15,754	16,538	(784)	-4.741%
Total operating revenues	<u>497,672</u>	<u>495,869</u>	<u>1,803</u>	0.364%
Operating Expenses:				
Water expenses	370,877	336,470	34,407	10.226%
Sewer expenses	211,501	176,608	34,893	19.757%
Total operating expenses	<u>582,378</u>	<u>513,078</u>	<u>69,300</u>	13.507%
Nonoperating Revenues (Expenses):				
Other income	11,531	11,692	(161)	-1.377%
Capacity rights fees	-	5,600	(5,600)	-100.000%
Property taxes	14,227	13,317	910	6.833%
Interest income	9,060	11,532	(2,472)	-21.436%
Gain on disposal of assets	3,500	-	3,500	100.000%
Interest expense	(34,650)	(35,278)	628	1.780%
Total nonoperating revenues (expenses)	<u>3,668</u>	<u>6,863</u>	<u>(3,195)</u>	-46.554%
Decrease in net position	(81,038)	(10,346)	(70,692)	-683.279%
Net position, beginning of year	<u>4,629,182</u>	<u>4,639,528</u>	<u>(10,346)</u>	-0.223%
Net position, end of year	<u>\$ 4,548,144</u>	<u>\$ 4,629,182</u>	<u>\$ (81,038)</u>	-1.751%

- The purpose of the District's proprietary fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unreserved net position may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.
- As of June 30, 2020, the District's enterprise funds reported a total ending net position of \$4,548,144, a decrease of \$81,038 in comparison to the prior year. Of this ending net position \$261,565 is unreserved and unrestricted and is available for spending at the District's discretion.

See independent auditors' report.

TIPTON COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the District had a total investment of \$3,316,302 in a broad range of capital assets, including land, improvements, machinery and equipment, office furniture and equipment, and construction in progress. This amount includes additions of \$167,781 of construction in progress, \$27,129 in additions to water assets, \$22,388 in additions to sewer assets, and \$804,966 of reclassifications from construction in progress to water assets.

Details to capital assets are as follows:

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>
<u>Water Plant:</u>			
<u>Capital assets not being depreciated:</u>			
Land	\$ 109,555	\$ 109,555	\$ -
Construction in progress	7,963	677,544	(669,581)
Total capital assets not being depreciated	<u>117,518</u>	<u>787,099</u>	<u>(669,581)</u>
<u>Other capital assets:</u>			
Improvements	5,479,805	4,670,097	809,708
Machinery and equipment	107,222	98,187	9,035
Office furniture and equipment	17,998	17,998	-
Total other capital assets	5,605,025	4,786,282	818,743
Accumulated depreciation	<u>(2,712,136)</u>	<u>(2,586,306)</u>	<u>(125,830)</u>
Other capital assets, net	<u>2,892,889</u>	<u>2,199,976</u>	<u>692,913</u>
Water plant capital assets, net	<u>\$ 3,010,407</u>	<u>\$ 2,987,075</u>	<u>\$ 23,332</u>
<u>Sewer Plant:</u>			
<u>Capital assets not being depreciated:</u>			
Land	\$ 16,485	\$ 16,485	\$ -
Construction in progress	34,017	1,621	32,396
Total capital assets not being depreciated	<u>50,502</u>	<u>18,106</u>	<u>32,396</u>
<u>Other capital assets:</u>			
Improvements	441,821	441,821	-
Machinery and equipment	382,625	373,589	9,036
Office furniture and equipment	15,058	15,058	-
Total other capital assets	839,504	830,468	9,036
Accumulated depreciation	<u>(584,111)</u>	<u>(560,295)</u>	<u>(23,816)</u>
Other capital assets, net	<u>255,393</u>	<u>270,173</u>	<u>(14,780)</u>
Sewer plant capital assets, net	<u>\$ 305,895</u>	<u>\$ 288,279</u>	<u>\$ 17,616</u>
Net capital assets (water and sewer)	<u>\$ 3,316,302</u>	<u>\$ 3,275,354</u>	<u>\$ 40,948</u>

See independent auditors' report.

TIPTON COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-Term Debt

At June 30, 2020, the District had \$798,100 in debt. The District decreased debt by \$17,800 during the fiscal year.

Details to long-term debt are as follows:

<u>Water Plant:</u>	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>
Certificates of Participation	<u>\$ 798,100</u>	<u>\$ 815,900</u>	<u>\$ (17,800)</u>

ECONOMIC FACTORS RELATIVE TO FUTURE PERIODS

The budget for the year ending June 30, 2021, projects a deficit of \$74,800. Total revenue is projected at \$490,000, salaries and employee benefits are projected at \$152,300, services and supplies are projected at \$346,100, other expenses are projected at \$66,400 and fixed asset acquisitions are projected at \$649,600. The deficit is projected to be covered by utilizing cash reserves.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, dischargers, 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 the District's Secretary at Tipton Community Services District, 263 South Graham Road, Tipton, California 93272.

See independent auditors' report.



M. Green and Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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KRISTI WEAVER, C.P.A.

Board of Directors
Tipton Community Services District

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Tipton 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 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.

Auditors' 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 State Controller's Minimum Audit Requirements for California Special Districts. 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 auditors' 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 each major fund of the Tipton Community Services District, as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

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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 on pages 1-5 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tipton Community Services District's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

M Green and Company LLP

Tulare, California
January 29, 2021

TIPTON COMMUNITY SERVICES DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2020**

TIPTON COMMUNITY SERVICES DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2020**

ASSETS

<u>CURRENT ASSETS:</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Cash and cash equivalents	\$ 31,149	\$ 291,721	\$ 322,870
Accounts receivable	31,360	17,025	48,385
Interest receivable	22	22	44
Taxes receivable	-	1,115	1,115
Prepaid insurance	1,610	1,610	3,220
	<hr/>	<hr/>	<hr/>
Total current assets	64,141	311,493	375,634
	<hr/>	<hr/>	<hr/>
<u>RESTRICTED ASSETS,</u>			
<u>cash and cash equivalents</u>	1,215,735	547,642	1,763,377
	<hr/>	<hr/>	<hr/>
<u>CAPITAL ASSETS:</u>			
Land	109,555	16,485	126,040
Construction in progress	7,963	34,017	41,980
Other capital assets, net of depreciation	2,892,889	255,393	3,148,282
	<hr/>	<hr/>	<hr/>
Total capital assets	3,010,407	305,895	3,316,302
	<hr/>	<hr/>	<hr/>
<u>OTHER ASSETS:</u>			
Land rights	5,000	-	5,000
	<hr/>	<hr/>	<hr/>
Total assets	\$ 4,295,283	\$ 1,165,030	\$ 5,460,313
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Current portion of long-term debt	\$ 18,500	\$ -	\$ 18,500
Accounts payable and accrued expenses	19,609	2,891	22,500
Compensated absences payable	5,458	5,458	10,916
Interest payable	5,653	-	5,653
	<u>49,220</u>	<u>8,349</u>	<u>57,569</u>

LONG-TERM LIABILITIES, net of current:

Certificates of Participation	779,600	-	779,600
Unearned revenue, capacity rights fees	75,000	-	75,000
	<u>854,600</u>	<u>-</u>	<u>854,600</u>
Total long-term liabilities, net of current	<u>854,600</u>	<u>-</u>	<u>854,600</u>
Total liabilities	<u>903,820</u>	<u>8,349</u>	<u>912,169</u>

NET POSITION:

Invested in capital assets, net of related debt	2,217,307	305,895	2,523,202
Restricted for debt service	52,419	-	52,419
Restricted for plant expansion	1,163,316	547,642	1,710,958
Unrestricted	(41,579)	303,144	261,565
	<u>3,391,463</u>	<u>1,156,681</u>	<u>4,548,144</u>
Total net position	<u>3,391,463</u>	<u>1,156,681</u>	<u>4,548,144</u>
Total liabilities and net position	<u>\$ 4,295,283</u>	<u>\$ 1,165,030</u>	<u>\$ 5,460,313</u>

See notes to financial statements.

TIPTON COMMUNITY SERVICES DISTRICT

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2020**

<u>OPERATING REVENUES:</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Customer services fees	\$ 283,432	\$ 198,486	\$ 481,918
Other	11,713	4,041	15,754
	<hr/>	<hr/>	<hr/>
Total operating revenues	295,145	202,527	497,672
	<hr/>	<hr/>	<hr/>
<u>OPERATING EXPENSES:</u>			
Salaries and employee benefits	77,152	76,534	153,686
Directors' fees	2,700	2,700	5,400
Utilities	55,601	11,540	67,141
Communications	2,238	3,193	5,431
Licenses and fees	4,946	22,306	27,252
Legal and professional	41,786	22,627	64,413
Small tools and instruments	4,739	1,092	5,831
Insurance	7,661	7,661	15,322
Repairs and maintenance	21,097	12,254	33,351
Office	6,726	5,280	12,006
Rent	-	1,036	1,036
Travel	2,119	2,222	4,341
Miscellaneous	702	2,216	2,918
Testing	4,228	3,672	7,900
Depreciation	139,182	37,168	176,350
	<hr/>	<hr/>	<hr/>
Total operating expenses	370,877	211,501	582,378
	<hr/>	<hr/>	<hr/>
Operating loss	(75,732)	(8,974)	(84,706)
	<hr/>	<hr/>	<hr/>
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Other income	11,093	438	11,531
Property taxes	-	14,227	14,227
Interest income	5,334	3,726	9,060
Gain on sale of assets	1,750	1,750	3,500
Interest expense	(34,600)	(50)	(34,650)
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	(16,423)	20,091	3,668
	<hr/>	<hr/>	<hr/>
Increase (decrease) in net position	(92,155)	11,117	(81,038)
	<hr/>	<hr/>	<hr/>
Net position, July 1, 2019	3,483,618	1,145,564	4,629,182
	<hr/>	<hr/>	<hr/>
Net position, June 30, 2020	\$ 3,391,463	\$ 1,156,681	\$ 4,548,144
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements.

TIPTON COMMUNITY SERVICES DISTRICT

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020**

CASH FLOWS FROM OPERATING

ACTIVITIES:

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Cash received from customers	\$ 279,917	\$ 196,197	\$ 476,114
Other cash receipts	11,713	4,041	15,754
Cash payments to suppliers for goods and services	(152,166)	(104,969)	(257,135)
Cash payments to employees for services	(79,852)	(78,665)	(158,517)
Net cash provided by operating activities	<u>59,612</u>	<u>16,604</u>	<u>76,216</u>

CASH FLOWS FROM NONCAPITAL

FINANCING ACTIVITIES:

Property taxes received	-	14,227	14,227
Other income received	11,093	438	11,531
Net cash provided by noncapital financing activities	<u>11,093</u>	<u>14,665</u>	<u>25,758</u>

CASH FLOWS FROM CAPITAL AND

RELATED FINANCING ACTIVITIES:

Acquisition of capital assets	(162,514)	(54,784)	(217,298)
Proceeds from sale of assets	1,750	1,750	3,500
Payments on long-term debt	(17,800)	-	(17,800)
Cash paid for interest	(34,726)	(50)	(34,776)
Net cash used by capital and related financing activities	<u>(213,290)</u>	<u>(53,084)</u>	<u>(266,374)</u>

CASH FLOWS FROM INVESTING

ACTIVITIES:

Interest income	<u>5,312</u>	<u>3,704</u>	<u>9,016</u>
Net decrease in cash and cash equivalents	(137,273)	(18,111)	(155,384)
Cash and cash equivalents, July 1, 2019	<u>1,384,157</u>	<u>857,474</u>	<u>2,241,631</u>
Cash and cash equivalents, June 30, 2020	<u>\$ 1,246,884</u>	<u>\$ 839,363</u>	<u>\$ 2,086,247</u>

See notes to financial statements.

TIPTON COMMUNITY SERVICES DISTRICT

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020**

**RECONCILIATION OF OPERATING
LOSS TO NET CASH PROVIDED
BY OPERATING ACTIVITIES:**

	Water	Sewer	Totals
Operating loss	\$ (75,732)	\$ (8,974)	\$ (84,706)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	139,182	37,168	176,350
(Increase) decrease in:			
Accounts receivable	(3,515)	(2,289)	(5,804)
Payroll taxes	-	(569)	(569)
Prepaid insurance	16	16	32
Increase in:			
Accounts payable and accrued expenses	(339)	(8,748)	(9,087)
Net cash provided by operating activities	\$ 59,612	\$ 16,604	\$ 76,216

See notes to financial statements.

TIPTON COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

NOTE 1 – Summary of Significant Accounting Policies

Organization

Tipton Community Services District (the District) was formed in 1959 under the provisions of California Government Code Section 6100 et seq. for the purpose of constructing and operating a sanitary sewer system. On July 1, 1981, the District took over the existing facilities and assumed the responsibility for services of the Tipton Mutual Water Company. On November 1, 1983, the District took over the existing facilities and assumed the responsibility for services of the North Tipton Mutual Water Company. The District now provides both water and sewer services to the community.

Reporting Entity

The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- exclusion of the organization would render the financial statements incomplete or misleading

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statements.

Fund Accounting

The accounts of the District are organized on the basis of fund accounting. Under fund accounting, different types of District operations are accounted for in different funds, each with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenses as appropriate and are displayed in separate columns. 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 had no non-major funds for the year ended June 30, 2020.

The operations of the District are accounted for in two enterprise funds. An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed through user charges.

The following major enterprise funds are utilized by the District:

The *Water Fund* is used to account for water use, fees and expenses associated with providing water services to District residents.

The *Sewer Fund* is used to account for sewer use fees and expenses associated with providing sewer services to District residents.

TIPTON COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

NOTE 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts of the District and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The accrual basis of accounting is required for enterprise funds and is utilized by the District. Under this method, revenues are recorded when earned and expenditures or expenses are recorded when incurred.

Operating and Nonoperating Revenues

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes and investment earnings, result from nonexchange transactions or ancillary activities.

Budgetary Procedures

The District operates under a budget prepared and approved annually by the Board of Directors. The budget is prepared on a detailed line item basis. Revenues are budgeted by source, and expenditures or expenses are budgeted by department (water and sewer) and use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions and contingencies). Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures or expenses.

Cash and Cash Equivalents

For purposes of these financial statements, the District considers cash in checking, cash in money market accounts, and all other highly liquid investments with original maturities of three months or less at date of purchase to be cash and cash equivalents.

Allowance for Doubtful Accounts

The District considers all accounts receivable to be fully collectible. Therefore, an allowance for doubtful accounts is not reflected in these financial statements.

Capital Assets

Capital assets are recorded at cost and are depreciated using the straight-line method over the following estimated useful lives:

Water facilities	7 – 39 years
Water equipment	5 – 30 years
Sewer facilities	7 – 45 years
Sewer equipment	5 – 30 years

TIPTON COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

NOTE 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

Employees are entitled to sick, personal time off and vacation pay based on years of service with the District. For sick pay, full-time employees earn one day per month and part-time employees earn one-half a day per month. A maximum of 36 days will be allowed. Any amount over the 36 days will be paid out at 25 percent. Full-time employees earn three paid personal days per year and part-time employees earn one and one-half days per year. Employees earn vacation pay based on the number of years of service with the District. All vacation leave unused prior to the District's fiscal year end will accumulate for a three year period.

Net Position Classifications

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

Invested in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

Nature and Purpose of Restricted Net Position

Restricted net position is an amount which is legally segregated for specific usage or commitments to outside third parties. Resources of restricted net position are used to fund these commitments before unrestricted resources. When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the policy of the District to use restricted resources first, then unrestricted resources.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and February 1 and are collected December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Tulare bills and collects the taxes for the District. Property tax revenues are recognized by the District when received, except at year end, an accrual is made when property taxes are received soon enough thereafter to pay liabilities of the current period.

Income Taxes

The District is a governmental agency and is not subject to income taxes.

TIPTON COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

NOTE 1 – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 – Cash and Cash Equivalents

Statutes authorize districts to invest cash in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, banker's acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund.

The Board has placed limits on District investments. District investments are limited to bank or savings and loan association accounts fully insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the pledging financial institution at 110 percent of the deposits in accordance with the State of California Government Code and the State Treasurer's Local Agency Investment Fund. No investment with a term in excess of five years may be made without express authority from the Board.

Cash and cash equivalents at June 30, 2020, were as follows:

	Water	Sewer	Totals
Petty cash	\$ 13	\$ 13	\$ 26
Cash on hand	200	200	400
Cash in bank, revolving	187	187	374
Cash in bank, general	(2,067)	(17,642)	(19,709)
Cash in money market accounts	1,238,055	855,105	2,093,160
Cash in Local Agency Investment Fund	10,496	1,500	11,996
	<u>\$ 1,246,884</u>	<u>\$ 839,363</u>	<u>\$ 2,086,247</u>

Restricted and unrestricted cash and cash equivalents at June 30, 2020, were as follows:

Restricted for plant expansion	\$ 1,163,316	\$ 547,642	\$ 1,710,958
Restricted for debt service	52,419	-	52,419
Unrestricted	31,149	291,721	322,870
	<u>\$ 1,246,884</u>	<u>\$ 839,363</u>	<u>\$ 2,086,247</u>

TIPTON COMMUNITY SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – Cash and Cash Equivalents (continued)

The California Government Code requires California banks and savings and loan associations to collateralize a district's deposits by pledging government securities. The market value of the pledged securities must equal at least 110 percent of a district's deposits. California law also allows financial institutions to collateralize a district's deposits by pledging first trust deed mortgage notes having a value of 150 percent of a district's total deposits. The district may waive collateral requirements for deposits which are fully insured up to \$250,000 by Federal Deposit Insurance.

Was collateralized

At June 30, 2020, the carrying amount of the District's cash deposits (including amounts in checking accounts and money market accounts) was \$2,073,825 and the bank balance was \$2,137,669. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by the federal depository insurance and none of their balance was uninsured and collateralized (i.e., collateralized with securities held by the pledging financial institution at 110 percent of the deposits, in accordance with the State of California Government Code, deemed to be held in the District's name). The District's investment in the Local Agency Investment Fund was not subject to credit risk categorization and is carried at cost which approximates fair value. All pooled funds are regulated by the California Government Code.

NOTE 3 – Concentration of Credit Risk

Tipton Community Services District serves the residents of Tipton, California and extends credit to substantially all of its customers.

NOTE 4 – Capital Assets

The following is a summary of changes in capital assets:

<u>Water Plant:</u>	Balance July 1, 2019	Additions	Reclassifications/ Deletions	Balance June 30, 2020
<u>Capital assets not being depreciated:</u>				
Land	\$ 109,555	\$ -	\$ -	\$ 109,555
Construction in progress	677,544	135,385	(804,966)	7,963
Total capital assets not being depreciated	787,099	135,385	(804,966)	117,518
<u>Other capital assets:</u>				
Improvements	4,670,097	4,742	804,966	5,479,805
Machinery and equipment	98,187	22,387	(13,352)	107,222
Office furniture and equipment	17,998	-	-	17,998
Total other capital assets at historical cost	4,786,282	27,129	791,614	5,605,025
Accumulated depreciation	(2,586,306)	(139,182)	13,352	(2,712,136)
Other capital assets, net	2,199,976	(112,053)	804,966	2,892,889
Water plant capital assets, net	\$ 2,987,075	\$ 23,332	\$ -	\$ 3,010,407

TIPTON COMMUNITY SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 – Capital Assets (continued)

<u>Sewer Plant:</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
<u>Capital assets not being depreciated:</u>				
Land	\$ 16,485	\$ -	\$ -	\$ 16,485
Construction in progress	1,621	32,396	-	34,017
Total capital assets not being depreciated	<u>18,106</u>	<u>32,396</u>	<u>-</u>	<u>50,502</u>
<u>Other capital assets:</u>				
Improvements	441,821	-	-	441,821
Machinery and equipment	373,589	22,388	(13,352)	382,625
Office furniture and equipment	15,058	-	-	15,058
Total other capital assets at historical cost	830,468	22,388	(13,352)	839,504
Accumulated depreciation	<u>(560,295)</u>	<u>(37,168)</u>	<u>13,352</u>	<u>(584,111)</u>
Other capital assets, net	<u>270,173</u>	<u>(14,780)</u>	<u>-</u>	<u>255,393</u>
Sewer plant capital assets, net	<u>\$ 288,279</u>	<u>\$ 17,616</u>	<u>\$ -</u>	<u>\$ 305,895</u>

Construction in progress (CIP) consists of several ongoing projects. Water's CIP is pertaining to the well #6 project, while sewer's CIP is to set up a new water pipeline for the wastewater treatment plant and the wastewater flow meter.

NOTE 5 – Land Rights

In March 1996, the District entered into an agreement for fifty years with the South Tulare County Memorial District for the exclusive right and easement to construct, install, maintain, operate, repair and reconstruct a water well on property located in Tipton for \$5,000.

NOTE 6 – Long-Term Obligations

Changes in long-term obligations for the period ended June 30, 2020, are as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2020</u>	<u>Amounts due Within One Year</u>
Certificates of Participation	<u>\$ 815,900</u>	<u>\$ -</u>	<u>\$ (17,800)</u>	<u>\$ 798,100</u>	<u>\$ 18,500</u>

In May 2005, the District was awarded federal funds from USDA Rural Development in the amount of \$1,833,865, of which, \$833,865 was a grant and \$1,000,000 was a loan and was financed through the issuance of Certificates of Participation (COPS) through the Public Property Financing Corporation on behalf of the District.

TIPTON COMMUNITY SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 6 – Long-Term Obligations (continued)

In accordance with the installment agreement signed May 18, 2005, escalating annual principal payments began on May 1, 2006, for a term of forty years. Interest is payable at a rate of 4.25 percent beginning November 1, 2005, and is paid semiannually thereafter on May 1 and November 1 of each year. Future commitments for the Certificates of Participation as of June 30, 2020, are as follows:

Year Ended June 30	Principal	Interest	Totals
2021	\$ 18,500	\$ 33,919	\$ 52,419
2022	19,300	33,133	52,433
2023	20,100	32,313	52,413
2024	21,000	31,459	52,459
2025	21,900	30,566	52,466
2026-2030	124,100	138,061	262,161
2031-2035	152,900	109,348	262,248
2036-2040	188,400	73,967	262,367
2041-2045	231,900	30,388	262,288
Totals	\$ 798,100	\$ 513,154	\$ 1,311,254

NOTE 7 – Restricted Net Position

Capacity rights fees are established, collected and used for development of water and sewer capacity and for expenses related to the inspection and administration of physical connections to the District's water and sewer systems. The accumulation of capacity rights fees, although not actually segregated from other District assets, are legally segregated for accounting purposes and restricted for their intended use. As of June 30, 2020, capacity rights fees reserved for future water and sewer system capacity development are reflected in these financial statements as both a restricted asset and restricted net position.

	Water	Sewer	Totals
Balance July 1, 2019	\$ 1,202,649	\$ 553,222	\$ 1,755,871
Interest earned	24,121	11,223	35,344
Capacity related expenses	(63,454)	(16,803)	(80,257)
Balance June 30, 2020	\$ 1,163,316	\$ 547,642	\$ 1,710,958

Cash restricted for debt service are those funds accumulated to pay the required principal and interest payments on the Certificates of Participation in accordance with the installment and trust agreements. As of June 30, 2020, cash reserved for future principal and interest payments in the amount of \$52,419 is reflected in these financial statements as both a restricted asset and restricted net position.

TIPTON COMMUNITY SERVICES DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 – Operating Lease Income

The District leases water tower antenna space to a communication company pursuant to an operating lease agreement. The initial lease term was for five years from April 28, 2005 through April 28, 2010, with option for tenant to extend the lease for five additional five-year terms, which the District has exercised to date.

The following is a summary of future minimum rental income under this noncancelable lease with remaining terms in excess of one year at June 30, 2020:

2021	\$ 14,604
2022	14,604
2023	14,604
2024	14,604
2025	14,968
Thereafter	<u>177,682</u>
Total	<u>\$ 251,066</u>

NOTE 9 – Board Designations

The Board designated \$836,017 of unrestricted net position for future well replacement and rehabilitation, \$112,674 for water line replacement, \$594,968 for waste water projects, \$8,200 for machine depreciation, \$25,000 for vehicle replacements, and \$2,000 for pavement sealing/striping. In addition, the Board has designated a total of \$60,000 for debt service payments. The above amounts designated by the Board are included in the legally restricted portion, \$1,763,377, cash and cash equivalents, restricted assets, on the Statement of Net Position as of June 30, 2020.

NOTE 10 – Commitments and Contingencies

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which may negatively impact net position. Other financial impacts could occur though such potential impacts are unknown at the time.

NOTE 11 – Subsequent Events

Management has evaluated subsequent events through January 29, 2021, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

SUPPLEMENTARY INFORMATION

TIPTON COMMUNITY SERVICES DISTRICT

BUDGETARY COMPARISON SCHEDULE JUNE 30, 2020

	All Activities			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<u>OPERATING REVENUES:</u>				
Customer services fees	\$ 475,000	\$ 475,000	\$ 481,918	\$ 6,918
Other	-	-	15,754	15,754
Total operating revenues	475,000	475,000	497,672	22,672
<u>OPERATING EXPENSES:</u>				
Salaries and employee benefits	134,900	134,900	153,686	(18,786)
Directors' fees	5,000	5,000	5,400	(400)
Utilities	70,000	70,000	67,141	2,859
Communications	4,500	4,500	5,431	(931)
Licenses and fees	2,000	2,000	27,252	(25,252)
Legal and professional	83,000	98,000	64,413	18,587
Small tools and instruments	5,500	5,500	5,831	(331)
Insurance	16,000	16,000	15,322	678
Repairs and maintenance	108,000	108,000	33,351	74,649
Office	12,200	15,200	12,006	194
Rent	3,200	3,200	1,036	2,164
Travel	8,000	8,000	4,341	3,659
Miscellaneous	32,850	32,850	2,918	29,932
Testing	9,000	9,000	7,900	1,100
Total operating expenses	494,150	512,150	406,028	88,122
Operating income (loss)	(19,150)	(37,150)	91,644	110,794
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Other income	12,000	12,000	11,531	(469)
Property taxes	-	-	14,227	14,227
Interest income	-	-	9,060	9,060
Gain on sale of assets	-	-	3,500	3,500
Interest expense	(35,100)	(35,100)	(34,650)	450
Total nonoperating revenues (expenses)	(23,100)	(23,100)	3,668	26,768
Increase (decrease) in net position, budgetary basis:	\$ (42,250)	\$ (60,250)	95,312	\$ 137,562
Depreciation			(176,350)	
Decrease in net position, financial statement basis			\$ (81,038)	

Water				Sewer			
Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 280,000	\$ 280,000	\$ 283,432	\$ 3,432	\$ 195,000	\$ 195,000	\$ 198,486	\$ 3,486
-	-	11,713	11,713	-	-	4,041	4,041
<u>280,000</u>	<u>280,000</u>	<u>295,145</u>	<u>15,145</u>	<u>195,000</u>	<u>195,000</u>	<u>202,527</u>	<u>7,527</u>
68,450	68,450	77,152	(8,702)	66,450	66,450	76,534	(10,084)
2,500	2,500	2,700	(200)	2,500	2,500	2,700	(200)
56,500	56,500	55,601	899	13,500	13,500	11,540	1,960
2,200	2,200	2,238	(38)	2,300	2,300	3,193	(893)
-	-	4,946	(4,946)	2,000	2,000	22,306	(20,306)
47,500	62,500	41,786	5,714	35,500	35,500	22,627	12,873
4,500	4,500	4,739	(239)	1,000	1,000	1,092	(92)
8,000	8,000	7,661	339	8,000	8,000	7,661	339
48,000	48,000	21,097	26,903	60,000	60,000	12,254	47,746
6,100	9,100	6,726	(626)	6,100	6,100	5,280	820
700	700	-	700	2,500	2,500	1,036	1,464
4,000	4,000	2,119	1,881	4,000	4,000	2,222	1,778
9,400	9,400	702	8,698	23,450	23,450	2,216	21,234
6,500	6,500	4,228	2,272	2,500	2,500	3,672	(1,172)
<u>264,350</u>	<u>282,350</u>	<u>231,695</u>	<u>32,655</u>	<u>229,800</u>	<u>229,800</u>	<u>174,333</u>	<u>55,467</u>
<u>15,650</u>	<u>(2,350)</u>	<u>63,450</u>	<u>47,800</u>	<u>(34,800)</u>	<u>(34,800)</u>	<u>28,194</u>	<u>62,994</u>
12,000	12,000	11,093	(907)	-	-	438	438
-	-	-	-	-	-	14,227	14,227
-	-	5,334	5,334	-	-	3,726	3,726
-	-	1,750	1,750	-	-	1,750	1,750
<u>(35,100)</u>	<u>(35,100)</u>	<u>(34,600)</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>(50)</u>	<u>(50)</u>
<u>(23,100)</u>	<u>(23,100)</u>	<u>(16,423)</u>	<u>6,677</u>	<u>-</u>	<u>-</u>	<u>20,091</u>	<u>20,091</u>
<u>\$ (7,450)</u>	<u>\$ (25,450)</u>	<u>47,027</u>	<u>\$ 54,477</u>	<u>\$ (34,800)</u>	<u>\$ (34,800)</u>	<u>48,285</u>	<u>\$ 83,085</u>
		<u>(139,182)</u>				<u>(37,168)</u>	
		<u>\$ (92,155)</u>				<u>\$ 11,117</u>	

See independent auditors' report.