

Cortina Community Services District  
PO Box 43  
Arbuckle CA 95912

Karl Drexel, General Manager  
(707) 318-7369  
[karl@kdmanagement.us](mailto:karl@kdmanagement.us)



Rod Bradford, Chairman  
Dolores Gomez, Vice Chair  
Kimberly Valles, Director  
Victor Zarate, Director  
Lacey Gimple, Director

## AGENDA

Regular Meeting  
Arbuckle Golf Course  
5918 Hillgate Rd, Arbuckle, CA 95912  
September 25, 2023, at 6 pm

1. **CALL TO ORDER AND ESTABLISH QUORUM:**  
Cortina CSD Board of Directors Roll Call: President: Bradford\_\_\_\_ Members: Gomez \_\_\_\_\_ Valles \_\_\_\_\_ Zarate \_\_\_\_\_ Gimple\_\_\_\_\_
2. **PLEDGE OF ALLEGIANCE:**
3. **PUBLIC COMMENTS:** *(Each speaker is limited to two minutes)*  
*Members of the public are appreciated for taking the time to attend this meeting and provide comments on matters of District business. Any member of the public may address the Board relating to any matter within the District's jurisdiction. This need not be related to any item on the agenda; however, the Board cannot act on an item unless it was noticed on the agenda.*
4. **CONSENT CALENDAR:**  
*Items listed on the consent agenda are considered routine and may be enacted in one motion. Any item may be removed for discussion at the request of the Board or the Public.*
  - a) Approval of Minutes: Regular Meeting July 24, 2023
  - b) Ratification of July-August 2023 Disbursements
  - c) Approval of September Payables
  - d) Review YTD Financials
5. **DISCUSSION / REPORTS: ACTION ITEMS:**
  - a) Discuss the Community Facilities District dismantle and LAFCo approval.
  - b) Review and adopt Resolution 23-24-02 regarding holding virtual meetings.
  - c) Review and discuss the Colusa County Hazard Mitigation Plan revisions.
  - d) Review and approve 2020-2021 and 2021-2022 Audited Financial Statements and Management Letter
6. **CORRESPONDENCE, STAFF and BOARD MEMBER REPORTS:** Updates and New Business
  - a) Form 700;s and Ethics and Harassment training.
7. **ADJOURNMENT:**  
Meeting agendas and written materials supporting agenda items, if produced, can be received by the public for free in advance of the meeting by any of the following options:
  - A paper copy mailed pursuant to a written request and payment of associated mailing fees.
  - An electronic copy received by email. Note – if you would like electronic copies, please email the General Manager at [karl@kdmanagement.us](mailto:karl@kdmanagement.us) prior to the Board meeting.
  - On the CSD Website on the Friday proceeding each regular meeting date. A limited amount of meeting materials will also be available at the meeting. The next Cortina CSD Board Meeting is scheduled to be held on October 23, 2023 at 6:00 pm at the Arbuckle Golf Club

# CONSENT CALENDAR

**Cortina Community Services District**  
P.O. Box 43  
Arbuckle, CA 95912

**DIRECTORS**  
Rod Bradford, Chair  
Dolores Gomez, Vice-Chair  
Kimberly Valles, Director  
Victor Zarate, Director  
Lacey Gimple, Director

## Regular Meeting of the Board of Directors

July 24, 2023 at 6:00 pm

### Minutes

- 1. CALL TO ORDER** – Board President Rod Bradford called the meeting to order at 6:10 pm via Zoom

**ROLL CALL** – Present via Zoom were board members Rod Bradford, Dolores Gomez, Victor Zarate, and Lacey Gimple. Kimberly Valles was absent. Also present, General manager, Karl Drexel of KD Management Services, LLC.

- 2. PLEDGE ALLEGIANCE** – Rod Bradford led the Pledge of Allegiance

- 3. PUBLIC COMMENT** – No public comment

- 4. CONSENT CALENDAR**

The consent Calendar was presented for the approval of the Minutes of the Regular Meeting June 26, 2023, 2023, Ratification of June Disbursements, Approve Payables for July 2023, Review YTD Financials.

|                 |                                                          |                     |                 |
|-----------------|----------------------------------------------------------|---------------------|-----------------|
| Motion made by: | Dolores Gomez to Approve the Consent Calendar            | Motion seconded by: | Victor Zarate   |
| Ayes:           | Rod Bradford, Dolores Gomez, Victor Zarate, Lacey Gimple | Noes:               | None            |
| Abstained:      | None                                                     | Absent              | Kimberly Valles |

- 5. DISCUSSION / REPORTS: ACTION ITEMS**

- DISCUSS BOTANICA MAINTENANCE** The General Manger noted Botanica did not provide a budget for the irrigation repairs. Discussion was held regarding the developments being very dry and it appeared nothing was being watered. Lacey noted that many of the bushes are dying, and it will cost us thousands of dollars to replace them. Rod and Victor offered to check out the controllers to determine if they were turned off, or if there is a water shutoff or PGE shutoff. The consensus was that Botanica is not improving their service, it is getting worse. There are piles of debris that haven't been picked up, the pathways are being mowed and now there is no water. The manager noted that he would get a hold of them again and see what they say.
- DISCUSS CREEK LEVEE STABILIZATION AND FEMA PUBLIC ASSISTANCE PROJECT** The General Manager reported that he and Rod had talked to the OES again and were informed that because we do not have a Local Hazard Mitigation Plan, FEMA is not going to accept our project for Salt Creek. The County has an LHMP that is up for renewal, but there is not enough time to get us adopted into their plan. He reported that he had suggested to Jackie Olivares that the County go in as the lead agency for the repairs with FEMA, but has not heard whether or not they would. Dolores offered to talk to her and see if that might help.

**Cortina Community Services District**  
P.O. Box 43  
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**DIRECTORS**  
Rod Bradford, Chair  
Dolores Gomez, Vice-Chair  
Kimberly Valles, Director  
Victor Zarate, Director  
Lacey Gimple, Director

- c) **DISCUSS THE COMMUNITY FACILITIES DISTRICT DISMANTLE AND LAFCO APPROVAL.** The General Manager reported that he had advised the District’s attorney that the Board had decided to eliminate the community Finance District that was formed in 2006 as a temporary funding mechanism for Police and Fire Services. He also reminded the Board that those services are part of the District’s latent powers, and the LAFCO is going to have to approve us dropping those powers. That is why it needs to go through the attorney, so we do it right. He also reminded the Board that the assessment charged by the District, if stopped, would also have an adverse effect on the Sherriff’s Office which is also the OES Office for the County.
- d) **DISCUSS SDRMA BOARD ELECTIONS AND VOTE BY BALLOT** The Manager submitted the information for the SDRMA election of Board members for the upcoming four years. He noted he only knew a couple of the candidates, but they all had resumes to review.

|                 |                                                          |                     |                 |
|-----------------|----------------------------------------------------------|---------------------|-----------------|
| Motion made by: | Dolores Gomez to vote for the incumbents                 | Motion seconded by: | Victor Zarate   |
| Ayes:           | Rod Bradford, Dolores Gomez, Victor Zarate, Lacey Gimple | Noes:               | None            |
| Abstained:      | None                                                     | Absent              | Kimberly Valles |

- e) **REVIEW AND ADOPT RESOLUTION 23-24-01 REGARDING HOLDING VIRTUAL MEETINGS** The Manager submitted Resolution 23-24-01 allowing a virtual meeting in the instance of an emergency.

|                 |                                                                                       |                     |                 |
|-----------------|---------------------------------------------------------------------------------------|---------------------|-----------------|
| Motion made by: | Dolores Gomez to adopt Resolution 23-24-01 to hold virtual meetings when an emergency | Motion seconded by: | Lacey Gimple    |
| Ayes:           | Rod Bradford, Dolores Gomez, Victor Zarate, Lacey Gimple                              | Noes:               | None            |
| Abstained:      | None                                                                                  | Absent              | Kimberly Valles |

**6. STAFF AND BOARD MEMBER REPORTS**

- 7. **ADJOURNMENT:** Adjourn at 6:56 pm – Next meeting will be a Regular Meeting to be held on August 28, 2023, at 6 pm at the Arbuckle Golf Club.

**Cortina Community Services District**  
P.O. Box 43  
Arbuckle, CA 95912



**DIRECTORS**  
Rod Bradford, Chair  
Dolores Gomez, Vice-Chair  
Kimberly Valles, Director  
Victor Zarate, Director  
Lacey Gimple, Director

Approved

Attest



Rod Bradford, Chair



Karl Drexel, Secretary

## Cortina Community Services District Check Detail

August 1 through September 21, 2023

| Type            | Num    | Date       | Name                 | Account        | Original Amount |
|-----------------|--------|------------|----------------------|----------------|-----------------|
| Bill Pmt -Check | 467594 | 08/02/2023 | Arbuckle PUD         | 03512 Riv Glen | -88.53          |
| Bill Pmt -Check | 467594 | 08/02/2023 | Arbuckle PUD         | 03511 Red Ranc | -211.76         |
| Bill Pmt -Check | 467917 | 08/15/2023 | Arbuckle PUD         | 03511 Red Ranc | -211.76         |
| Bill Pmt -Check | 467917 | 08/15/2023 | Arbuckle PUD         | 03512 Riv Glen | -54.60          |
| Bill Pmt -Check | 467933 | 08/15/2023 | KD Management        | 03511 Red Ranc | -1,871.10       |
| Bill Pmt -Check | 467933 | 08/15/2023 | KD Management        | 03512 Riv Glen | -510.30         |
| Bill Pmt -Check | 467933 | 08/15/2023 | KD Management        | 03513 Wildwood | -453.60         |
| Bill Pmt -Check | 467936 | 08/15/2023 | PGE                  | 03511 Red Ranc | -440.50         |
| Bill Pmt -Check | 467936 | 08/15/2023 | PGE                  | 03512 Riv Glen | -170.63         |
| Bill Pmt -Check | 467936 | 08/15/2023 | PGE                  | 03513 Wildwood | -97.51          |
| Bill Pmt -Check | 467949 | 08/15/2023 | Botanica Landscapes  | 03511 Red Ranc | -2,800.00       |
| Bill Pmt -Check | 467949 | 08/15/2023 | Botanica Landscapes  | 03511 Red Ranc | -750.00         |
| Bill Pmt -Check | 467983 | 08/17/2023 | Streamline           | 03511 Red Ranc | -41.58          |
| Bill Pmt -Check | 467983 | 08/17/2023 | Streamline           | 03512 Riv Glen | -11.34          |
| Bill Pmt -Check | 467983 | 08/17/2023 | Streamline           | 03513 Wildwood | -10.08          |
| Bill Pmt -Check | 468499 | 09/07/2023 | PGE                  | 03511 Red Ranc | -454.38         |
| Bill Pmt -Check | 468499 | 09/07/2023 | PGE                  | 03512 Riv Glen | -172.46         |
| Bill Pmt -Check | 468499 | 09/07/2023 | PGE                  | 03513 Wildwood | -98.55          |
| Bill Pmt -Check | 468533 | 09/07/2023 | Botanica Landscapes  | 03511 Red Ranc | -2,800.00       |
| Bill Pmt -Check | 468533 | 09/07/2023 | Botanica Landscapes  | 03512 Riv Glen | -750.00         |
| Bill Pmt -Check | 468542 | 09/07/2023 | Boxwood Landscaping  | 03511 Red Ranc | -2,169.24       |
| Bill Pmt -Check | 468542 | 09/07/2023 | Boxwood Landscaping  | 03512 Riv Glen | -2,169.23       |
| Bill Pmt -Check | 468628 | 09/12/2023 | Richardson & Company | 03511 Red Ranc | -4,837.80       |
| Bill Pmt -Check | 468628 | 09/12/2023 | Richardson & Company | 03512 Riv Glen | -1,319.40       |
| Bill Pmt -Check | 468628 | 09/12/2023 | Richardson & Company | 03513 Wildwood | -1,172.80       |
| Bill Pmt -Check | 468827 | 09/21/2023 | Arbuckle PUD         | 03511 Red Ranc | -211.76         |
| Bill Pmt -Check | 468827 | 09/21/2023 | Arbuckle PUD         | 03512 Riv Glen | -61.07          |
| Bill Pmt -Check | 468832 | 09/21/2023 | KD Management        | 03511 Red Ranc | -1,683.00       |
| Bill Pmt -Check | 468832 | 09/21/2023 | KD Management        | 03512 Riv Glen | -459.00         |
| Bill Pmt -Check | 468832 | 09/21/2023 | KD Management        | 03513 Wildwood | -408.00         |
| Bill Pmt -Check | 468837 | 09/21/2023 | Streamline           | 03511 Red Ranc | -41.58          |
| Bill Pmt -Check | 468837 | 09/21/2023 | Streamline           | 03512 Riv Glen | -11.34          |
| Bill Pmt -Check | 468837 | 09/21/2023 | Streamline           | 03513 Wildwood | -10.08          |
| Bill Pmt -Check | 468841 | 09/21/2023 | Boxwood Landscaping  | 03512 Riv Glen | -976.69         |
| Bill Pmt -Check | 468841 | 09/21/2023 | Boxwood Landscaping  | 03511 Red Ranc | -976.70         |
|                 |        |            |                      | Total          | -28,506.37      |

**Cortina Community Services District**  
**September Payables**  
As of September 25, 2023

| <u>Type</u> | <u>Date</u> | <u>Name</u>         | <u>Due Date</u> | <u>Open Balance</u> |
|-------------|-------------|---------------------|-----------------|---------------------|
| Bill        | 10/01/2023  | Arbuckle PUD        | 11/01/2023      | 266.36              |
| Bill        | 09/25/2023  | KD Management       | 09/25/2023      | 3,309.00            |
| Bill        | 09/25/2023  | PGE                 | 10/25/2023      | 750.00              |
| Bill        | 10/01/2023  | Streamline          | 11/01/2023      | 63.00               |
| Bill        | 09/25/2023  | Botanica Landscapes | 10/25/2023      | 750.00              |
| Bill        | 07/25/2023  | Botanica Landscapes | 10/28/2023      | 2,800.00            |
|             |             |                     |                 | <u>7,938.36</u>     |

**Cortina Community Services District**  
**Profit & Loss by Class**  
**July 1 through September 23, 2023**

|                                            | 03511 - Reddington Ranch | 03512 - River Glen | 03513 - Wildwood | TOTAL             |
|--------------------------------------------|--------------------------|--------------------|------------------|-------------------|
| <b>Ordinary Income/Expense</b>             |                          |                    |                  |                   |
| <b>Income</b>                              |                          |                    |                  |                   |
| 410510 · Property Assessment               | 154,008.00               | 43,524.00          | 34,596.00        | 232,128.00        |
| 44190 · Interest                           | 3,034.28                 | 1,007.57           | 158.40           | 4,200.25          |
| 441901 · Interest Adj. to Mkt Value        | -10,659.56               | 0.00               | 0.00             | -10,659.56        |
| <b>Total Income</b>                        | 146,382.72               | 44,531.57          | 34,754.40        | 225,668.69        |
| <b>Expense</b>                             |                          |                    |                  |                   |
| 53175 · Insurance Expense                  | 1,902.65                 | 518.91             | 461.25           | 2,882.81          |
| 53180 · Professional Services              |                          |                    |                  |                   |
| 53181 · Accounting/Audit                   | 4,837.80                 | 1,319.40           | 1,172.80         | 7,330.00          |
| 53182 · Consulting                         | 4,913.70                 | 1,340.10           | 1,191.20         | 7,445.00          |
| 53185 · Landscape Maintenance              | 8,745.94                 | 4,645.92           | 0.00             | 13,391.86         |
| <b>Total 53180 · Professional Services</b> | 18,497.44                | 7,305.42           | 2,364.00         | 28,166.86         |
| 53260 · Utilities                          |                          |                    |                  |                   |
| 53262 · Street Lights                      | 894.88                   | 343.09             | 196.06           | 1,434.03          |
| 53264 · Water Service                      | 635.28                   | 204.20             | 0.00             | 839.48            |
| <b>Total 53260 · Utilities</b>             | 1,530.16                 | 547.29             | 196.06           | 2,273.51          |
| 53265 - Web Hosting                        | 124.74                   | 34.02              | 30.24            | 189.00            |
| <b>Total Expense</b>                       | 22,054.99                | 8,405.64           | 3,051.55         | 33,512.18         |
| <b>Net Ordinary Income</b>                 | 124,327.73               | 36,125.93          | 31,702.85        | 192,156.51        |
| <b>Net Income</b>                          | <b>124,327.73</b>        | <b>36,125.93</b>   | <b>31,702.85</b> | <b>192,156.51</b> |



DISCUSSION / REPORTS

ACTION ITEMS



## *CORTINA COMMUNITY SERVICES DISTRICT*

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**TO: CORTINA BOARD OF DIRECTORS**

**MEETING DATE: SEPTEMBER 25, 2023**

**FROM: KARL DREXEL, GENERAL MANAGER**

**SUBJECT: DISCUSS DISMANTLING OF COMMUNITY FACILITIES DISTRICT**

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### **BACKGROUND:**

Discussion has been taking place over several years about dismantling the Community Facilities District. In 2006, when the Cortina CS was formed by the County to be responsible for the street maintenance, flood control and streetlights for the County, a Community Facilities District was formed as well. This CFD was supposed to be a temporary venue for funding the Police and Fire Departments to provide services to the District until the developments were built out and the County got the 1% property tax under Prop 13.

Subsequent to the formation of the CFD, LAFCO approved the formation of the Cortina CSD. Among the latent powers, the County wanted the District to take over, such as Street lights, street maintenance, and flood control, they also included the latent powers of providing police and fire services to the residents.

In order to dismantle the CFD, the District needs to petition LAFCO to remove the Police and Fire services from our list of latent powers and turn them over to the County.

I have requested assistance from the District's attorney, Prentice | Long, in order to make sure that all legal avenues are taken and that all of the required documents are presented.

### **RECOMMENDATION:**

No action necessary.

**From:** [Karl Drexel](#)  
**To:** "Margaret Long"  
**Subject:** RE: Community Facilities District Dismantling  
**Date:** Friday, September 22, 2023 5:56:00 PM

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I can get them to you again. I'll work on the financials, but our budgets do not include the CFD, since it is a pass through account. We don't see it. We had a conversation with our local Supervisor and the County Administrator several months ago and the consensus of both of them was that we could do anything we wanted. Problem is our latent powers still include Police and fire services, which we want to have removed. We have not talked to LAFCO. Not even sure Colusa has an active LAFCO.

Karl

***Cortina Community Services District  
Gateway to Colusa County***

Karl Drexel, CSDM, General Manager  
PO Box 43  
Arbuckle, CA 95912  
Direct (707) 318-7369  
Fax (530) 331-0809  
[karl@kdmanagement.us](mailto:karl@kdmanagement.us)

REMEMBER: WASH YOUR HANDS AND STAY HEALTHY

 Please consider the environment before you print

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**From:** Margaret Long <Margaret@prenticelongpc.com>  
**Sent:** Friday, September 22, 2023 5:47 PM  
**To:** 'karl@kdmanagement.us' <karl@kdmanagement.us>  
**Subject:** RE: Community Facilities District Dismantling

The request is understood. Have you had any formal meetings with the County? What are the current finances of the District (if I could get last two year budgets it would be great)? Do you have the formation documents, or do you need me to get them from LAFCO?

**Margaret E. Long**  
**PARTNER**

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**t: 530.691.0800 f: 530.691.0700**  
2240 Court St, Redding, CA 96001  
**WWW.PRENTICELONGPC.COM**

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*prentice* | **LONG**<sub>pc</sub>

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**From:** Karl Drexel <[karl@kdmanagement.us](mailto:karl@kdmanagement.us)>

**Sent:** Friday, September 22, 2023 10:55 AM  
**To:** Margaret Long <[Margaret@prenticelongpc.com](mailto:Margaret@prenticelongpc.com)>  
**Subject:** FW: Community Facilities District Dismantling

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**From:** Karl Drexel <[karl@kdmanagement.us](mailto:karl@kdmanagement.us)>  
**Sent:** Monday, September 18, 2023 3:12 PM  
**To:** Margaret Long <[Margaret@prenticelongpc.com](mailto:Margaret@prenticelongpc.com)>  
**Subject:** Community Facilities District Dismantling

Thanks for getting back to me so quickly earlier today. That was a big help.

The Cortina CSD Board would like to pursue the dismantling of the Community Facilities District (CFD), which receives assessments of \$781.14 from all 209 parcels in the District for Fire and Police services. This money is collected and dispersed by the County Auditor to the County Sheriff's Office and the Arbuckle Fire District. Of course the Cortina CSD does not receive any additional services that are commonly provided to all other residents in Colusa County. However, the CFD was formed in 2006 when the CSD was formed to provide interim (temporary) services while the District was built out and the 1% property tax was fully implemented. That time has come. However, the formation documents of the CSD list Police and Fire Services as latent powers of the Cortina CSD. We would like to remove those latent powers from the CSD and have the County provide them as they do for every other resident and housing development. We would like you to pursue this with Colusa LAFCo, so the CSD can move forward with dismantling the CFD. Please advise as to how to go about this. Thanks

Karl

***Cortina Community Services District***  
***Gateway to Colusa County***

Karl Drexel, CSDM, General Manager  
PO Box 43  
Arbuckle, CA 95912  
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REMEMBER: WASH YOUR HANDS AND STAY HEALTHY

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## *CORTINA COMMUNITY SERVICES DISTRICT*

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**TO: CORTINA BOARD OF DIRECTORS**

**MEETING DATE: SEPTEMBER 25, 2023**

**FROM: KARL DREXEL, GENERAL MANAGER**

**SUBJECT: DISCUSS AND APPROVE RESOLUTION 23-24-02  
AUTHORIZING REMOTE MEETINGS**

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**BACKGROUND:**

As we have been doing for the last couple of months, this resolution extends the opportunity to hold remote, hybrid or in person meetings. As required by SB361, this resolution has to be passed every 30 days.

**RECOMMENDATION:**

Staff recommends the Board review and approve Resolution 23-24-02 authorizing remote or hybrid Board meetings



## **RESOLUTION 23-24-02**

September 25, 2023

### **A RESOLUTION OF THE CORTINA COMMUNITY SERVICES DISTRICT MAKING FINDINGS AND DETERMINATIONS UNDER AB 361 FOR CONTINUED VIRTUAL MEETINGS**

**WHEREAS**, the Ralph M. Brown Act (Gov. Code § 54950 *et seq.*) generally requires local agencies meeting via teleconference, including through other virtual or electronic means, to provide public access at each location in which members of the legislative body are teleconferencing; and

**WHEREAS**, in 2021 the Legislature enacted Assembly Bill 361, Chapter 165, Statutes of 2021 ("AB 361"), which amended Government Code section 54953 to allow local agencies to meet fully virtually during a proclaimed state of emergency or if state or local officials have imposed or recommended measures to promote social distancing; and

**WHEREAS**, the Governor declared a state of emergency on March 4, 2020 due to the COVID- 19 pandemic, which expired on February 28, 2023; and

**WHEREAS**, to continue meeting by remote teleconferencing means without complying with section 54953(b)(3), a required condition is that state or local officials have imposed or recommended measures to promote social distancing, and that the legislative body continues to make certain findings by majority vote at least every 30 days; and

**WHEREAS**, the California Division of Occupational Safety and Health ("Cal/OSHA") regulations at Title 8 Section 3205 recommend physical distancing in the workplace as precautions against the spread of COVID-19 and imposes certain restrictions and requirements due to a "close contact" which occurs when individuals are within six feet of another in certain circumstances; and

**WHEREAS**, the Centers for Disease Control and Prevention continue to recommend avoiding contact and keeping a safe distance from a person who has a suspected or confirmed case of COVID-19; and;

**WHEREAS**, to allow for physical distancing and remote meeting attendance in accordance with these recommended measures, Cortina CSD does hereby find that Cortina CSD, and each of its committees, shall conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e)(3) of section 54953, and that Cortina CSD shall comply with the requirements to provide the public with access to the meetings electronically as prescribed in paragraph (2) of subdivision (e) of section 54953.

**NOW THEREFORE, BE IT RESOLVED**, the Board of Directors of the Cortina Community Services District hereby finds, determines, and resolves as follows:

1. The foregoing recitals are true and correct.
2. Cortina CSD hereby recognizes that state and local officials continue to recommend social distancing measures, which can impact the ability of Cortina CSD and the public to meet safely in person.
3. Cortina CSD shall conduct public meetings in accordance with Government Code section 54953{e}(3) and other applicable provisions of the Brown Act for remote only teleconference meetings.

**PASSED, APPROVED, and ADOPTED**, by the Board of Directors of the Cortina Community Services District, on this 25<sup>th</sup> day of September 2023, by the following vote:

Ayes:

Noes:

Abstained:

Absent:

APPROVED :

ATTESTED:

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Karl Drexel, Secretary

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Rod Bradford, President



## *CORTINA COMMUNITY SERVICES DISTRICT*

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**TO: CORTINA BOARD OF DIRECTORS**

**MEETING DATE: SEPTEMBER 25, 2023**

**FROM: KARL DREXEL, GENERAL MANAGER**

**SUBJECT: DISCUSS AND APPROVE PARTICIPATION WITH COLUSA OES ON LOCAL HAZARD MITIGATION PLAN**

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### **BACKGROUND:**

During the last National Disaster, Salt Creek bank was eroded from high flowing water. It would have been approved for mitigation funds if the District was part of a Local Hazard Mitigation Plan. There was not enough time to have a LHMP for the District done and the cost (~\$100,000-\$150,000) would have been ludicrous. There also was not enough time to get the County to be the lead agency or to have the Cortina CSD adopted into the County plan.

The County's LHMP is due for renewal this Fiscal Year, and they are asking all of the special districts in the County if they want to participate. Looking at the list of agencies, it appears several of them will participate, or at least should. We do not know at this point who if any of the other special districts in the county will participate, but it's a fair assumption that several of them will. It is also a fair assumption that Salt Creek will have damage annually from now on. If we are going to have a chance of mitigating that damage in the future, we will need to have (or be a part of) a LHMP.

We won't know at this point what our cost will be, but there is a good argument that our donations to the Sheriff's Office over the last 15+ years might get us a place at the table.

### **RECOMMENDATION:**

Staff recommends the Board partner with Colusa County on a Local Hazard Mitigation Plan.



**From:** [Jackie Olivares](#)  
**To:** [Joseph Marsh](#); [collegcitycemetery@gmail.com](#); [Daniell Frampton](#); [mwilloh@gmail.com](#); [Carrancho Farms](#); [jim\\_marie@frontiernet.net](#); [williamsceemetery@frontiernet.net](#); [Arbuckle College City Fire Protection \[External\]](#); [Maxwell Fire](#); [Williams Fire Department \[External\]](#); [Mary Grimmer- APRD Manager](#); [maxwellparkandrecs@gmail.com](#); [ccwd2@frontiernet.net](#); [CCWW1Grimes@gmail.com](#); [kara@frontiernet.net](#); [lagrandewaterdistrict@gmail.com](#); [Andrea Roach](#); [Yahoo Mail](#); [City Manager](#); [Frank Kennedy](#); [Elizabeth Harper](#); [jbond@bondtax.net](#); [rchangus@colusa.k12.ca.us](#); [karl@kdmanagement.us](#); [christys@afes.com](#); [Beverly Walls](#); [maxpud@frontiernet.net](#); [sshadley@maxwell.k12.ca.us](#); [dmeras@pjusd.com](#); [dbaca@pjusd.org](#); [pcgid1@aol.com](#); [Meegan Nagy](#); [reclamationdistrict479@gmail.com](#); [rd1004@comcast.net](#); [mcoombs@williams.k12.ca.us](#); [kwilkins@yccd.edu](#); [TONY](#); [mwest@ccoe.net](#); [mwest@colusa-nsn.gov](#); [bmarzkewepa@gmail.com](#); [charlie.wright@kdown.org](#); [eric.wright@kdown.org](#)  
**Cc:** [Kristopher Cooper](#)  
**Subject:** Colusa County Local Hazard Mitigation update 2024  
**Date:** Tuesday, September 19, 2023 8:59:35 AM  
**Importance:** High

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Colusa County will be updating the Local Hazard Mitigation Plan as it is due for renewal. The Plan assesses community risk and vulnerability to identified hazards and proposes actions to reduce future losses from those hazards. Having an active, approved Plan is required to be eligible for federal mitigation funds in accordance with the Disaster Mitigation Act of 2000. Would your District/City/Tribe be interested in partnering with the County to develop a Multi-Jurisdictional Plan? The storms from earlier this year have perhaps helped identify some projects that can be addressed in the Plan.

Once we identify how many will partner in the development of the plan the county will have an estimate of what the contribution towards cost will be from each partner.

Please let me know if you are interested in participating by **October 3, 2023**. If your district already has a Local Hazard Mitigation Plan in place, I would appreciate knowing that as well.

Thanks,

*Jackie Olivares, OES Technician*

Colusa County Office of Emergency Services  
Colusa County Sheriff's Office  
929 Bridge Street  
Colusa, CA 95932  
530-458-0218, f 530-458-4697



*CORTINA COMMUNITY SERVICES DISTRICT*

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**TO: CORTINA BOARD OF DIRECTORS**

**MEETING DATE: SEPTEMBER 25, 2023**

**FROM: KARL DREXEL, GENERAL MANAGER**

**SUBJECT: REVIEW AND APPROVE 2020-2021 AND 2021-2022 AUDITED FINANCIAL STATEMENTS**

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**BACKGROUND:**

Richardson and Company, Independent Special District Auditors, completed the Audited Financial Statements. The AFSs are included here for review along with the Management letter, which I have already signed and submitted.

**RECOMMENDATION:**

Staff recommends the Board review the Audited Financial Statements and Management Letter and approve it. Any questions can be answered by Richardson & Co.

DISCUSSION  
DRAFT

**CORTINA COMMUNITY SERVICES DISTRICT**

Audited Financial Statements

June 30, 2022 and 2021

CORTINA COMMUNITY SERVICES DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Cortina Community Services District  
Arbuckle, California

We have audited the accompanying financial statements of the governmental activities, and each major fund, of the Cortina Community Services District (the District) as of and for the years ended June 30, 2022 and 2021, 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, and each major fund, of the District as of June 30, 2022 and 2021, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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 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 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.

### **Emphasis of a Matter**

As discussed in Note A to the financial statements, the District has not recorded infrastructure capital assets due to lack of documentation as to who owns these assets. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the 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.

The District has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by

Board of Directors  
Cortina Community Services District

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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

\_\_\_\_\_, 2023

## **BASIC FINANCIAL STATEMENTS**



CORTINA COMMUNITY SERVICES DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS AND  
GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2022

|                                                      | <u>Reddington<br/>Ranch Fund</u> | <u>River<br/>Glen Fund</u> | <u>Wildwood<br/>Estates Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> | <u>Adjustments</u>  | <u>Statement<br/>of Net<br/>Position</u> |
|------------------------------------------------------|----------------------------------|----------------------------|----------------------------------|-----------------------------------------|---------------------|------------------------------------------|
| <b>ASSETS</b>                                        |                                  |                            |                                  |                                         |                     |                                          |
| Cash and investments                                 | \$ 220,816                       | \$ 71,725                  | \$ 348                           | \$ 292,889                              | \$ -                | \$ 292,889                               |
| <b>TOTAL ASSETS</b>                                  | <u>\$ 220,816</u>                | <u>\$ 71,725</u>           | <u>\$ 348</u>                    | <u>\$ 292,889</u>                       | <u>-</u>            | <u>292,889</u>                           |
| <b>LIABILITIES AND FUND<br/>BALANCE/NET POSITION</b> |                                  |                            |                                  |                                         |                     |                                          |
| <b>LIABILITIES</b>                                   |                                  |                            |                                  |                                         |                     |                                          |
| Accounts payable                                     | \$ 4,958                         | \$ 1,300                   | \$ 570                           | \$ 6,828                                | -                   | 6,828                                    |
| <b>TOTAL LIABILITIES</b>                             | <u>4,958</u>                     | <u>1,300</u>               | <u>570</u>                       | <u>6,828</u>                            | <u>-</u>            | <u>6,828</u>                             |
| <b>FUND BALANCE</b>                                  |                                  |                            |                                  |                                         |                     |                                          |
| Unassigned                                           | 215,858                          | 70,425                     | (222)                            | 286,061                                 | (286,061)           |                                          |
| <b>TOTAL FUND BALANCE</b>                            | <u>215,858</u>                   | <u>70,425</u>              | <u>(222)</u>                     | <u>286,061</u>                          | <u>(286,061)</u>    |                                          |
| <b>NET POSITION</b>                                  |                                  |                            |                                  |                                         |                     |                                          |
| Unrestricted                                         |                                  |                            |                                  |                                         | 286,061             | <u>\$ 286,061</u>                        |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCE</b>        | <u>\$ 220,816</u>                | <u>\$ 71,725</u>           | <u>\$ 348</u>                    | <u>\$ 292,889</u>                       | <u>\$ (286,061)</u> |                                          |

The accompanying notes are an integral part of these financial statements.

CORTINA COMMUNITY SERVICES DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS AND  
GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2021

|                                                      | Reddington<br>Ranch Fund | River<br>Glen Fund | Wildwood<br>Estates Fund | Total<br>Governmental<br>Funds | Adjustments       | Statement<br>of Net<br>Position |
|------------------------------------------------------|--------------------------|--------------------|--------------------------|--------------------------------|-------------------|---------------------------------|
| <b>ASSETS</b>                                        |                          |                    |                          |                                |                   |                                 |
| Cash and investments                                 | \$ 491,526               | \$ 283,179         | \$ -                     | \$ 774,705                     | \$ -              | \$ 774,705                      |
| Due from other funds                                 | 7,838                    |                    |                          | 7,838                          | (7,838)           |                                 |
| <b>TOTAL ASSETS</b>                                  | <u>\$ 499,364</u>        | <u>\$ 283,179</u>  | <u>\$ -</u>              | <u>\$ 782,543</u>              | <u>(7,838)</u>    | <u>774,705</u>                  |
| <b>LIABILITIES AND FUND<br/>BALANCE/NET POSITION</b> |                          |                    |                          |                                |                   |                                 |
| <b>LIABILITIES</b>                                   |                          |                    |                          |                                |                   |                                 |
| Accounts payable                                     | \$ 10,077                | \$ 2,718           | \$ 1,537                 | \$ 14,332                      | -                 | 14,332                          |
| Due to other funds                                   |                          |                    | 7,838                    | 7,838                          | (7,838)           |                                 |
| <b>TOTAL LIABILITIES</b>                             | <u>10,077</u>            | <u>2,718</u>       | <u>9,375</u>             | <u>22,170</u>                  | <u>(7,838)</u>    | <u>14,332</u>                   |
| <b>FUND BALANCE</b>                                  |                          |                    |                          |                                |                   |                                 |
| Unassigned                                           | 489,287                  | 280,461            | (9,375)                  | 760,373                        | (760,373)         |                                 |
| <b>TOTAL FUND BALANCE</b>                            | <u>489,287</u>           | <u>280,461</u>     | <u>(9,375)</u>           | <u>760,373</u>                 | <u>(760,373)</u>  |                                 |
| <b>NET POSITION</b>                                  |                          |                    |                          |                                |                   |                                 |
| Unrestricted                                         |                          |                    |                          |                                | 760,373           | <u>\$ 760,373</u>               |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCE</b>        | <u>\$ 499,364</u>        | <u>\$ 283,179</u>  | <u>\$ -</u>              | <u>\$ 782,543</u>              | <u>\$ (7,838)</u> |                                 |

The accompanying notes are an integral part of these financial statements.

CORTINA COMMUNITY SERVICES DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

|                                             | Reddington<br>Ranch Fund | River<br>Glen Fund | Wildwood<br>Estates Fund | Total<br>Governmental<br>Funds | Adjustments | Statement<br>of<br>Activities |
|---------------------------------------------|--------------------------|--------------------|--------------------------|--------------------------------|-------------|-------------------------------|
| <b>REVENUES</b>                             |                          |                    |                          |                                |             |                               |
| Property taxes                              | \$ 138,466               | \$ 43,484          | \$ 16,299                | \$ 198,249                     | \$ -        | \$ 198,249                    |
| Investment income                           | (4,672)                  | (1,188)            | (40)                     | (5,900)                        | -           | (5,900)                       |
| Total revenues                              | <u>133,794</u>           | <u>42,296</u>      | <u>16,259</u>            | <u>192,349</u>                 | <u>-</u>    | <u>192,349</u>                |
| <b>EXPENDITURES/EXPENSES</b>                |                          |                    |                          |                                |             |                               |
| Services and supplies                       | 407,223                  | 252,332            | 7,106                    | 666,661                        | -           | 666,661                       |
| Total expenditures/expenses                 | <u>407,223</u>           | <u>252,332</u>     | <u>7,106</u>             | <u>666,661</u>                 | <u>-</u>    | <u>666,661</u>                |
| Change in fund balance/<br>net position     | (273,429)                | (210,036)          | 9,153                    | (474,312)                      | -           | (474,312)                     |
| Fund balance/net position,<br>July 1, 2021  | <u>489,287</u>           | <u>280,461</u>     | <u>(9,375)</u>           | <u>760,373</u>                 | <u>-</u>    | <u>760,373</u>                |
| Fund balance/net position,<br>June 30, 2022 | <u>\$ 215,858</u>        | <u>\$ 70,425</u>   | <u>\$ (222)</u>          | <u>\$ 286,061</u>              | <u>\$ -</u> | <u>\$ 286,061</u>             |

The accompanying notes are an integral part of these financial statements.

CORTINA COMMUNITY SERVICES DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

|                                                           | Reddington<br>Ranch Fund | River<br>Glen Fund | Wildwood<br>Estates Fund | Total<br>Governmental<br>Funds | Adjustments | Statement<br>of<br>Activities |
|-----------------------------------------------------------|--------------------------|--------------------|--------------------------|--------------------------------|-------------|-------------------------------|
| <b>REVENUES</b>                                           |                          |                    |                          |                                |             |                               |
| Property taxes                                            | \$ 139,263               | \$ 42,688          | \$ 4,942                 | \$ 186,893                     | \$ -        | \$ 186,893                    |
| Investment income                                         | 5,525                    | 2,966              | 228                      | 8,719                          | -           | 8,719                         |
| Total revenues                                            | <u>144,788</u>           | <u>45,654</u>      | <u>5,170</u>             | <u>195,612</u>                 | <u>-</u>    | <u>195,612</u>                |
| <b>EXPENDITURES/EXPENSES</b>                              |                          |                    |                          |                                |             |                               |
| Services and supplies                                     | 184,512                  | 52,592             | 36,199                   | 273,303                        | -           | 273,303                       |
| Total expenditures/expenses                               | <u>184,512</u>           | <u>52,592</u>      | <u>36,199</u>            | <u>273,303</u>                 | <u>-</u>    | <u>273,303</u>                |
| Excess (Deficit) of Revenues<br>Over (Under) Expenditures | (39,724)                 | (6,938)            | (31,029)                 | (77,691)                       | -           | (77,691)                      |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>                 |                          |                    |                          |                                |             |                               |
| Operating transfers in                                    | -                        | -                  | -                        | -                              | -           | -                             |
| Operating transfers out                                   | -                        | -                  | -                        | -                              | -           | -                             |
| Total other Financing<br>Sources (Uses)                   | <u>-</u>                 | <u>-</u>           | <u>-</u>                 | <u>-</u>                       | <u>-</u>    | <u>-</u>                      |
| Change in fund balance/<br>net position                   | (39,724)                 | (6,938)            | (31,029)                 | (77,691)                       | -           | (77,691)                      |
| Fund balance/net position,<br>July 1, 2020                | <u>529,011</u>           | <u>287,399</u>     | <u>21,654</u>            | <u>838,064</u>                 | <u>-</u>    | <u>838,064</u>                |
| Fund balance/net position,<br>June 30, 2021               | <u>\$ 489,287</u>        | <u>\$ 280,461</u>  | <u>\$ (9,375)</u>        | <u>\$ 760,373</u>              | <u>\$ -</u> | <u>\$ 760,373</u>             |

The accompanying notes are an integral part of these financial statements.

CORTINA COMMUNITY SERVICES DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Cortina Community Services District (the District) originated from the Community Facilities District (CFD) No. 2006-1, which is a political subdivision created under the Mello-Roos Community Facilities Act of 1982, as amended, to authorize the levy of a special tax on the taxable property within the District's boundaries. The CFD was originally established by the Colusa County Board of Supervisors in anticipation of residential developments within four zones of benefit. The Colusa County Board of Supervisors functioned as the District's Board of Directors until the property owners within the District created an independent five-member Board of Directors in May 2017. Only three of these zones of benefit have been developed as of June 30, 2022 and 2021.

The District was formed to provide a funding mechanism for the following services within its benefit zones: street lighting, street maintenance, pedestrian and/or bicycle trail maintenance, landscape maintenance, open space maintenance, collection, treatment and disposal of storm water, maintenance of drainage and floodway facilities, collection, treatment and disposal of sewage, supply of water, police services and fire protection. The special tax is assessed and collected by Colusa County to cover these services. Police and Fire Services Assessments are collected by the County and passed through to the Arbuckle Fire Department and the County Sheriff's Department by the County Auditor's office and therefore are not included in the District's financial statements. Currently water and sewer services are provided within the zones of benefit by the Arbuckle Public Utilities District, so these financial statements do not include these services.

For financial reporting purposes, the District's basic financial statement includes all financial activities that are controlled by or are dependent upon actions taken by the Board. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to local governments.

Basis of Presentation – Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity, if any, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities presents direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Since the District does not have capital assets or long-term liabilities, there are no government-wide adjustments so no reconciliation from the government-wide financials and fund financial statements is presented.

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

CORTINA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following special revenue funds that account for the revenues and the associated expenditures of fees levied on property owners within the zones of benefit that are specifically restricted for services within these zones of benefit:

Reddington Ranch Special Revenue Fund

River Glen Special Revenue Fund

Wildwood Estates Special Revenue Fund

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period, which for property taxes is 60 days. Revenues that are accrued include property taxes and interest income.

Budgetary Principles: As required by the laws of the State of California, the District prepares and legally adopts a final operating budget on or before September 1 of each fiscal year. Public hearings are conducted on the proposed final budget to review all appropriations. A budget for the year ended June 30, 2021 was not prepared.

Operating budgets are adopted for the Special Revenue Fund on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level which classifies expenditures by type of goods purchased and services obtained. The Statements of Revenues, Expenditures – Budget to Actual present revenues at the source level and expenditures at the function level. Significant amendments and appropriation transfers from contingencies must be approved by the District's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges including debt service, capital outlay, contingencies, expenditure transfers, and other financing uses.

Special Assessment: The District's principle source of revenue is voter-approved special taxes. Voter-approved special taxes are assessed and collected by Colusa County at the same time and on the same rolls as local property taxes. Taxes are levied on July 1 each year on non-exempt real property within the District's territory as of the preceding January 1 (lien date). Property taxes are payable in two installments due November 1 and February 1, and become delinquent on December 10 and April 10 for each respective installment.

Local property taxes are allocated on the Teeter Plan which results in the District receiving the cash equivalent of 100% of the taxes for that year regardless of their collection status. The County retains all penalties and interest which are collected with delinquent taxes. The District receives these taxes in installments as they are collected, beginning in November and ending in January with respect to the first installment of the special taxes

CORTINA COMMUNITY SERVICES DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and beginning in March and ending in May with respect to the second installment of the special taxes. Before June 30 of each year, the District will receive a final distribution of all tax defaulted special taxes for the preceding fiscal year.

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 expenditures/expenses during the reporting period. Actual results could differ from these estimates.

Capital Assets: Generally accepted accounting principles requires that capital assets be recorded at estimated or actual historical cost and be recorded as assets in the government-wide financial statements. Donated capital assets are to be recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. These assets would then be depreciated over the estimated useful lives of the capital assets. The infrastructure within the District's boundaries are not reflected in these financial statements. Although the developer may have deeded the infrastructure to the District, documentation on this transaction could not be located and the value of the infrastructure could not be determined.

Due to/from Other Funds: The "due to other funds" and "due from other funds" represents a cash subsidy from the Reddington Ranch fund to eliminate a negative cash balance in the Wildwood Estates fund.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted. The District only has unrestricted net position.

In the Governmental Fund Statements, the following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.
- Restricted fund balance — amounts with constraints placed on their use by those external to the District, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance — amounts that can only be used for specific purposes determined by a resolution 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 designed for that purpose.
- Unassigned fund balance — the residual classification that includes amounts not contained in the other classifications.

CORTINA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District’s Board establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The District’s committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. There were no funds with excess expenditures over appropriations in the 2022 fiscal year.

NOTE B – CASH AND INVESTMENTS

Investment policy: Cash and investments consisted of money invested into the Colusa County investment fund. California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The District has adopted the County’s investment policy. The District’s permissible investments included the following instruments:

| <u>Authorized Investment Type</u>        | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|------------------------------------------|-------------------------|----------------------------------------|-----------------------------------------|
| Local agency bonds                       | 5 years                 | None                                   | None                                    |
| U.S. Treasury securities                 | 5 years                 | None                                   | None                                    |
| U.S. Agency securities                   | 5 years                 | None                                   | None                                    |
| Bankers' acceptances                     | 180 days                | 40%                                    | 30%                                     |
| Commercial paper                         | 270 days                | 25%                                    | 10%                                     |
| Negotiable certificates of time deposits | 5 years                 | 30%                                    | None                                    |
| Repurchase agreements                    | 92 days                 | 20%                                    | None                                    |
| Medium term corporate notes              | 5 years                 | 30%                                    | None                                    |
| Money market mutual funds                | N/A                     | 20%                                    | 10%                                     |
| Mortgage pass-through securities         | 5 years                 | 20%                                    | None                                    |
| Pooled investment funds                  | N/A                     | None                                   | None                                    |

The District complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investment in the County of Colusa’s Investment Pool: The District maintains all of its cash in the County of Colusa’s cash and investment pool which is managed by the County Treasurer. The District’s cash balances invested in the County Treasurer’s cash and investment pool are stated at fair value or amortized cost, which approximates fair value. The County Board of Supervisors and the Treasury Oversight Committee have oversight responsibility for the cash and investment pool. The value of pool shares in the County that may be withdrawn is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income.



CORTINA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE B – CASH AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The weighted average maturity of the investments contained in the County's cash and investment pool was approximately 763 and 416 days as of June 30, 2022 and 2021, respectively.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. The County's investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

NOTE C – RISK MANAGEMENT

The District participates in the Special Districts Risk Management Authority (SDRMA) for insurance coverage. SDRMA is a risk-pooling self-insurance authority created under the provisions of the California Government Code Sections 6500 et. seq. Its purpose is to provide a full risk management program for California local governments. The District pays an annual premium based on its pro-rata share of charges for the pooled risk, claims adjusting, legal costs and administrative costs to operate the SDRMA. Coverage includes bodily injury, property damage, public officials personal, employment benefits, employee/public official's errors and omissions, employment practices liability, employee/public officials dishonesty and auto liability. Coverage limits range from \$500,000 to \$2,500,000. Financial statements are available from SDRMA at [sdрма.org](http://sdрма.org).

Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from the prior year.

**REQUIRED SUPPLEMENTARY INFORMATION**

CORTINA COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - REDDINGTON RANCH,  
 RIVER GLEN, AND WILDWOOD ESTATES SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2022

|                             | Reddington Ranch  |                   |                   | Variance with<br>Final Budget |
|-----------------------------|-------------------|-------------------|-------------------|-------------------------------|
|                             | Budgeted Amounts  |                   | Actual            |                               |
|                             | Original          | Final             |                   |                               |
| <b>REVENUES</b>             |                   |                   |                   |                               |
| Property taxes              | \$ 147,877        | \$ 138,604        | \$ 138,466        | \$ (138)                      |
| Investment income           | 11,359            | 11,359            | (4,672)           | (16,031)                      |
| Total revenues              | <u>159,236</u>    | <u>149,963</u>    | <u>133,794</u>    | <u>(16,169)</u>               |
| <b>EXPENDITURES</b>         |                   |                   |                   |                               |
| Services and supplies       | <u>461,158</u>    | <u>449,152</u>    | <u>407,223</u>    | <u>41,929</u>                 |
| Total expenditures          | <u>461,158</u>    | <u>449,152</u>    | <u>407,223</u>    | <u>41,929</u>                 |
| Change in fund balance      | (301,922)         | (299,189)         | (273,429)         | 25,760                        |
| Fund balance, July 1, 2021, | <u>489,287</u>    | <u>489,287</u>    | <u>489,287</u>    |                               |
| Fund balance, June 30, 2022 | <u>\$ 187,365</u> | <u>\$ 190,098</u> | <u>\$ 215,858</u> | <u>\$ 25,760</u>              |

| River Glen        |                  |                  |                               | Wildwood Estates    |                    |                 |                               |
|-------------------|------------------|------------------|-------------------------------|---------------------|--------------------|-----------------|-------------------------------|
| Budgeted Amounts  |                  | Actual           | Variance with<br>Final Budget | Budgeted Amounts    |                    | Actual          | Variance with<br>Final Budget |
| Original          | Final            |                  |                               | Original            | Final              |                 |                               |
| \$ 45,639         | \$ 43,523        | \$ 43,484        | \$ (39)                       | \$ 5,278            | \$ 9,894           | \$ 16,299       | \$ 6,405                      |
| 5,023             | 5,023            | (1,188)          | (6,211)                       | 449                 | 449                | (40)            | (489)                         |
| 50,662            | 48,546           | 42,296           | (6,250)                       | 5,727               | 10,343             | 16,259          | 5,916                         |
| 127,712           | 263,716          | 252,332          | 11,384                        | 103,609             | 13,082             | 7,106           | 5,976                         |
| 127,712           | 263,716          | 252,332          | 11,384                        | 103,609             | 13,082             | 7,106           | 5,976                         |
| (77,050)          | (215,170)        | (210,036)        | 5,134                         | (97,882)            | (2,739)            | 9,153           | 11,892                        |
| 280,461           | 280,461          | 280,461          |                               | (9,375)             | (9,375)            | (9,375)         |                               |
| <u>\$ 203,411</u> | <u>\$ 65,291</u> | <u>\$ 70,425</u> | <u>\$ 5,134</u>               | <u>\$ (107,257)</u> | <u>\$ (12,114)</u> | <u>\$ (222)</u> | <u>\$ 11,892</u>              |

# **COMPLIANCE REPORT**



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Cortina Community Services District  
Arbuckle, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund, of the Cortina Community Services District (the District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

Board of Directors  
Cortina Community Services District

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

\_\_\_\_\_, 2023



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## GOVERNANCE LETTER

To the Board of Directors  
Cortina Community Services District  
Arbuckle, California

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of the Cortina Community Services District (the District), for the years ended June 30, 2021 and 2022, and have issued our report thereon dated \_\_\_\_\_, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated August 25, 2022, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

### Planned Scope and Timing of the Audit

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

Our audit will include obtaining an understanding of the entity and its environment, including the system of 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. We noted no material weaknesses in internal controls as a result of our audit.



We are required by the audit standards to identify potential risks of material misstatement during the audit process. We have identified the following significant risk of material misstatement as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as significant risks.

We performed the audit according to the planned scope previously communicated to you in our engagement letter date August 25, 2022.

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years 2021 and 2022. We noted no transactions entered into by the 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 after the necessary adjustments were made.

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. There were no accounting estimates used in the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements was the disclosure in Note A regarding the infrastructure within the District's boundaries not being reflected as capital assets in the District's financial statements.

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

#### 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. During the course of our audit, six audit adjustments to correct balances of the accounts and transactions were made as follows:

- Accrue payables incurred as of June 30, 2021 and 2022 related to landscape maintenance, utilities, and other professional services.
- Correct for accrual entries made in the prior audit.
- To reclassify negative cash as due to from other funds.

#### 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 auditor's 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 \_\_\_\_\_, 2023.

#### 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 the District's financial statements or a determination of the type of auditor's 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.

#### Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the 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.

#### Other Matters

We applied certain limited procedures to required supplementary information (RSI) as reported in the table of contents of the financial statements 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.

#### Restriction on Use

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

\_\_\_\_\_, 2023



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## MANAGEMENT LETTER

Board of Directors  
Cortina Community Services District  
Arbuckle, California

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the remaining fund information of the Cortina Community Services District (the District) for the years ended June 30, 2021 and 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The following matters have been included in this letter for your consideration:

### Capital Assets

The District was unable to location documentation to indicate whether the District owns the infrastructure that is within the District's boundaries. Accordingly, the value of the infrastructure capital assets is not reflected in the District's financial statements. We recommend that the District contact the developer to determine whether they have information on who the infrastructure was deeded to, if the County is unable to produce this documentation. Our understanding is that the County believes the infrastructure belongs to the District, so if documentation cannot be located, we recommend that the District prepare an agreement with the County that addresses who owns this infrastructure, and if agreement is reached that the District owns the infrastructure, then the value of this infrastructure will need to be recorded in the District's general ledger.

### Statement of Economic Interests

The District provided some copies of the Form 700 filed with the State disclosing economic interests during the audit process, but not all of them. We recommend that the District ensure these forms are retained for the audit, so that potential related party transactions can be identified and evaluated for disclosure in the audited financial statements.

Board of Directors  
Cortina Community Services District

Appropriation Limits

All agencies receiving tax funding are required by State Law to prepare an Appropriation Limit calculation that is approved by the Board. We noted that the District is not preparing an Appropriation Limit calculation as required by State law. We recommend that the District prepare this calculation and that the Board pass a resolution adopting the appropriations limit when the annual budget is approved.

\* \* \* \* \*

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and does not affect our report dated \_\_\_\_\_, 2023 on the financial statements of the District.

\_\_\_\_\_, 2023