REGULAR MEETING OF THE BOARD OF DIRECTORS ROSAMOND COMMUNITY SERVICES DISTRICT

7PM Regular Board Meeting
Tuesday, November 7, 2017
District Board Room
3179 35th Street West
Rosamond, CA 93560

Agenda

CALL TO ORDER

ROLL CALL

President Olaf Landsgaard
Vice President Dennis Shingledecker
Director Byron Glennan
Director Ed MacKay
Director Russell Williford

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA

BOARD SECRETARY

This portion of the agenda allows an individual the opportunity to address the Board on any item NOT ON THE AGENDA regarding District business. State law prohibits the District from taking any action on any items not on the agenda, unless authorized under §54954.2(b) of the Government Code, and your matter may be referred to the General Manager. An individual may also address the Board on any agenda item at the time the matter is discussed, and prior to Board consideration or action. Speakers will be limited to five (5) minutes. Your time will start when you approach the podium, and you will be given a 30 second warning before your time expires. If you choose to ask a question during this time, any response by the Board will not extend your time. Questions may be referred to the General Manager to be answered at a later time after the meeting. In order to allow for a smooth and orderly meeting, and allow each speaker the ability to address the Board, disruptions from the audience will not be tolerated and you could be asked to leave. We appreciate your cooperation in this democratic process.

PUBLIC COMMENTS

MINUTES

M 1. Approve October 17, 2017 Regular Board Meeting Minutes

CONSENT CALENDAR

CC 1. Approve Check/Voucher Register dated 10/10/17 – 10/30/17

CC 2. Approve Check/Voucher Register dated 10/10/17 – 10/30/17- Related Party

CC 3. File and accept the 2017-2018 Audit

CC 4. FY 2016-2017 Budget to Actual Report

NEW BUSINESS

NB 1. Parks and Recreation ballot initiative. (Ronald D. Smith, General Manager)

A. Discussion regarding Parks and Recreation amenities.

B. Adopt **Resolution No. 2017-19**, calling for a public hearing regarding a special parcel tax.

DIRECTOR REPORTS/COMMENTS/FUTURE AGENDA ITEMS

GENERAL COUNSEL UPDATE

Allison Burns, Esq.

GENERAL MANAGER UPDATE

Ronald Smith

ASSISTANT GENERAL MANAGER UPDATE

John Houghton

DIRECTOR OF FINANCE UPDATE

Brad Rockabrand

DIRECTOR OF PUBLIC WORKS UPDATE

Brach Smith

DIRECTOR OF ADMINISTRATION/BOARD SECRETARY UPDATE

Lizette Guerrero, CMC

ADJOURNMENT

Requirements Regarding Disabled Access: In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the RCSD Board Secretary/Assistant at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Please contact the Board Secretary/ Assistant by telephone at (661) 256-5808, Email: lguerrero@rosamondcsd.com or in writing at the Rosamond Community Services District, Attn: Board Secretary/Assistant; 3179 35th Street West, Rosamond, CA 93560.

Pursuant to Government Code Section 54957.5, any writing that: (1) is a public record; (2) relates to an agenda item for an open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District offices located at 3179 35th Street West, Rosamond, CA 93560. In addition, any such writing may also be posted on the District's web site.

REGULAR MEETING OF THE BOARD OF DIRECTORS ROSAMOND COMMUNITY SERVICES DISTRICT

6PM Closed Session
7PM Regular Board Meeting
Tuesday, October 17, 2017
District Board Room
3179 35th Street West
Rosamond, CA 93560

Minutes

President Landsgaard called the meeting to order at 6:00 PM.

ROLL CALL

President Olaf Landsgaard
Vice President Dennis Shingledecker
Director Byron Glennan
Director Ed MacKay
Director Russell Williford

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA

Motion made by Director MacKay, Seconded by Vice President Shingledecker to approve the agenda. Motion passed with 5 ayes.

BOARD SECRETARY **Director MacKay dispensed with the reading.**

This portion of the agenda allows an individual the opportunity to address the Board on any item NOT ON THE AGENDA regarding District business. State law prohibits the District from taking any action on any items not on the agenda, unless authorized under §54954.2(b) of the Government Code, and your matter may be referred to the General Manager. An individual may also address the Board on any agenda item at the time the matter is discussed, and prior to Board consideration or action. Speakers will be limited to five (5) minutes. Your time will start when you approach the podium, and you will be given a 30 second warning before your time expires. If you choose to ask a question during this time, any response by the Board will not extend your time. Questions may be referred to the General Manager to be answered at a later time after the meeting. In order to allow for a smooth and orderly meeting, and allow each speaker the ability to address the Board,

disruptions from the audience will not be tolerated and you could be asked to leave. We appreciate your cooperation in this democratic process.

PUBLIC COMMENTS
None

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
   Significant exposure to litigation pursuant to Government Code §54956.9 (d)(2) and (3)
   One Potential Case

2. CONFERENCE WITH LABOR NEGOTIATOR
   Pursuant to Government Code §54957.6
   District Negotiator: Ronald D. Smith
   Employee Organization: AFSCME Local 1902

Motion made by Director MacKay, Seconded by Director Williford to go into closed session at 6:02 PM. Motion passed with 5 ayes.

President Landsgaard recused himself from item 1, as he has a dispute with the party.

Motion made by Vice President Shingledecker, Seconded by Director MacKay to come out of closed session at 6:40 PM. Motion passed with 5 ayes.

PUBLIC REPORT ON ACTION TAKEN IN CLOSED SESSION
No reportable action taken

Recessed at 6:40 PM

7:00 P.M. OPEN SESSION

BOARD SECRETARY
This portion of the agenda allows an individual the opportunity to address the Board on any item NOT ON THE AGENDA regarding District business. State law prohibits the District from taking any action on any items not on the agenda, unless authorized under §54954.2(b) of the Government Code, and your matter may be referred to the General Manager. An individual may also address the Board on any agenda item at the time the matter is discussed, and prior to Board consideration or action. Speakers will be limited to five (5) minutes. Your time will start when you approach the podium, and you will be given a 30 second warning before your time expires. If you choose to ask a question during this time, any response by the Board will not extend your time. Questions may be referred to the General Manager to be answered at a later time after the meeting. In order to allow for a smooth and orderly meeting, and allow each speaker the ability to address the Board, disruptions from the audience will not be tolerated and you could be asked to leave. We appreciate your cooperation in this democratic process.

PUBLIC COMMENTS
Received

MINUTES

M 1. Approve October 3, 2017 Regular Board Meeting Minutes

Motion made by Director MacKay, Seconded by Vice President Shingledecker to approve the minutes. Motion passed with 5 ayes.

CONSENT CALENDAR

CC 1. Approve Check/Voucher Register dated 09/26/17 – 10/09/17

CC 2. 1st Quarter Treasurer's Report

CC 3. Cash Balances - August 2017

Motion made by Director MacKay, Seconded by Director Williford to approve the Consent Calendar. Motion passed with 5 ayes.

PRESENTATIONS

PR 1. Parks and Recreation ballot initiative. (Adina McCargo, NBS Consultants)

NEW BUSINESS

NB 1. Discussion regarding District Boundaries. (Ronald D. Smith, General Manager)

DIRECTOR REPORTS/COMMENTS/FUTURE AGENDA ITEMS

Director's Glennan, MacKay, and Landsgaard gave reports.

GENERAL COUNSEL UPDATE

Allison Burns, Esq.

GENERAL MANAGER UPDATE

Ronald Smith- **Update provided**

ASSISTANT GENERAL MANAGER UPDATE

John Houghton

DIRECTOR OF FINANCE UPDATE

Brad Rockabrand - **Update provided**

DIRECTOR OF PUBLIC WORKS UPDATE

Brach Smith- **Update provided**

DIRECTOR OF ADMINISTRATION/BOARD SECRETARY UPDATE

Lizette Guerrero, CMC

ADJOURNMENT- President Landsgaard adjourned the meeting at 8:18 PM. Motion passed with 5 ayes.

Requirements Regarding Disabled Access: In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the RCSD Board Secretary/Assistant at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Please contact the Board Secretary/ Assistant by telephone at (661) 256-5808, Email: lguerrero@rosamondcsd.com or in writing at the Rosamond Community Services District, Attn: Board Secretary/Assistant; 3179 35th Street West, Rosamond, CA 93560.

Pursuant to Government Code Section 54957.5, any writing that: (1) is a public record; (2) relates to an agenda item for an open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District offices located at 3179 35th Street West, Rosamond, CA 93560. In addition, any such writing may also be posted on the District's web site.

Respectfully submitted:

_____
President, Board of Directors
Rosamond Community Services District

_____
Board Secretary

STAFF REPORT

Rosamond Community Services District

DATE: November 7, 2017

TO: Board of Directors

FROM: Brad Rockabrand, Director of Finance
Prepared by: Julie Lopez-Olmos, Senior Accounting Specialist

SUBJECT: Review of the check/voucher register dated October 10, 2017 through October 30, 2017 | Review of the check/voucher register – related party dated October 10, 2017 through October 30, 2017 | (Direct Deposits) dated October 18, 2017

RECOMMENDATION:

By motion, receive and file.

EXECUTIVE SUMMARY:

The District's check/voucher register includes all disbursement transactions, actual checks as well as electronic, for the periods referenced above. Total disbursements were $223,743.15 as follows:

Checks issued to vendors	$187,996.07
Checks issued to vendors – related party	493.88
Payroll direct deposit and checks	35,253.20
Total	$223,743.15

Significant disbursements included the following payments:

- $26,985.00 was paid to Vavrinek, Trine, Day & Co., LLP on October 11, 2017 for Aug 2017 accounting services
- $23,753.29 was paid to ACWA/JPIA on October 18, 2017 for employee insurance
- $8,864.78 was remitted to CalPERS on October 18, 2017 for required contributions
    - $5,587.48 (Employer portion)
    - $3,277.30 (Employee portion)

- $2,559.02 was remitted to the Employment Development Department on October 18, 2017
    - $ 126.53 (Employer portion)
    - $2,432.49 (Employee portion)
- $14,283.69 was remitted to the Internal Revenue Service on October 18, 2017
    - $ 4,200.99 (Employer portion)
    - $10,082.70 (Employee portion)
- $11,118.34 was paid to Southern California Edison on October 18, 2017 electricity usage for well# 9

DISCUSSION/ANALYSIS:

The check/voucher register dated October 10, 2017 through October 30, 2017 includes check numbers 55171 through 55186, 55188 through 55266 (Attachment 1)

The check/voucher register – related party dated October 10, 2017 through October 30, 2017 includes check number 55187 (Attachment 1)

Payroll (Direct Deposit) numbered 22443 through 22461 were issued on October 18, 2017 in the amount of $35,253.20 (Attachment 2)

FISCAL IMPACT:

Not applicable

ENVIRONMENTAL IMPACT:

Not applicable

PRIOR BOARD REVIEW:

Not applicable

COMMISSION/COMMITTEE/BOARD REVIEW AND RECOMMENDATIONS:

Not applicable

NOTIFICIATION:

Not applicable

ATTACHMENTS:

Attachment 1 – Check/voucher register dated October 10, 2017 through October 30, 2017
Attachment 1 – Check/voucher register – related party dated October 10, 2017 through October 30, 2017
Attachment 2 – Payroll (Direct Deposit) and payroll (Checks) dated October 18, 2017

Attachment 3 – Bank of the West Business Card ending in 1153
Attachment 4 – Wells Fargo Business Card ending in 1153
Attachment 5 – Wells Fargo Business Card ending in 4127
Attachment 6 – Wells Fargo Business Card ending in 4652

Rosamond Community Services District
Check/Voucher Register
10101 - General Checking - Wells Fargo
From 10/10/2017 Through 10/30/2017

Date	Check No.	Vendor Name	Transaction Description	Amount	Total
10/11/2017	55171	ANTELECOM, INC.	SOLAR WELL: 4G WIRELESS	152.00	456.00
10/11/2017		ANTELECOM, INC.	SOLAR ADMIN: 4G WIRELESS	152.00	456.00
10/11/2017		ANTELECOM, INC.	SOLAR POND: 4G WIRELESS	152.00	456.00
10/11/2017	55172	ANTELOPE VALLEY PRESS	ADVERTISEMENT: 09/20/17 PARKS MEETING	169.13	413.26
10/11/2017		ANTELOPE VALLEY PRESS	ADVERTISEMENT: 09/06/17 PARKS MEETING	169.13	413.26
10/11/2017		ANTELOPE VALLEY PRESS	ADVERTISEMENT: 09/20/17 PARKS MEETING	75.00	413.26
10/11/2017	55173	AT&T TELECONFERENCE SERVICES	TELECONFERENCE	0.90	0.90
10/11/2017	55174	AVEK WATER AGENCY	SEP 2017 34TH 0.50MI	260.50	260.50
10/11/2017	55175	BANK OF THE WEST	ROSAMOND CSD (ATTACHMENT 3)	3,423.99	3,423.99
10/11/2017	55176	COUNTY OF KERN	CROSS-CONNCTIONS	1,976.93	1,976.93
10/11/2017	55177	CULVER COMPANY	300 QTY WATER SAVE KIT W/LOGO & SETUP CHARGE	923.47	923.47
10/11/2017	55178	CUSI	TELE-WORKS IVR USAGE FEES - PER MINUTE	1,080.00	1,080.00
10/11/2017	55179	DUKE ENGINEERING	PLAN CHECKING SEWER & WATER - TRACT 6513	1,050.00	1,050.00
10/11/2017	55180	EMPLOYEE RELATIONS INC.	PRE EMPLOYMENT INQUIRY	28.35	28.35
10/11/2017	55181	FEDERAL EXPRESS	BATTERY BACKUP FOR STP	11.65	11.65
10/11/2017	55182	GEI CONSULTANTS, INC.	JUL 17 FEASIBILITY STUDY	6,493.25	6,493.25
10/11/2017	55183	GLENNAN, BYRON	MILEAGE REIMBURSEMENT: TO/FROM WATER SMART INNOVATIONS	245.03	300.53
10/11/2017		GLENNAN, BYRON	PER DIEM ALLOWANCE: ACWA REGION 6&7	55.50	300.53
10/11/2017	55184	GREATAMERICA FINANCIAL SERVICES	KYOCERA LEASE AGREEMENTS	391.63	391.63
10/11/2017	55185	IRON MOUNTAIN INC.	STG & SHRED PKG	149.00	149.00
10/11/2017	55186	JACK HENRY AND ASSOCIATES	BILLING ON BEHALF OF CUSI	792.50	192.50
10/11/2017		JACK HENRY AND ASSOCIATES	CREDIT MEMO FOR INV# 2665718	(600.00)	192.50
10/11/2017	55187	SEE RELATED PARTY		0.00	0.00
10/11/2017	55188	KCTTC	TAXES ATN: 375-113-19-01-1	94.37	94.37
10/11/2017	55189	KERNDATA.COM	INTERNET ACCESS + 4 USERS	154.00	154.00
10/11/2017	55190	LANDSGAARD, OLAF	REIMBURSEMENT: TO/FROM CSDA CONF	326.35	326.35
10/11/2017	55191	LEGAL SHIELD	LEGAL SHIELD	53.80	53.80
10/11/2017	55192	MISSION LINEN SUPPLY	EMPLOYEE UNIFORMS	366.62	366.62
10/11/2017	55193	MISSION LINEN SUPPLY	MATS, TOWELS & MOP	82.60	82.60
10/11/2017	55194	NEW NET TECHNOLOGIES LLC	CHANGE TRACKER - (YEAR 2) 5 NODES	1,628.11	1,628.11
10/11/2017	55195	O'DONNELL HEATING & AIR INC.	OFFICES: PREVENTIVE MAINTENANCE	350.00	350.00
10/11/2017	55196	OFFICE DEPOT	#11 BLK PRINTHEAD, #82 CYAN, YELLOW & MAGENTA INK, ETC.	297.59	395.49
10/11/2017		OFFICE DEPOT	#11 CYAN PRINTHEAD	48.95	395.49
10/11/2017		OFFICE DEPOT	#10 BLK INK CARTRIDGE	48.95	395.49
10/11/2017	55197	PORTER CONCRETE	REMOVE & REPAIR DAMAGED CONCRETE SIDEWALK	4,243.00	4,243.00
10/11/2017	55198	DANIEL REID CONSULTING SERVICES	SEP 17 SERVICES, SUPPORT, T&M INITIATIVES, ETC.	2,264.74	2,264.74
10/11/2017	55199	ROSAMOND DISPOSAL	3179 35TH STREET WEST	176.25	528.75
10/11/2017		ROSAMOND DISPOSAL	2235 40TH STREET	176.25	528.75
10/11/2017		ROSAMOND DISPOSAL	875 PATTERSON RD	176.25	528.75
10/11/2017	55200	ROSAMOND CSD	JW PARK: N. IRRIGATION MTR	1,980.05	3,060.14
10/11/2017		ROSAMOND CSD	JW PARK: S. IRRIGATION MTR	693.80	3,060.14
10/11/2017		ROSAMOND CSD	JW PARK: POOL & RESTROOMS	316.40	3,060.14
10/11/2017		ROSAMOND CSD	2645 DIAMOND ST	69.89	3,060.14
10/11/2017	55201	ROSAMOND CSD	#1 CONSERVATION METER	33.53	943.61

Rosamond Community Services District
Check/Voucher Register
10101 - General Checking - Wells Fargo
From 10/10/2017 Through 10/30/2017

Date	Check No.	Vendor Name	Transaction Description	Amount	Total
10/11/2017		ROSAMOND CSD	#2 CONSERVATION METER	48.65	943.61
10/11/2017		ROSAMOND CSD	#3 CONSERVATION METER	87.50	943.61
10/11/2017		ROSAMOND CSD	3179 35TH ST W	773.93	943.61
10/11/2017	55202	ROSAMOND SOLAR, LLC	ENERGY SERVICE REVENUE	7,551.56	7,551.56
10/11/2017	55203	SIDES, ROGER	16 DAYS BACKHOE RENTAL	1,812.80	1,812.80
10/11/2017	55204	SOUTHERN CALIF. EDISON	ST LIGHTS	6,050.39	6,050.39
10/11/2017	55205	SOUTHERN CALIF. EDISON	2645 DIAMOND ST	26.88	26.88
10/11/2017	55206	TRANS UNION LLC	CREDIT INQUIRIES: 08/26/17 - 09/25/17	359.66	359.66
10/11/2017	55207	VAVRINEK, TRINE, DAY & CO., LLP	AUG 17 ACCOUNTING SERVICES	26,985.00	26,985.00
10/18/2017	55208	A-1 KLEAN RITE	JANITORIAL CLEANING	62.50	500.00
10/18/2017		A-1 KLEAN RITE	JANITORIAL CLEANING	437.50	500.00
10/18/2017	55209	ACWA/JPIA	EMPLOYEE INSURANCE	23,753.29	23,753.29
10/18/2017	55210	AFLAC INSURANCE	SUPPLEMENTAL EMPLOYEE INSURANCE	1,320.80	1,320.80
10/18/2017	55211	AFSCME LOCAL 1902	UNION DUES	599.35	599.35
10/18/2017	55212	AT&T	FAX	80.80	480.91
10/18/2017		AT&T	STP	61.14	480.91
10/18/2017		AT&T	MAIN OFFICE	230.50	480.91
10/18/2017		AT&T	SCADA	38.77	480.91
10/18/2017		AT&T	COMMUNITY CTR	21.53	480.91
10/18/2017		AT&T	TANK# 4	21.53	480.91
10/18/2017		AT&T	COMMUNITY POOL	26.64	480.91
10/18/2017	55213	CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM	PAYROLL REMITTANCE	8,864.78	8,864.78
10/18/2017	55214	CALPERS SUPPLEMENTAL INCOME 457 PLAN	PERS 457	2,009.62	2,009.62
10/18/2017	55215	CLINICAL LABORATORY OF SAN BERNARDINO, INC.	SYSTEM TESTS	533.00	533.00
10/18/2017	55216	CORE & MAIN LP	PARTS FOR MAIN	2,159.12	2,159.12
10/18/2017	55217	DIGITECH	875 PATTERSON RD: FIRE ALARM MONITORING	59.99	187.95
10/18/2017		DIGITECH	875 PATTERSON RD: SECURITY MONITORING	31.99	187.95
10/18/2017		DIGITECH	2645 DIAMOND ST	31.99	187.95
10/18/2017		DIGITECH	MAIN BLD: SECURITY MONITORING	31.99	187.95
10/18/2017		DIGITECH	OPER. BLD: SECURITY MONITORING	31.99	187.95
10/18/2017	55218	DEPARTMENT OF MOTOR VEHICLES	DUMP TRUCK REGISTRATION FEES	3,625.00	3,625.00
10/18/2017	55219	EMPLOYMENT DEVELOPMENT DEPARTMENT	STATE DISABILITY INSURANCE	475.88	2,559.02
10/18/2017		EMPLOYMENT DEVELOPMENT DEPARTMENT	STATE INCOME TAX	1,956.61	2,559.02
10/18/2017		EMPLOYMENT DEVELOPMENT DEPARTMENT	STATE UNEMPLOYMENT TAX ACT	126.53	2,559.02
10/18/2017	55220	FEDERAL EXPRESS	WORKOUT	7.61	7.61
10/18/2017	55221	GUERRERO, LIZETTE	PER DIEM ALLOWANCE: CALPERS EDUCATIONAL FORUM	185.00	185.00
10/18/2017	55222	GUERRERO, LIZETTE	PER DIEM ALLOWANCE: EMPLOYMENT LAW UPDATE-BEST HR PRACTISE	129.50	129.50
10/18/2017	55223	INTERNAL REVENUE SERVICE	FEDERAL INCOME TAX	5,881.71	14,283.69
10/18/2017		INTERNAL REVENUE SERVICE	MEDICARE	1,592.54	14,283.69
10/18/2017		INTERNAL REVENUE SERVICE	SOCIAL SECURITY	6,809.44	14,283.69
10/18/2017	55224	JACK HENRY AND ASSOCIATES	BILLING ON BEHALF OF CUSI	177.50	177.50
10/18/2017	55225	MARINE DIVING SOLUTIONS	TANK#2 REPAIRS	3,762.00	3,762.00
10/18/2017	55226	ROGERS ANDERSON MALODY & SCOTT LLP	AUDIT 2016-17	4,000.00	4,000.00
10/18/2017	55227	SOUTHERN CALIF. EDISON	WELLS & TANKS	9,861.74	9,861.74
10/18/2017	55228	SOUTHERN CALIF. EDISON	5702 GASKELL RD	11,118.34	11,118.34

Rosamond Community Services District
Check/Voucher Register
10101 - General Checking - Wells Fargo
From 10/10/2017 Through 10/30/2017

Date	Check No.	Vendor Name	Transaction Description	Amount	Total
10/18/2017	55229	SOUTHERN CALIF. EDISON	3179 35T ST W	714.51	714.51
10/18/2017	55230	SOUTHERN CALIF. EDISON	SCADA	26.91	26.91
10/18/2017	55231	THE GAS COMPANY	UNIT A	16.12	31.33
10/18/2017		THE GAS COMPANY	UNIT B	15.21	31.33
10/18/2017	55232	THE GAS COMPANY	875 PATTERSON RD	14.30	14.30
10/18/2017	55233	THE GAS COMPANY	2235 40TH ST W	23.42	23.42
10/25/2017	55234	COX, CASSANDRA	CUSTOMER REFUND	0.25	0.25
10/25/2017	55235	BARBER, MURRAY	CUSTOMER REFUND	53.56	53.56
10/25/2017	55236	CALVILLO, IMELDA	CUSTOMER REFUND	8.32	8.32
10/25/2017	55237	CASA BONITAS LP	CUSTOMER REFUND	148.98	148.98
10/25/2017	55238	CLINT, SCOTT	CUSTOMER REFUND	22.67	22.67
10/25/2017	55239	CURLING, CHARLES	CUSTOMER REFUND	1.84	1.84
10/25/2017	55240	EVERS, REBECCA	CUSTOMER REFUND	84.41	84.41
10/25/2017	55241	GORZOCH, WALTER	CUSTOMER REFUND	129.15	129.15
10/25/2017	55242	HARPER, NANCY	CUSTOMER REFUND	28.87	28.87
10/25/2017	55243	HOUFEK, KATHLEEN	CUSTOMER REFUND	69.58	69.58
10/25/2017	55244	MARTINEZ, MARICELA	CUSTOMER REFUND	95.09	95.09
10/25/2017	55245	MONTEX, LANETTE	CUSTOMER REFUND	0.94	0.94
10/25/2017	55246	PONDER, BRITTANY	CUSTOMER REFUND	87.19	87.19
10/25/2017	55247	SCOTT, DEAN	CUSTOMER REFUND	80.71	80.71
10/25/2017	55248	STOLTING, JOHN	CUSTOMER REFUND	18.11	18.11
10/25/2017	55249	ST PIERRE, JUDY	CUSTOMER REFUND	24.22	24.22
10/25/2017	55250	VASQUEZ, NICOLE	CUSTOMER REFUND	0.22	0.22
10/25/2017	55251	ARC	PPC BOND-FIRST SET & SET UP FOR TR 6513	23.05	23.05
10/25/2017	55252	AT&T MOBILITY	CELL PHONES & IPAD INTERNET CHARGES	883.72	883.72
10/25/2017	55253	AUTOZONE	#22 DURALAST BRAKE SHOE	30.00	214.57
10/25/2017		AUTOZONE	#23 OIL FILTER, BRAKE SHOE, 10W-30 OIL, ETC.	77.40	214.57
10/25/2017		AUTOZONE	DURALST BATTERY FOR FUEL STATION	107.17	214.57
10/25/2017	55254	BENZ PROPANE CO., INC.	PROPANE	298.36	298.36
10/25/2017	55255	CHEVRON AND TEXACO UNIVERSAL CARD	GAS FOR DISTRICT VEHICLES	2,072.81	2,072.81
10/25/2017	55256	GLENNAN, BYRON	MILEAGE REIMBURSEMENT: TO/FROM ACWA REGION 7	153.55	153.55
10/25/2017	55257	KLEIN, DENATALE, GOLDNER, COOPER, ROSENLIEB & KIMB/	EMPLOYMENT COUNSELING	632.00	632.00
10/25/2017	55258	LOWE'S BUSINESS ACCOUNT	PARTS FOR DUMPTRUCK	64.34	510.61
10/25/2017		LOWE'S BUSINESS ACCOUNT	REFRIGERTAOR FOR STP	446.27	510.61
10/25/2017	55259	MACKAY, MORRISON	MILEAGE REIMBURSEMENT: TO/FROM ACWA REGION 6&7	153.55	153.55
10/25/2017	55260	CALDWELL PEEDAN, ASHLEY	NOTARIZED 3 SIGNATURES FOR OLAF LANDSGAARD	60.00	60.00
10/25/2017	55261	PETRO LOCK, INC.	ULSD D-DSL	1,086.34	1,086.34
10/25/2017	55262	SOUTHERN CALIF. EDISON	SEWER	1,015.97	1,015.97
10/25/2017	55263	VAVRINEK, TRINE, DAY & CO., LLP	SEP 17 ACCOUNTING SERVICES	13,032.50	13,032.50
10/25/2017	55264	WELLS FARGO BUSINESS CARD	1153 (ATTACHMENT 4)	5.25	5.25
10/25/2017	55265	WELLS FARGO BUSINESS CARD	4127 (ATTACHMENT 5)	214.76	214.76
10/25/2017	55266	WELLS FARGO BUSINESS CARD	4652 (ATTACHMENT 6)	1,426.40	1,426.40
Report Total				187,996.07	

Rosamond Community Services District
Check/Voucher Register - AGENDA CHECK REPORT RELATED PARTY
10101 - General Checking - Wells Fargo
From 10/10/2017 Through 10/30/2017

Date	Check No.	Vendor Name	Description	Amount	Total
10/11/2017	55187	KARL'S HARDWARE	GRAFFITI	108.84	493.88
10/11/2017		KARL'S HARDWARE	MAINTENANCE	255.74	493.88
10/11/2017		KARL'S HARDWARE	PARKS	60.10	493.88
10/11/2017		KARL'S HARDWARE	SEWER	69.20	493.88
Report Total				493.88	

Rosamond Community Services District
Summary Check/Transaction Register
From 10/17/2017 Through 10/18/2017

Document Date	Document Number	Type of Payment	Amount
10/18/2017	22443	Check	1,648.07
10/18/2017	22444	Check	2,184.63
10/18/2017	22445	Check	1,183.99
10/18/2017	22446	Check	1,638.14
10/18/2017	22447	Check	2,503.07
10/18/2017	22448	Check	3,042.12
10/18/2017	22449	Check	999.45
10/18/2017	22450	Check	2,625.71
10/18/2017	22451	Check	1,221.91
10/18/2017	22452	Check	1,552.08
10/18/2017	22453	Check	1,102.35
10/18/2017	22454	Check	1,603.82
10/18/2017	22455	Check	1,669.22
10/18/2017	22456	Check	2,597.68
10/18/2017	22457	Check	2,433.86
10/18/2017	22458	Check	2,951.80
10/18/2017	22459	Check	1,236.83
10/18/2017	22460	Check	1,565.49
10/18/2017	22461	Check	1,492.98
Report Total			35,253.20

PAYROLL 10/18/17

Document Date	Document Number	Amount
10/18/2017	22443	1,648.07
10/18/2017	22444	2,184.63
10/18/2017	22445	1,183.99
10/18/2017	22446	1,638.14
10/18/2017	22447	2,503.07
10/18/2017	22448	3,042.12
10/18/2017	22449	999.45
10/18/2017	22450	2,625.71
10/18/2017	22451	1,221.91
10/18/2017	22452	1,552.08
10/18/2017	22453	1,102.35
10/18/2017	22454	1,603.82
10/18/2017	22455	1,669.22
10/18/2017	22456	2,597.68
10/18/2017	22457	2,433.86
10/18/2017	22458	2,951.80
10/18/2017	22459	1,236.83
10/18/2017	22460	1,565.49
10/18/2017	22461	1,492.98

Total Direct Deposit	35,253.20
Total Checks Issued	0.00
Total	**35,253.20**

BANK OF THE WEST
BNP PARIBAS GROUP

Account Number	XXXX-XXXX -0135
Payment Due Date	OCT 23, 2017
Amount Due	$3,423.99
Current Balance	$3,423.99

BANKCARD CENTER
PO BOX 84043
COLUMBUS GA 31908-4043

BANKCARD CENTER
PO BOX 4025
ALAMEDA CA 94501-0425

ROSAMOND CSD
3179 35TH STREET WEST
ROSAMOND CA 93560

**N0006122

49712710 - 008122 - 0001 - 0002 - 2

Please detach and return with payment to:
BANKCARD CENTER PO BOX 4025,
ALAMEDA CA 94501-0425

Amount Enclosed $.

⑆5868250 13⑆5569320000360135⑈ ⑈0000342399⑈

CORPORATE ACCOUNT SUMMARY

ROSAMOND CSD XXXX-XXXX- -0135 Company Total	Previous Balance	+ Purchases & Other Debits	+ Cash Advances	+ Finance Charges	- Credits	- Payments	= New Balance
	$2,199.91	$3,448.98	$0.00	$0.00	$24.99	$2,199.91	$3,423.99

CARDHOLDER NEW ACTIVITY SUMMARY

ROSAMOND CSD XXXX-XXXX- -3399 Credit Limit $50,000	Purchases and Other Debits	Cash Advances	Credits	Total Activity
	$3,448.98	$0.00	$24.99	$3,423.99

FINANCE CHARGE SUMMARY

	Average Daily Balance	Daily Periodic Rate	Corresponding Annual Percentage Rate	Periodic Finance Charge
PURCHASES	$0.00	0.0254%	09.24%	$0.00
CASH ADVANCES	$0.00	0.0493%	18.00%	$0.00

For Customer Service, Call: 1-866-432-8161	Account Number XXXX-XXXX 0135		Account Summary	
			Previous Balance	$2,199.91
			Purchases & Other Charges	$3,448.98
	Statement Date SEP 28, 2017	Payment Due Date OCT 23, 2017	Cash Advances	$0.00
			Cash Advance Fees	$0.00
Send Payments to: BANKCARD CENTER PO BOX 4025 ALAMEDA CA 94501-0425	Credit Limit $50,000	Available Credit $46,576.01	Late Charge	$0.00
			Finance Charges	$0.00
All other inquiries can be sent to: BANKCARD CENTER PO BOX 84043 COLUMBUS GA 31908-4043			Credits	$24.99
	Amount Due $3,423.99	Disputed Amount $0.00	Payments	$2,199.91
			New Balance	$3,423.99

49712710 - 008122 - 0002 - 0002 - 2

Statement Date	SEP 28, 2017	Payment Due Date	OCT 23, 2017
Credit Limit	$50,000	Amount Due	$3,423.99
Cash Advance Balance	$0.00		
Available Credit	$46,576.01	New Balance	$3,423.99

ROSAMOND CSD

XXXX-XXXX -0135

CORPORATE ACCOUNT ACTIVITY

ROSAMOND CSD
XXXX-XXXX -0135

TOTAL CORPORATE ACTIVITY
$2,199.91 CR

Posting Date	Transaction Date	Reference Number	Transaction Description	Amount
09-18	09-18	00187004325020300000000	PAYMENT - THANK YOU	2,199.91 CR

CARDHOLDER ACTIVITY

ROSAMOND CSD XXXX-XXXX -3399	PURCHASES	CASH ADVANCES	CREDITS	TOTAL ACTIVITY
	$3,448.98	$0.00	$24.99	$3,423.99

Posting Date	Transaction Date	Reference Number	Transaction Description	Amount
08-29	08-28	75418237240043651503027	DNH*GODADDY.COM 480-5058855 AZ Tran: 1181132279 Tax ID: 860850417 Mer Zip: 85260	2.99
09-01	08-31	55546507244206278210214	SMARTSIGN 07187971900 NY Tax ID: 113522111 Mer Ref: 0000170993 Mer Zip: 11201 Origin Zip: 11201 Dest Zip: 93560 592 Dest Ctry: USA	157.13
09-04	09-01	05436847245200058415397	OFFICE DEPOT #5125 800-463-3768 CA Tran: 959513505 Tax ID: 592663954 Mer Ref: 959513505001 Mer Zip: 90755 Origin Zip: 90806 Dest Zip: 93560-5929 Dest Ctry: USA Tax: 2.84 Product Code: 196643 Desc: PAPER,X-9,8.5X14,20LB,10/CASE Qty: 1 Unit: NMB Disc: N Ext Item Amt: 65.19	41.95
09-04	09-01	05436847245200058415470	OFFICE DEPOT #5125 800-463-3768 CA Tran: 5918 Tax ID: 592663954 Mer Ref: 959512233001 Mer Zip: 90755 Origin Zip: 90806 Dest Zip: 93560-5929 Dest Ctry: USA Tax: 6.09 Product Code: 102015 Desc: PAD,EASEL,SELF STCK,25X30,WHT Qty: 1 Unit: NMB Disc: N Ext Item Amt: 119.99	90.08
09-07	09-05	55483827249370119418840	SAMSCLUB.COM 1888SHOPSAM AR Tax ID: 710415188 Mer Ref: 11941884 Mer Zip: 72712 Origin Zip: 72712 Dest Ctry: USA	152.62
09-11	09-08	55436877251272513982082	JESSE S PIZZA 661-2561313 CA Tran: 1 Tax ID: 560735364 Mer Zip: 93560	78.00
09-13	09-12	85363837255980000757163	J'S HIDEAWAY FAMILY DI ROSAMOND CA Tax ID: 204340593 Mer Zip: 93560	45.00
09-15	09-13	55421357257330158572289	ESRI REDLANDS CA Tran: cc CSD Tax ID: 952775732 Mer Ref: cc CSD Mer Zip: 92373 Dest Zip: 93560 Product Code: 93198 Desc: LIC,AV,SU Qty: 1 Unit: EA Unit Cost: 1500.00 Disc: N Ext Item Amt: 1500.00	1,608.75
09-15	09-14	55131587258400818168752	MSFT * E01004G2AV 08006427676 WA Tran: Z20HBFAIZJT9 Tax ID: 911144442 Mer Ref: Z20HBFAIZJT9 Mer Zip: 98052 Dest Ctry: USA	248.00
09-18	09-14	55417347258172587617491	SO PT HOTEL AND CASINO LAS VEGAS NV Arrival Date: 10/03/17 Departure Date: 10/06/17 Invoice Number: 4291404913 Tran: 429140491321 Tax ID: 352275044 Mer Zip: 89183	192.10
09-18	09-15	55432867258100061880689	AMAZON MKTPLACE PMTS AMZN.COM/BILLWA Tran: 113-7302859-51178 Tax ID: 202936165 Mer Ref: 1OPDXU96YWM Mer Zip: 98109 Product Code: B008I63S0W Desc: SquareTrade 4-year Office Protectio Qty: 1 Unit: PCE Disc: N Ext Item Amt: 13.06	13.06
09-18	09-16	55432867259100169674710	AMAZON MKTPLACE PMTS AMZN.COM/BILLWA Tran: 113-1960490-64482 Tax ID: 202936165 Mer Ref: 7GWN0UY8196 Mer Zip: 98109 Product Code: B01M0128MJ Desc: 4 Year Asurion Office Products Prot Qty: 2.00 Unit: PCE Disc: N Ext Item Amt: 38.86 Product Code: B01LXFBEWD Desc: 4 Year Asurion Home Improvement Ext Qty: 1 Unit: PCE Disc: N Ext Item Amt: 2.98	41.84

CARDHOLDER ACTIVITY

Posting Date	Transaction Date	Reference Number	Transaction Description	Amount
09-18	09-16	55432867259100490951266	AMAZON MKTPLACE PMTS AMZN.COM/BILLWA Tran: 113-0638688-83162 Tax ID: 202936165 Mer Ref: 4MSLVSB1ND7 Mer Zip: 98109 Product Code: B008OG5W3M Desc: Brother FAX-2840 High Speed Mono La Qty: 1 Unit: PCE Disc: N Ext Item Amt: 185.24	185.24
09-18	09-17	55432867260100122001321	AMAZON MKTPLACE PMTS AMZN.COM/BILLWA Tran: 113-1441648-94066 Tax ID: 202936165 Mer Ref: GXWOK7X5IU4 Mer Zip: 98109	74.99
09-18	09-17	55432867260100344374407	AMAZON MKTPLACE PMTS AMZN.COM/BILLWA Tran: 113-9402560-10562 Tax ID: 202936165 Mer Ref: 2TTR513JST1 Mer Zip: 98109	39.95
09-19	09-18	55432867261100775371897	AMAZON MKTPLACE PMTS AMZN.COM/BILLWA Tran: 113-1441648-94066 Tax ID: 202936165 Mer Ref: 5PWDX2EJGVE Mer Zip: 98109 Tax: 24.72 Product Code: B005HS5MKS Desc: Plantronics-CS540 Convertible Wirel Qty: 2.00 Unit: PCE Disc: N Ext Item Amt: 365.72	365.72
09-20	09-19	55310207262884178906202	FTD.COM 08007363383 IL Tax ID: 364294509 Mer Ref: 17890620 Mer Zip: 60515 Origin Zip: 60515 Dest Ctry: USA	67.56
09-22	09-21	55436877265732654476339	JESSE S PIZZA 661-2561313 CA Tran: 1 Tax ID: 560735364 Mer Zip: 93560	44.00
09-28	09-28	55432867271100450435726	AMAZON MKTPLACE PMTS AMZN.COM/BILLWA Tran: 113-1441648-94066 Tax ID: 202936165 Mer Ref: 1U18YFE1N7B Mer Zip: 98109	24.99 CR

WELLS FARGO

WELLS FARGO® BUSINESS CARD

VISA

Prepared For	ROSAMOND CSD
Account Number	1153
Statement Closing Date	10/13/17
Days in Billing Cycle	29
Next Statement Date	11/14/17

Credit Line	$10,000
Available Credit	$9,994

For 24-Hour Customer Service Call:
800-225-5935

Inquiries or Questions:
Wells Fargo SBL PO Box 29482
Phoenix, AZ 85038-8650

Payments:
Payment Remittance Center PO Box 6426
Carol Stream, IL 60197-6426

Payment Information

New Balance	$5.25
Current Payment Due (Minimum Payment)	**$5.25**
Current Payment Due Date	**11/03/17**

If you wish to pay off your balance in full: The balance noted on your statement is not the payoff amount. Please call 800-225-5935 for payoff information.

Account Summary

Previous Balance		$2,946.93
Credits	-	$0.00
Payments	-	$2,946.93
Purchases & Other Charges	+	$5.25
Cash Advances	+	$0.00
Finance Charges	+	$0.00
New Balance	=	$5.25

Rate Information

Your rate may vary according to the terms of your agreement.

TYPE OF BALANCE	ANNUAL INTEREST RATE	DAILY FINANCE CHARGE RATE	AVERAGE DAILY BALANCE	PERIODIC FINANCE CHARGES	TRANSACTION FINANCE CHARGES	TOTAL FINANCE CHARGES
PURCHASES	16.240%	.04449%	$0.00	$0.00	$0.00	$0.00
CASH ADVANCES	24.990%	.06846%	$0.00	$0.00	$0.00	$0.00
TOTAL				$0.00	$0.00	$0.00

Transaction Details

Trans	*Post*	*Reference Number*	*Description*	*Credits*	*Charges*
09/30	09/30	24431068H60L65S4E	CTY OF SAN BUENAVENTURA VENTURA CA		3.50
09/30	09/30	24431068H60L65VWY	CTY OF SAN BUENAVENTURA VENTURA CA		1.75
10/01	10/01	74856208K24XEJ7PT	PAYMENT THANK YOU	2,946.93	

See reverse side for important information.

5596 0012 YTG 1 7 10 171013 0 1 0 5921 0300 BXIK 01DQ5596 24659

DETACH HERE

Detach and mail with check payable to "Wells Fargo" to arrive by Current Payment Due Date.

Make checks payable to: Wells Fargo

WELLS FARGO

WELLS FARGO® BUSINESS CARD
VISA

Prepared For	ROSAMOND CSD
Account Number	4127
Statement Closing Date	10/13/17
Days in Billing Cycle	29
Next Statement Date	11/14/17

Credit Line	$2,500
Available Credit	$2,285

For 24-Hour Customer Service Call:
800-225-5935

Inquiries or Questions:
Wells Fargo SBL PO Box 29482
Phoenix, AZ 85038-8650

Payments:
Payment Remittance Center PO Box 6426
Carol Stream, IL 60197-6426

Payment Information

New Balance	$214.76
Current Payment Due (Minimum Payment)	**$25.00**
Current Payment Due Date	**11/03/17**

If you wish to pay off your balance in full: The balance noted on your statement is not the payoff amount. Please call 800-225-5935 for payoff information.

1-2

Account Summary

Previous Balance		$349.19
Credits	-	$105.52
Payments	-	$349.19
Purchases & Other Charges	+	$320.28
Cash Advances	+	$0.00
Finance Charges	+	$0.00
New Balance	=	$214.76

Wells Fargo Cash Back SM Program Summary

Previous Balance		$42.85
Cash Earned this Month		$3.20
Trades From Other Company Cards		$14.31
Bonus/Adjustments		$0.00
Cash Back Balance	=	$60.36
Cash Awarded this Period		$0.00
Year to Date Cash Back Awarded		$250.97

Cash Back Notice

Your next cash back reward is scheduled for 12/2017. Use your Business Card for all of your business expenses plus everyday purchases and get 1% Cash Back.

Rate Information

Your rate may vary according to the terms of your agreement.

TYPE OF BALANCE	ANNUAL INTEREST RATE	DAILY FINANCE CHARGE RATE	AVERAGE DAILY BALANCE	PERIODIC FINANCE CHARGES	TRANSACTION FINANCE CHARGES	TOTAL FINANCE CHARGES
PURCHASES	16.240%	.04449%	$0.00	$0.00	$0.00	$0.00
CASH ADVANCES	24.990%	.06846%	$0.00	$0.00	$0.00	$0.00
TOTAL				$0.00	$0.00	$0.00

See reverse side for important information.

5596 0012 YTG 1 7 10 171013 0 1 0 5921 0300 BXIK 01DQ5596 24657

DETACH HERE
Detach and mail with check payable to "Wells Fargo" to arrive by Current Payment Due Date.

Make checks payable to: Wells Fargo

WELLS FARGO

Transaction Details

Trans	Post	Reference Number	Description	Credits	Charges
09/14	09/15	752823082EHMQQQE5	CASH BACK REDEMPTION ACCT NON-FUNDABLE	105.52	
09/20	09/20	#2459216872XPJ2SV4	ALLIED ELECTRONICS INC 800-433-5700 TX		210.88
09/21	09/21	#2468807890VYJB5HJ	ROSAMOND CLEANERS ROSAMOND CA		1.60
09/21	09/21	#2468807890VYJB5HS	ROSAMOND CLEANERS ROSAMOND CA		14.60
09/25	09/25	#24224438D2ZYEM91E	FASTENAL COMPANY01 507-453-8920 MN		93.20
10/01	10/01	74856208K24XEJ7NZ	PAYMENT THANK YOU	349.19	

Wells Fargo News

Remember there are no foreign transaction fees when you make international purchases or use your card for purchases while travelling outside of the U.S. With your Wells Fargo Business Card, you can take your business anywhere around the world and have the confidence you'll get:

-No foreign transaction fees on your purchases

-Enhanced security with chip card technology

"No foreign transaction fees" applies to business credit cards issued by Wells Fargo and this account in particular. For information on other Wells Fargo credit and debit cards, please see your account agreement or visit wellsfargo.com.

Happy Anniversary

This month marks the anniversary of your Wells Fargo Business Card. We thank you for your business and look forward to serving you for years to come.

How can Wells Fargo help your business? Learn more at **wellsfargo.com/biz**

© 2016 Wells Fargo Bank N.A. All rights reserved.

WELLS FARGO

WELLS FARGO® BUSINESS CARD

VISA

Prepared For	ROSAMOND CSD
Account Number	4652
Statement Closing Date	10/13/17
Days in Billing Cycle	29
Next Statement Date	11/14/17

Credit Line	$5,000
Available Credit	$2,974

For 24-Hour Customer Service Call:
800-225-5935

Inquiries or Questions:
Wells Fargo SBL PO Box 29482
Phoenix, AZ 85038-8650

Payments:
Payment Remittance Center PO Box 6426
Carol Stream, IL 60197-6426

Payment Information

New Balance	$1,426.40
Current Payment Due (Minimum Payment)	**$28.00**
Current Payment Due Date	**11/03/17**

If you wish to pay off your balance in full: The balance noted on your statement is not the payoff amount. Please call 800-225-5935 for payoff information.

1-2

Account Summary

Previous Balance		$1,337.65
Credits	-	$0.00
Payments	-	$1,337.65
Purchases & Other Charges	+	$1,426.40
Cash Advances	+	$0.00
Finance Charges	+	$0.00
New Balance	=	$1,426.40

Rate Information

Your rate may vary according to the terms of your agreement.

TYPE OF BALANCE	ANNUAL INTEREST RATE	DAILY FINANCE CHARGE RATE	AVERAGE DAILY BALANCE	PERIODIC FINANCE CHARGES	TRANSACTION FINANCE CHARGES	TOTAL FINANCE CHARGES
PURCHASES	16.240%	.04449%	$0.00	$0.00	$0.00	$0.00
CASH ADVANCES	24.990%	.06846%	$0.00	$0.00	$0.00	$0.00
TOTAL				$0.00	$0.00	$0.00

Transaction Details

Trans	*Post*	*Reference Number*	*Description*	*Credits*	*Charges*
09/18	09/18	243160586FYJ2KT2S	SHELL OIL 10005896005 PHELAN CA		50.90
09/19	09/19	240710587QJSQR24J	SUPERIOR TANK 909-9120580 CA		107.25
09/27	09/27	24610438F09FFXLZ9	HOMEDEPOT.COM 800-430-3376 GA		1,179.74
10/01	10/01	74856208K24XEJ7R9	PAYMENT THANK YOU	1,337.65	
10/06	10/06	24692168P2XWDG0R2	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA		64.97
10/12	10/12	24692168X2X4Q8ZG0	Amazon.com AMZN.COM/BILL WA		23.54

See reverse side for important information.

5596 0012 YTG 1 7 10 171013 0 10 5921 0300 BXIK 01DQ5596 24658

DETACH HERE

Detach and mail with check payable to "Wells Fargo" to arrive by Current Payment Due Date.

Make checks payable to: Wells Fargo

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

PARTNERS
Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF
Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Nathan Statham, CPA, MBA
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA

MEMBERS
American Institute of Certified Public Accountants

PCPS The AICPA Alliance for CPA Firms

Governmental Audit Quality Center

California Society of Certified Public Accountants

October 31, 2017

To the Board of Directors
Rosamond Community Services District

We have audited the financial statements of Rosamond Community Services District (the District) as of and for the year ended June 30, 2017, and have issued our report thereon dated October 31, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 5, 2017, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements were:

> Management's estimate of capital asset depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
>
> Management's estimate of the net pension liability and related deferred inflows and outflows of resources is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to accumulated depreciation and the net pension liability, as well as the related deferred inflows and outflows of resources.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 31, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California

Rosamond Community Services District

BOARD OF DIRECTORS
Olaf Landsgaard, President
Dennis Shingledecker, Vice-President
Byron Glennan
Morrison "Ed" MacKay
J. Russell Williford

OFFICERS
Ronald D. Smith
General Manager
Allison Burns
Legal Counsel, Stradling
Lizette Guerrero
Board Secretary

October 31, 2017

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the financial statements of Rosamond Community Services District (the District) as of June 30, 2017 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 31, 2017:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 5, 2017, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.

3179 35th Street West Rosamond, CA 93560
661-256-3411 Fax: 661.256.2557
Website: www.rosamondcsd.com

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.

- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,[7] and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.

- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

10/31/2017

Brad Rockabrand
Director of Finance

ROSAMOND COMMUNITY SERVICES DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

ROSAMOND COMMUNITY SERVICES DISTRICT

LIST OF ELECTED AND APPOINTED OFFICIALS

JUNE 30, 2017

Elected Officials

BOARD OF DIRECTORS

Title	Director	Term Expires
President	Olaf Landsgaard	December 2018
Vice-President	Dennis Shingledecker	December 2018
Director	Morrison “Ed” MacKay	December 2018
Director	Byron Glennan	December 2020
Director	J. Russell Williford	December 2020

Appointed Official

General Manager — Ronald Smith

Rosamond Community Services District
3179 35th Street West
Rosamond, California 93560
(661) 256-3411
www.rosamondcsd.com

TABLE OF CONTENTS
JUNE 30, 2017

	Page
Financial Section	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
Statement of Net Position - Enterprise Funds	21
Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds	23
Statement of Cash Flows - Enterprise Funds	24
Notes to the Financial Statements	26

TABLE OF CONTENTS
JUNE 30, 2017

	Page
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Parks and Recreation Fund	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Street Lighting Fund	62
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date	63
Schedule of Plan Contributions	64
Supplementary Information	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Water Fund	67
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Wastewater Fund	68
Report on Compliance and Internal Controls	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*	71

FINANCIAL SECTION

This page is intentionally left blank.

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

PARTNERS
Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF
Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Nathan Statham, CPA, MBA
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA

MEMBERS
American Institute of
Certified Public Accountants

PCPS The AICPA Alliance for CPA Firms

Governmental Audit Quality Center

California Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Rosamond Community Services District
Rosamond, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Rosamond Community Services District (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the State Controller's *Minimum Audit Requirements for California Special Districts*, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts*, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules relating to the District’s net pension liability and pension plan contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the District's basic financial statements. The Schedules of Revenues and Expenses - Budget and Actual for the Water and Wastewater Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Revenues and Expenses - Budget and Actual have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 31, 2017, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 31, 2017

This page is intentionally left blank.

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Rosamond Community Services District (District) provides an introduction to the basic financial statements of the District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- Net position increased by 6.6% or $2,641,514 to $42,855,784 as a result of this year's operations.
- Total revenues decreased by 1.2% or $106,873 due primarily to a special item in the amount of $960,000 in the previous fiscal year. After adjusting for the special item, total revenues increased by 10.4% or $853,127 due primarily to an increase in charges for services in the Water Fund.
- Total expenses decreased by 10.6% or $765,186 due primarily to an $800,533 decrease in water and wastewater related operational expenses.

Using This Financial Report

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's fiscal posturing and credit worthiness.

Government-Wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting,* which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in it. Think of the District's net position, the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, as one way to measure the District's financial health, or *financial position.* Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and the types of grants the District applies for to assess the *overall financial health* of the District.

Fund Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

Statement of Cash Flows

The Statement of Cash Flows is presented using the direct method of accounting and includes a reconciliation of operating cash flows to operating income. The Statement of Cash Flows basically provides detailed information about the cash received in the current and previous fiscal year and the uses of the cash received. This is the only cash basis financial statement presented and it reconciles cash receipts and cash expenses to the beginning and ending cash on hand.

Most of the cash received by the District during the fiscal year was from customer service charges; most of the cash uses were for operating expenses.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI) and supplementary information* concerning the District's major fund budgetary information.

Statement of Net Position

To begin our analysis, a summary of the District's Statement of Net Position is presented in the following table:

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	$ 516,078	$ 415,606	$ 13,143,764	$ 9,321,947	$ 13,659,842	$ 9,737,553
Restricted assets	28,003	54,136	239,771	1,124,847	267,774	1,178,983
Noncurrent assets	(1,930,156)	(2,068,859)	9,326,364	9,215,067	7,396,208	7,146,208
Capital assets, net	1,129,399	1,178,066	28,292,646	29,746,183	29,422,045	30,924,249
Total assets	(256,676)	(421,051)	51,002,545	49,408,044	50,745,869	48,986,993
Deferred Outflows of Resources	82,685	131,040	1,295,387	1,298,349	1,378,072	1,429,389
Liabilities:						
Current liabilities	45,721	113,685	1,196,353	1,233,897	1,242,074	1,347,582
Noncurrent liabilities	28,664	92,023	7,414,697	8,551,684	7,443,361	8,643,707
Total liabilities	74,385	205,708	8,611,050	9,785,581	8,685,435	9,991,289
Deferred Inflows of Resources	34,963	19,327	547,759	191,496	582,722	210,823
Net Position:						
Net investment in capital assets	1,129,399	1,178,066	20,861,220	21,781,038	21,990,619	22,959,104
Restricted	28,003	54,136	239,771	1,124,847	267,774	1,178,983
Unrestricted	(1,440,741)	(1,747,248)	22,038,132	17,823,431	20,597,391	16,076,183
Total net position	$ (283,339)	$ (515,046)	$ 43,139,123	$ 40,729,316	$ 42,855,784	$ 40,214,270

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $42,855,784 as of June 30, 2017. Compared to prior year, net position of the District increased by 6.6%, or $2,641,514. The District's net position is made up of three components: 1) net investment in capital assets of $21,990,619; 2) restricted of $267,774; and 3) unrestricted of $20,597,391.

Statement of Activities

The following table is a summary of the Statement of Activities for the year ended June 30, 2017.

Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total District	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	$ 121,897	$ 406,397	$ 7,867,694	$ 6,766,816	$ 7,989,591	$ 7,173,213
Operating grants and contributions	-	-	239,848	718,609	239,848	718,609
Capital grants and contributions	-	-	68,000	-	68,000	-
General revenues:						
Property taxes	271,983	257,512	-	-	271,983	257,512
Special assessments	302,769	-	-	-	302,769	-
Interest earnings and other revenue	19,958	20,236	177,411	68,637	197,369	88,873
Gain on sale of capital assets			21,774		21,774	
Special item revenues:						
Water acquisition sales	-	-	-	960,000	-	960,000
Total revenues	716,607	684,145	8,374,727	8,514,062	9,091,334	9,198,207
Expenses						
Salaries and benefits	135,701	13,236	1,481,293	1,982,537	1,616,994	1,995,773
Operations	300,532	387,649	2,075,548	2,438,331	2,376,080	2,825,980
Depreciation	48,667	48,668	2,150,061	2,135,913	2,198,728	2,184,581
Interest	-	-	258,018	208,672	258,018	208,672
Total expenses	484,900	449,553	5,964,920	6,765,453	6,449,820	7,215,006
Change in net position	231,707	234,592	2,409,807	1,748,609	2,641,514	1,983,201
Net position, beginning of year	(515,046)	(749,638)	40,729,316	38,980,707	40,214,270	38,231,069
Net position, end of year	$ (283,339)	$ (515,046)	$ 43,139,123	$ 40,729,316	$ 42,855,784	$ 40,214,270

Governmental and business-type activities increased the District's net position by $2,641,514, thereby accounting for the 6.6% increase in the net position of the District.

Total revenues decreased by 1.2% or $106,873 due primarily to a special item in the amount of $960,000 in the previous fiscal year. After adjusting for the special item, total revenues increased by 10.4% or $853,127 due primarily to an increase in charges for services in the Water Fund.

Total expenses decreased by 10.6% or $765,186 due primarily to an $800,533 decrease in water and sewer related operational expense.

Budgetary Highlights

The District adopts an annual budget each year to project the expected coming year's operations. The budget includes proposed expenses and the means of financing them. The District's budget is reviewed quarterly by senior management and a midyear budget is prepared for the Board of Directors to account for changes in assumptions and economic conditions subsequent to its original adoption. Budget versus actual comparison is analyzed by management throughout the year.

A 2017 budget versus actual comparison combined for governmental and business-type activities is presented in the tables below:

Budget vs. Actual Comparison – Governmental Activities
Year Ended June 30, 2017

	Actual	Budget	Variance
REVENUES			
Property taxes	$ 271,983	$ 252,800	$ 19,183
Special assessments	302,769	410,352	(107,583)
Charges for services	121,897	103,620	18,277
Interest earnings	19,958	32,291	(12,333)
Total revenues	716,607	799,063	(82,456)
EXPENDITURES			
Parks and recreation	306,806	522,320	215,514
Street lighting	126,503	169,738	43,235
Total expenditures	433,309	692,058	258,749
Net change	$ 283,298	$ 107,005	$ 176,293

Budget vs. Actual Comparison – Business-Type Activities
Year Ended June 30, 2017

	Actual	Budget	Variance
OPERATING REVENUES			
Water consumption sales	$ 4,232,572	$ 3,103,400	$ 1,129,172
Wastewater service charges	3,635,122	3,053,680	581,442
Total operating revenues	7,867,694	6,157,080	1,710,614
OPERATING EXPENSES			
Salaries and benefits	1,481,293	1,821,948	(340,655)
Operations	2,075,548	2,324,439	(248,891)
Total operating expenses	3,556,841	4,146,387	(589,546)
Operating income before depreciation	4,310,853	2,010,693	2,300,160
Depreciation expense	(2,150,061)	(2,116,794)	(33,267)
Operating income	2,160,792	(106,101)	2,266,893
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	74,270	39,951	34,319
Interest expense	(258,018)	(197,545)	(60,473)
Other noncapital revenue	239,848	605,000	(365,152)
Other revenue	103,141	8,500	94,641
Gain on sale of capital assets	21,774	-	21,774
Contributed capital	68,000	-	68,000
Total nonoperating revenues (expenses)	249,015	455,906	(206,891)
Change in net position	$ 2,409,807	$ 349,805	$ 2,060,002

Business-type funds budget for the payment of debt principal as a way of recognizing the need for financial resources to meet the obligations. However, the payment of principal is not treated as an expense, but rather as a reduction of a liability. Therefore, it is removed from the budget column in this schedule in order to be more accurately comparable to the actual column. When these payments are added back to the number presented above, the totals agree to the approved respective budgets.

Budget - as reported above	$ 349,805
Budgeted principal payments - water	(405,291)
Budgeted principal payments - sewer	(417,549)
Total	$ (473,035)
Approved budget - water	$ (832,561)
Approved budget - sewer	359,526
Total	$ (473,035)

Capital Asset Administration

Capital Assets

	Governmental Activities		Business-Type Activities		Total District	
	2017	2016	2017	2016	2017	2016
Capital assets:						
Non-depreciable assets	$ 678,441	$ 678,441	$ 4,402,392	$ 3,975,780	$ 5,080,833	$ 4,654,221
Depreciable assets	1,009,849	1,016,256	63,495,194	63,364,216	64,505,043	64,380,472
Total capital assets	1,688,290	1,694,697	67,897,586	67,339,996	69,585,876	69,034,693
Accumulated depreciation	(558,891)	(516,631)	(39,604,940)	(37,593,813)	(40,163,831)	(38,110,444)
Total capital assets, net	$ 1,129,399	$ 1,178,066	$ 28,292,646	$ 29,746,183	$ 29,422,045	$ 30,924,249

At the end of fiscal year 2017, the District's investment in capital assets amounted to $29,422,045 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, furnishings and equipment, collection and distribution systems, tanks, wells, water treatment facilities, and construction-in-progress. Major capital asset additions in the business-type activities area included a large purchase of smart meters in anticipation of completing the District's meter replacement project. The capital assets of the District are more fully analyzed in Note 8 to the basic financial statements.

Long-Term Debt Administration

Long-Term Debt

	Governmental Activities		Business-Type Activities		Total District	
	2017	2016	2017	2016	2017	2016
Long-term debt:						
Net pension liability	$ 19,374	$ 89,606	$ 302,785	$ 887,805	$ 322,159	$ 977,411
Loans payable	-	-	7,431,426	7,965,145	7,431,426	7,965,145
	$ 19,374	$ 89,606	$ 7,734,211	$ 8,852,950	$ 7,753,585	$ 8,942,556

Long-term debt decreased due to authorized repayments of $533,719 in notes payable during the fiscal year. The long-term debt of the District is more fully analyzed in Note 10 of the basic financial statements.

Conditions Affecting Current Financial Position

Parks and Recreation operated in a surplus this year but still has a significant fund balance deficit. During fiscal year 2017, the District began the process of surveying the community to determine how receptive it would be to a new funding mechanism to provide expanded Parks and Recreation services and begin to address the deficit.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager at 3179 35th Street West, Rosamond, California 93560 or (661) 256-3411.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents (Note 2)	$ 395,694	$ 11,849,701	$ 12,245,395
Accrued interest receivable	60	422	482
Accounts receivable - utilities, net (Note 4)	10,183	612,586	622,769
Accounts receivable - other	107,958	370,614	478,572
Materials and supplies inventory	-	199,436	199,436
Prepaid expenses and other deposits	2,183	111,005	113,188
Total current assets	516,078	13,143,764	13,659,842
Noncurrent assets:			
Restricted - cash and cash equivalents (Notes 2 and 3)	28,003	239,771	267,774
Banked water inventory (Note 6)	-	1,396,208	1,396,208
Internal balances (Note 5)	(1,930,156)	1,930,156	-
Investment in water banking - JPA (Note 7)	-	6,000,000	6,000,000
Capital assets, not being depreciated (Note 8)	678,441	4,402,392	5,080,833
Depreciable capital assets, net (Note 8)	450,958	23,890,254	24,341,212
Total noncurrent assets	(772,754)	37,858,781	37,086,027
Total assets	(256,676)	51,002,545	50,745,869
DEFERRED OUTFLOWS OF RESOURCES			
Pension related (Note 12)	82,685	1,295,387	1,378,072

See accompanying notes to the basic financial statements.

STATEMENT OF NET POSITION, CONTINUED
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$ 21,264	$ 298,872	$ 320,136
Accrued wages and related payables	6,360	50,730	57,090
Customer deposits	15,000	188,684	203,684
Accrued interest on long-term debt	-	35,426	35,426
Long-term liabilities - due within one year:			
Compensated absences (Note 9)	3,097	75,782	78,879
Notes payable (Note 10)	-	546,859	546,859
Total current liabilities	45,721	1,196,353	1,242,074
Noncurrent liabilities:			
Long-term liabilities - due within more than one year:			
Compensated absences (Note 9)	9,290	227,345	236,635
Notes payable (Note 10)	-	6,884,567	6,884,567
Net pension liability	19,374	302,785	322,159
Total noncurrent liabilities	28,664	7,414,697	7,443,361
Total liabilities	74,385	8,611,050	8,685,435
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 12)	34,963	547,759	582,722
NET POSITION			
Net investment in capital assets (Note 11)	1,129,399	20,861,220	21,990,619
Restricted (Note 11)	28,003	239,771	267,774
Unrestricted	(1,440,741)	22,038,132	20,597,391
Total net position	$ (283,339)	$ 43,139,123	$ 42,855,784

See accompanying notes to the basic financial statements.

ROSAMOND COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental activities:							
Parks and recreation	$ 358,397	$ 39,842	$ -	$ -	$ (318,555)	$ -	$ (318,555)
Street lighting	126,503	82,055	-	-	(44,448)	-	(44,448)
Total governmental activities	484,900	121,897	-	-	(363,003)	-	(363,003)
Business-type activities:							
Water	3,756,375	4,232,572	239,848	68,000	-	784,045	784,045
Wastewater	2,208,545	3,635,122	-	-	-	1,426,577	1,426,577
Total business-type activities	5,964,920	7,867,694	239,848	68,000	-	2,210,622	2,210,622
Total	$ 6,449,820	$ 7,989,591	$ 239,848	$ 68,000	(363,003)	2,210,622	1,847,619
		General revenues:					
		Property taxes			271,983	-	271,983
		Special assessments			302,769	-	302,769
		Interest earnings			19,958	74,270	94,228
		Other revenue			-	103,141	103,141
		Gain on sale of capital assets			-	21,774	21,774
		Total general revenues			594,710	199,185	793,895
		Change in net position			231,707	2,409,807	2,641,514
		Net position (deficit), beginning of year			(515,046)	40,729,316	40,214,270
		Net position (deficit), end of year			$ (283,339)	$ 43,139,123	$ 42,855,784

See accompanying notes to the basic financial statements.

ROSAMOND COMMUNITY SERVICES DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Parks and Recreation	Street Lighting	Total Governmental Funds
ASSETS			
Cash and cash equivalents (Note 2)	$ 253,469	$ 142,225	$ 395,694
Accrued interest receivable	60	-	60
Accounts receivable - utilities, net (Note 4)	2,681	7,502	10,183
Accounts receivable - other (Note 4)	106,352	1,606	107,958
Prepaid expenses and other deposits	2,183	-	2,183
Restricted assets:			
Cash and cash equivalents (Note 3)	28,003	-	28,003
Total assets	$ 392,748	$ 151,333	$ 544,081
LIABILITIES			
Accounts payable and accrued expenses	$ 12,918	$ 8,346	$ 21,264
Accrued wages and related payables	6,360	-	6,360
Customer deposits	-	15,000	15,000
Internal balances (Note 5)	1,857,247	72,909	1,930,156
Total liabilities	1,876,525	96,255	1,972,780
FUND BALANCES			
Nonspendable	2,183	-	2,183
Restricted	28,003	55,078	83,081
Unassigned	(1,513,963)	-	(1,513,963)
Total fund balances	(1,483,777)	55,078	(1,428,699)
Total liabilities and fund balances	$ 392,748	$ 151,333	$ 544,081

See accompanying notes to the basic financial statements.

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Fund balances (deficit) of governmental funds	$ (1,428,699)
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those capital assets among the assets of the District as a whole. The historical acquisition cost of the assets is $1,688,290 and the accumulated depreciation is $558,891.	1,129,399
Long-term liabilities applicable to the District are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Compensated absences	(12,387)
Net pension liability	(19,374)
Deferred inflows and outflows of resources related to pensions have not been included in the governmental fund activity.	
Deferred outflows of resources	82,685
Deferred inflows of resources	(34,963)
Net position (deficit) of governmental activities	$ (283,339)

See accompanying notes to the basic financial statements.

ROSAMOND COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Parks and Recreation	Street Lighting	Total Governmental Funds
REVENUES			
Property taxes	$ 268,447	$ 3,536	$ 271,983
Special assessments	144,075	158,694	302,769
Charges for services	39,842	82,055	121,897
Interest earnings	18,844	1,114	19,958
Total revenues	471,208	245,399	716,607
EXPENDITURES			
Parks and recreation	306,806	-	306,806
Street lighting	-	126,503	126,503
Total expenditures	306,806	126,503	433,309
Net change in fund balances	164,402	118,896	283,298
Fund balances (deficit), beginning of year	(1,648,179)	(63,818)	(1,711,997)
Fund balances (deficit), end of year	$ (1,483,777)	$ 55,078	$ (1,428,699)

See accompanying notes to the basic financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds	$	283,298
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		(48,667)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds as follows:		
Change in compensated absences		(9,165)
Pension related net adjustments		6,241
Change in net position of governmental activities	$	231,707

See accompanying notes to the basic financial statements.

STATEMENT OF NET POSITION – ENTERPRISE FUNDS
JUNE 30, 2017

	Water	Wastewater	Total Business-Type Activities
ASSETS			
Current assets:			
Cash and cash equivalents (Note 2)	$ 2,260,651	$ 9,589,050	$ 11,849,701
Accrued interest receivable	44	378	422
Accounts receivable - utilities, net (Note 4)	410,710	201,876	612,586
Accounts receivable - other	317,908	52,706	370,614
Materials and supplies inventory	199,436	-	199,436
Prepaid expenses and other deposits	97,821	13,184	111,005
Total current assets	3,286,570	9,857,194	13,143,764
Noncurrent assets:			
Restricted - cash and cash equivalents (Notes 2 and 3)	212,677	27,094	239,771
Banked water inventory (Note 6)	1,396,208	-	1,396,208
Internal balances (Note 5)	-	2,326,392	2,326,392
Investment in water banking - JPA (Note 7)	6,000,000	-	6,000,000
Capital assets, not being depreciated (Note 8)	3,865,186	537,206	4,402,392
Capital assets, net	12,695,920	11,194,334	23,890,254
Total noncurrent assets	24,169,991	14,085,026	38,255,017
Total assets	27,456,561	23,942,220	51,398,781
DEFERRED OUTFLOWS OF RESOURCES			
Pension related (Note 12)	799,282	496,105	1,295,387

See accompanying notes to the basic financial statements.

STATEMENT OF NET POSITION – ENTERPRISE FUNDS, CONTINUED
JUNE 30, 2017

	Water	Wastewater	Total Business-Type Activities
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$ 177,950	$ 120,922	$ 298,872
Accrued wages and related payables	32,285	18,445	50,730
Customer deposits	83,375	105,309	188,684
Accrued interest on long-term debt	-	35,426	35,426
Long-term liabilities - due within one year:			
Compensated absences (Note 9)	38,899	36,883	75,782
Notes payable (Note 10)	136,621	410,238	546,859
Total current liabilities	469,130	727,223	1,196,353
Noncurrent liabilities:			
Long-term liabilities - due within more than one year:			
Compensated absences (Note 9)	116,695	110,650	227,345
Notes payable (Note 10)	1,620,824	5,263,743	6,884,567
Internal balances (Note 5)	396,236	-	396,236
Net pension liability (Note 12)	186,828	115,957	302,785
Total noncurrent liabilities	2,320,583	5,490,350	7,810,933
Total liabilities	2,789,713	6,217,573	9,007,286
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 12)	337,980	209,779	547,759
NET POSITION			
Net investment in capital assets (Note 11)	14,803,661	6,057,559	20,861,220
Restricted (Note 11)	212,677	27,094	239,771
Unrestricted	10,111,812	11,926,320	22,038,132
Total net position	$ 25,128,150	$ 18,010,973	$ 43,139,123

See accompanying notes to the basic financial statements.

ROSAMOND COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Water	Wastewater	Total Business-Type Activities
OPERATING REVENUES			
Water consumption sales	$ 4,232,572	$ -	$ 4,232,572
Wastewater service charges	-	3,635,122	3,635,122
Total operating revenues	4,232,572	3,635,122	7,867,694
OPERATING EXPENSES			
Salaries and benefits	837,621	643,672	1,481,293
Operations	1,338,762	736,786	2,075,548
Total operating expenses	2,176,383	1,380,458	3,556,841
Operating income before depreciation	2,056,189	2,254,664	4,310,853
Depreciation expense	(1,476,999)	(673,062)	(2,150,061)
Operating income	579,190	1,581,602	2,160,792
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	13,116	61,154	74,270
Interest expense	(102,993)	(155,025)	(258,018)
Other noncapital revenue	239,848	-	239,848
Other revenue	72,818	30,323	103,141
Gain on sale of capital assets	16,561	5,213	21,774
Contributed capital	68,000	-	68,000
Total nonoperating revenues (expenses)	307,350	(58,335)	249,015
Change in net position	886,540	1,523,267	2,409,807
Net position, beginning of year	24,241,610	16,487,706	40,729,316
Net position, end of year	$ 25,128,150	$ 18,010,973	$ 43,139,123

See accompanying notes to the basic financial statements.

STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Water	Wastewater	Total Business-Type Activities
Cash flows from operating activities:			
Cash receipts from customers	$ 4,208,054	$ 3,701,173	$ 7,909,227
Cash paid to employees for salaries and benefits	(989,961)	(714,727)	(1,704,688)
Cash paid to vendors and suppliers	(1,430,068)	(690,983)	(2,121,051)
Net cash provided by operating activities	1,788,025	2,295,463	4,083,488
Cash flows from noncapital financing activities:			
Other noncapital revenue	312,666	30,323	342,989
Cash received (used) for Parks and Recreation Fund loans	(21,496)	167,272	145,776
Net cash provided by noncapital financing activities	291,170	197,595	488,765
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(558,611)	(69,913)	(628,524)
Proceeds from sale of capital assets	16,561	5,213	21,774
Principal payments on notes payable	(133,796)	(399,923)	(533,719)
Interest payments on notes payable	(102,993)	(157,513)	(260,506)
Net cash used by capital and related financing activities	(778,839)	(622,136)	(1,400,975)
Cash flows from investing activities:			
Interest earnings	13,107	53,738	66,845
Payment for investment in water banking - JPA	(250,000)	-	(250,000)
Net cash provided (used) by investing activities	(236,893)	53,738	(183,155)
Net increase in cash and cash equivalents	1,063,463	1,924,660	2,988,123
Cash and cash equivalents, beginning of year	1,409,865	7,691,484	9,101,349
Cash and cash equivalents, end of year	$ 2,473,328	$ 9,616,144	$ 12,089,472
Reconciliation to the Statement of Net Position			
Cash and cash equivalents	$ 2,260,651	$ 9,589,050	$ 11,849,701
Restricted cash and cash equivalents	212,677	27,094	239,771
	$ 2,473,328	$ 9,616,144	$ 12,089,472

See accompanying notes to the basic financial statements.

STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017

	Water	Wastewater	Total Business-Type Activities
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 579,190	$ 1,581,602	$ 2,160,792
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,476,999	673,062	2,150,061
Changes in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable - utilities, net	(90,462)	41,213	(49,249)
Accounts receivable - other	81,862	3,454	85,316
Materials and supplies inventory	908	-	908
Prepaid expenses and other deposits	6,453	8,306	14,759
Deferred outflows of resources	(84,586)	87,548	2,962
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	(98,667)	37,497	(61,170)
Accrued wages and related payables	5,189	4,021	9,210
Customer deposits	(15,918)	21,384	5,466
Compensated absenses	(3,633)	(3,177)	(6,810)
Deferred inflows of resources	232,568	123,695	356,263
Net pension liability	(301,878)	(283,142)	(585,020)
Total adjustments	1,208,835	713,861	1,922,696
Net cash provided by operating activities	$ 1,788,025	$ 2,295,463	$ 4,083,488

See accompanying notes to the basic financial statements.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Operations of the Reporting Entity

The Rosamond Community Services District (District) serves as the local government for the community of Rosamond in Kern County, California. The District is similar to a city government, supplying such services as parks and recreation, potable water, wastewater treatment, and street lighting. The District exists under California State law governing special districts (Government Code, Sec. 61000 et. seq.). The District was established by resolution of the Kern County Board of Supervisors for the purpose of providing infrastructure services for the newly developing community of Rosamond. The District is governed by a five-member Board of Directors who serve four-year terms and are elected at large. The directors entrust the responsibility for the efficient execution of District policies to their designated representative, the General Manager.

The criteria used in determining the scope of the District is based on the provisions of Governmental Accounting Standards Board (GASB) Statements No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34,* and No. 39, *Determining Whether Certain Organizations Are Component Units (an amendment of GASB Statement No. 14).* The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and, 1) it is able to impose its will on that organization, or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The District has no blended or discretely-presented component units.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-Wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for both governmental and business-type activities. Accordingly, all of the District's assets and liabilities, including capital assets, deferred outflows of resources and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, such as unbilled but utilized utility services revenues and expenses, are recorded at year-end.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the operating expenses of a given function are offset by operating revenues. Operating expenses are those that are clearly identifiable with a specific function. The types of transactions reported as operating revenues for the District are charges for services directly related to the operations of the District. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes, operating grants, and other items not properly included among operating revenues are reported instead as nonoperating revenues. Contributed capital and capital grants are included as capital contributions.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and enterprise fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide Financial Statements.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements (Continued)

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current fiscal year. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, investment revenue, and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The accrual basis of accounting is followed by the enterprise funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, such as unbilled but utilized utility services, are recorded at year-end. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Operating revenues and expenses, such as water sales, wastewater service, solid waste collection, and purchases of water, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories, such as interest income and interest expense, are reported as nonoperating revenues and expenses.

The District has elected to follow all pronouncements of the Governmental Accounting Standards Board (GASB).

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements (Continued)

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Funds are organized into two major categories: governmental and enterprise categories. An emphasis is placed on major funds within the governmental and enterprise categories. A fund is considered major if it is the primary operation fund of the District or meets the following criteria:

a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent (10%) of the corresponding total for all funds of that category or type; and

b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent (5%) of the corresponding total for all governmental and proprietary funds combined.

c) The District has determined that a fund is important to the financial statement user.

The funds of the District are described below:

Governmental Funds

Parks and Recreation - This fund is used to account for all parks and recreation activities within the District.

Street Lighting - This fund is used to account for all street lighting activities within the District.

Enterprise Funds

Water - This fund accounts for the water transmission and distribution operations of the District.

Wastewater - This fund accounts for the wastewater service operations of the District.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Financial Statement Elements

1. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

2. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management reviews all accounts receivable as collectible.

3. Property Taxes and Assessments

The Kern County Assessor's Office assesses all real and personal property within Kern County each year. The Kern County Tax Collector's Office bills and collects the District's share of property taxes and/or tax assessments. The Kern County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes and assessments receivable at year-end are related to property taxes and special assessments collected by Kern County, which have not been credited to the District's cash balance as of June 30, 2017. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

4. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

5. Banked Water Inventory

The amount of banked water is recorded at historical cost.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Financial Statement Elements (Continued)

6. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at estimated fair market value at the date of donation and/or historical cost. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Governmental Activities

- Infrastructure, street lighting - 30 to 40 years
- Vehicles and equipment - 5 to 10 years

Business-Type Activities

- Facility and systems - 10 to 40 years
- Vehicles and equipment - 5 to 10 years

7. Materials and Supplies Inventory

Materials and supplies inventory consists primarily of meters and registers, valves, and hydrants. Inventory is recorded using historical cost and estimates of the amounts available on hand.

8. Net Position/Fund Balances

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

- Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by any outstanding debt against the acquisition, construction, or improvement of those assets.
- Restricted Net Position - This component of net position consists of net position that is restricted for a specific use and is not available for the general use of the District.
- Unrestricted Net Position - This component of net position consists of net position that does not meet the definition of *restricted* or *net investment in capital assets.*

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Financial Statement Elements (Continued)

8. Net Position/Fund Balances (Continued)

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

- Nonspendable fund balance - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact. Amounts reported in the Balance Sheet are reported for prepaid expenses and other deposits.
- Restricted fund balance - amounts with constraints placed on their use that are either (a) externally imposed creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance - amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance - amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. The amounts reflected in the Balance Sheet represent funds assigned due to the purpose of the fund.
- Unassigned fund balance - the residual classification for the District's governmental funds that include amounts not contained in the other classifications.

The Board of Directors establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through the adoption of the budget and subsequent budget amendments that occur throughout the year. The District's Board of Directors has the authority to set aside funds as assigned for an intended purpose. The Board of Directors authorizes the General Manager as designee in identifying intended uses of funds and assigning residual balances. Any such assignments will be presented at regular financial and budget reporting periods. Board action to approve such financial and budget reports will represent ratification of any such assignments. The Board of Directors may determine the need to assign funds for an intended use.

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

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Financial Statement Elements (Continued)

9. Fund Balance Deficit

The deficit in the Parks and Recreation Fund as of June 30, 2017, in the amount of $(1,483,777) is expected to be covered in the near term with interfund transfers. In the future, the District is contemplating several new funding mechanisms that if it goes through, would cover operations.

10. Utility Sales

Utility sales are billed on a monthly basis. Estimated unbilled utility revenue through June 30, 2017 has been accrued at year-end for the Enterprise Funds.

11. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital connection expenses or capacity commitment.

12. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate, and are subject to elimination upon consolidation and are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

13. Budgetary Policies

The District follows specific procedures in establishing the budgetary data reflected in the basic financial statements. In accordance with District Ordinance 078-1, prior to May 1, each year the District Manager submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. Public hearings are conducted to obtain taxpayer comments. Prior to June 30 the budget is legally enacted through passage of a Board of Directors resolution. Budgets for the Enterprise Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The Board of Directors must approve all supplemental appropriations to the budget and transfers between funds. The legal level of budgetary control is at the fund level. Budget information is presented as required supplementary information for the Parks and Recreation Fund and all major special revenue funds.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Financial Statement Elements (Continued)

14. California State Water Project (SWP)

The SWP is a water storage and delivery system of reservoirs, aqueducts, power plants, and pumping plants. Its main purpose is to store water and distribute it to 29 urban and agricultural water suppliers in Northern California, the San Francisco Bay Area, the San Joaquin Valley, the Central Coast, and Southern California. Of the contracted water supply, 70 percent goes to urban users and 30 percent goes to agricultural users. The District at times will purchase water from a SWP contractor depending on availability and allocations.

15. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

16. Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2015
Measurement Date (MD)	June 30, 2016
Measurement Period (MP)	July 1, 2015 to June 30, 2016

17. Status of Prior Year Special Item

The District purchased 210 acres of real property located in the County of Los Angeles, State of California, which includes adjudicated water rights overlying the Antelope Valley Groundwater Basin. The District, while maintaining ownership over the real property, intends to sell adjudicated and appurtenant surface water rights to ground and/or percolating water rights to developers. In prior years, the sale of these water rights was presented as a special item.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2017, are classified as follows:

Statement of Net Position:	
Cash and cash equivalents	$ 12,245,395
Restricted cash and cash equivalents	267,774
Total cash and cash equivalents	$ 12,513,169

Cash and cash equivalents as of June 30, 2017, consist of the following:

Cash on hand	$ 3,100
Deposits held with financial institutions	1,923,407
Deposit of note proceeds held with financial institutions	239,771
Local Agency Investment Fund (LAIF)	288,556
Cal Trust	10,058,335
Total cash and cash equivalents	$ 12,513,169

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Deposits and Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements *	92 days	None	None
Medium-Term Notes ****	5 years	30%	None
Mutual Funds **	N/A	None	None
Money Market Mutual Funds ***	N/A	15%	None
Mortgage Pass-Through Securities	5 years	30%	None
County Pooled Investment Funds	N/A	100%	None
LAIF	N/A	None	$65 million

* Must be at least 102% of market value.
** Must carry the highest ratings of at least two of the three largest national rating agencies.
*** Must be rated "AA" or better by a nationally recognized rating service.
**** Must be rated "A" or better by Moody's or Standard & Poor's (S&P) rating service.

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 California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Deposits and Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

Custodial Credit Risk (Continued)

The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The District had deposits with a bank balance of $1,923,407 as of June 30, 2017. Of the bank balances, up to $250,000 for 2017 is federally insured, per institution, and the remaining balance of $1,673,407 is collateralized by the bank with pledged securities.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rates. The District's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date:

		Remaining Maturity
Investment Type	Total	12 months or less
LAIF	$ 288,556	$ 288,556
Cal Trust	10,058,335	10,058,335
Total investments	$ 10,346,891	$ 10,346,891

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

Deposits and Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements and the actual rating as of yearend for each investment type.

Investment Type	Total	Minimum Legal Rating	Rating as of Year-End Not Rated
LAIF	$ 288,556	N/A	$ 288,556
Cal Trust	10,058,335	N/A	10,058,335
Total investments	$ 10,346,891		$ 10,346,891

Concentration of Credit Risk

The District's investment policy does not contain various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer beyond as stipulated by the California Government Code. The District's deposit portfolio with governmental agencies such as the LAIF and Cal Trust was 2.8% and 97.2%, respectively, of the District's total depository and investment portfolio as of June 30, 2017.

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

The District’s investment in Cal Trust of $10,058,335 is valued using level 2 inputs by the Local Agency Advisory Board as of June 30, 2017. The District’s investment in the Local Agency Investment Fund of $288,556 is measured at Net Asset Value (NAV).

NOTE 3 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted funds of $212,677 in the Water Fund and $27,094 in the Sewer Fund are included in noncurrent assets. These include funds on deposit with Zions Bank and are held for debt service and may not be spent on repairs and maintenance. Restricted funds of $28,003 in the Parks and Recreation Fund are included in noncurrent assets as they represent the balance of State Quimby Act funds and funding required to be spent on County Service Areas.

NOTE 4 – ACCOUNTS RECEIVABLE

The accounts receivable balance consists of the following balances as of June 30, 2017:

	Parks and Recreation	Street Lighting	Water	Wastewater	Total
Accounts receivable - utilities	$ 2,681	$ 7,502	$ 410,710	$ 201,876	$ 622,769
Accounts receivable - other	106,352	1,606	224,778	52,706	385,442
Due from William Fisher Memorial Water Company	-	-	93,130	-	93,130
Accounts receivable, net	$ 109,033	$ 9,108	$ 728,618	$ 254,582	$ 1,101,341

On March 30, 2017 an ex party motion was granted that relieved the District of all obligations concerning William Fisher Memorial Water Company. This motion was effective April 1, 2017. After accounting for all of the District's time and expenses through the effective date, William Fisher owed the District a total of $93,130.

NOTE 5 – INTERNAL BALANCES

On June 10, 2015, the Board of Directors adopted a ninth internal agreement between the funds. The Wastewater Fund will provide assistance in the form of a loan, up to a maximum of $3,000,000 to the Water and Governmental Funds to refinance all existing internal loans and to internally finance the CalPERS Unfunded Accrued Liability. The interest rate will be based on the LAIF rate in place at the time the loan was issued, established by the Treasurer of the State of California. All of the loans mature on July 1, 2035 except for the Park Maintenance Fund loan which matures on July 1, 2030. The internal loans consist of the following balances as of June 30, 2017:

Due From	Due To Wastewater
Street Lighting	72,909
Parks and Recreation	1,857,247
Subtotal	1,930,156
Water	396,236
Total	$ 2,326,392

NOTE 6 – BANKED WATER INVENTORY

The Department of Water Resources (DWR) makes State Water Project (SWP) allocations to California water contractors. In 2010, the District was allocated 796 acre-feet of SWP dry year water from Antelope Valley East Kern Water Agency (AVEK). Of the total 796 acre-feet of allocated water, the District received 622 acre-feet, and of this, 503 acre-feet was banked with the Semitropic-Rosamond Water Banking Authority (SRWBA) as part of the District's participation in water banking programs with SRWBA.

Pursuant to their long-term groundwater banking program agreement, 90% of the water deliveries to SRWBA, less any losses in transportation, is considered recoverable. Therefore, after transportation losses and evaporation, the District had 445 acre-feet of banked water available-with SRWBA. The cost of this water was $233,557.

In 2011, the District delivered 112 acre-feet of dry year water to SRWBA for banking as part of the District's participation in water banking programs with SRWBA. After transportation losses and evaporation, the District had available 99 acre-feet of banked water with SRWBA. The cost of this water was $40,000. At June 30, 2011, the District's balance in the banked water inventory was $273,557.

During the fiscal year 2012, the District delivered 1,000 acre-feet of water to SRWBA for banking. Pursuant to the District's agreement for a long-term groundwater banking program, 90% of water delivered to SRWBA, less any losses in transportation, is considered recoverable. Thus, the after transportation losses and evaporation the District has available 1,419 acre-feet banked in SRWBA. The total cost of this water for the District was $245,200. At June 30, 2012, the District's balance in the banked water inventory was $518,757.

During the fiscal year 2013, the District delivered 976 acre-feet of water to SRWBA for banking. After transportation losses and evaporation, the District had available 873 acre-feet of banked water with SRWBA and a total of 2,292 acre-feet banked in SRWBA. The cost of this water was $256,772. At June 30, 2013, the District's balance in the banked water inventory was $775,529.

In June 2014, the District entered into a water purchase agreement with Homer LLC for the purchase of 1,500 acre-feet of banked water. The District was allocated 1,500 acre-feet of banked water from Homer. The cost of the water was $600,000. At June 30, 2014, the District’s balance in the banked water inventory was $1,375,529.

During fiscal year 2015, the District delivered 178 acre-feet of water to SRWBA for a cost of $20,679. At June 30, 2015, the District’s balance in the banked water inventory was $1,396,208.

The following is a summary of the changes in banked water recorded as inventory as of June 30, 2017:

NOTE 6 – BANKED WATER INVENTORY (Continued)

	AVEK			Homer, LLC			Totals		
	Delivered Acre-Feet	Banked Acre-Feet	Cost	Delivered Acre-Feet	Banked Acre-Feet	Cost	Delivered Acre-Feet	Banked Acre-Feet	Cost
Fiscal Year 2010	503	445	$ 233,557	-	-	$ -	503	445	$ 233,557
Fiscal Year 2011	112	99	40,000	-	-	-	112	99	40,000
Fiscal Year 2012	1,000	875	245,200	-	-	-	1,000	875	245,200
Fiscal Year 2013	976	873	256,772	-	-	-	976	873	256,772
Fiscal Year 2014	-	-	-	1,500	1,500	600,000	1,500	1,500	600,000
Fiscal Year 2015	178	-	20,679	-	-	-	178	-	20,679
Fiscal Year 2016	-	-	-	-	-	-	-	-	-
Fiscal Year 2017	-	-	-	-	-	-	-	-	-
Total	2,769	2,292	$ 796,208	1,500	1,500	$ 600,000	4,269	3,792	$ 1,396,208

NOTE 7 – INVESTMENT IN WATER BANKING - JOINT POWERS AGREEMENT (JPA)

On July 28, 2008, the District entered into a JPA with Semitropic Water Storage District and Valley Mutual Water Company, LLC, to create the SRWBA to engage in the development, construction and operation of ground water storage and related facilities for the benefit of their members and/or customers.

The foregoing interests of the JPA Members are to be operated in combination as the SRWBA, a single and insofar as practical integrated water bank for (1) the primary purpose of enhancing the reliability of the JPA Members' water supplies for their respective service areas and memberships, and (2) the secondary purpose of providing surplus capacity by contract to third-party customers throughout the State and region.

The Members, their respective percentage of ownership, and capital contributed are:

- Semitropic Water Storage District (SWSD), 57% - contributed capacity rights in SWSD's Stored Water Recovery Unit (SWRU) valued at $20,000,000. SWSD maintains direct ownership of SWRU assets related to capacity rights contributed.
- Valley Mutual Water Company, LLC (VMWC), 40% - contributed capacity rights in the Antelope Valley Water Bank (AVWB) and property and equipment valued at $18,300,000. VMWC maintains direct ownership of AVWB assets related to capacity rights contributed.
- The District, 3% - contributed intellectual property.

Initially, the SRWBA is to consist of a "First Priority Right" to the following interests in the District's SWRU banking project that will provide: (1) 33,333 acre-feet/year of SWRU Delivery Capacity, (2) 300,000 acre-feet of SWRU storage capacity, and (3) 100,000 acre-feet/year of SWRU recovery and return capacity, together with rights to certain unused capacities in the SWRU and other elements of the Semitropic Water Bank, and the following rights in AVWB: (1) 100,000 acre-feet/year of AVWB Delivery Capacity, (2) 500,000 acre-feet of AVWB Storage Capacity, and (3) 100,000 acre-feet/year of AVWB Recovery and Return Capacity.

The District, as a JPA Member of SRWBA, has agreed to acquire 6,000 SRWBA shares for the amount of $6,000,000 under the JPA. The District made an initial payment of $1,000,000 to SRWBA upon the execution of the JPA and beginning January 1, 2009, the District started making payments of $500,000 to SRWBA every six months (January 1 and July 1).

NOTE 7 – INVESTMENT IN WATER BANKING - JOINT POWERS AGREEMENT (JPA) (Continued)

An amendment was made effective October 2012 changing the due dates and amount to January 1 and July 1 for $250,000 each payment date, for a total annual payment of $500,000, and will continue to do so until the total payments by the District, including the initial payment, equal $6,000,000. As of June 30, 2017, the District has paid SRWBA $6,000,000 and has now paid for and fully acquired their shares.

NOTE 8 – CAPITAL ASSETS

Governmental Activities

Changes in capital assets for the year were as follows:

	Balance at June 30, 2016	Increases	Decreases	Balance at June 30, 2017
Capital assets, not being depreciated:				
Land	$ 678,441	$ -	$ -	$ 678,441
Total capital assets, not being depreciated	678,441	-	-	678,441
Capital assets, being depreciated:				
Park improvements	926,394	-	-	926,394
Vehicles and equipment	89,862	-	(6,407)	83,455
Total capital assets, being depreciated	1,016,256	-	(6,407)	1,009,849
Less accumulated depreciation for:				
Park improvements	(431,585)	(46,259)	-	(477,844)
Vehicles and equipment	(85,046)	(2,408)	6,407	(81,047)
Total accumulated depreciation	(516,631)	(48,667)	6,407	(558,891)
Total capital assets, being depreciated, net	499,625	(48,667)	-	450,958
Governmental activities capital assets, net	$ 1,178,066	$ (48,667)	$ -	$ 1,129,399

Depreciation expense of $48,667 was allocated to the Parks and Recreation function for the year ended June 30, 2017:

NOTE 8 – CAPITAL ASSETS (Continued)

Business-Type Activities

A summary of changes of capital assets of the Enterprise Funds are as follows:

	Balance at June 30, 2016	Increases	Decreases	Balance at June 30, 2017
Capital assets, not being depreciated:				
Land	$ 3,464,466	$ 69,120	$ -	$ 3,533,586
Construction in progress	511,314	472,956	(115,464)	868,806
Total capital assets, not being depreciated	3,975,780	542,076	(115,464)	4,402,392
Capital assets, being depreciated:				
Facilities system	60,488,699	114,838	-	60,603,537
Vehicles and equipment	2,875,517	155,074	(138,934)	2,891,657
Total capital assets, being depreciated	63,364,216	269,912	(138,934)	63,495,194
Less accumulated depreciation for:				
Facilities system	(35,309,614)	(2,014,159)	-	(37,323,773)
Vehicles and equipment	(2,284,199)	(135,902)	138,934	(2,281,167)
Total accumulated depreciation	(37,593,813)	(2,150,061)	138,934	(39,604,940)
Total capital assets, being depreciated, net	25,770,403	(1,880,149)	-	23,890,254
Business-type activities capital assets, net	$ 29,746,183	$ (1,338,073)	$ (115,464)	$ 28,292,646

Depreciation expense under business-type activities was allocated as follows for the year ended June 30, 2017:

Water	$ 1,476,999
Wastewater	673,062
Total Depreciation Expense	$ 2,150,061

NOTE 8 – CAPITAL ASSETS (Continued)

A summary of changes of capital assets of the Water Fund is as follows:

Water Fund	Balance at June 30, 2016	Increases	Decreases	Balance at June 30, 2017
Capital assets, not being depreciated:				
Land	$ 2,939,875	$ 69,120	$ -	$ 3,008,995
Construction in progress	498,699	472,956	(115,464)	856,191
Total capital assets, not being depreciated	3,438,574	542,076	(115,464)	3,865,186
Capital assets, being depreciated:				
Water transmission and distribution	42,807,251	114,838		42,922,089
Vehicles and equipment	2,084,886	85,161	(106,121)	2,063,926
Total capital assets, being depreciated	44,892,137	199,999	(106,121)	44,986,015
Less accumulated depreciation for:				
Water transmission and distribution	(29,342,126)	(1,377,892)	-	(30,720,018)
Vehicles and equipment	(1,577,091)	(99,107)	106,121	(1,570,077)
Total accumulated depreciation	(30,919,217)	(1,476,999)	106,121	(32,290,095)
Total capital assets, being depreciated, net	13,972,920	(1,277,000)	-	12,695,920
Business-type activities capital assets, net	$ 17,411,494	$ (734,924)	$ (115,464)	$ 16,561,106

Construction-in-Progress

The balance at June 30, 2017 consists of the following projects:

	June 30, 2017
Arsenic mitigation	$ 129,478
Replacement water meters	703,365
Various projects less than $100,000	23,348
Construction-in-progress	$ 856,191

NOTE 8 – CAPITAL ASSETS (Continued)

A summary of changes of capital assets of the Wastewater Fund is as follows:

Wastewater Fund	Balance at June 30, 2016	Increases	Decreases	Balance at June 30, 2017
Capital assets, not being depreciated:				
Land	$ 524,591	$ -	$ -	$ 524,591
Construction in progress	12,615	-	-	12,615
Total capital assets, not being depreciated	537,206	-	-	537,206
Capital assets, being depreciated:				
Wastewater system	17,681,448	-	-	17,681,448
Vehicles and equipment	790,631	69,913	(32,813)	827,731
Total capital assets, being depreciated	18,472,079	69,913	(32,813)	18,509,179
Less accumulated depreciation for:				
Wastewater system	(5,967,488)	(636,267)	-	(6,603,755)
Vehicles and equipment	(707,108)	(36,795)	32,813	(711,090)
Total accumulated depreciation	(6,674,596)	(673,062)	32,813	(7,314,845)
Total capital assets, being depreciated, net	11,797,483	(603,149)	-	11,194,334
Business-type activities capital assets, net	$ 12,334,689	$ (603,149)	$ -	$ 11,731,540

Construction-in-Progress

The balance at June 30, 2017 consists of the following projects:

	June 30, 2017
Wastewater treatment plant	$ 12,615
Construction-in-progress	$ 12,615

NOTE 9 – COMPENSATED ABSENCES

Compensated absences for vacation leave are accrued as follows:

Years of Service	Days
0 - 3	13
4 - 15	20
more than 15	25

Employees also receive thirteen days of sick leave each year. Sick leave has no accumulation limits and can be carried over from year to year.

- The District's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- The obligation related to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

Changes in compensated absences as of June 30, 2017, were as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
Governmental Activities	$ 3,222	$ 13,525	$ (4,360)	$ 12,387	$ 3,097
Business-Type Activities	309,937	139,856	(146,666)	303,127	75,782
Total	$ 313,159	$ 153,381	$ (151,026)	$ 315,514	$ 78,879

NOTE 10 – LONG TERM DEBT

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017	Due within one year
Governmental activities:					
Net pension liability	$ 89,606	$ 21,109	$ (91,341)	$ 19,374	$ -
Business-type activities:					
Water Fund:					
Zions Bank Note	1,891,241	-	(133,796)	1,757,445	136,621
Net pension liability	488,706	203,625	(505,503)	186,828	-
Wastewater Fund:					
Zions Bank Note	240,938	-	(17,045)	223,893	17,405
State Water Pollution Control Note	5,832,966	-	(382,878)	5,450,088	392,833
Net pension liability	399,099	126,388	(409,530)	115,957	-
Total Business-type	8,852,950	330,013	(1,448,752)	7,734,211	546,859
Total	$ 8,942,556	$ 351,122	$ (1,540,093)	$ 7,753,585	$ 546,859

Zions Bank Note

In December 2008, the District obtained a $3,000,000 installment sale note with Zions Bank with a variable interest rate of 2.10% per annum in order to complete the construction of various District projects. The District had originally split the loan 80/20 between the Water and Wastewater Funds, whereas the Water Fund was obligated $2,400,000 and the Wastewater Fund was obligated $600,000. Effective May 2010, the note was spilt 88.7% and 11.3% between the Water and Wastewater Funds to better reflect the outstanding amounts on the actual projects. The note is scheduled to mature in fiscal year 2029. Principal and interest semi-annual installments of $97,415 are payable on December 15 and June 15 each year. Annual debt service requirements on the loan are as follows:

Fiscal Year	Principal	Interest	Total
2018	$ 154,026	$ 40,803	$ 194,829
2019	157,277	37,552	194,829
2020	160,597	34,232	194,829
2021	163,987	30,842	194,829
2022	167,449	27,380	194,829
2023 - 2027	891,785	82,360	974,145
2028 - 2029	286,217	6,031	292,248
	$ 1,981,338	$ 259,200	$ 2,240,538

NOTE 10 – LONG TERM DEBT (Continued)

State Water Pollution Control Note

In 2009, the District executed an agreement for an $8,300,000 reclamation note with the State of California Water Pollution Control Fund at an interest rate of 2.6% per annum in order to complete the construction of the new wastewater treatment plant. The note is scheduled to mature in fifteen years after the wastewater treatment plant is completed. Principal and interest installments of $534,536 will be payable annually each year. Annual estimated debt service requirements on the loan are as follows:

Fiscal Year	Principal	Interest	Total
2018	$ 392,833	$ 141,703	$ 534,536
2019	403,047	131,489	534,536
2020	413,526	121,010	534,536
2021	424,278	110,258	534,536
2022	435,309	99,227	534,536
2023 - 2027	2,352,317	320,363	2,672,680
2028 - 2029	1,028,778	40,294	1,069,072
	$ 5,450,088	$ 964,344	$ 6,414,432

NOTE 11 – NET POSITION

Net position categories are as follows:

	Governmental Activities	Business-Type Activities	Total
Capital assets - not being depreciated	$ 678,441	$ 4,402,392	$ 5,080,833
Capital assets - being depreciated, net	450,958	23,890,254	24,341,212
Note payable - current portion	-	(546,859)	(546,859)
Note payable - noncurrent portion	-	(6,884,567)	(6,884,567)
Total net investment in capital assets	$ 1,129,399	$ 20,861,220	$ 21,990,619
Parks and Recreation Fund - Quimby and CSA fees	$ 28,003	$ -	$ 28,003
Water Fund - debt service	-	212,677	212,677
Wastewater Fund - debt service	-	27,094	27,094
Total restricted net position	$ 28,003	$ 239,771	$ 267,774

NOTE 12 – DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board. The Plan's provisions and benefits in effect at June 30, 2017 are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5 % @ 55	2% @ 60
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	60
Monthly benefits, as a % of eligible compensation	2.5%	2%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	9.498%	6.555%

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2017 were $118,576. The actual employer payments of $1,006,549 made to CalPERS by the District during the measurement period ended June 30, 2016 differed from the District's proportionate share of the employer's contributions of $148,150 by $858,399, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases (1)	3.3% - 14.2%
Investment Rate of Return (2)	7.65%
Mortality Rate Table (3)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service
(2) Net of pension plan investment and administrative expenses; includes inflation
(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

There were no change in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Discount Rate (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10[1]	Real Return Years 11+[2]
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(0.55%)	(1.05%)
Total	100%		

[1] An expected inflation of 2.5% used for this period
[2] An expected inflation of 3.0% used for this period

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

C. Proportionate Share of Net Pension Liability

The following table shows the Plan's proportion share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (c) = (a) - (b)**
Balance at: 6/30/2015 (Valuation Date)	$ 3,921,084	$ 2,943,673	$ 977,411
Balance at: 6/30/2016 (Measurement Date)	$ 4,300,489	$ 3,978,330	$ 322,159
Net Changes during 2015-16	$ 379,405	$ 1,034,657	$ (655,252)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the Plan as of the June 30, 2015 and 2016 measurement dates was as follows:

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Proportionate Share of Net Pension Liability (Continued)

	Miscellaneous
Proportionate Share - June 30, 2015	0.03563%
Proportionate Share - June 30, 2016	0.00927%
Change - Increase (Decrease)	-0.02636%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Plan's Net Pension Liability	$ 901,139	$ 322,159	$ (156,339)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Proportionate Share of Net Pension Liability (Continued)

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the PERF C for the June 30, 2016 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2015), the District's net pension liability was $977,411. For the measurement period ending June 30, 2016 (the measurement date), the District incurred pension income of $232,036 for the Plan.

As of June 30, 2017, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 9,542	$ (1,643)
Changes of Assumptions	-	(90,275)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	543,093	-
Change in Employer's Proportion	-	(490,804)
Difference in Actual vs. Projected Contributions	706,861	-
Pension Contributions Subsequent to Measurement Date	118,576	-
Total	**$ 1,378,072**	**$ (582,722)**

These amounts above are net of outflows and inflow recognized in the 2015-16 measurement period expense. The $118,576 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2017	$ 219,212
2018	196,795
2019	169,305
2020	91,462
2021	-
Remaining	-

E. Payable to the Pension Plan

At June 30, 2017, the District reported a payable of $-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk-sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to manage and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2017, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials, and employees' errors and omissions and employment practices liability: total risk financing self-insurance limits of $10,000,000, combined single limit at $10,000,000 per occurrence, subject to the following deductibles: $25,000 per occurrence for third party general liability property damage, $25,000 per occurrence for third party auto liability property damage; 50% co-insurance of cost expended by SDRMA in excess of $10,000 up to $50,000, per occurrence, for employment related claims.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to $1,000,000 per loss includes public employee dishonesty; forgery or alteration; and theft, disappearance, and destruction coverages.

- Property loss is paid at the replacement cost for property on file, if replaced, and if not replaced within two years after the loss, paid on an actual cash value basis, to a combined total of $1.0 billion per occurrence, subject to a $25,000 deductible per occurrence.

NOTE 13 – RISK MANAGEMENT (Continued)

- Boiler and machinery coverage for the replacement cost up to $100 million per occurrence, subject to a $25,000 deductible per occurrence.

- Public officials personal liability up to $500,000 each occurrence, with an annual aggregate of $500,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of $500 per claim.

- Workers' compensation insurance up to statutory limits per occurrence and Employer's Liability Coverage up to $5 million.

- Comprehensive and collision insurance on selected vehicle with deductibles of $250/$500 or $500/$1,000, as elected.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2017, 2016, and 2015. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no material IBNR claims payable as of June 30, 2017, 2016, and 2015.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation - Antelope Valley Groundwater Cases

This case involves a series of consolidated cases known as the Antelope Valley Groundwater Cases regarding priority of water rights. On November 30, 2006, the court entered an order defining the boundaries of the adjudication. A second phase of trial was also conducted to determine if there was more than one distinct groundwater basin. In order to create a comprehensive adjudication of all water rights claimants within the groundwater basin, the claimants were identified by two classes, the Willis Class and the Woods Class. On November 18, 2010, the Willis Class was moved for preliminary settlement agreement, which gives the Willis Class the right to seek attorney's fees against the named "public water suppliers (PWS)," which include the District. On January 24, 2011, the Willis Class served a motion to request attorney's fees against the public water suppliers in the amount of $2,300,618, costs of $86,000 and a "lodestar" multiplier of 1.5. The motion proposes an allocation of the award between the public water suppliers based on pumping, and proposes the District pay 5.12% of the requested fees. On February 24, 2011, the courts approved the Willis Class settlement. However, there was no discussion regarding attorney's fees. On May 4, 2011, the judge awarded a total of $1,904,552 to the Willis Class attorneys. The motion proposed an allocation of the award between the PWS based upon pumping, and proposed that the District pay 5.12% of the requested fees or approximately $98,000.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

On July 12, 2011, Willis Class filed a motion for a supplemental award of attorney's fees seeking reimbursement of fees of $209,625 allegedly incurred in 2011. On September 6, 2011, the judge granted to the attorneys an additional $160,663. On September 22, 2011, the court entered an amended final judgment approving class action settlement. The amended final judgment combined the May 4, 2011, and September 6, 2011, attorney's fees into a final judgment of $2,075,174, of which $106,099 is to be paid by the District. An agreement between Willis Class and the District was reached regarding the payment of fees. Willis Class accepted monthly payments from the District in the amount of $4,421 without interest beginning September 1, 2011, for a term of 2 years. As of the date of this report, final payment has been made.

A third phase trial was heard to discuss the safe-yield of the basin and whether it is in the state of overdraft.

Phase four began May 28, 2013, to determine the overall groundwater production occurring in the Basin in calendar years 2011 and 2012.

A new phase (five) began February 2014, which deals with the determination of the Federal Reserve water rights, and the rights to return flows from imported water. The parties involved are engaged in settlement negotiations and have prepared a proposed stipulated judgment to present to the Court. The parties submitted the proposed stipulated judgment to the court in August, 2015; the stipulated judgment was agreed to by all but a handful of parties. The party most opposed to the judgment is the Willis Class. In mid-October 2015, the court heard argument and took evidence regarding the Willis Class' challenges to the stipulated judgment. Closing arguments will be heard the first week of November 2015 regarding the stipulated judgment.

During the fiscal year ended June 30, 2016, the phase five trial was suspended so as to afford the parties the opportunity to continue global settlement discussions.

A sixth phase began on September 28, 2015, the purpose of which was to hear evidence on a proposed physical solution/settlement between the stipulated parties, default proceedings and objections of non-stipulated parties to the proposed solution.

On November 4, 2015, a tentative oral decision was issued which approved the proposed physical solution and ruled that non-stipulating parties be bound by the solution. The court overruled the objections of the Willis Class; found that the Tapia defendants had failed to prove their water usage and that Phelan Pinon Hills Community Service District was an appropriator of water and that there was no surplus available for that entity.

On December 23, 2015, the court entered judgment and adopted the physical solution as its own which is binding on all parties. Appeals by the Willis Class, the Tapia defendants and Phelan Pinon Hills Community Service District were filed and remain pending as of June 30, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

This page is intentionally left blank.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – PARKS AND RECREATION FUND FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 249,264	$ 249,264	$ 268,447	$ 19,183
Special assessments	246,919	246,919	144,075	(102,844)
Charges for services	26,700	26,700	39,842	13,142
Interest earnings	31,345	31,345	18,844	(12,501)
Total revenues	554,228	554,228	471,208	(83,020)
EXPENDITURES				
Parks and recreation	522,009	522,320	306,806	215,514
Net change in fund balance	32,219	31,908	164,402	132,494
Fund balance (deficit), beginning of year	(1,648,179)	(1,648,179)	(1,648,179)	-
Fund balance (deficit), end of year	$ (1,615,960)	$ (1,616,271)	$ (1,483,777)	$ 132,494

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – STREET LIGHTING FUND FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	$ 3,536	$ 3,536	$ 3,536	$ -
Special assessments	163,433	163,433	158,694	(4,739)
Charges for services	-	76,920	82,055	5,135
Interest earnings	750	946	1,114	168
Total revenues	167,719	244,835	245,399	564
EXPENDITURES				
Street lighting	167,823	169,738	126,503	43,235
Net change in fund balance	(104)	75,097	118,896	43,799
Fund balance (deficit), beginning of year	(63,818)	(63,818)	(63,818)	-
Fund balance, end of year	$ (63,922)	$ 11,279	$ 55,078	$ 43,799

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE LAST 10 YEARS*

	Measurement Date 6/30/2014	Measurement Date 6/30/2015	Measurement Date 6/30/2016
Employer's Proportion of the Collective Net Pension Liability[1]	0.03508%	0.03563%	0.00927%
Employer's Proportionate Share of the Collective Net Pension Liability	$ 867,004	$ 977,411	$ 322,159
Employer's Covered Payroll	$ 1,222,807	$ 1,270,028	$ 1,392,542
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	70.90%	76.96%	23.13%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	75.69%	75.07%	92.51%

[1] Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation.

SCHEDULE OF PLAN CONTRIBUTIONS
LAST 10 YEARS*

	Fiscal Year 6/30/2015	Fiscal Year 6/30/2016	Fiscal Year 6/30/2017
Contractually Determined Contributions	$ 234,377	$ 200,443	$ 118,576
Contributions in Relation to the Contractually Determined Contributions	(234,377)	(1,006,329)	(118,576)
Contribution Deficiency (Excess)	$ -	$ (805,886)	$ -
Employer's Covered Payroll	$ 1,270,028	$ 1,392,542	$ 1,256,503
Contributions as a Percentage of Covered Payroll	18.45%	14.39%	9.44%

* Measurement period 2013-14 (fiscal year 2014-15) was the 1st year of implementation.

Notes to Schedule:

Change in Benefit Terms: None
Change in Assumptions: None

SUPPLEMENTARY INFORMATION

This page is intentionally left blank.

ROSAMOND COMMUNITY SERVICES DISTRICT

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – WATER FUND FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
OPERATING REVENUES				
Water consumption sales	$ 3,085,400	$ 3,103,400	$ 4,232,572	$ 1,129,172
Total operating revenues	3,085,400	3,103,400	4,232,572	1,129,172
OPERATING EXPENSES				
Salaries and benefits	1,243,948	1,058,298	837,621	220,677
Operations	1,549,009	1,226,667	1,338,762	(112,095)
Total operating expenses	2,792,957	2,284,965	2,176,383	108,582
Operating income before depreciation	292,443	818,435	2,056,189	1,237,754
Depreciation expense	(1,450,394)	(1,450,394)	(1,476,999)	(26,605)
Operating income (loss)	(1,157,951)	(631,959)	579,190	1,211,149
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	10,500	10,500	13,116	2,616
Interest expense	(40,061)	(40,061)	(102,993)	(62,932)
Other noncapital revenue	230,000	230,000	239,848	9,848
Other revenue	22,250	4,250	72,818	68,568
Gain on sale of capital assets	-	-	16,561	16,561
Contributed capital	-	-	68,000	68,000
Total nonoperating revenues (expenses)	222,689	204,689	307,350	102,661
Change in net position	(935,262)	(427,270)	886,540	1,313,810
Net position, beginning of year	24,241,610	24,241,610	24,241,610	-
Net position, end of year	$ 23,306,348	$ 23,814,340	$ 25,128,150	$ 1,313,810

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL – WASTEWATER FUND FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
OPERATING REVENUES				
Wastewater service charges	$ 3,428,680	$ 3,053,680	$ 3,635,122	$ 581,442
Total operating revenues	3,428,680	3,053,680	3,635,122	581,442
OPERATING EXPENSES				
Salaries and benefits	818,000	763,650	643,672	119,978
Operations	1,439,497	1,097,772	736,786	360,986
Total operating expenses	2,257,497	1,861,422	1,380,458	480,964
Operating income before depreciation	1,171,183	1,192,258	2,254,664	1,062,406
Depreciation expense	(671,112)	(666,400)	(673,062)	(6,662)
Operating income	500,071	525,858	1,581,602	1,055,744
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	29,451	29,451	61,154	31,703
Interest expense	(157,484)	(157,484)	(155,025)	2,459
Other non capital revenue	-	375,000	-	(375,000)
Other revenue	4,250	4,250	30,323	26,073
Gain on sale of capital assets	-	-	5,213	5,213
Total nonoperating revenues (expenses)	(123,783)	251,217	(58,335)	(309,552)
Change in net position	376,288	777,075	1,523,267	746,192
Net position, beginning of year	16,487,706	16,487,706	16,487,706	-
Net position, end of year	$ 16,863,994	$ 17,264,781	$ 18,010,973	$ 746,192

REPORT ON COMPLIANCE AND INTERNAL CONTROLS

This page is intentionally left blank.

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

PARTNERS
Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF
Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Nathan Statham, CPA, MBA
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA

MEMBERS
American Institute of Certified Public Accountants

PCPS The AICPA Alliance for CPA Firms

Governmental Audit Quality Center

California Society of Certified Public Accountants

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

Independent Auditor's Report

To the Board of Directors of
Rosamond Community Services District
Rosamond, California

We have audited, in accordance with 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, the business-type activities, and each major fund of the Rosamond Community Services District (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2017.

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) to determine the 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 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been 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 determination of financial statement amounts. 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 results 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 31, 2017

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
01	41710	Grant - Safe Drinking water	(230,000.00)	(239,848.15)	9,848.15	FAVORABLE	
01	42100	Service Charges - Water	(1,301,000.00)	(1,615,502.65)	314,502.65	FAVORABLE	
01	42110	Service Charges - Internal Use Water	(17,000.00)	(7,496.95)	(9,503.05)	UNFAVORABLE	
01	42150	Usage Charges - Water	(1,578,000.00)	(1,876,668.06)	298,668.06	FAVORABLE	
01	42160	Usage Charges - Internal Use Water	(5,000.00)	(4,878.36)	(121.64)	UNFAVORABLE	
01	42500	Late Charges/Bank Charges	(67,200.00)	(56,349.93)	(10,850.07)	UNFAVORABLE	
01	42700	Administration/Reconnection Fees	(22,500.00)	(15,890.00)	(6,610.00)	UNFAVORABLE	
01	42705	Reconnection Fees	(15,000.00)	(26,565.00)	11,565.00	FAVORABLE	
01	42720	Public Records Request Fee	-	(6.50)	6.50	FAVORABLE	
01	42730	Credit Check/Account Start Up Fee	(3,000.00)	(2,735.00)	(265.00)	UNFAVORABLE	
01	42740	Delinquent Lien Fee	-	605.00	(605.00)	UNFAVORABLE	
01	42750	Door Hanger Fee	(36,000.00)	(74,889.77)	38,889.77	FAVORABLE	
01	42760	Broken Lock Fee	-	(62.50)	62.50	FAVORABLE	
01	42800	Plan Check/Will Serve/Inspection Fees	(1,500.00)	(2,857.00)	1,357.00	FAVORABLE	
01	42900	Bulk Water Sales	(11,000.00)	(16,116.46)	5,116.46	FAVORABLE	
01	43000	Permits	(1,000.00)	-	(1,000.00)	UNFAVORABLE	
01	43100	Conservation Fees	(18,000.00)	-	(18,000.00)	UNFAVORABLE	
01	43500	Water Acquisition Sales	-	(10,000.00)	10,000.00	FAVORABLE	
01	44200	System Connection Fees	(27,200.00)	(533,159.00)	505,959.00	FAVORABLE	1
01	46910	Interest	(1,044.00)	-	(1,044.00)	UNFAVORABLE	
01	46930	Interest Income - LAIF Unrestricted	(9,170.00)	(12,115.37)	2,945.37	FAVORABLE	
01	46931	Interest Income - LAIF Restricted	(197.00)	(626.82)	429.82	FAVORABLE	
01	46937	Interest Income - Zions Loan Retention	(89.00)	(374.02)	285.02	FAVORABLE	
01	46955	Contributed Capital - Other	-	(68,000.00)	68,000.00	FAVORABLE	
01	46970	Gain on Sale of Fixed Assets	-	(16,561.13)	16,561.13	FAVORABLE	
01	46995	Miscellaneous Revenue	(4,250.00)	(60,774.75)	56,524.75	FAVORABLE	
01	46996	Miscellaneous Revenue - Discretionary	-	(2,258.08)	2,258.08	FAVORABLE	
01	60100	Salaries & Wages	620,835.00	653,951.24	(33,116.24)	UNFAVORABLE	
01	60111	Degree/Certification	16,103.00	18,288.80	(2,185.80)	UNFAVORABLE	
01	60210	Call In	3,554.00	3,593.43	(39.43)	UNFAVORABLE	
01	60211	On Call Salary	2,847.00	3,306.97	(459.97)	UNFAVORABLE	
01	60212	Pager	2,579.00	2,544.58	34.42	FAVORABLE	
01	60300	Directors Fees	19,960.00	16,971.15	2,988.85	FAVORABLE	
01	60410	Social Security Expense	56,578.00	52,225.59	4,352.41	FAVORABLE	
01	60420	Medicare Expense	13,232.00	12,224.55	1,007.45	FAVORABLE	
01	60430	State Unemployement Tax Expense	6,293.00	5,844.18	448.82	FAVORABLE	
01	60500	Retirement Expense	88,637.00	(73,412.88)	162,049.88	FAVORABLE	2
01	60700	Medical Insurance	251,237.00	177,286.53	73,950.47	FAVORABLE	
01	60800	Workers Compensation Insurance	21,996.00	19,001.07	2,994.93	FAVORABLE	
01	60900	Overtime	8,896.00	12,393.88	(3,497.88)	UNFAVORABLE	
01	61000	Vacation	37,734.00	44,663.92	(6,929.92)	UNFAVORABLE	

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
01	61100	Sick Leave	30,039.00	37,971.26	(7,932.26)	UNFAVORABLE	
01	61150	Holiday	47,428.00	37,763.56	9,664.44	FAVORABLE	
01	61950	Construction in Progress - Contra Account	(22,500.00)	(53,053.78)	30,553.78	FAVORABLE	
01	61955	Reimbursed Labor Costs	(6,600.00)	(12,371.82)	5,771.82	FAVORABLE	
01	61960	Water Bank Labor - Contra Account	(130,000.00)	(131,190.34)	1,190.34	FAVORABLE	
01	61970	William Fisher Memorial Water Company - Contra Account	(10,550.00)	(55,806.99)	45,256.99	FAVORABLE	
01	62300	Repairs & Maintenance	180,593.00	65,716.70	114,876.30	FAVORABLE	
01	62310	Repairs & Maintenance - Chlorine	18,700.00	8,636.82	10,063.18	FAVORABLE	
01	62315	Small Tools	2,500.00	218.00	2,282.00	FAVORABLE	
01	62400	Power	142,734.00	147,986.25	(5,252.25)	UNFAVORABLE	
01	62405	Solar Power	48,750.00	53,558.49	(4,808.49)	UNFAVORABLE	
01	62500	Purchased Water	50,000.00	10,360.32	39,639.68	FAVORABLE	
01	62600	Systems Tests	33,370.00	6,312.00	27,058.00	FAVORABLE	
01	62900	Equipment Leasing/Rental	13,130.00	14,998.50	(1,868.50)	UNFAVORABLE	
01	64000	Advertising/Public Relations	130.00	-	130.00	FAVORABLE	
01	64150	Trash Removal Expense	738.00	1,067.21	(329.21)	UNFAVORABLE	
01	64160	Natural Gas Operating Expense	197.00	-	197.00	FAVORABLE	
01	64250	Phone Expense	5,118.00	5,403.45	(285.45)	UNFAVORABLE	
01	64300	Automotive Expense	7,200.00	4,326.32	2,873.68	FAVORABLE	
01	64310	Vehicle Wash	-	339.00	(339.00)	UNFAVORABLE	
01	64320	Gasoline	11,998.00	10,943.81	1,054.19	FAVORABLE	
01	64330	Diesel	2,068.00	1,118.07	949.93	FAVORABLE	
01	64500	Billpay - Transaction Charges for Checks	1,040.00	1,164.41	(124.41)	UNFAVORABLE	
01	64550	Billing Expense	37,836.00	24,929.25	12,906.75	FAVORABLE	
01	64600	Bad Debt Expense	637.00	37,072.60	(36,435.60)	UNFAVORABLE	
01	64700	Bank Charges	7,331.00	15,922.11	(8,591.11)	UNFAVORABLE	
01	64800	Cash Over/Short	-	(0.02)	0.02	FAVORABLE	
01	65000	Consultant Fees	89,808.00	329,827.84	(240,019.84)	UNFAVORABLE	
01	65030	Public Affairs	1,503.00	2,913.83	(1,410.83)	UNFAVORABLE	
01	65040	Human Resources Consultant Fees	111.00	487.50	(376.50)	UNFAVORABLE	
01	65100	Conservation	21,300.00	17,500.00	3,800.00	FAVORABLE	
01	65200	Computer Services	19,180.00	21,370.39	(2,190.39)	UNFAVORABLE	
01	65210	Computer Hardware	3,210.00	3,356.47	(146.47)	UNFAVORABLE	
01	65220	Computer Software	3,325.00	5,392.90	(2,067.90)	UNFAVORABLE	
01	65230	Computer Support/Licenses	10,760.00	162,528.53	(151,768.53)	UNFAVORABLE	
01	65300	Cross Connection Inspection	10,030.00	8,116.95	1,913.05	FAVORABLE	
01	65500	Dues	27,717.00	45,761.11	(18,044.11)	UNFAVORABLE	
01	65510	Subscriptions	5,157.00	6,603.21	(1,446.21)	UNFAVORABLE	
01	65600	Education - Employees	350.00	2,683.79	(2,333.79)	UNFAVORABLE	
01	65610	Conferences/Seminars - Employees	5,400.00	2,172.84	3,227.16	FAVORABLE	
01	65620	Training - Employees	4,960.00	250.00	4,710.00	FAVORABLE	

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
01	65630	Certification - Employees	1,615.00	689.10	925.90	FAVORABLE	
01	65650	Education - Directors	60.00	5,677.94	(5,617.94)	UNFAVORABLE	
01	65660	Conferences - Directors	16,694.00	11,388.09	5,305.91	FAVORABLE	
01	65700	Election Expense	-	2,430.16	(2,430.16)	UNFAVORABLE	
01	65800	Emergency Preparedness	210.00	-	210.00	FAVORABLE	
01	65810	Safety	6,845.00	4,953.26	1,891.74	FAVORABLE	
01	66100	Liability Insurance	61,930.00	54,790.96	7,139.04	FAVORABLE	
01	66500	Recruitment	449.00	-	449.00	FAVORABLE	
01	66550	Employee Retention	676.00	370.73	305.27	FAVORABLE	
01	66560	Employee Physicals	152.00	196.50	(44.50)	UNFAVORABLE	
01	66570	Safety Drug Testing	1,091.00	1,386.94	(295.94)	UNFAVORABLE	
01	66580	Background Checks	9.00	56.90	(47.90)	UNFAVORABLE	
01	66600	Buildings & Grounds Maintenance	13,086.00	12,797.18	288.82	FAVORABLE	
01	66610	Janitorial	-	2,600.94	(2,600.94)	UNFAVORABLE	
01	66710	Legal fees	146,632.00	124,542.20	22,089.80	FAVORABLE	
01	66715	Legal Postings	1,310.00	620.31	689.69	FAVORABLE	
01	66720	Accounting & Auditing Fees	14,717.00	9,228.00	5,489.00	FAVORABLE	
01	66721	Accounting & Finance Services	90,000.00	80,418.53	9,581.47	FAVORABLE	
01	66730	Adjudication	25,000.00	15,145.42	9,854.58	FAVORABLE	
01	66750	Chromium 6	1,444.00	120.75	1,323.25	FAVORABLE	
01	66800	Licenses & permits	843.00	2,576.42	(1,733.42)	UNFAVORABLE	
01	66900	Business Expense	21,900.00	13,532.61	8,367.39	FAVORABLE	
01	67000	Office Supplies	2,945.00	1,562.12	1,382.88	FAVORABLE	
01	67010	Postage & Shipping	1,950.00	1,060.31	889.69	FAVORABLE	
01	67020	Copier Expense	11,505.00	7,363.43	4,141.57	FAVORABLE	
01	67030	Office Expense	2,950.00	5.68	2,944.32	FAVORABLE	
01	67050	Furniture and Equipment	-	3,474.30	(3,474.30)	UNFAVORABLE	
01	67500	Operating Fees	28.00	3,054.70	(3,026.70)	UNFAVORABLE	
01	67800	Operating Supplies	5,980.00	-	5,980.00	FAVORABLE	
01	68000	Taxes	10,111.00	90.96	10,020.04	FAVORABLE	
01	68200	Security - G&A	1,063.00	5,108.69	(4,045.69)	UNFAVORABLE	
01	68500	Telephone	2,278.00	1,919.05	358.95	FAVORABLE	
01	68700	Travel & MIles	-	6.36	(6.36)	UNFAVORABLE	
01	68800	Uniforms	5,015.00	3,108.11	1,906.89	FAVORABLE	
01	68910	Utilities - Water	5,579.00	5,803.74	(224.74)	UNFAVORABLE	
01	68920	Utilities - Electricity	4,880.00	6,041.99	(1,161.99)	UNFAVORABLE	
01	68930	Utilities - Natural Gas	839.00	794.23	44.77	FAVORABLE	
01	69000	Interest	1,044.00	63,975.61	(62,931.61)	UNFAVORABLE	
01	69010	Interest Expense - Zions Bank Note Payable	39,017.00	39,017.29	(0.29)	UNFAVORABLE	
01	69100	Principal	21,495.00	-	21,495.00	FAVORABLE	3
01	69110	Principal Expense - Zions Bank Note Payable	133,796.00	-	133,796.00	FAVORABLE	3

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
01	69160	Principal Expense - Water Bank JPA	250,000.00	-	250,000.00	FAVORABLE	3
01	69600	Discounts	-	29.00	(29.00)	UNFAVORABLE	
01	70100	Depreciation Expense	1,450,394.00	1,479,204.08	(28,810.08)	UNFAVORABLE	
01	99999	Misc Revenues - Company 2 Import (Reclassify)	-	(215.00)	215.00	FAVORABLE	
02	42200	Service Charges - Sewer	(2,892,000.00)	(2,757,657.72)	(134,342.28)	UNFAVORABLE	
02	42230	Usage Charges - Sewer	(69,000.00)	(98,763.15)	29,763.15	FAVORABLE	
02	42250	Service Charges - Septic Sludge	(375,000.00)	(407,747.05)	32,747.05	FAVORABLE	
02	42500	Late Charges/Bank Charges	(26,880.00)	(59,063.35)	32,183.35	FAVORABLE	
02	42700	Administration/Reconnection Fees	(7,500.00)	(14,210.00)	6,710.00	FAVORABLE	
02	42705	Reconnection Fees	-	(45.00)	45.00	FAVORABLE	
02	42730	Credit Check/Account Start Up Fee	(1,000.00)	(2,595.00)	1,595.00	FAVORABLE	
02	42750	Door Hanger Fee	-	(20.00)	20.00	FAVORABLE	
02	42760	Broken Lock Fee	-	(62.50)	62.50	FAVORABLE	
02	42800	Plan Check/Will Serve/Inspection Fees	(1,500.00)	(1,225.00)	(275.00)	UNFAVORABLE	
02	43000	Permits	(1,000.00)	(2,125.00)	1,125.00	FAVORABLE	
02	43100	Conservation Fees	(42,000.00)	(39,000.00)	(3,000.00)	UNFAVORABLE	
02	44200	System Connection Fees	(12,800.00)	(252,608.00)	239,808.00	FAVORABLE	1
02	46910	Interest	(856.00)	(7,072.83)	6,216.83	FAVORABLE	
02	46930	Interest Income - LAIF Unrestricted	(20,071.00)	(44,518.46)	24,447.46	FAVORABLE	
02	46931	Interest Income - LAIF Restricted	(8,513.00)	(9,515.28)	1,002.28	FAVORABLE	
02	46937	Interest Income - Zions Loan Retention	(11.00)	(47.65)	36.65	FAVORABLE	
02	46970	Gain on Sale of Fixed Assets	-	(5,212.50)	5,212.50	FAVORABLE	
02	46995	Miscellaneous Revenue	(4,250.00)	(323.03)	(3,926.97)	UNFAVORABLE	
02	46996	Miscellaneous Revenue - Discretionary	-	(30,000.00)	30,000.00	FAVORABLE	
02	60100	Salaries & Wages	402,868.00	392,578.86	10,289.14	FAVORABLE	
02	60111	Degree/Certification	3,998.00	3,720.24	277.76	FAVORABLE	
02	60210	Call In	206.00	909.35	(703.35)	UNFAVORABLE	
02	60211	On Call Salary	803.00	874.83	(71.83)	UNFAVORABLE	
02	60212	Pager	1,778.00	2,544.58	(766.58)	UNFAVORABLE	
02	60300	Directors Fees	19,960.00	16,971.15	2,988.85	FAVORABLE	
02	60410	Social Security Expense	33,844.00	31,564.53	2,279.47	FAVORABLE	
02	60420	Medicare Expense	7,915.00	7,391.22	523.78	FAVORABLE	
02	60430	State Unemployement Tax Expense	3,255.00	2,964.07	290.93	FAVORABLE	
02	60500	Retirement Expense	56,534.00	(21,316.33)	77,850.33	FAVORABLE	2
02	60700	Medical Insurance	133,298.00	104,851.15	28,446.85	FAVORABLE	
02	60800	Workers Compensation Insurance	10,383.00	8,969.50	1,413.50	FAVORABLE	
02	60900	Overtime	20,123.00	17,496.30	2,626.70	FAVORABLE	
02	61000	Vacation	23,170.00	25,340.25	(2,170.25)	UNFAVORABLE	
02	61100	Sick Leave	18,445.00	24,092.64	(5,647.64)	UNFAVORABLE	
02	61150	Holiday	27,970.00	24,720.07	3,249.93	FAVORABLE	
02	61955	Reimbursed Labor Costs	(900.00)	(1,631.00)	731.00	FAVORABLE	

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
02	62300	Repairs & Maintenance	225,043.00	134,475.32	90,567.68	FAVORABLE	
02	62310	Repairs & Maintenance - Chlorine	15,000.00	(128.50)	15,128.50	FAVORABLE	
02	62315	Small Tools	2,500.00	217.99	2,282.01	FAVORABLE	
02	62400	Power	88,019.00	31,555.65	56,463.35	FAVORABLE	
02	62405	Solar Power	33,877.00	36,294.58	(2,417.58)	UNFAVORABLE	
02	62600	Systems Tests	16,630.00	2,847.79	13,782.21	FAVORABLE	
02	62900	Equipment Leasing/Rental	15,248.00	679.80	14,568.20	FAVORABLE	
02	64000	Advertising/Public Relations	130.00	-	130.00	FAVORABLE	
02	64150	Trash Removal Expense	5,251.00	3,273.23	1,977.77	FAVORABLE	
02	64160	Natural Gas Operating Expense	1,049.00	643.32	405.68	FAVORABLE	
02	64250	Phone Expense	5,118.00	5,380.02	(262.02)	UNFAVORABLE	
02	64300	Automotive Expense	7,200.00	2,553.53	4,646.47	FAVORABLE	
02	64310	Vehicle Wash	-	339.00	(339.00)	UNFAVORABLE	
02	64320	Gasoline	11,998.00	10,703.23	1,294.77	FAVORABLE	
02	64330	Diesel	1,909.00	1,118.06	790.94	FAVORABLE	
02	64500	Billpay - Transaction Charges for Checks	1,040.00	1,164.34	(124.34)	UNFAVORABLE	
02	64550	Billing Expense	6,113.00	4,616.50	1,496.50	FAVORABLE	
02	64600	Bad Debt Expense	996.00	17,456.50	(16,460.50)	UNFAVORABLE	
02	64700	Bank Charges	8,761.00	17,476.28	(8,715.28)	UNFAVORABLE	
02	65000	Consultant Fees	205,185.00	79,974.56	125,210.44	FAVORABLE	
02	65030	Public Affairs	1,503.00	2,913.80	(1,410.80)	UNFAVORABLE	
02	65040	Human Resources Consultant Fees	111.00	462.50	(351.50)	UNFAVORABLE	
02	65100	Conservation	5,000.00	-	5,000.00	FAVORABLE	
02	65200	Computer Services	31,853.00	22,209.40	9,643.60	FAVORABLE	
02	65210	Computer Hardware	4,434.00	3,568.16	865.84	FAVORABLE	
02	65220	Computer Software	5,041.00	5,392.87	(351.87)	UNFAVORABLE	
02	65230	Computer Support/Licenses	12,502.00	11,005.52	1,496.48	FAVORABLE	
02	65300	Cross Connection Inspection	1,100.00	1,929.58	(829.58)	UNFAVORABLE	
02	65500	Dues	6,084.00	4,438.70	1,645.30	FAVORABLE	
02	65510	Subscriptions	3,297.00	5,103.19	(1,806.19)	UNFAVORABLE	
02	65600	Education - Employees	350.00	934.93	(584.93)	UNFAVORABLE	
02	65610	Conferences/Seminars - Employees	4,273.00	855.99	3,417.01	FAVORABLE	
02	65620	Training - Employees	144.00	250.00	(106.00)	UNFAVORABLE	
02	65630	Certification - Employees	-	230.00	(230.00)	UNFAVORABLE	
02	65650	Education - Directors	-	1,259.84	(1,259.84)	UNFAVORABLE	
02	65660	Conferences - Directors	3,916.00	2,534.92	1,381.08	FAVORABLE	
02	65700	Election Expense	-	2,430.15	(2,430.15)	UNFAVORABLE	
02	65800	Emergency Preparedness	210.00	-	210.00	FAVORABLE	
02	65810	Safety	6,845.00	4,779.34	2,065.66	FAVORABLE	
02	66100	Liability Insurance	40,041.00	36,749.38	3,291.62	FAVORABLE	
02	66500	Recruitment	449.00	-	449.00	FAVORABLE	

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
02	66550	Employee Retention	676.00	381.49	294.51	FAVORABLE	
02	66560	Employee Physicals	152.00	496.50	(344.50)	UNFAVORABLE	
02	66570	Safety Drug Testing	1,182.00	1,386.91	(204.91)	UNFAVORABLE	
02	66580	Background Checks	9.00	56.90	(47.90)	UNFAVORABLE	
02	66600	Buildings & Grounds Maintenance	8,096.00	11,113.32	(3,017.32)	UNFAVORABLE	
02	66610	Janitorial	-	2,600.87	(2,600.87)	UNFAVORABLE	
02	66710	Legal fees	145,022.00	102,722.64	42,299.36	FAVORABLE	
02	66715	Legal Postings	949.00	620.30	328.70	FAVORABLE	
02	66720	Accounting & Auditing Fees	8,031.00	5,718.00	2,313.00	FAVORABLE	
02	66721	Accounting & Finance Services	90,000.00	80,418.53	9,581.47	FAVORABLE	
02	66800	Licenses & permits	26,697.00	33,242.48	(6,545.48)	UNFAVORABLE	
02	66900	Business Expense	7,828.00	8,902.56	(1,074.56)	UNFAVORABLE	
02	67000	Office Supplies	3,321.00	1,701.05	1,619.95	FAVORABLE	
02	67010	Postage & Shipping	746.00	992.89	(246.89)	UNFAVORABLE	
02	67020	Copier Expense	8,956.00	7,363.31	1,592.69	FAVORABLE	
02	67030	Office Expense	110.00	5.67	104.33	FAVORABLE	
02	67050	Furniture and Equipment	-	189.17	(189.17)	UNFAVORABLE	
02	67500	Operating Fees	202.00	4,229.65	(4,027.65)	UNFAVORABLE	
02	67800	Operating Supplies	906.00	-	906.00	FAVORABLE	
02	68200	Security - G&A	2,734.00	6,074.69	(3,340.69)	UNFAVORABLE	
02	68500	Telephone	2,278.00	1,690.83	587.17	FAVORABLE	
02	68800	Uniforms	3,940.00	927.91	3,012.09	FAVORABLE	
02	68910	Utilities - Water	1,998.00	3,055.84	(1,057.84)	UNFAVORABLE	
02	68920	Utilities - Electricity	4,880.00	6,041.93	(1,161.93)	UNFAVORABLE	
02	68930	Utilities - Natural Gas	839.00	794.10	44.90	FAVORABLE	
02	69000	Interest	856.00	885.48	(29.48)	UNFAVORABLE	
02	69010	Interest Expense - Zions Bank Note Payable	4,971.00	4,970.65	0.35	FAVORABLE	
02	69030	Interest Expense - State Revolving Fund Loan	151,657.00	149,168.41	2,488.59	FAVORABLE	
02	69100	Principal	17,626.00	-	17,626.00	FAVORABLE	3
02	69110	Principal Expense - Zions Bank Note Payable	17,045.00	-	17,045.00	FAVORABLE	3
02	69130	Principal Expense - State Revolving Fund Loan	382,878.00	-	382,878.00	FAVORABLE	3
02	70100	Depreciation Expense	666,400.00	673,061.45	(6,661.45)	UNFAVORABLE	
03	40200	Property Taxes	(3,536.00)	(3,536.00)	-	UNFAVORABLE	
03	42300	Service Charges - Street Lighting	(75,000.00)	(80,989.85)	5,989.85	FAVORABLE	
03	42500	Late Charges/Bank Charges	(1,920.00)	(1,064.85)	(855.15)	UNFAVORABLE	
03	46910	Interest	(164.00)	-	(164.00)	UNFAVORABLE	
03	46930	Interest Income - LAIF Unrestricted	(222.00)	(525.35)	303.35	FAVORABLE	
03	46931	Interest Income - LAIF Restricted	(135.00)	(78.62)	(56.38)	UNFAVORABLE	
03	62700	Street Light Power	81,345.00	78,904.12	2,440.88	FAVORABLE	
03	64550	Billing Expense	1,730.00	1,231.06	498.94	FAVORABLE	
03	64600	Bad Debt Expense	-	591.27	(591.27)	UNFAVORABLE	

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
03	64700	Bank Charges	1,788.00	-	1,788.00	FAVORABLE	
03	65230	Computer Support/Licenses	-	540.00	(540.00)	UNFAVORABLE	
03	65610	Conferences/Seminars - Employees	127.00	-	127.00	FAVORABLE	
03	66710	Legal fees	-	124.20	(124.20)	UNFAVORABLE	
03	66720	Accounting & Auditing Fees	406.00	470.00	(64.00)	UNFAVORABLE	
03	66721	Accounting & Finance Services	13,500.00	11,066.25	2,433.75	FAVORABLE	
03	66900	Business Expense	261.00	275.70	(14.70)	UNFAVORABLE	
03	67030	Office Expense	16.00	-	16.00	FAVORABLE	
03	69000	Interest	164.00	163.85	0.15	FAVORABLE	
03	69100	Principal	3,373.00	-	3,373.00	FAVORABLE	3
03	80000	Transfers In	-	(21,733.00)	21,733.00	FAVORABLE	
04	41400	Assessment Fees	(163,433.00)	(158,693.77)	(4,739.23)	UNFAVORABLE	
04	46910	Interest	(32.00)	-	(32.00)	UNFAVORABLE	
04	46930	Interest Income - LAIF Unrestricted	(393.00)	(509.57)	116.57	FAVORABLE	
04	62700	Street Light Power	11,093.00	5,210.43	5,882.57	FAVORABLE	
04	65000	Consultant Fees	14,108.00	7,025.00	7,083.00	FAVORABLE	
04	65230	Computer Support/Licenses	-	40.00	(40.00)	UNFAVORABLE	
04	66710	Legal fees	2,392.00	9,080.00	(6,688.00)	UNFAVORABLE	
04	66715	Legal Postings	-	264.14	(264.14)	UNFAVORABLE	
04	66720	Accounting & Auditing Fees	213.00	340.00	(127.00)	UNFAVORABLE	
04	66721	Accounting & Finance Services	13,500.00	11,066.24	2,433.76	FAVORABLE	
04	67010	Postage & Shipping	-	15.55	(15.55)	UNFAVORABLE	
04	69000	Interest	32.00	94.21	(62.21)	UNFAVORABLE	
04	69100	Principal	25,690.00	-	25,690.00	FAVORABLE	3
04	81000	Transfers Out	-	21,733.00	(21,733.00)	UNFAVORABLE	
05	40200	Property Taxes	(249,264.00)	(268,447.34)	19,183.34	FAVORABLE	
05	42410	RV Dumping Charges	(3,000.00)	(5,751.01)	2,751.01	FAVORABLE	
05	43220	Parks & Recreation Programs	(7,500.00)	(18,162.42)	10,662.42	FAVORABLE	
05	43230	Parks & Recreation - County Service Area	(114,200.00)	(107,242.73)	(6,957.27)	UNFAVORABLE	
05	45000	Rent	(16,200.00)	(15,900.00)	(300.00)	UNFAVORABLE	
05	46910	Interest	(3,951.00)	-	(3,951.00)	UNFAVORABLE	
05	46930	Interest Income - LAIF Unrestricted	(22,514.00)	(15,982.20)	(6,531.80)	UNFAVORABLE	
05	46931	Interest Income - LAIF Restricted	(29.00)	(44.11)	15.11	FAVORABLE	
05	46970	Gain on Sale of Fixed Assets	-	(75.00)	75.00	FAVORABLE	
05	46995	Miscellaneous Revenue	-	(14.11)	14.11	FAVORABLE	
05	60100	Salaries & Wages	69,654.00	77,253.15	(7,599.15)	UNFAVORABLE	
05	60111	Degree/Certification	1,805.00	1,151.30	653.70	FAVORABLE	
05	60210	Call In	-	219.66	(219.66)	UNFAVORABLE	
05	60211	On Call Salary	-	47.96	(47.96)	UNFAVORABLE	
05	60212	Pager	132.00	-	132.00	FAVORABLE	
05	60410	Social Security Expense	4,780.00	5,178.65	(398.65)	UNFAVORABLE	

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
05	60420	Medicare Expense	1,118.00	1,211.39	(93.39)	UNFAVORABLE	
05	60430	State Unemployement Tax Expense	3,190.00	2,532.61	657.39	FAVORABLE	
05	60500	Retirement Expense	8,173.00	(10,649.21)	18,822.21	FAVORABLE	2
05	60700	Medical Insurance	6,149.00	7,516.26	(1,367.26)	UNFAVORABLE	
05	60800	Workers Compensation Insurance	1,565.00	1,351.85	213.15	FAVORABLE	
05	60900	Overtime	1,066.00	1,494.03	(428.03)	UNFAVORABLE	
05	61000	Vacation	3,310.00	3,102.49	207.51	FAVORABLE	
05	61100	Sick Leave	2,635.00	6,553.06	(3,918.06)	UNFAVORABLE	
05	61150	Holiday	1,491.00	1,720.03	(229.03)	UNFAVORABLE	
05	62310	Repairs & Maintenance - Chlorine	3,000.00	-	3,000.00	FAVORABLE	
05	62350	Park Supplies & Maintenance	35,000.00	35,028.79	(28.79)	UNFAVORABLE	
05	62360	Pool supplies & Maintenance	18,000.00	17,708.80	291.20	FAVORABLE	
05	62400	Power	-	5,086.78	(5,086.78)	UNFAVORABLE	
05	62550	Parks Water	23,000.00	17,168.81	5,831.19	FAVORABLE	
05	62560	Pool Water	2,000.00	2,439.23	(439.23)	UNFAVORABLE	
05	63240	Independent Contractor Expenses	-	4,875.00	(4,875.00)	UNFAVORABLE	
05	64150	Trash Removal Expense	246.00	2,206.07	(1,960.07)	UNFAVORABLE	
05	64160	Natural Gas Operating Expense	-	487.08	(487.08)	UNFAVORABLE	
05	64250	Phone Expense	-	555.94	(555.94)	UNFAVORABLE	
05	64300	Automotive Expense	1,800.00	-	1,800.00	FAVORABLE	
05	64700	Bank Charges	-	3,858.13	(3,858.13)	UNFAVORABLE	
05	64800	Cash Over/Short	-	46.65	(46.65)	UNFAVORABLE	
05	65000	Consultant Fees	7,054.00	1,364.15	5,689.85	FAVORABLE	
05	65030	Public Affairs	572.00	1,409.71	(837.71)	UNFAVORABLE	
05	65200	Computer Services	-	184.11	(184.11)	UNFAVORABLE	
05	65210	Computer Hardware	887.00	-	887.00	FAVORABLE	
05	65220	Computer Software	-	6.50	(6.50)	UNFAVORABLE	
05	65230	Computer Support/Licenses	266.00	550.00	(284.00)	UNFAVORABLE	
05	65300	Cross Connection Inspection	400.00	400.00	-	UNFAVORABLE	
05	65810	Safety	-	205.14	(205.14)	UNFAVORABLE	
05	66100	Liability Insurance	4,449.00	4,747.79	(298.79)	UNFAVORABLE	
05	66200	Graffiti	-	108.84	(108.84)	UNFAVORABLE	
05	66560	Employee Physicals	-	465.00	(465.00)	UNFAVORABLE	
05	66580	Background Checks	-	218.45	(218.45)	UNFAVORABLE	
05	66590	Finger Printing	77.00	158.00	(81.00)	UNFAVORABLE	
05	66600	Buildings & Grounds Maintenance	-	50.00	(50.00)	UNFAVORABLE	
05	66710	Legal fees	-	2,380.75	(2,380.75)	UNFAVORABLE	
05	66720	Accounting & Auditing Fees	439.00	806.00	(367.00)	UNFAVORABLE	
05	66721	Accounting & Finance Services	37,000.00	28,772.25	8,227.75	FAVORABLE	
05	66800	Licenses & permits	562.00	800.00	(238.00)	UNFAVORABLE	
05	66900	Business Expense	2,088.00	539.41	1,548.59	FAVORABLE	

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
05	67000	Office Supplies	-	8.56	(8.56)	UNFAVORABLE	
05	67500	Operating Fees	-	284.56	(284.56)	UNFAVORABLE	
05	68200	Security - G&A	-	319.90	(319.90)	UNFAVORABLE	
05	68450	Property Tax Collection Fees	3,181.00	3,405.00	(224.00)	UNFAVORABLE	
05	68460	County Services Area Administration Fees	5,710.00	1,265.52	4,444.48	FAVORABLE	
05	68800	Uniforms	-	857.01	(857.01)	UNFAVORABLE	
05	68910	Utilities - Water	-	719.48	(719.48)	UNFAVORABLE	
05	69000	Interest	3,951.00	3,951.45	(0.45)	UNFAVORABLE	
05	69100	Principal	81,332.00	-	81,332.00	FAVORABLE	3
05	70100	Depreciation Expense	48,668.00	48,667.95	0.05	FAVORABLE	
51	43230	Parks & Recreation - County Service Area	(132,719.00)	(36,831.94)	(95,887.06)	UNFAVORABLE	
51	46910	Interest	(963.00)	-	(963.00)	UNFAVORABLE	
51	46930	Interest Income - LAIF Unrestricted	(3,387.00)	(1,970.99)	(1,416.01)	UNFAVORABLE	
51	46931	Interest Income - LAIF Restricted	(501.00)	(771.49)	270.49	FAVORABLE	
51	46995	Miscellaneous Revenue	-	(14.11)	14.11	FAVORABLE	
51	60100	Salaries & Wages	36,714.00	13,802.45	22,911.55	FAVORABLE	
51	60111	Degree/Certification	142.00	67.19	74.81	FAVORABLE	
51	60210	Call In	-	1.05	(1.05)	UNFAVORABLE	
51	60211	On Call Salary	-	1.47	(1.47)	UNFAVORABLE	
51	60212	Pager	311.00	-	311.00	FAVORABLE	
51	60410	Social Security Expense	2,638.00	1,050.36	1,587.64	FAVORABLE	
51	60420	Medicare Expense	617.00	247.50	369.50	FAVORABLE	
51	60430	State Unemployement Tax Expense	282.00	142.12	139.88	FAVORABLE	
51	60500	Retirement Expense	4,638.00	12,282.85	(7,644.85)	UNFAVORABLE	2
51	60700	Medical Insurance	11,027.00	2,819.92	8,207.08	FAVORABLE	
51	60800	Workers Compensation Insurance	1,010.00	872.74	137.26	FAVORABLE	
51	60900	Overtime	515.00	1.90	513.10	FAVORABLE	
51	61000	Vacation	1,986.00	1,558.29	427.71	FAVORABLE	
51	61100	Sick Leave	1,581.00	2,706.05	(1,125.05)	UNFAVORABLE	
51	61150	Holiday	2,280.00	1,463.91	816.09	FAVORABLE	
51	62300	Repairs & Maintenance	300.00	90.65	209.35	FAVORABLE	
51	62350	Park Supplies & Maintenance	-	1,448.07	(1,448.07)	UNFAVORABLE	
51	62355	CSA Supplies & Maintenance	10,000.00	-	10,000.00	FAVORABLE	
51	62400	Power	4,758.00	772.56	3,985.44	FAVORABLE	
51	62550	Parks Water	10,965.00	8,983.11	1,981.89	FAVORABLE	
51	63240	Independent Contractor Expenses	-	1,625.00	(1,625.00)	UNFAVORABLE	
51	64150	Trash Removal Expense	2,051.00	-	2,051.00	FAVORABLE	
51	64160	Natural Gas Operating Expense	66.00	-	66.00	FAVORABLE	
51	64300	Automotive Expense	1,800.00	-	1,800.00	FAVORABLE	
51	64320	Gasoline	2,087.00	376.33	1,710.67	FAVORABLE	
51	65230	Computer Support/Licenses	-	70.00	(70.00)	UNFAVORABLE	

Fund Code	GL Code	GL Title	Final Budget	Actual	Variance	(U) / F	Ref #
51	66200	Graffiti	-	161.85	(161.85)	UNFAVORABLE	
51	66720	Accounting & Auditing Fees	394.00	638.00	(244.00)	UNFAVORABLE	
51	66721	Accounting & Finance Services	6,000.00	9,583.20	(3,583.20)	UNFAVORABLE	
51	68460	County Services Area Administration Fees	6,636.00	5,733.47	902.53	FAVORABLE	
51	68800	Uniforms	-	30.05	(30.05)	UNFAVORABLE	
51	68910	Utilities - Water	749.00	61.97	687.03	FAVORABLE	
51	69000	Interest	963.00	962.64	0.36	FAVORABLE	
51	69100	Principal	27,060.00	-	27,060.00	FAVORABLE	3
TOTAL			366,030.00	(2,641,995.17)	3,008,025.17	FAVORABLE	

1) During the fiscal year, the District increased its connection fees. As a result, many developers paid their fees before the deadline resulting in higher than expected connection fees.

2) As a result of GASB 68, coupled with the large payment the District made towards its unfunded lilability, the amounts calculated for 2016/2017 were as income as opposed to expenses.

3) Principal payments to debt obligations are budgeted as expenses but booked as reductions to the principal balances owed.

RESOLUTION NO. 2017-19

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSAMOND COMMUNITY SERVICES DISTRICT CALLING FOR A PUBLIC HEARING REGARDING A SPECIAL PARCEL TAX

WHEREAS, the Rosamond Community Services District ("District") is a public agency of the State of California, formed and existing pursuant to the Community Services District Law (Cal. Gov't Code § 64000 *et seq.*); and

WHEREAS, on October 8, 1991, the Board of Supervisors of the County of Kern ("County") established County Service Area No. 63.5 ("CSA") pursuant to the provisions of Chapter 2.2 (Commencing with Section 25210.1) of Part 2, Division 2, Title 3 of the California Government Code; and

WHEREAS, the CSA was created to provide for a recreational park/pool at Williford Park (formerly known as Westpark) ("Park"); and

WHEREAS, the District and the County desired that the District receive the Park by quit claim and enter into a contract with the County to administer and operate the Park within the CSA; and

WHEREAS, the County quit claimed the Park to the District on April 17, 2007, and the District entered into a contract with the County to administer and operate the Park within the CSA on November 11, 2008; and

WHEREAS, the funding from the CSA has never been adequate to cover the costs of administering and operating the Park; and

WHEREAS, a proposed local parcel tax measure would provide vital funding to keep the pool open, perform much needed maintenance and rehabilitation to the existing park facilities, and provide additional park facilities to give kids places to play and to help seniors stay active and independent; and

WHEREAS, if the proposed local parcel tax measure passes, the burden of the CSA will be dissolved; and

WHEREAS, unless the parcel tax is approved by voters, the District will not have the funding to administer and operate the Park and will be left with no option but to turn the facility back to the County and lose local control which may result in the Park closing down; and

WHEREAS, mandatory fiscal accountability provisions and independent financial audits will ensure that all funds are spent to support parks and recreation facilities and programs in the District; and

WHEREAS, the District would be required to develop and publish an annual spending plan detailing the specific use of funds from the local funding measure to support local park and

recreation facilities and programs; and

WHEREAS, Section 4 of Article XIIIA of the California Constitution and Sections 61121 (a), 50075, 50077, and 53720 *et seq.* of the California Government Code authorize the District to adopt such a local funding measure in the form of a parcel tax, subject to two-thirds approval of the voters voting on the measure; and

WHEREAS, the parcel tax, must be applied uniformly to all real property within the district, except that unimproved property may be taxed at a lower rate than improved property; and

WHEREAS, Sections 4000 and 4108 of the California Elections Code authorize the District to call a mail ballot election for March 6, 2018.

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

1. **Recitals.** The foregoing recitals are true, correct and a substantive part of this Resolution.

2. **Parcel Tax.** The Board of Directors intends to propose a Special Parcel Tax to the voters through a mailed ballot election. The purpose of the Parcel Tax is to provide funding to keep the pool open, perform much needed maintenance and rehabilitation to the existing park facilities, and provide additional park facilities to give kids places to play and to help seniors stay active and independent.

3. **Public Hearing.** The Board of Directors hereby declares its intention to conduct a Public Hearing, as required by law, on the question of whether or not to request the District's voters to authorize funding for the purposes identified in Section 2 of this Resolution. Notice is hereby given that a Public Hearing will take place on Tuesday, December 5, 2017, at 7:00PM, in the Rosamond Community Services District Board Room, 3179 35th Street West, Rosamond, California.

4. **Notice of Public Hearing.** The Board of Directors hereby directs the Board Secretary, or his/her designee, to publish notice of the Public Hearing pursuant to Section 6061 of the California Government Code not less than seven (7) days before the date of the Public Hearing, and by posting a copy of this Resolution on the official bulletin board customarily used by the Board of Directors for the posting of notices. At the Public Hearing, all interested persons shall be afforded the opportunity to hear and be heard. A notice of public hearing and information is attached hereto as **Exhibit A**.

5. **Changes to Resolution or Measure.** The District's General Manager, or his/her designee, is hereby authorized and directed to make any changes to the text of the local funding measure described in this Resolution, or to the abbreviated form of the measure, or to the text of this Resolution, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of elections officials, and

requirements of law.

6. **Additional Actions.** Following adoption of this Resolution, the Board of Directors will conduct a Public Hearing at the time and place described in Section 3 of this Resolution. After the Public Hearing, the Board of Director's may authorize a special mail ballot election for March 6, 2018 pursuant to Sections 4000 and 4108 of the California Elections Code.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of the Rosamond Community Services District held this 7th day of November, 2017.

_____
President, Board of Directors
Rosamond Community Services District

ATTEST:

_____
Lizette Guerrero, Secretary of the Rosamond Community Services District and the Board of Directors

EXHIBIT A

PUBLIC HEARING NOTICE
FOR
ROSAMOND COMMUNITY SERVICES DISTRICT

Please take notice that on Tuesday, December 5, 2017, at 7:00PM in the Rosamond Community Services District Board Room, 3179 35th Street West, Rosamond, California, the District's Board of Directors will conduct a public hearing to consider adopting a resolution to establish a qualified parcel tax to be submitted for voter approval on March 6, 2018, in an amount not to exceed $119 per year, per improved parcel and $99 per year, per unimproved parcel with an annual escalator of 3%.

DATE OF HEARING:	Tuesday, December 5, 2017
TIME OF HEARING:	7:00PM
PLACE OF HEARING:	Rosamond Community Services District Board Room 3179 35th Street West

All persons interested in providing testimony in this matter may do so at this hearing at the time and place stated above to present such testimony to the Board of Directors; or, prior to the hearing, any written correspondence may be submitted to the Board Secretary at 3179 35th Street West, Rosamond, California, 93560, or by calling the Board Secretary at (661) 256-3411 with comments relative to this public hearing.

In compliance with the Americans with Disabilities Act, this meeting will be held at a location accessible to persons with disabilities; if you need special assistance to participate in this public meeting, please contact the Board Secretary at (661) 256-3411. TDD users may call the California TDD Relay Service at 1-800-735-2922. Services such as American Sign Language interpreters, a reader during the meeting, auxiliary aids, large print copies of the agenda and/or translation assistance for non-English speakers are available upon reasonable and timely request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting/event you wish to attend. Due to difficulties in securing sign language interpreters, five or more nosiness days' notice is strongly recommended. For additional information, please contact the Board Secretary at (661) 256-3411.

_____ DATED: _____

Lizette Guerrero, Secretary

Published:

Posted: