



Notice is hereby given that a
REGULAR MEETING
Of the Board of Directors will be held at:
400 Church Street, Scotia, CA 95565

Tuesday February 20th, 2024, at 5:30 P.M.
HYBRID In Person and Via Zoom

AGENDA

- A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE** The Presiding Officer will call the meeting to order, and the Board Clerk will call the roll of members to determine the presence of a quorum. **PLEASE REMEMBER TO SILENCE ALL CELL PHONES**
This meeting may be accessed by using the following call-in number: 1 669 900 6833. When prompted enter the meeting i.d. 826-7014-1472 and the following password 001654.
Or Via Zoom Video Conferencing via URL: <https://us02web.zoom.us/j/82670141472?pwd=VXlKKzN0d1IyeWQ5TG5ta0c1Qlo5Zz09>
meeting i.d. 826-7014-1472 and the following password 001654.
Please submit public comments in writing 24 hours ahead of the meeting, if possible. If anyone who wishes to teleconference the meeting and has ADA access needs, please call the SCSD Administrative Office not less than 24 hours in advance of the meeting time to make accommodations.
All publicly posted documents on the District website are also available for inspection at the District office during regular business hours: 400 Church Street, Scotia CA 95565, Monday-Thursday 9:00am – 3:30pm.
- B. SETTING OF THE AGENDA** The Board may adopt/revise the order of the agenda as presented.
- C. CONSENT CALENDAR** Consent Calendar items are routine, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be moved so that it may be acted upon separately in business.
1. Approval of Previous Meeting Minutes – Special Meeting January 9th, 2024
 2. Approval of Previous Meeting Minutes-Regular Meeting Minutes January 16th, 2024
 3. Approval of RCB Check Registers January 1-31, 2024.
 4. Approval of Umpqua Check Registers January 1-31, 2024
 5. Approval of RCB Mastercard Statement – December Statement
 6. Approval of Umpqua Visa Statement – January Statement
- D. PUBLIC COMMENT & WRITTEN COMMUNICATION** Regularly scheduled meetings provide an opportunity for members of the public to directly address the SCSD Board Members on any action item that has been described in the agenda for the meeting, before or during consideration of that item, or on matters not identified on the agenda within the Board jurisdiction. Comments are not generally taken on non-action items such as reports or information. **COMMENTS SHOULD BE LIMITED TO THREE MINUTES**
- E. ADJOURN TO CLOSED SESSION** None
- F. PUBLIC HEARING – None**

G. BUSINESS

1. New Business -

- a. Adopt Resolution 2024-2: A Resolution of the Scotia Community Services District Adopting the Final Audit FY 2022-2023

2. Old Business – None

H. REPORTS

(5 minutes each)

The Board may briefly discuss any particular item raised; no action will be taken on these items.

- 1. **President’s Report**
- 2. **Board Director Reports**
- 3. **General Manager’s Report**
- 4. **Board Clerk’s Report**
- 5. **District Counsel’s Report**
- 6. **Engineer’s Report**

I. BOARD TRAINING – None

J. ADJOURNMENT

Next Regular Meeting of the SCSD will be March 19th, 2024, at 5:30 PM. A Special meeting may be held prior to that.

Notice regarding the Americans with Disabilities Act: The District adheres to the [Americans with Disabilities Act](#). Persons requiring special accommodations or more information about accessibility should contact the District Office. Notice regarding Rights of Appeal: Persons who are dissatisfied with the decisions of the SCSD Board of Directors have the right to have the decision reviewed by a State Court. The District has adopted [Section 1094.6](#) of the [Code of Civil Procedure](#) which generally limits the time within which the decision may be judicially challenged to 90 days.

Minutes of the Special Board Meeting for the
Scotia Community Services District
Tuesday, January 9th, at 12:00 P.M.

CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE at 12:05 PM

Paul Newmaker, President– Absent

Diane Black, Vice President – Present

Delia Ansted, Director – Present

Susan Pryor, Director – Present

Nina Sellen, Director – Present

Amber Sandum, SCSD Administrative Assistant; Carolyn Walker, District Legal Counsel; Steve Coppini General Manager, Barbara Guest- Auditor from Anderson, Lucas, Somerville & Borges, LLP

A. SETTING OF THE AGENDA: No Changes

B. PUBLIC COMMENT & WRITTEN COMMUNICATION None

C. CLOSED SESSION-NONE

D. Business

1. Presentation and review of Draft FY 2022/23 Audit by Anderson, Lucas, Somerville & Borges, LLP

Staff report was presented by Amber Sandum. The presentation was presented by Barbara Guest from Anderson, Lucas, Somerville & Borges. Board Discussed and asked questions.

Motion was made to approve the Draft Audit.

No Public Comment

Motion: Pryor **Second:** Sellen

Motion Vote: Ayes: Ansted, Black, Pryor, Sellen **Opposed:** None **Absent:** Newmaker **Abstain:** None

Motion Carries

No Public Comment

2. **REPORTS – None**

3. **BOARD TRAINING:**

4. **ADJOURNMENT at 1:08 p.m.**

Approved:

Diane Black, Vice- President

Board of Directors

Scotia Community Services District

Date

Attest:

Board Clerk

Scotia Community Services District

Date

Minutes of the Regular Board Meeting for the
Scotia Community Services District
Tuesday January 16, 2024, at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE at 5:35 PM

Paul Newmaker, President– Present

Diane Black, Vice President – Present

Delia Ansted, Director – Present

Susan Pryor, Director – Present

Nina Sellen, Director – Present

Steve Coppini, District General Manager; Amber Sandum, Administrative Assistant and Carolyn Walker, District Legal Counsel, Mary Bullwinkel Museum Archivist

B. SETTING OF THE AGENDA Clarified on the previous December 28th minutes the Carpenter Shop ADA should have been Carpenter Baseball ADA and correction will be made with the spelling of value.

No Public Comment

C. CONSENT CALENDAR Consent Calendar items are routine, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be moved so that it may be acted upon separately in business.

1. Approval of Previous Meeting Minutes – Regular Meeting December 28th, 2023
2. Approval of RCB Check Registers December 1-31, 2024.
3. Approval of Umpqua Check Registers December 1-31, 2024
4. Approval of RCB Mastercard Statement – November Statement
5. Approval of Umpqua Visa Statement – December Statement

No public comment

Motion: To Approve the Consent Calendar

Motion: Black **Second:** Pryor

Motion Vote: **Ayes:** Ansted, Newmaker, Pryor, Sellen, Black **Absent:** None **Abstain:** None

Motion Carries

D. PUBLIC COMMENT & WRITTEN COMMUNICATION –

None received prior to the meeting, no public comment provided at meeting.

E. ADJOURN TO CLOSED SESSION: None

F. PUBLIC HEARING – None

G. BUSINESS

1. New Business -

- a. Adopt Resolution 2024-1 A Resolution Authorizing the Scotia Community Services District to access State and Federal Level Summary Criminal History for Employment with Scotia Community Services District (Including Volunteers and Contract Employees)

President Newmaker introduced, and Staff Report was presented by Amber Sandum.

Motion: Black **Second:** Pryor

Motion Votes: Ayes: Ansted, Black, Newmaker, Pryor, Sellen **Absent:** None **Abstain:** None

No Public Comment

- b. Discussion on Museum regarding the Exhibits and the preparation of the Museum to be Open to the Public.

The Board discussed the opening of the Museum, Ideas were discussed staffing, maintaining the outside of the Museum, and planning the different exhibits. Mary said Adam and Pedro have been very helpful in cleaning the Museum.

2. Old Business – None

H. REPORTS –

1. **President’s Report:** None
2. **Board Director Reports:** None
3. **General Manager’s Report:**

Rate Study: No Progress

Phase 4- Walked access Road behind Williams St today, road is going to get paved to use during construction.

WWTP- Closer to discharge, pond not quite high enough yet.

Steve read the Engineers project report for Jeff Laikam

Winema Theater ADA Improvements-Plan check comments have been resolved and resubmitted to the County. Once approval is received, bid documents, putting the project out to bid.

Carpenter’s Park Bathroom ADA- Contractor has started construction. ADA parking space is formed. The concrete block subcontractor is set up to start the walls once there is suitable weather.

Town of Scotia Subdivision: Phase 4- SCSD District Engineer has signed the improvement plans and Marathon has approved the project for construction and signed a contract with Wahlund. When final approval from the County is received and submittals are reviewed and approved, construction should begin in the early part of February.

Tesla Battery Backup- Easement was forwarded to Tesla. No updates reached out to inquire about the permitting and construction of the projects.

- 4 . **Board Clerk’s Report:** None

5 District Counsels Report: Nothing to report.

6 Engineer's Report: In General Manager's Report

I. BOARD TRAINING – None

J. ADJOURNMENT at 6:16 p.m.

Approved:

Paul Newmaker, President
Board of Directors
Scotia Community Services District

Date

Attest:

Board Clerk
Scotia Community Services District

Date

Scotia Community Services District Account QuickReport As of January 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
10000 - RCB Checking 28239						1,204,745.47
Deposit	01/02/2024			Deposit	3,594.59	1,208,340.06
Deposit	01/03/2024			Deposit	4,600.44	1,212,940.50
Check	01/04/2024	EFT	Umpqua Bank VISA ...		-15,659.72	1,197,280.78
Bill Pmt -Check	01/04/2024	52469	Alternative Business...	Inv#MA23122753	-52.81	1,197,227.97
Bill Pmt -Check	01/04/2024	52470	Fortuna Ace		-343.34	1,196,884.63
Bill Pmt -Check	01/04/2024	52471	Pacific Paper	Inv#210294	-88.00	1,196,796.63
Bill Pmt -Check	01/04/2024	52472	Shelton's Auto Lub...	Inv#43796	-75.83	1,196,720.80
Bill Pmt -Check	01/04/2024	52473	Wildwood Saw	Inv#37916, #8014	-396.39	1,196,324.41
Bill Pmt -Check	01/04/2024	52474	Wyckoff Plumbing	Inv#2312-110882	-47.56	1,196,276.85
Bill Pmt -Check	01/04/2024	EFT	AT&T		-350.77	1,195,926.08
Bill Pmt -Check	01/04/2024	EFT	AT&T	7077643030 12.23	-306.72	1,195,619.36
Bill Pmt -Check	01/08/2024	EFT	Optimum Business	December Billing	-129.95	1,195,489.41
Bill Pmt -Check	01/09/2024	EFT	PG&E		-509.11	1,194,980.30
Transfer	01/10/2024			Funds Transfer Refund Cu...	600.00	1,195,580.30
Paycheck	01/11/2024	EFTDD	Adam R Farland		-1,526.27	1,194,054.03
Paycheck	01/11/2024	EFTDD	Brandon W Wishneff		-2,288.82	1,191,765.21
Paycheck	01/11/2024	EFTDD	George Bruce Gehrke		-429.25	1,191,335.96
Paycheck	01/11/2024	EFTDD	Kathleen A Sandum		-1,465.12	1,189,870.84
Paycheck	01/11/2024	EFTDD	Mary A Bullwinkel		-109.50	1,189,761.34
Paycheck	01/11/2024	EFTDD	Steven L Coppini		-2,729.39	1,187,031.95
Paycheck	01/11/2024	EFTDD	William F Pedro Jr		-1,207.80	1,185,824.15
Liability Check	01/11/2024	E-pay	EDD	093-5926-6 QB Tracking # ...	-754.34	1,185,069.81
Liability Check	01/11/2024	E-pay	United States Treas...	82-1570573 QB Tracking #...	-3,444.98	1,181,624.83
Liability Check	01/11/2024	E-pay	EDD	093-5926-6 QB Tracking # ...	-415.29	1,181,209.54
Deposit	01/11/2024			Deposit	50,653.44	1,231,862.98
Check	01/11/2024	52475	John Hancock USA	PARS #86360	-1,235.28	1,230,627.70
Bill Pmt -Check	01/11/2024	52476	101 Auto Parts	Inv#12656,12766	-93.59	1,230,534.11
Bill Pmt -Check	01/11/2024	52477	Anderson, Lucas, S...	Inv#62406	-1,000.00	1,229,534.11
Bill Pmt -Check	01/11/2024	52478	Eel River Transporta...	Inv#15080400	-10.00	1,229,524.11
Bill Pmt -Check	01/11/2024	52479	North Coast Laborat...	December Statement	-1,540.00	1,227,984.11
Bill Pmt -Check	01/11/2024	52480	Prentice, Long PC	Inv#6342	-1,700.00	1,226,284.11
Bill Pmt -Check	01/11/2024	52481	Recology Eel River	20214	-443.27	1,225,840.84
Bill Pmt -Check	01/11/2024	52482	SDRMA	7724	-2,694.48	1,223,146.36
Bill Pmt -Check	01/11/2024	52483	Valley Pacific Petrol...	CL 23-715584	-1,061.52	1,222,084.84
Deposit	01/16/2024			Deposit	4,516.41	1,226,601.25
Deposit	01/16/2024			Deposit	35,346.76	1,261,948.01
Bill Pmt -Check	01/16/2024	EFT	PG&E		-1,590.62	1,260,357.39
Deposit	01/18/2024			Deposit	7,155.85	1,267,513.24
Deposit	01/18/2024			Deposit	1,803.64	1,269,316.88
Deposit	01/22/2024			Deposit	71,249.42	1,340,566.30
Deposit	01/22/2024			Deposit	693.44	1,341,259.74
Deposit	01/24/2024			Deposit	4,370.56	1,345,630.30
Bill Pmt -Check	01/24/2024	52485	Humboldt County D...		-1,770.83	1,343,859.47
Bill Pmt -Check	01/24/2024	52486	PARS	SCO020	-300.00	1,343,559.47
Bill Pmt -Check	01/24/2024	52487	SDRMA	7724	-254.84	1,343,304.63
Bill Pmt -Check	01/24/2024	52488	SHN Consulting Eng...		-42,806.09	1,300,498.54
Bill Pmt -Check	01/24/2024	52489	State Water Resour...	Inv#SM-1043180	-982.36	1,299,516.18
Bill Pmt -Check	01/24/2024	52490	Telstar Instruments	Inv#119897	-8,230.45	1,291,285.73

Scotia Community Services District Account QuickReport As of January 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt -Check	01/24/2024	52491	Whitchurch Enginee...	Inv#245340,24341	-10,608.00	1,280,677.73
Paycheck	01/25/2024	EFTDD	Adam R Farland		-1,423.53	1,279,254.20
Paycheck	01/25/2024	EFTDD	Brandon W Wishneff		-2,345.48	1,276,908.72
Paycheck	01/25/2024	EFTDD	Kathleen A Sandum		-1,333.16	1,275,575.56
Paycheck	01/25/2024	EFTDD	Mary A Bullwinkel		-228.12	1,275,347.44
Paycheck	01/25/2024	EFTDD	Steven L Coppini		-2,559.78	1,272,787.66
Paycheck	01/25/2024	EFTDD	William F Pedro Jr		-1,136.29	1,271,651.37
Liability Check	01/25/2024	E-pay	EDD	093-5926-6 QB Tracking # ...	-706.89	1,270,944.48
Liability Check	01/25/2024	E-pay	United States Treas...	82-1570573 QB Tracking #...	-3,224.94	1,267,719.54
Liability Check	01/25/2024	E-pay	EDD	093-5926-6 QB Tracking # ...	-347.44	1,267,372.10
Check	01/25/2024	52484	John Hancock USA	PARS #86360	-1,303.60	1,266,068.50
Check	01/29/2024	EFT	Redwood Capital Ba...		-542.17	1,265,526.33
Deposit	01/29/2024			Deposit	4,179.61	1,269,705.94
Deposit	01/29/2024			Deposit	7,304.71	1,277,010.65
Deposit	01/31/2024			Deposit	14,318.43	1,291,329.08
Total 10000 · RCB Checking 28239					86,583.61	1,291,329.08
TOTAL					86,583.61	1,291,329.08

12:21 PM

02/05/24

Accrual Basis

Scotia Community Services District
Account QuickReport
As of January 31, 2024

Type	Date	Num	Name	Memo	Split	Amount	Balance
12150 · RCB Clarifier savings							168,851.77
Deposit	01/31/2024			Interest	40210 · Interes...	143.08	168,994.85
Total 12150 · RCB Clarifier savings						143.08	168,994.85
TOTAL						143.08	168,994.85

12:22 PM

02/05/24

Cash Basis

Scotia Community Services District
Account QuickReport
As of January 31, 2024

Type	Date	Num	Memo	Original Amount	Paid Amount	Balance
12100 · RCB Cust Deposit Savings 10797						20,124.92
Deposit	01/02/2024		Deposit	100.00	100.00	20,224.92
Transfer	01/10/2024		Funds Transf...	-600.00	-600.00	19,624.92
Deposit	01/31/2024		Interest	12.58	12.58	19,637.50
Total 12100 · RCB Cust Deposit Savings 10797					-487.42	19,637.50
TOTAL					-487.42	19,637.50

12:23 PM

02/05/24

Accrual Basis

Scotia Community Services District
Account QuickReport
As of January 31, 2024

Type	Date	Num	Name	Memo	Split	Amount	Balance
12001 - RCB Sav Generator Grant							711.70
Deposit	01/31/2024			Interest	40210 · Interes...	0.30	712.00
Total 12001 - RCB Sav Generator Grant						0.30	712.00
TOTAL						0.30	712.00

1:14 PM

02/05/24

Cash Basis

Scotia Community Services District
Account QuickReport
As of January 31, 2024

Type	Date	Num	Name	Memo	Original Amount	Paid Amount	Balance
12000 · RCB Savings 10367							1,081,325.61
Deposit	01/31/2024			Interest	916.25	916.25	1,082,241.86
Total 12000 · RCB Savings 10367						916.25	1,082,241.86
TOTAL						916.25	1,082,241.86

1:15 PM

02/05/24

Accrual Basis

Scotia Community Services District
Account QuickReport
As of January 31, 2024

Type	Date	Num	Name	Memo	Split	Amount	Balance
12152 · Umpqua Checking BT Loan							359,838.35
Check	01/22/2024			Service Charge	50480 · Bank F...	-5.00	359,833.35
Deposit	01/31/2024			Interest	40210 · Interes...	3.05	359,836.40
Total 12152 · Umpqua Checking BT Loan						-1.95	359,836.40
TOTAL						-1.95	359,836.40

1:16 PM

02/05/24

Accrual Basis

Scotia Community Services District
Account QuickReport
As of January 31, 2024

Type	Date	Num	Name	Memo	Split	Amount	Balance
12151 · Umpqua Park & Rec Savings							273,036.79
Deposit	01/31/2024			Interest	40210 · Interes...	2.32	273,039.11
Total 12151 · Umpqua Park & Rec Savings						2.32	273,039.11
TOTAL						2.32	273,039.11



SCOTIA COMM SVCS DIST
Account Number: XXXX XXXX XXXX 0143

Billing Questions:
800-367-7576

Website:
www.cardaccount.net

Send Billing Inquiries To:
Card Service Center, PO Box 569120, Dallas, TX 75356

REDWOOD CAPITAL BANK Credit Card Account Statement
December 9, 2023 to January 8, 2024

SUMMARY OF ACCOUNT ACTIVITY

Previous Balance	\$723.49
- Payments	\$723.49
- Other Credits	\$36.06
+ Purchases	\$578.23
+ Cash Advances	\$0.00
+ Fees Charged	\$0.00
+ Interest Charged	\$0.00
= New Balance	\$542.17

PAYMENT INFORMATION

New Balance: \$542.17
Minimum Payment Due: \$25.00
Payment Due Date: February 2, 2024

Account Number XXXX XXXX XXXX 0143
Credit Limit \$27,000.00
Available Credit \$26,457.00
Statement Closing Date January 8, 2024
Days in Billing Cycle 31

MESSAGES

PROTECT YOURSELF FROM SCAMMERS!

We will never call, text, or email and ask you for your personal information. Some scammers will call and pretend to be from the Card Service Center. We will never call or text you and ask for sensitive information such as account or card number information, passwords or user names, or social security numbers. Please DO NOT give out that information.

If you feel pressured or concerned about a phone call, please hang up and call us at 800-367-7576 (the phone number located on the back of your credit card). Our Card Service Center team is always glad to check and can verify the information.

TRANSACTIONS

An amount followed by a minus sign (-) is a credit unless otherwise indicated.

Tran Date	Post Date	Reference Number	Transaction Description	Amount
12/26	12/26	8543189B800XV6D3H	PAYMENT - THANK YOU	\$723.49

Transactions continued on next page

REDWOOD CAPITAL BANK
1550 N BROWN RD 150
LAWRENCEVILLE GA 30043



Account Number: XXXX XXXX XXXX 0143
New Balance: \$542.17
Minimum Payment Due: \$25.00
Payment Due Date: February 2, 2024

All payments on the account must be made at the address shown on your monthly billing statement and are considered to have been made on the date received at that address.

Amount Enclosed: \$

Make Check Payable to:

CARD SERVICE CENTER
PO BOX 569100
DALLAS TX 75356-9100

SCOTIA COMM SVCS DIST
PO BOX 104
SCOTIA CA 95565-0104



TRANSACTIONS (continued)

An amount followed by a minus sign (-) is a credit unless otherwise indicated.

Tran Date	Post Date	Reference Number	Transaction Description	Amount
			TOTAL XXXXXXXXXXXXXXX0143	\$723.49-
12/22	12/24	8230509B4000LVWEG	ZOOM.US 888-799-9666 SAN JOSE CA <i>50420-99</i>	\$149.90
12/25	12/26	5545885B7LQP3F446	USCELL RECURRING CHICAGO IL <i>50420-99</i>	\$287.09
12/27	12/27	5543286B95W9K8Y03	INTUIT *PAYROLLEE USAG CL.INTUIT.COM CA <i>60360-99</i>	\$48.00
01/02	01/02	5543286QJ5XSZG1YQ	CLEARPATHGPS, INC. 805-979-3442 CA <i>50420-99</i>	\$93.24
			STEVEN COPPINI	
			TOTAL XXXXXXXXXXXXXXX1117	\$578.23
12/19	12/20	5543286B163EH2W0A	AMZN MKTP US AMZN.COM/BILL WA CREDIT <i>50410-30 sent back well light</i>	\$36.06-
			BRANDON W WISHNEFF	
			TOTAL XXXXXXXXXXXXXXX1133	\$36.06-

INTEREST CHARGE CALCULATION

Your Annual Percentage Rate (APR) is the annual interest rate on your account

Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Days in Billing Cycle	Interest Charge
Purchases	19.49% (v)	\$0.00	31	\$0.00
Cash Advances	19.49% (v)	\$0.00	31	\$0.00

(v) - variable

To avoid additional interest charges, pay your New Balance in full on or before the Payment Due Date.

Exciting news! Go online today and check out the all-new enhancements to the Card Service Center website. E-statements, additional payment options, links to Preferred Points website, and other helpful sites. Visit us today at www.cardaccount.net to enroll your credit card account(s) on the newly enhanced website.

Thank you for the opportunity to serve your credit card needs. Should your future plans include travel, please contact us at 1-800-367-7576.

CREDITING OF PAYMENTS

All payments received by 5:00 PM during the Card issuer's normal business day at the address indicated on the reverse side of this statement will be credited to your account as of the date of receipt of the payment. If payment is made at any location other than that address, credit of the payment may be delayed up to 5 days.

BILLING RIGHTS SUMMARY

What to do if You Think You Find a Mistake on Your Statement

If you think there is an error on your statement, write to us at BBCCS, Attn: Dispute Department, 1550 North Brown Road, Suite 150, Lawrenceville, GA 30043 as soon as possible. In your letter, give us the following information: your name and account number; the dollar amount of the suspected error; and if you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement. You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
- While we do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

Your Rights if You are Dissatisfied with Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase. To use this right, all of the following must be true:

- The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
- You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
- You must not yet have fully paid for the purchase. If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at: BBCCS, Attn: Dispute Department, 1550 North Brown Road, Suite 150, Lawrenceville, GA 30043.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay we may report you as delinquent.

EXPLANATION OF INTEREST CHARGES

The Interest Charge shown on the front is the sum of the Interest Charges computed by applying the Periodic Rate(s) to the Average Daily Balance and adding any applicable transaction charge authorized in the Cardholder Agreement. The method for computing the balance subject to Interest Charge is an average daily balance (including new purchases) method.

We figure the interest charge on your account by applying the periodic rate(s) to the "average daily balance" of your account (including in some instances current transactions). To get the "average daily balance", we take the beginning balance of your account each day, add any new cash advances and subtract any payments or credits and any unpaid interest charges. If you paid in full the Previous Balance shown on this statement by the payment due date shown on the previous statement, we subtract from each day's beginning balance the amount of such Previous Balance included in that beginning balance and also do not add in any new purchases. Otherwise the amount of the Previous Balance is not subtracted and we add in any new purchases. This gives us the daily balance. Then we add all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

HOW TO AVOID INTEREST CHARGES: You have until the payment due date shown on your periodic statement to repay your balance before an interest charge on purchases will be imposed.

ANNUAL FEE DISCLOSURES

If an annual fee is shown on the front of the statement, see the front for information about the following matters: the annual percentage rate for purchases, certain information regarding any variable rate feature, the amount of the annual fee, any minimum interest charge, and any transaction charges for purchases. The method for computing the balance subject to interest charge on your account is an Average Daily Balance (including new purchases) method and is explained above.

If you terminate your account within 30 days from the Closing Date shown on the front of this statement, you will not owe the annual fee (and have the right to have it credited to your account) and may use your card(s) during that 30 day period without becoming obligated for the annual fee. To terminate your account you should give us written notice sent to the address for billing inquiries as shown on the front of this statement. All cards should be cut in half and returned with your termination notice.

CREDIT BALANCES

Any credit balance on your account (indicated by a "-" on the front of this statement) is money we owe you. You can make charges against this amount or request and receive a full refund of this amount by writing us at: Card Service Center, PO Box 569120, Dallas, TX 75356-9120. Any amount not charged against or refunded upon request that is over \$1.00 (equal to or in excess of \$1.00 if you live in MA or any amount in NY) will be refunded automatically within six months after the credit balance was created (four billing cycles in MD).

O1AB5762 - 3 - 05/25/17

(PLEASE SHOW YOUR CORRECT NAME AND ADDRESS)

Name (if incorrect on reverse side)

Street address

City

State

Zip Code

Effective Date: Month, Day, Year

Signature

Home Phone

Work Phone



BL ACCT 00002823-20000001

SCOTIA CSD

Account Number: ####-####-####-3769

Page 1 of 3



Account Summary

Billing Cycle		01/31/2024
Days In Billing Cycle		31
Previous Balance		\$15,659.72
Purchases	+	\$16,128.34
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$1,454.19
Payments	-	\$15,659.72
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$14,674.15

Credit Summary

Total Credit Line	\$40,000.00
Available Credit Line	\$25,325.85
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries

- Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
- Go to www.umpquabank.com
- Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

Payment Summary

NEW BALANCE	\$14,674.15
MINIMUM PAYMENT	\$14,674.15
PAYMENT DUE DATE	02/25/2024

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

TOTAL CORPORATE ACTIVITY				\$17,113.91-
Trans Date	Post Date	Reference Number	Transaction Description	Amount
01/04	01/04	4064999	INTERNET PMT-THANK YOU	\$15,659.72-
01/26	01/26	7000560402677026151043	REBATE CREDIT	\$1,454.19-

Cardholder Account Summary

STEVEN COPPINI ####-####-####-5170	Payments & Other Credits \$0.00	Purchases & Other Charges \$16,128.34	Cash Advances \$0.00	Total Activity \$16,128.34
---------------------------------------	------------------------------------	--	-------------------------	-------------------------------

Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
01/11	01/12	PPLN01	24692164011101214561920	PG&E/EZ-PAY 800-743-5000 CA	\$16,128.34

Acct pmt. rebate on acct

PG & E Payment

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

UMPQUA BANK
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



Account Number
####-####-####-3769

Check box to indicate name/address change on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
01/31/24	\$14,674.15	\$14,674.15	02/25/24

\$

BL ACCT 00002823-20000001
SCOTIA CSD
PO BOX 104
SCOTIA CA 95565

e-Statement
37160
MAKE CHECK PAYABLE TO:
UMPQUA BANK COMMERCIAL CARD OPS
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142

IMPORTANT INFORMATION

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

Method A - Average Daily Balance (including current transactions): The Finance Charge on purchases begins on the date the transaction posted to your account. The Finance Charge on Cash Advances begins on the date you obtained the cash advance, or the first day of the billing cycle within which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method E - Average Daily Balance (excluding current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day and subtract any payments, credits, non-accruing fees, and unpaid finance charges. We do not add in any new purchases or cash advances. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method G - Average Daily Balance (including current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance: Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date: The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

Annual Fee: If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

Negative Credit Reports: You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

BILLING RIGHTS SUMMARY

In Case of Errors or Inquiries About Your Bill: If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- Your name and account number.
The dollar amount of the suspected error.
Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last

First

Middle

ADDRESS CHANGE

Street

City

State

ZIP Code

Home Phone () -

Business Phone () -

Cell Phone () -

E-mail Address

SIGNATURE REQUIRED

TO AUTHORIZE CHANGES

Signature

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$0.00	0.06008%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$14,674.15
Cash									
CPLN01 001	CASH	A	\$0.00	0.06554%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 31		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
¹ FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									

Scotia Community Services District Staff Report

DATE: February 20, 2024
TO: Scotia Community Services District Board of Directors
FROM: Steve Coppini, General Manager
SUBJECT: Resolution 2024-2: A Resolution of the Scotia Community Services District Board of Directors to Accept the Independent Audit Report for July 1, 2022 – June 30, 2023.

RECOMMENDATION:

The Administrative staff recommends that the SCSD Board consider Adopting Resolution 2024-2: A Resolution of the Scotia Community Services District Board of Directors to Accept the Independent Audit Report for July 1, 2022 – June 30, 2023.

ACTION:

Adopt Resolution 2024-2: A Resolution of the Scotia Community Services District Board of Directors to Accept the Independent Audit Report for July 1, 2022 – June 30, 2023.

DISCUSSION:

Per GC §61118(a) the board of directors shall provide for regular audits of the district's accounts and records pursuant to GC §26909. Scotia CSD has contracted with Anderson, Lucas, Somerville and Borges, LLP from Fortuna, CA to conduct the District's annual audit. A draft of this Audit was presented to the Board for review and approval at the December 2023 Board Meeting. No changes were made since the last meeting.

FISCAL IMPACT:

\$17,500 has been expended of \$25,000 budgeted for Annual Audit.

ATTACHMENTS:

Attachment A: Resolution 2024-2: A Resolution of the Scotia Community Services District Board of Directors to Accept the Independent Audit Report for July 1, 2022 – June 30, 2023.

Attachment B: Independent Audit Report for July 1, 2022– June 30, 2023

SCOTIA COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS

June 30, 2023

SCOTIA COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

June 30, 2023

INDEPENDENT AUDITORS' REPORT

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position	Exhibit A
Statement of Activities	Exhibit B

Fund Financial Statements:

Balance Sheet of Governmental Funds	Exhibit C
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds	Exhibit D
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	Exhibit E
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit F
Statement of Net Position - Proprietary Funds	Exhibit G
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Exhibit H
Statement of Cash Flows - Proprietary Funds	Exhibit I
Notes to Financial Statements	Exhibit J

Required Supplementary Information

Budgetary Comparison Schedule – Budget and Actual Governmental Funds	Exhibit K
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ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

KEITH D. BORGES, CPA
BARBARA J. GUEST, CPA
DANIEL COLE, CPA
RITA CHISM
VANESSA ANDERSON, EA

1338 MAIN STREET
FORTUNA, CALIFORNIA 95540
(707) 725-4483 & (707) 725-4442
FAX: (707) 725-6340
Email: team@alsb.com
www.alsb.com

JAMES M. ANDERSON (1964-2001)
EUGENE B. LUCAS (1950-2013)
DAVID A. SOMERVILLE, INACTIVE

INDEPENDENT AUDITORS' REPORT

Board of Directors
Scotia Community Services District
Scotia, California

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Scotia Community Services District as of and for the year ended June 30, 2023, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Scotia Community Services District as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof 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 Minimum Audit Requirements for California Special Districts issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Scotia Community Services 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 these 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 Scotia Community Service 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.

Auditors' 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 auditors' 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 Scotia 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required 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.

Anderson, Lucas, Somerville, & Borges

ANDERSON, LUCAS, SOMERVILLE, & BORGES, LLP

November 14, 2023
Fortuna, California

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 375,036	\$ 2,963,229	\$ 3,338,265
Restricted Cash	-	19,069	19,069
Accounts Receivable	-	196,430	196,430
Prepaid Insurance	-	-	-
Total Current Assets	<u>375,036</u>	<u>3,178,728</u>	<u>3,553,764</u>
Capital Assets, Net of			
Accumulated Depreciation			
Water Services	-	4,446,242	4,446,242
Sewer Services	-	3,165,752	3,165,752
Governmental Services	<u>9,790,985</u>	<u>-</u>	<u>9,790,985</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>9,790,985</u>	<u>7,611,994</u>	<u>17,402,979</u>
Construction in Progress	-	22,719	22,719
Loan Costs, Net of Amortization	<u>48,444</u>	<u>-</u>	<u>48,444</u>
Total Assets	<u>10,214,465</u>	<u>10,813,441</u>	<u>21,027,906</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	17,067	34,064	51,131
Payroll Liabilities	-	677	677
Credit Card Payable	1,600	23	1,623
Loan Interest Payable	7,271	-	7,271
Customer Deposits	-	19,502	19,502
Current Portion of Long Term Debt	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total Current Liabilities	<u>85,938</u>	<u>54,266</u>	<u>140,204</u>
Loan Payable, Less Current Portion	<u>916,000</u>	<u>-</u>	<u>916,000</u>
Total Long-Term Liabilities	<u>916,000</u>	<u>-</u>	<u>916,000</u>
Total Liabilities	<u>1,001,938</u>	<u>54,266</u>	<u>1,056,204</u>
NET POSITION			
Net Investment in Capital Assets, net of debt	8,863,429	7,634,713	16,498,142
Restricted	-	19,069	19,069
Unrestricted	<u>349,098</u>	<u>3,105,393</u>	<u>3,454,491</u>
Total Net Position	<u>\$ 9,212,527</u>	<u>\$ 10,759,175</u>	<u>\$ 19,971,702</u>

EXHIBIT B

SCOTIA COMMUNITY SERVICES DISTRICT
 Statement of Activities
 For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
Streets and Lighting	\$ 30,186	\$ 65,691	-	35,505	-	35,505
Storm Drainage	20,671	26,096	-	5,425	-	5,425
Parks and Recreation	167,158	157,051	-	(10,107)	-	(10,107)
Total Governmental Activities	218,015	248,838	-	30,823	-	30,823
Business-Type Activities:						
Water Services	600,344	533,424	-	-	213,111	213,111
Sewer Services	677,858	784,681	-	-	262,160	262,160
Total Business-Type Activities	1,278,202	1,318,105	-	-	475,271	475,271
Total District Activities	\$ 1,496,217	\$ 1,566,943	\$ -	\$ 30,823	\$ 475,271	\$ 506,094
General Revenues:						
Interest Income						
Interest Expense				(29,935)	-	(29,935)
Operating Transfers (Note 10)				9,563	(9,563)	-
Total General Revenues and Transfers				(20,372)	(9,563)	(29,935)
Change in Net Position				10,451	465,708	476,159
Net Position - Beginning of Year				9,202,076	10,293,467	19,495,543
Prior Period Adjustment Rounding				-	-	-
Net Position - End of Year				\$ 9,212,527	\$ 10,759,175	\$ 19,971,702

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

EXHIBIT C

SCOTIA COMMUNITY SERVICES DISTRICT
Balance Sheet of Governmental Funds
June 30, 2023

ASSETS

Cash and Cash Equivalents	\$ 375,036
Restricted Cash	
Accounts Receivable, Net of Allowance	-
Deposits	-
	<hr/>
Total Assets	375,036
	<hr/> <hr/>

LIABILITIES

Accounts Payable	17,067
Credit Card Payable	1,600
Loan Interest Payable	7,271
	<hr/>
Total Liabilities	25,938
	<hr/>

FUND BALANCE

Restricted	-
Unassigned	349,098
	<hr/>
Total Fund Balance	349,098
	<hr/>
Total Liabilities and Fund Balance	\$ 375,036
	<hr/> <hr/>

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds
 For the Year Ended June 30, 2023

OPERATING REVENUES

Streets and Lighting	\$ 65,691
Storm Drainage	26,096
Parks and Recreation	157,051
Other Income	<u>-</u>

Total Operating Revenues	<u>248,838</u>
--------------------------	----------------

OPERATING EXPENDITURES

Current Expenditures:	
Services and Supplies	163,764
Capital Expenditures:	
Park Improvements	<u>607,380</u>

Total Operating Expenditures	<u>771,144</u>
------------------------------	----------------

**EXCESS OF REVENUES OVER (UNDER)
EXPENDITURES**

(522,306)

NONOPERATING REVENUES (EXPENDITURES)

Principal Payments on Debt	(58,000)
Interest Income	-
Interest Expense	<u>(29,935)</u>

Total Nonoperating Revenues (Expenditures)	(87,935)
--	----------

OTHER FINANCING SOURCES (USES)

Transfers In (Out)	<u>9,563</u>
--------------------	--------------

NET CHANGE IN FUND BALANCE	(600,678)
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FUND BALANCE - Beginning of Year	949,775
Rounding	<u>1</u>

FUND BALANCE - End of Year	<u><u>\$ 349,098</u></u>
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SCOTIA COMMUNITY SERVICES DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 June 30, 2023

Reconciliation:

Total Fund Balances of Governmental Funds (Exhibit C)	\$	349,098
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Amounts reported for governmental activities in the statement of net position are different because:
 Capital assets used in governmental activities are not current financial resources and, therefore,
 not reported in the governmental funds balance sheet. However, the statement of net position
 includes those capital assets. In the current period, these amounts were as follows:

Capital Assets		9,967,132
Accumulated Depreciation		(176,147)
Loan Costs, Net of Amortization		48,444

Long-term liabilities applicable to the District are not due and payable in the current period and,
 accordingly, are not reported as governmental fund liabilities. All liabilities, both current and
 long-term, are reported in the statement of net position as follows:

Long-term Debt		<u>(976,000)</u>
----------------	--	------------------

Net Position - Governmental Activities (Exhibit A)	\$	<u><u>9,212,527</u></u>
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SCOTIA COMMUNITY SERVICES DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2023

Reconciliation:

Net Change in Fund Balance - Total Governmental Funds (Exhibit D) \$ (600,678)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:

Capital Outlay Expense	607,380
Contributed Capital Assets	-
Depreciation Expense	(50,451)
Amortization of Loan Costs	(3,800)

The repayment of principal of long-term debt consumes current financial resources, and therefore, is reported as debt service principal payments in the governmental funds. However, these payments have no impact on net position, and therefore, are not reported in the statement of activities as follows:

Debt Service Principal	58,000
------------------------	--------

Change in Net Position - Governmental Activities (Exhibit B) \$ 10,451

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	<u>Water Activities</u>	<u>Sewer Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 790,309	\$ 2,172,920	\$ 2,963,229
Restricted Cash	9,535	9,534	19,069
Accounts Receivable	52,663	143,767	196,430
Prepaid Insurance	-	-	-
	<hr/>	<hr/>	<hr/>
Total Current Assets	852,507	2,326,221	3,178,728
Construction in Progress	22,719	-	22,719
Total Capital Assets, Net of Accumulated Depreciation	<hr/>	<hr/>	<hr/>
	4,446,242	3,165,752	7,611,994
Total Assets	<hr/>	<hr/>	<hr/>
	5,321,468	5,491,973	10,813,441
LIABILITIES			
Current Liabilities			
Accounts Payable	12,119	21,945	34,064
Customer Deposits	9,751	9,751	19,502
Credit Card Payable	-	23	23
Payroll Liabilities	-	677	677
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	21,870	32,396	54,266
Total Liabilities	<hr/>	<hr/>	<hr/>
	21,870	32,396	54,266
NET POSITION			
Investment in Capital Assets, net of debt	4,468,961	3,165,752	7,634,713
Restricted	9,535	9,534	19,069
Unrestricted	<hr/>	<hr/>	<hr/>
	821,102	2,284,291	3,105,393
Total Net Position	<hr/>	<hr/>	<hr/>
	<u>\$ 5,299,598</u>	<u>\$ 5,459,577</u>	<u>\$ 10,759,175</u>

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Treated Water Sales	\$ 484,966	\$ -	\$ 484,966
Raw Water Sales	45,598	-	45,598
Sewer Charges	-	777,736	777,736
Other Operating Revenue	2,860	6,945	9,805
	<u>533,424</u>	<u>784,681</u>	<u>1,318,105</u>
OPERATING EXPENSES			
Personnel Expenses	57,078	64,159	121,237
Lab Testing and Monitoring	1,982	32,582	34,564
Professional Fees	4,967	8,413	13,380
Other Contract Services	2,340	9,600	11,940
Fees and Permits	5,624	8,208	13,832
Insurance	32,226	28,198	60,424
Operating Supplies	4,147	6,152	10,299
Chemical Supplies	15,753	11,268	27,021
Electrical	141,703	29,605	171,308
Repairs and Maintenance	15,296	111,529	126,825
Log Pond Maintenance	-	923	923
Travel, Training and Meetings	-	356	356
Vehicle Expenses	1,054	1,054	2,108
Utilities and Communications	5,341	4,907	10,248
Administrative Costs Allocation	138,663	121,298	259,961
Depreciation	134,801	88,653	223,454
	<u>560,975</u>	<u>526,905</u>	<u>1,087,880</u>
Operating Income	<u>(27,551)</u>	<u>257,776</u>	<u>230,225</u>
NON-OPERATING REVENUES (EXPENSES)			
Contributed Capital Assets	-	-	-
Grant Revenue	280,031	155,337	435,368
Grant Expenditures	(39,369)	(150,953)	(190,322)
Operating Transfer In (Out)	(5,100)	(4,463)	(9,563)
	<u>235,562</u>	<u>(79)</u>	<u>235,483</u>
Net Income	208,011	257,697	465,708
NET POSITION			
Beginning of Year	5,091,587	5,201,880	10,293,467
Rounding	-	-	-
End of Year	<u>5,299,598</u>	<u>5,459,577</u>	<u>10,759,175</u>

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 550,936	\$ 745,395	\$ 1,296,331
Cash Paid for Goods and Services	(368,872)	(355,794)	(724,666)
Cash Paid for Contract Employees	(57,078)	(74,035)	(131,113)
Net Cash Provided by Operating Activities	<u>124,986</u>	<u>315,566</u>	<u>440,552</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Non Operating Grant Proceeds	280,031	155,337	435,368
Change in Deferred Revenue	(300,000)	-	(300,000)
Grant Expenditures	(39,369)	(150,953)	(190,322)
Transfers to Other Funds	(5,100)	(4,463)	(9,563)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(64,438)</u>	<u>(79)</u>	<u>(64,517)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	60,548	315,487	376,035
Cash and Cash Equivalents - Beginning of Year	<u>739,296</u>	<u>1,866,967</u>	<u>2,606,263</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 799,844</u></u>	<u><u>\$ 2,182,454</u></u>	<u><u>\$ 2,982,298</u></u>

The accompanying notes are an integral part of these financial statements

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ (27,551)	\$ 257,776	\$ 230,225
Adjustment to Reconcile Operating Income to Net Cash Provided By Operating Activities:			
Depreciation	134,800	88,653	223,453
(Increase) Decrease in:			
Accounts Receivable	17,512	(39,286)	(21,774)
Prepaid Expenses	-	-	-
Increase (Decrease) in:			
Accounts Payable	(1,075)	18,299	17,224
Accrued Liabilities	-	(11,846)	(11,846)
Accrued Payroll	-	670	670
Customer Deposits	1,300	1,300	2,600
Total Adjustments	<u>152,537</u>	<u>57,790</u>	<u>210,327</u>
Net Cash Provided by Operating Activities	<u>\$ 124,986</u>	<u>\$ 315,566</u>	<u>\$ 440,552</u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Scotia Community Services District was formed in 2014 under Government Code 61000 to provide water, wastewater, parks and recreation, limited streets and street lighting, and storm drainage services to the community of Scotia.

The District is governed by a board of five directors elected at large from the area within the District's boundaries.

In May 2017, the Board approved the Asset Transfer and Transition Agreement with the Town of Scotia. Real property assets were transferred from the Town of Scotia to the District at no cost. These included the following:

- Water treatment facilities and river intake and distribution system infrastructure
- Wastewater treatment facilities and collection system and discharge infrastructure
- Parks and recreation facilities (Museum, Winema Theatre, Fireman's Park, carpenter shop, and Scotia Soccer Field and Community Forest.
- Streets and street lighting
- Storm drainage infrastructure

In addition to the real property, Town of Scotia also contributed \$155,000 for a contingency fund and purchase of office equipment. Town of Scotia also pre-paid water and sewer utilities in advance to facilitate the transfer.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the options to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity

There are no significant activities or organizations over which the District has financial accountability which would require inclusion in the financial statements. Other entities operate within the District's boundaries. The following criteria were used to include or exclude other entities:

1. Simple Accountability:

The District's ability to appoint a voting majority of the other entities' governing board and, either:

- a. The District's ability to impose its will on the other entity, or
 - b. The existence of a financial benefit or burden consideration between the other entity and the District
2. Fiscal dependency of the other entity upon the District.

C. Financial Statement Measurement Focus, Basis of Accounting and Presentation

The District is a multi-function special purpose government that uses separate funds to account for the transactions related to each of its distinct functions. Separate financial statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements. The District has no non-major funds.

The District uses a governmental fund to account for the activities of its various parks and recreation properties, streets and street lighting, and storm drainage infrastructure, while it uses proprietary funds to account for its water and sewer activities.

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual method of accounting. Under this method of accounting, revenues are recognized when earned and measurable and expenses are recognized when the related liabilities are incurred. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. In general, the District considers most revenue items measurable and available only when cash is received. Typically, the revenues subject to accrual are charges for services, interest income, and intergovernmental revenues. Expenditures are recorded when the related liability is incurred.

SCOTIA COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

Cash and cash equivalents for purposes of the statement of cash flows includes amounts in demand deposits as well as short-term investments with an original maturity date of three months or less.

E. Capital Assets

Capital assets, which include property, plant, equipment, vehicles and infrastructure assets, are reported in the applicable governmental or business-type activities column in the district-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at their fair market value on the date donated. The District has an informal capitalization threshold of \$2,500. Improvements are capitalized, while the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's life are recorded as expenses in the period incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Water System	40 Years
Sewer System	40 Years
Other Equipment	5 to 10 Years
Vehicles	5 Years
Buildings and Improvements	40 Years

F. Charges for Services

Charges for services result from the District providing water and sewer services to District residents.

G. Net Position

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- **Net Investment in Capital Assets** – Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, and reduced by debt balances outstanding or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Restricted consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through Enabling legislation.
- **Unrestricted** – Unrestricted consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fund Balance

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

- **Non-spendable fund balance** -amounts that cannot be spent because they are either (a) not Spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.
- **Committed fund balance** -amounts that can only be used for specific purposes determined By formal action of the District’s highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** – the residual classification for the District’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors established, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

I. Inventory

The District does not maintain a supplies inventory. Supplies are purchased as needed and expensed when purchased.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2023

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Policy for Defining Operating and Non-operating Revenues

Operating revenues consist of customer fees for water and sewer services and operating expenses consist of expenses related to providing such services. Non-operating revenues consist of other revenues and expenses such as interest, grants, and government support.

K. Use of Estimates

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

L. Inter-fund Activity

Authorized transfers between funds are treated as interfund transfers and included in the results of operations of both governmental and proprietary funds. Cash collected or payments made by one fund on behalf of another fund are treated as short-term interfund loans that affect only the statement of net assets of the funds involved. Interfund loan balances are reported in fund financial statements. Interfund loan balances between similar fund types are eliminated in the district-wide Statement of Net Position while interfund loan balances between governmental and business-type funds are reported in the district-wide Statement of Net Position.

During the fiscal year ended June 30, 2023, the District made inter-fund transfers as detailed at Note 10.

NOTE 2 — CASH AND INVESTMENTS

Cash and investments as of June 30, 2023, are classified as follows:

	Governmental Activities	Business-Type Activities	Total
Cash and Investments	\$ 375,036	\$ 2,963,229	\$ 3,338,265
Cash - Restricted	-	19,069	19,069
	\$ 375,036	\$ 2,982,298	\$ 3,357,334

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2023

NOTE 3 — CAPITAL ASSETS

Depreciation expense was charged to various functions at June 30, 2023, as follows:

Governmental Activities:	
Parks and Recreation	\$ 50,451
Business-type Activities:	
Water Fund	\$ 134,801
Wastewater Fund	88,652
Total Business-type Activities	<u>\$ 223,453</u>
 Total Depreciation Expense	 <u><u>\$ 273,904</u></u>

The following is a summary of capital assets for the year ended June 30, 2023:

	June 30, 2023				
	Beginning Balance	Additions	Deletions	Contributed Assets	Ending Balance
GOVERNMENTAL					
Capital Assets Not Being Depreciated					
Land	\$ 7,818,300	\$ -	\$ -	\$ -	\$ 7,818,300
Total Capital Assets, Not Being Depreciated	<u>7,818,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,818,300</u>
Other Capital Assets					
Office Building	220,000	-	-	-	220,000
Office Building Improvements	20,365	-	-	-	20,365
Office Equipment	4,227	-	-	-	4,227
Museum Building	95,020	-	-	-	95,020
Museum Improvements	45,435	225,845	-	-	271,280
Park Gate Automatic	14,151	-	-	-	14,151
Theatre	285,399	-	-	-	285,399
Winema Theatre Improvements	-	30,322	-	-	30,322
Carpenter Shop	299,932	-	-	-	299,932
Vehicles	11,556	7,282	-	-	18,838
Park & Ball Fields Improvements	55,918	60,001	-	-	115,919
Soccer Field Improvements	25,055	-	-	-	25,055
Equipment	8,884	283,930	-	-	292,814
Phase 3 Contribution	455,510	-	-	-	455,510
Total Other Capital Assets	<u>1,541,452</u>	<u>607,380</u>	<u>-</u>	<u>-</u>	<u>2,148,832</u>
Less: Accumulated Depreciation	<u>(125,696)</u>	<u>(50,451)</u>	<u>-</u>	<u>-</u>	<u>(176,147)</u>
Capital Assets, Net	<u><u>\$ 9,234,056</u></u>	<u><u>\$ 556,929</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,790,985</u></u>

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2023

NOTE 3 — CAPITAL ASSETS (Continued)

	June 30, 2023				
	Beginning Balance	Additions	Deletions	Contributed Assets	Ending Balance
<u>WATER</u>					
Water Facility	\$ 504,000.00	\$ -	\$ -	\$ -	\$ 504,000
Distribution Lines	1,400,000	-	-	-	1,400,000
Office Equipment	716	-	-	-	716
Raw Water Tank	916,200	-	-	-	916,200
Treated Water Tank	573,000	-	-	-	573,000
Fire Water Tanks	229,050	-	-	-	229,050
River Intake Pumps	30,400	-	-	-	30,400
River Intake Structure	625,000	-	-	-	625,000
River Pump House	100,000	-	-	-	100,000
Vehicles	34,667	-	-	-	34,667
Equipment	6,526	-	-	-	6,526
CIP (Corridor Phase) Equipment	10,000	-	-	-	10,000
Phase 3 Contribution	728,422	-	-	-	728,422
Total Other Capital Assets	<u>5,157,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,157,981</u>
Less: Accumulated Depreciation	<u>(576,939)</u>	<u>(134,801)</u>	<u>-</u>	<u>-</u>	<u>(711,740)</u>
Capital Assets, Net	<u>\$ 4,581,042</u>	<u>\$ (134,801)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,446,241</u>

	June 30, 2023				
	Beginning Balance	Additions	Deletions	Contributed Assets	Ending Balance
<u>SEWER</u>					
Capital Assets Not Being Depreciated					
Land (Log Pond)	\$ 483,642	\$ -	\$ -	\$ -	\$ 483,642
Total Capital Assets, Not Being Depreciated	<u>483,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>483,642</u>
Other Capital Assets					
Waste Disposal Facilities	240,700	-	-	-	240,700
Fencing	15,342	-	-	-	15,342
Generator and Propane Tank	30,088	-	-	-	30,088
Vehicles	46,722	-	-	-	46,722
Collection System	109,720	-	-	-	109,720
Wastewater Distribution Lines	84,960	-	-	-	84,960
Collection Lines	1,400,000	-	-	-	1,400,000
Office Equipment	1,500	-	-	-	1,500
Equipment	14,382	-	-	-	14,382
Primary Clarifier	192,144	-	-	-	192,144
Phase 3 Contribution	914,445	-	-	-	914,445
Total Other Capital Assets	<u>3,050,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,050,003</u>
Less: Accumulated Depreciation	<u>(279,241)</u>	<u>(88,652)</u>	<u>-</u>	<u>-</u>	<u>(367,893)</u>
Capital Assets, Net	<u>\$ 3,254,404</u>	<u>\$ (88,652)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,165,752</u>

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2023

NOTE 4 — LONG TERM DEBT

The District received a loan through Umpqua Bank for \$1,171,000 at 2.98% interest with payments beginning 4/1/2020 for future ADA improvements to public buildings in Scotia. The maturity date is October 2036. Payments are due April 1 and October 1 each year.

The following are principal and interest requirements for the next five years until the maturity date:

<u>Years Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	60,000	28,638	88,638
2025	62,000	26,835	88,835
2026	63,000	24,987	87,987
2027	65,000	23,095	88,095
2028	67,000	21,143	88,143
2029-2033	366,000	74,336	440,336
2034-2036	<u>293,000</u>	<u>17,761</u>	<u>310,761</u>
Total	<u>\$ 976,000</u>	<u>\$ 216,795</u>	<u>\$ 1,192,795</u>

NOTE 5 – PENSION PLAN AND EMPLOYEE BENEFIT TRUST

The District adopted The Scotia Community Services District Public Agency Retirement Services (PARS) Defined Contribution Plan (the Plan) effective September 1, 2018 for the benefit of its eligible employees to provide retirement benefits to the employees. The Plan and Trust were established to hold assets of the Plan which qualifies under Section 401(a) as a governmental profit-sharing plan.

It is the intention of the employer to make contributions to the Plan equal to 7% of compensation. Such contributions will be made before the close of the Plan Year and be allocated to each participant in the ratio that each participant’s compensation bears to the compensation of all participants. The employee will make mandatory contributions equal to 7% of compensation.

The employees are fully vested in their employee contribution account. Vesting in the employer contribution account occurs within 5 years of service with the employer. Should an employee terminate before being fully vested, they shall forfeit that portion of their account in which they are not vested.

Total retirement plan contribution expense for 2023 was \$6,655.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2023

NOTE 6 — PARTICIPATION IN INSURANCE AUTHORITIES

The District is a member of the Special District Risk Management Authority (SDRMA). SDRMA is a not-for-profit public agency formed under California Government Code and provides a full-service risk management program for California’s local governments. SDRMA provides comprehensive property, liability, and workers compensation protection. Each member organization pays a premium based on the level of coverage requested. Rates and/or premiums are reviewed and established annually by SDRMA’s Board of Directors. Member organizations share surpluses and deficits proportionately to their participation in the SDRMA. Each entity has an equal voice in the selection of SDRMA’s Board of Directors.

A summary of coverage under this arrangement for the fiscal year ended June 30, 2023 is as follows:

General liability and auto bodily injury and property damage coverage	\$2.5 million per occurrence/accident
Public Officials personal	\$500,000 per occurrence
Errors & Omissions	\$2.5 million per occurrence
Employee/Public Officials Dishonesty	\$1 million per occurrence
Property Pollution	\$2 million per occurrence
Public Officials Personal liability coverage	\$500,000 per occurrence
Employment Practices Aliability	\$2.5 million per occurrence
Employment Benefits	\$2.5 million per occurrence
Property Loss	\$1 billion per occurrence
Boiler & Machinery	\$100 million per occurrence

NOTE 7 – CONCENTRATIONS

The District maintains cash balances at two financial institutions. Accounts in the aggregate are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At June 30, 2023, uninsured cash balances were \$1,679,357.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2023

NOTE 8 — SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2023, the date the financial statements were available to be issued.

The Town of Scotia, LLC is improving the infrastructure throughout the town in multiple phases. In August 2018, Phase 2 was completed and additional distribution and collection lines for water and sewer with an estimated fair market value of \$1,600,000 were transferred to the District. Phase III was completed in 2022, with the Town of Scotia, LLC transferring infrastructure valued at \$2,098,376 to the District.

The Town of Scotia, LLC transferred the Utility Corridor Infrastructure and River Pumps on August 17, 2023. The contribution value calculated by the project engineer amounts to \$2,198,808.

The District and State Water Resources Control Board signed an agreement D2101027 on October 26, 2022 for the Scotia Wastewater Treatment Facility replacement project C-06-8467-110. The estimated project funding amount is \$537,000 which covers geotechnical and environmental studies, and preliminary engineering reports to develop environmental documents to enable the District to address deficiencies in the wastewater treatment facility. This planning and design project is from June 30, 2023 through March 31, 2024.

The District and State Water Resources Control Board signed an agreement D2202061 on August 23, 2023 for the Scotia Water Treatment Facility replacement. This project 1210010-001P is to evaluate the water system needs including replacing the one-million-gallon raw water storage tank and 488,740 gallon treated water storage tank. This project is estimated to start January 2025, and continue through June 2026. Principal forgiveness for this Drinking Water Planning Loan is \$1,133,000.

NOTE 9 — OPERATING TRANSFERS

During the year ended June 30, 2023, the District made operating transfers to cover the allocable costs of the building acquired for use as the District’s Administrative office. The allocations were based on estimates generated by project engineers in the District’s original budgeting process. A summary of the items and amounts are as follows:

Capital Outlay - Building Improvements	\$	-
Debt Service Payments - Interest		4,341
Debt Service Payments - Principal		<u>8,410</u>
 Total Allocable Expenditures	 \$	 12,751
 Allocated to Water Fund - 40%	 \$	 5,100
Allocated to Sewer Fund - 35%		<u>4,463</u>
 Total Interfund Transfers	 \$	 <u><u>9,563</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

SCOTIA COMMUNITY SERVICE DISTRICT
Budgetary Comparison Schedule
Budget and Actual - Governmental Funds
For the Year Ended June 30, 2023

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Rental Income	\$ 1,000	\$ 1,000	\$ 196	\$ (804)
Benefit Assessments	282,600	273,150	256,099	(17,051)
Interest Income	6,000	1,000	537	(463)
Late fees	10,000	(9,000)	(8,232)	768
Miscellaneous	1,700	625	238	(387)
		-		
Total Revenues	<u>301,300</u>	<u>266,775</u>	<u>248,838</u>	<u>(17,937)</u>
EXPENDITURES				
Current Expenditures:				
General and Administrative				
Legal	3,000	3,000	-	3,000
Auditor	2,100	2,100	-	2,100
Board Stipend	420	420	-	420
Bookkeeping	360	360	-	360
IT Services	60	60	-	60
Engineering	1,700	1,700	-	1,700
Personnel Staff & Benefits	41,551	43,500	26,604	16,896
Allocated Admin Costs	27,081	27,325	79,886	(52,561)
Materials and Services				
Permits, Licenses, Dues, Publications	1,500	2,500	2,372	128
General Supplies, Lab, Monitoring	2,000	2,000	1,350	650
Utilities- Communications	3,500	5,500	4,655	845
General Maintenance & Repairs	7,000	7,000	3,584	3,416
Liability Insurance	20,150	20,150	20,189	(39)
Electrical	20,000	23,000	19,875	3,125
Contracted Maintenance Services	8,500	8,500	3,925	4,575
Travel, Training, Meetings	-	-	-	-
Other	500	-	1,323	(1,323)
Office Supplies	-	-	-	-
Total Current Expenditures	<u>139,422</u>	<u>147,115</u>	<u>163,763</u>	<u>(16,648)</u>
Other Expenditures				
Annual Debt Service	30,381	30,381	29,935	446
Note Payable Principal	58,000	58,000	58,000	-
Transfer to Reserve Fund	-	-	-	-
Transfer to Equipment Replacement	-	-	-	-
Total Other Expenditures	<u>88,381</u>	<u>88,381</u>	<u>87,935</u>	<u>446</u>
Non-Current Expenditures:				
Capital Outlay	604,000	600,000	607,380	(7,380)
Total Expenditures	<u>831,803</u>	<u>835,496</u>	<u>859,078</u>	<u>(23,582)</u>
Excess (Deficiency) of Revenues Over Expenditures	(530,503)	(568,721)	(610,240)	(41,519)
Operating Transfers	-	-	9,563	9,563
Excess (Deficiency) of Revenue and Other Transfers Over (Under) Expenditures		<u>\$ (568,721)</u>	<u>(600,677)</u>	<u>\$ (31,956)</u>
FUND BALANCE - Beginning			949,775	
PRIOR PERIOD ADJUSTMENT			-	
FUND BALANCE - Ending			<u>\$ 349,098</u>	

RESOLUTION NO. 2024-2

**A RESOLUTION OF THE
SCOTIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS
TO ACCEPT THE INDEPENDENT AUDIT REPORT FOR JULY 1, 2022-JUNE 30, 2023**

WHEREAS CA Government Code §26909 requires that the financial statements of Special Districts be audited annually by independent public auditors in accordance with standards applicable to financial audits contained in Government Audit Standards issued by the Controller General of the United States and guidelines; and

WHEREAS an independent audit report of the Scotia Community Services District for fiscal year 2022-23 has been completed by the certified public accounting firm of Anderson, Lucas, Somerville & Borges; and

WHEREAS, the audit report complies with all independent audit reporting and information requirements as specified by Generally Accepted Accounting Principles, Generally Accepted Auditing Standards, and the Minimum Audit Requirements of California Special Districts issued by the State Controller’s Office; and

WHEREAS, the Annual Financial Statement for the Scotia Community Services District present fairly, in all material respects, the respective financial position of the business-type activities, the seven major funds, and the aggregate remaining fund information of the Scotia Community Services District, as of June 30, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Scotia Community Service District as follows:

Section 1: The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 2: The Fiscal Year 2022-2023, ending June 30, 2023, Independent Audit Report has been accepted attached as Exhibit A.

This resolution shall be effective upon its adoption.

Dated: February 20th, 2024

APPROVED:

Paul Newmaker, Board President, Scotia CSD

ATTEST:

Board Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2024-2, passed and adopted at a regular meeting of the Scotia Community Service District Board of Directors, County of Humboldt, State of California, held on the 20th day of February 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Board Clerk, Scotia CSD