

AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, December 13, 2017
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA 93452

1. REGULAR SESSION: 6:00 PM

A. Roll Call

B. Pledge of Allegiance

2. PUBLIC COMMENT:

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda. Presentations are limited to three (3) minutes or less with additional time at the discretion of the Chair. Your comments should be directed to the Board as a whole and not directed to individual Board members. The Brown Act restricts the Board from taking formal action on matters not published on the agenda.

A. Sheriff's Report – Report for November.

B. Public comment on Sheriff's Report.

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD:

4. STAFF REPORTS

A. General Manager's Report – Summary of November Activities.

B. Superintendent's Report - Summary of November Activities.

C. District Financial Summary – Update on Monthly Financial Status for close of business November 30, 2017.

D. District Counsel's Report – Summary of November activities.

5. ITEMS OF BUSINESS

A. Consideration of approval of last month's minutes – November 8, 2017.

B. Consideration of approval of Disbursements Journal – December 13, 2017.

C. Consideration of approval of Special Meeting minutes – October 30, 2017.

6. DISCUSSION/ACTION ITEMS

- A. Consideration of Review of Draft District Audit 2016-2017 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.**

7. BOARD COMMITTEE REPORTS – Oral Reports from Committee Members.

8. BOARD REPORTS – Oral Reports from Board Members on current issues.

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS – Requests from Board members to Staff to receive feedback, prepare information, and/or place an item on a future agenda(s).

10. ADJOURNMENT

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the District office, 111 Pico Avenue, San Simeon. If requested, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for a disability-related modification or accommodation, contact the District Administrator at 805-927-4778 as soon as possible and at least 48 hours prior to the meeting date. This agenda was prepared and posted pursuant to Government Code Section 54954.2.

4A. GENERAL MANAGER'S REPORT
Charles Grace
Update for November 2017

4A. GENERAL MANAGER'S REPORT
December 13, 2017

1. Staff Activity – Report on Staff activities for the month of November.

During the month of November, staff sent out regular customer billing. Staff also completed the following items:

- Submitted the complete application to LAFCO. This item will tentatively be added to the agenda for their January meeting.
- Staff responded to 2 public records requests.
- Staff finalized with the contract to provide legal counsel with the firm of Adamski Moroski Madden Cumberland & Green LLP.
- Prepared additional information for items needed as part of the Prop. 1 Grant process and met with a County representative.
- Continued working with Phoenix Engineering on the Water Master Plan.

4B. SUPERTINTENDENT'S REPORT
Jerry Copeland
Facilities Update for November 2017

4B. SUPERINTENDENT'S REPORT

Activities of November 2017

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- Reactor and clarifier #3 were taken offline and cleaned. Maintenance is being performed on the equipment.
- Annual maintenance was performed on the EQ Basin pumps.
- Annual grease trap inspections were performed at the various restaurants around the District.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- A hotel compound meter was replaced.
- Monthly water meter reading was performed.
- Monthly repickling of the R.O. Unit was performed.

3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- Pot holes were filled around the District streets.
- SLO County Environmental Health Services came out for the annual inspection.
- Quarterly inspection and maintenance was performed on the stand-by generators at the well site and the WWTP.
- Data was compiled for Phoenix Engineering for the master plan update.
- Weed abatement was performed at the reservoir and the well site.

DATA SUMMARY SHEET

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total for 2017
Wastewater Influent	4,686,295	4,225,605	2,454,810	2,674,358	2,408,421	2,400,006	3,248,977	2,976,582	2,314,982	2,167,268	1,852,863		31,410,167
Wastewater Final Effluent (Month Cycle)	4,621,950	4,185,250	2,372,800	2,628,130	2,496,660	2,398,120	2,953,830	2,648,061	2,259,220	2,140,520	1,816,710		30,521,251
Adjusted Wastewater Influent (- State Flow)	3,757,902	3,410,095	2,084,624	2,263,137	2,035,569	2,008,272	2,675,674	2,492,452	1,942,728	1,840,359	1,577,793		26,088,605
Water Produced (month cycle)	1,602,216	1,806,869	1,773,957	1,960,209	2,111,454	2,153,118	2,598,851	2,392,456	2,060,913	1,943,827	1,706,552		22,110,421
Sewer Influent/Water Produced Ratio	2.90	2.34	1.38	1.36	1.14	1.12	1.25	1.24	1.10	1.10	1.08		N/A
Adjusted Sewer/Water Produced Ratio	2.50	1.89	1.18	1.16	0.96	0.93	1.05	1.04	0.94	0.95	0.92		N/A
Well 1 Water Pumped	331,140	197,771	1,795	4,189	3,890	1,720	6,059	898,400	1,151,621	1,002,395	854,366		4,453,345
Well 2 Water Pumped	1,271,076	1,609,098	1,772,162	1,956,020	2,107,564	2,151,398	2,592,792	1,494,055	909,292	941,432	852,186		17,687,076
Total Well Production	1,602,216	1,806,869	1,773,957	1,960,209	2,111,454	2,153,118	2,598,851	2,392,456	2,060,913	1,943,827	1,706,552		22,110,421
Water Well 1 Avg Depth to Water	8.0	7.9	9.9	9.9	9.8	9.5	10.0	10.2	10.3	10.8	11.6		N/A
Water Well 2 Avg Depth to Water	8.1	8.1	10.1	10.1	10.0	9.8	10.2	10.5	10.6	11.2	12.0		N/A
Average Depth to Water of Both Wells	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8		N/A
Change in Average Depth to Water from 2016	-2.0	-2.6	0.0	-0.6	-0.7	-1.0	-1.0	-1.5	-2.4	-2.6	-0.9		N/A
Average Chloride mg/L at the Wells	66	65	46	36	53	69	60	51	40	37	36		N/A
State Wastewater Treated	928,393	815,510	370,186	411,221	372,852	391,734	573,303	484,130	372,254	326,909	275,070		5,321,562
State % of Total WW Flow	20%	19%	15%	15%	16%	16%	18%	16%	16%	15%	15%		N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0		0
Biosolids Removal (Gallons)	9,600	4,800	4,800	9,600	9,600	9,600	0	9,600	4,800	4,800	0		67,200
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0		N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0		N/A
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None		N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total for 2016
Wastewater Influent	2,849,357	2,375,307	3,071,599	2,340,256	2,824,792	2,909,805	3,485,599	3,039,238	2,835,814	2,773,295	2,624,172	2,967,938	34,097,172
Wastewater Final Effluent (Month Cycle)	2,714,170	2,185,020	3,037,390	2,191,550	2,712,580	2,822,370	3,453,020	2,935,450	2,672,409	2,741,600	2,332,940	2,562,510	32,361,009
Adjusted Wastewater Influent (- State Flow) *	2,535,974	2,177,118	2,699,165	2,164,251	2,554,523	2,619,042	3,078,242	2,803,378	2,603,638	2,550,943	2,423,520	2,563,367	30,773,161
Water Produced (month cycle)	2,153,548	1,923,258	2,168,302	2,117,663	2,606,630	2,736,933	3,269,433	2,981,902	2,670,884	2,475,131	1,989,530	1,875,242	28,968,455
Sewer Influent/Water P Produced Ratio	1.32	1.24	1.42	1.11	1.08	1.06	1.07	1.02	1.06	1.12	1.32	1.58	N/A
Adjusted Sewer/Water Ratio	1.18	1.13	1.25	1.02	0.98	0.96	0.94	0.94	0.98	1.03	1.22	1.37	N/A
Average Depth of Both Wells	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6	N/A
Change in Average Depth to Water from 2015	-0.2	+0.2	-0.7	+0.1	+0.5	+0.1	0.0	-0.1	0.0	0.0	-1.0	-0.8	N/A
Average Chloride mg/L at the Wells	1828	723	360	239	173	148	135	132	145	193	344	198	N/A
State Wastewater Treated	313,333	198,189	372,434	176,005	270,269	290,763	407,357	235,860	232,176	222,352	200,652	404,571	3,324,011
State % of Total WW Flow	11%	12%	12%	8%	10%	10%	12%	8%	8%	8%	8%	14%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	1375	1900	4300	4955	11065	4375	0	0	27,970
Biosolids Removal (Gallons)	6,000	0	6,000	6,000	6,000	12,000	6,000	6,000	6,000	6,000	3,500	5,000	68,500
WW Permit Limitation Exceeded	0	1	0	0	0	0	0	0	0	0	0	0	N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

San Simeon Community Services District Superintendent's Report November 2017

MONTHLY DATA REPORT

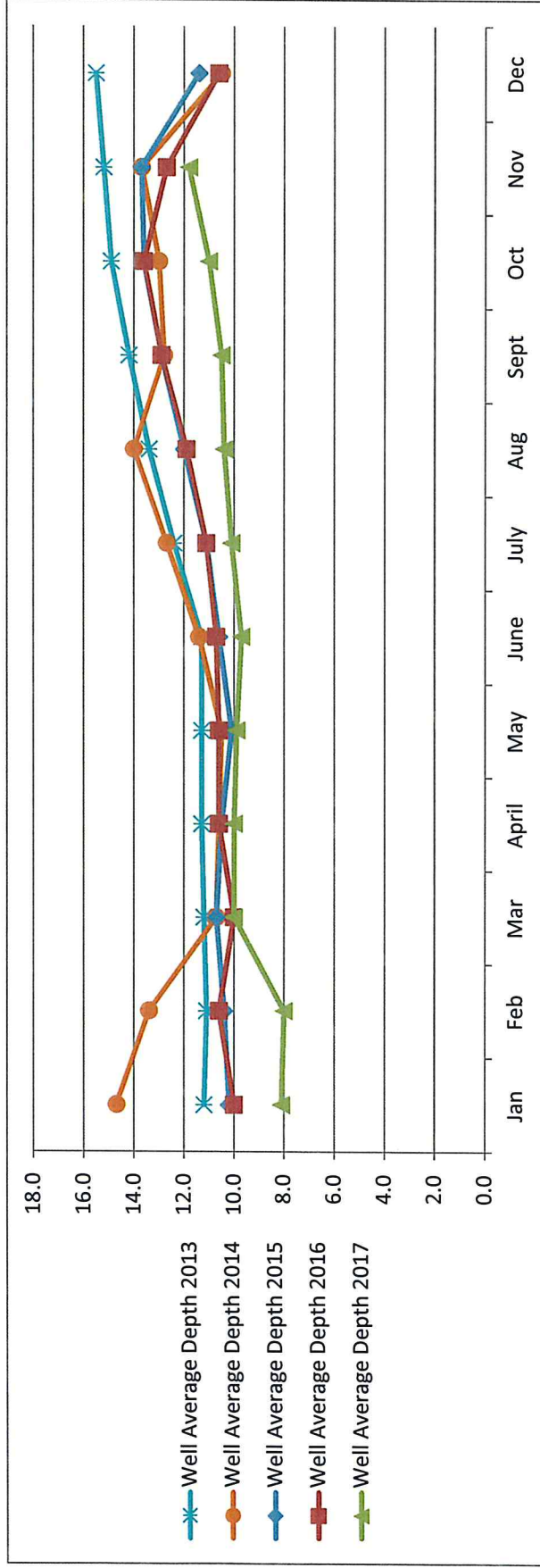
Date	Day	Wastewater Inflow	Wastewater Effluent Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Inflow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1	Chloride Wells 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Inflow Daily
11/01/17	Wed	45,858	43,300	449	52,734	53,183	0	0	0	-	-	-	0	11.3	11.7	0.00	1,275
11/02/17	Thu	54,560	51,500	54,529	0	54,529	0	0	0	-	-	-	0	11.3	11.7	0.00	5,530
11/03/17	Fri	60,180	54,040	0	51,388	51,388	0	0	0	-	-	-	0	11.3	11.7	0.00	6,015
11/04/17	Sat	71,694	63,600	55,651	2,244	57,895	0	0	0	-	-	-	0	11.4	11.7	0.11	9,649
11/05/17	Sun	66,506	72,510	17,279	57,297	74,576	0	0	0	-	-	-	0	11.4	11.8	0.00	22,645
11/06/17	Mon	48,466	57,760	52,734	0	52,734	0	0	0	-	-	-	0	11.4	11.8	0.00	22,331
11/07/17	Tue	56,202	46,730	0	41,439	41,439	0	0	0	39	<32	<32	0	11.4	11.8	0.00	1,805
11/08/17	Wed	56,682	55,460	53,108	0	53,108	0	0	0	-	-	-	0	11.4	11.8	0.12	10,321
11/09/17	Thu	64,559	61,160	0	52,061	52,061	0	0	0	-	-	-	0	11.4	11.8	0.04	13,517
11/10/17	Fri	74,151	76,190	54,754	4,563	59,316	0	0	0	-	-	-	0	11.4	11.8	0.00	10,101
11/11/17	Sat	93,591	93,040	42,412	63,804	106,216	0	0	0	-	-	-	0	-	-	0.00	12,927
11/12/17	Sun	55,735	73,590	28,723	0	28,723	0	0	0	-	-	-	0	-	-	0.00	11,448
11/13/17	Mon	45,127	53,400	0	56,175	56,175	0	0	0	-	-	-	0	11.6	11.9	0.00	4,670
11/14/17	Tue	51,674	47,300	56,848	27,301	84,149	4401	1780	1570	32	39	32	0	11.6	11.9	0.00	5,219
11/15/17	Wed	48,694	46,360	0	53,258	53,258	0	0	0	-	-	-	0	11.6	12.0	0.00	6,432
11/16/17	Thu	55,036	49,860	54,006	0	54,006	0	0	0	-	-	-	0	11.6	12.0	0.00	5,537
11/17/17	Fri	48,611	52,330	0	27,373	27,373	0	0	0	-	-	-	0	11.6	12.0	0.00	6,578
11/18/17	Sat	73,838	57,790	54,230	0	54,230	0	0	0	-	-	-	0	11.7	12.1	0.00	10,991
11/19/17	Sun	71,377	68,860	0	55,277	55,277	0	0	0	-	-	-	0	11.8	12.2	0.00	18,125
11/20/17	Mon	62,929	70,320	52,809	0	52,809	0	0	0	-	-	-	0	11.8	12.2	0.00	12,545
11/21/17	Tue	67,865	62,600	0	53,407	53,407	0	0	0	39	32	32	0	11.8	12.2	0.00	6,994
11/22/17	Wed	71,831	67,610	53,632	0	53,632	0	0	0	-	-	-	0	11.8	12.2	0.00	8,629
11/23/17	Thu	71,526	61,180	35,754	56,998	92,752	0	0	0	-	-	-	0	11.8	12.2	0.00	7,097
11/24/17	Fri	100,536	95,510	30,892	63,505	94,398	0	0	0	-	-	-	0	11.8	12.2	0.00	7,259
11/25/17	Sat	91,198	93,860	51,687	0	51,687	0	0	0	-	-	-	0	11.8	12.2	0.00	8,956
11/26/17	Sun	59,550	65,720	0	52,659	52,659	0	0	0	-	-	-	0	11.8	12.2	0.28	10,645
11/27/17	Mon	48,846	50,240	50,939	0	50,939	0	0	0	-	-	-	0	11.8	12.2	0.08	7,767
11/28/17	Tue	45,931	46,670	31,042	27,820	58,862	0	0	0	39	47	<32	0	11.9	12.3	0.00	6,322
11/29/17	Wed	42,941	38,140	22,889	524	23,412	0	0	0	-	-	-	0	11.9	12.3	0.00	7,855
11/30/17	Thu	47,169	40,080	0	52,360	52,360	0	0	0	-	-	-	0	11.8	12.2	0.00	5,885
TOTALS		1,852,863	1,816,710	854,366	852,186	1,706,552	4401	1780	1570				0			0.63	275,070
Average		61,762	60,557	28,479	28,406	56,885	147	59	52	37	39	32	0	11.6	12.0	0.02	9,169
Minimum		42,941	38,140	0	0	23,412	0	0	0	32	32	32	0	11.3	11.7	0.00	1,275
Maximum		100,536	95,510	56,848	63,804	106,216	4401	1780	1570	39	47	32	0	11.9	12.3	0.28	22,645

San Simeon Community Services District

Superintendent's Report

November 2017

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2013	11.2	11.1	11.2	11.3	11.3	11.3	12.4	13.4	14.2	14.9	15.2	15.5
Well Average Depth 2014	14.7	13.4	10.7	10.6	10.5	11.4	12.7	14.0	12.8	13.0	13.7	10.5
Well Average Depth 2015	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4
Well Average Depth 2016	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6
Well Average Depth 2017	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	



4C. DISTRICT FINANCIALS
Cortney Murguia
November 30, 2017

SAN SIMEON COMMUNITY SERVICES DISTRICT

Balance Sheet

Accrual Basis

As of November 30, 2017

Nov 30, 17

ASSETS

Current Assets

Checking/Savings

1010 · Petty cash	150.00
1015 · Heritage Oaks- General Checking	81,383.11
1016 · Heritage Oaks-Wellhead	6.34
1017 · Heritage Oaks-Money Market	831,060.78
1022 · USDA checking	234.05
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	523.77

Total Checking/Savings 913,466.38

Other Current Assets

1200 · Accounts receivable	77,965.18
1220 · A/R - Hearst Castle	24,606.31
1300 · Prepaid expenses	5,352.49

Total Other Current Assets 107,923.98

Total Current Assets 1,021,390.36

Fixed Assets

1400 · Fixed assets

1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major water projects	179,245.06
1560 · Pipe bridge	28,075.58
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	262,932.67
1640 · Wellhead Rehab Project	450,827.53
1650 · Walkway access projects	21,511.00
1660 · RO Unit	931,966.97
1670 · Reservoir	37,693.50
1680 · Generator	29,101.14

Total 1400 · Fixed assets 4,992,486.71

1690 · Accumulated depreciation -2,236,138.96

Total Fixed Assets 2,756,347.75

TOTAL ASSETS 3,777,738.11

SAN SIMEON COMMUNITY SERVICES DISTRICT

Balance Sheet

Accrual Basis

As of November 30, 2017

Nov 30, 17

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

2100 · Payroll liabilities	279.60
2500 · Customer security deposits	9,958.13
2510 · Connect hookup wait list	45,750.00
2520 · USDA Loan	417,240.00

Total Other Current Liabilities 473,227.73

Total Current Liabilities 473,227.73

Total Liabilities 473,227.73

Equity

3200 · Fund balance	2,932,888.18
3900 · Suspense	24,537.53
Net Income	347,084.67

Total Equity 3,304,510.38

TOTAL LIABILITIES & EQUITY 3,777,738.11

SAN SIMEON COMMUNITY SERVICES DISTRICT



4C. FINANCIAL SUMMARY

BILLING

November 30, 2017

October Billing Revenue	\$ 65,876.76
November Billing Revenue	\$ 63,705.91
Past Due (31 to 60 days)	\$ 627.50
Past Due (60 days)	\$ 13.64

ENDING BANK BALANCES
November 30, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account **\$ 89.00**

HERITAGE OAKS BANK:

Money Marketing Account Closing Balance October 31, 2017 **\$ 830,821.74**

Interest for November **\$ 239.04**

Money Marketing Account Closing Balance November 30, 2017 **\$ 831,060.78**

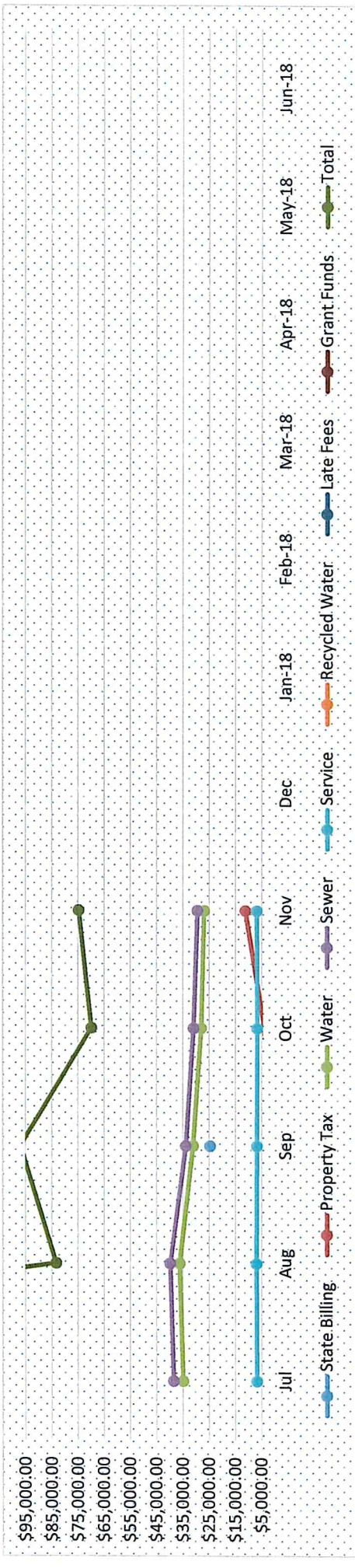
Reserve Fund	(\$ 250,000.00)
Wait-list Deposits	(\$ 45,750.00)
Customer Deposits	(\$ 9,708.00)
Available Funds	\$ 524,876.35

General Checking Account November 30, 2017 **\$ 67,076.77**

LAIF Closing Balance November 30, 2017 **\$ 527.40**

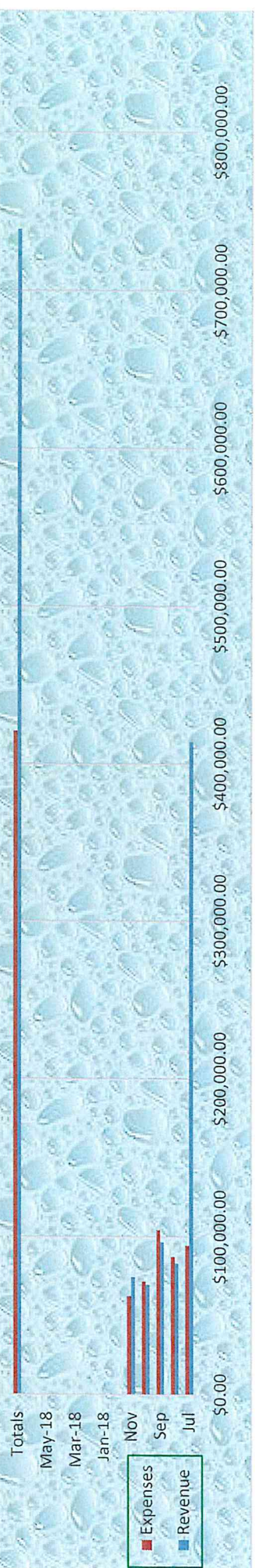
DISTRICT REVENUE FY 2017/2018

	Jul	Aug	Sep	Oct	Nov	Dec	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Totals
State Billing			\$24,606.31										\$24,606.31
Property Tax	\$1,282.43	\$0.00	\$121.78	\$3,983.38	\$11,222.22								\$16,609.81
Water	\$34,880.43	\$36,192.33	\$31,137.52	\$27,999.25	\$26,930.07								\$157,139.60
Sewer	\$38,495.46	\$39,770.86	\$33,836.96	\$30,919.58	\$29,421.68								\$172,444.54
Service	\$6,820.12	\$6,950.95	\$6,821.63	\$6,659.98	\$6,886.29								\$34,138.97
Recycled Water	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00								\$0.00
Late Fees	\$628.24	\$379.06	\$292.61	\$241.85	\$221.14								\$1,762.90
Grant Funds	\$332,310.87	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40								\$332,310.87
Total	\$414,417.55	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40								\$739,013.00
Water Sold Cu Ft	299369	310960	266284	241692	232942								1351247
Water Sold Acre ft	6.87	7.14	6.11	5.55	5.35								31.02



REVENUE VS EXPENSES

	Jul	Aug	Sep	Oct	Nov	Dec	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Totals
Revenue	\$414,417.55	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40								\$739,013.00
Expenses	\$94,660.34	\$87,503.06	\$104,489.98	\$71,763.52	\$62,490.35								\$420,907.25
Balance	\$319,757.21	(\$4,209.86)	(\$7,673.17)	(\$1,959.48)	\$12,191.05								\$318,105.75



**SAN SIMEON COMMUNITY SERVICES
HISTORICAL BUDGET REVIEW**

Month	2014 / 2015												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$9,972.00			\$6,480.49			\$7,042.78			\$8,943.33	\$32,438.60
Property Tax	\$1,749.86		\$170.96	\$4,304.07	\$6,305.04	\$30,755.69	\$1,698.01	\$680.91	\$4,730.41	\$20,998.75	\$444.16	\$624.12	\$72,461.98
Water	\$34,524.91	\$30,347.28	\$26,979.15	\$24,551.71	\$23,063.39	\$16,542.19	\$24,980.71	\$22,031.38	\$23,713.28	\$29,614.92	\$25,535.77	\$26,568.29	\$308,452.98
Sewer	\$41,554.68	\$36,609.57	\$32,364.61	\$29,124.18	\$27,266.32	\$19,555.31	\$29,619.69	\$25,800.68	\$27,563.38	\$35,077.17	\$30,393.05	\$31,702.68	\$366,631.32
Service	\$5,773.50	\$5,747.70	\$5,747.70	\$5,747.70	\$5,775.07	\$5,747.70	\$5,775.07	\$5,747.70	\$5,747.70	\$5,747.70	\$5,802.44	\$5,747.70	\$69,107.68
Late Fees	\$123.97	\$44.80	\$94.76	\$153.10	\$221.66	\$168.17	\$78.17	\$106.62	\$194.28	\$19.45	\$192.34	\$47.19	\$1,444.51
Total Revenue	\$83,726.92	\$72,749.35	\$75,329.18	\$63,880.76	\$62,631.48	\$79,249.55	\$62,151.65	\$54,367.29	\$69,166.14	\$91,457.99	\$62,367.76	\$74,431.29	\$851,509.36
Total Expense	\$58,555.68	\$53,848.94	\$56,471.91	\$67,511.62	\$68,584.98	\$63,061.56	\$68,239.78	\$75,948.43	\$67,780.30	\$71,023.34	\$70,022.86	\$70,473.36	\$791,522.76
Water Sold Cu Ft	352622	309962	275523	250905	235552	169443	255324	224325	240675	300989	260697	306,222	3,182,239
Water Sold Acre ft	8.10	7.12	6.33	5.76	5.41	3.89	5.86	5.15	5.53	6.91	5.98	7.03	73.05

Month	2015 / 2016												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$7,200.02			\$8,584.90			\$11,992.94			\$10,529.30	\$38,307.16
Property Tax	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73	\$31,035.95	\$732.82	\$3,907.74	\$4,380.61	\$20,311.05	\$670.65	\$812.49	\$74,955.09
Water	\$32,179.33	\$35,048.63	\$31,023.24	\$30,062.47	\$23,260.87	\$19,903.42	\$28,833.61	\$24,410.65	\$22,300.83	\$24,943.58	\$27,395.80	\$29,375.50	\$328,737.93
Sewer	\$38,340.31	\$41,800.72	\$36,517.90	\$35,482.63	\$27,568.63	\$23,716.44	\$33,983.50	\$28,929.28	\$26,405.46	\$29,496.09	\$31,742.13	\$34,065.24	\$388,048.33
Service	\$6,052.80	\$6,081.90	\$6,111.00	\$6,111.00	\$6,111.00	\$6,111.00	\$6,169.20	\$6,111.00	\$6,140.10	\$6,111.00	\$6,111.00	\$6,111.00	\$73,361.10
Recycled Water			\$1,359.75			\$854.07							\$2,213.82
Late Fees	\$118.83	\$71.20	\$72.27	\$239.83	\$386.63	\$99.38	\$153.29	\$138.82	\$86.36	\$485.53	\$657.24	\$418.39	\$2,927.77
Total Revenue	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$69,872.42	\$63,497.49	\$71,306.30	\$81,376.35	\$66,576.82	\$81,311.92	\$908,551.20
Total Expense	\$56,735.48	\$80,703.14	\$62,573.67	\$62,460.00	\$90,307.21	\$78,261.91	\$62,999.58	\$69,646.10	\$68,440.42	\$78,744.51	\$62,608.05	\$60,034.80	\$833,514.87
Water Sold Cu Ft	311247	338869	297896	288860	223460	191579	276707	234583	213757	239168	260907	278,453	3,155,486
Water Sold Acre ft	7.15	7.78	6.84	6.63	5.13	4.40	6.35	5.39	4.91	5.49	5.99	6.39	72.44

Month	2016 / 2017												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$12,485.00			\$13,996.07			\$29,440.40			\$23,960.29	\$79,881.76
Property Tax	\$1,161.69		\$1,184.42	\$6,789.01	\$6,970.82	\$28,878.98	\$2,456.74	\$2,966.66	\$2,421.97	\$23,540.38	\$415.92	\$1,111.78	\$77,898.37
Water	\$36,292.1	\$36,746.52	\$31,241.74	\$29,953.03	\$22,549.49	\$19,445.8	\$25,600.5	\$22,112.36	\$19,816.90	\$27,563.35	\$27,763.55	\$31,331.40	\$330,416.71
Sewer	\$41,862.8	\$43,190.60	\$36,386.89	\$35,106.74	\$25,574.57	\$21,817.9	\$29,037.7	\$24,590.36	\$22,440.87	\$31,022.32	\$31,228.75	\$34,851.59	\$377,111.12
Service	\$6,559.5	\$6,472.20	\$6,472.20	\$6,472.20	\$6,626.30	\$6,533.8	\$6,503.0	\$6,503.02	\$6,503.02	\$6,503.02	\$6,564.66	\$6,626.30	\$78,339.28
Recycled Water						\$216.4							\$216.35
Late Fees	\$485.7	\$97.52	\$595.71	\$316.72	\$353.70	\$1,587.7	\$966.8	\$1,387.73	\$735.52	\$202.87	\$187.94	\$804.03	\$7,121.95
Total Revenue	\$86,361.78	\$86,506.84	\$88,365.96	\$78,637.70	\$62,074.88	\$92,476.61	\$63,964.81	\$57,560.13	\$81,358.68	\$88,831.94	\$66,160.82	\$98,685.39	\$950,985.54
Total Expense	\$127,105.89	\$72,035.48	\$114,268.09	\$71,273.31	\$75,340.87	\$66,017.87	\$71,441.43	\$72,822.48	\$152,049.21	\$62,994.78	\$77,525.44	\$71,657.28	\$1,034,532.13
Water Sold Cu Ft	324654	324654	281207	269907	203338	175391	232048	200704	179990	249876	249279	282352	2,973,400
Water Sold Acre ft	7.45	7.45	6.46	6.20	4.67	4.03	5.33	4.61	4.13	5.74	5.72	6.48	68.26

5. ITEMS OF BUSINESS

- A. Consideration of approval of last month's minutes –
November 8, 2017**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, December 13, 2017
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA 93452

1. REGULAR SESSION: 6:00 PM

A. Roll Call:

Chairperson Williams – Present	General Manager, Charles Grace
Vice-Chairperson McGuire – Present	District Counsel, Natalie Frye Laacke
Director Patel – Present	Sheriff Representative, Commander Voge
Director Russell – Present	
Director Kellas – Absent	

B. Pledge of Allegiance

2. PUBLIC COMMENT:

Chairperson Williams introduced new District counsel Natalie Frye Laacke.

Leroy Price commented that he had a question about the closed session report out. He asked why the report out was not included in the regular meeting minutes.

Charlie Grace responded that counsel (Natalie Frye Laacke) would need some time to review this matter and determine what correction would be needed.

Leroy Price remarked about the RFP process.

Charlie Grace again asked to allow counsel time to clarify what correction would be needed.

A. Sheriff's Report November

There was a total of 14 calls for San Simeon for the period of November 9 – December 13, 2017. There were 4 disturbing the peace calls. On December 5, deputies responded to a call of a suicidal subject armed with a weapon. The suspect was taken into custody without incident. On December 9, there was an arrest for driving under the influence. On December 12, deputies responded to a disturbing the peace call on the 9000 block of Avonne. The suspect was arrested for an outstanding warrant and possession of methamphetamine.

B. Public comment on Sheriff's Report.

None

3. PRESENTATIONS AND ANNOUNCEMENTS FROM BOARD

None

4. STAFF REPORTS

A. General Manager's Report

1. Staff Activity – Report on Staff activities for the month of November.

During the month of November, staff sent out regular customer billing. Staff also completed the following items:

- Submitted the complete application to LAFCO. This item will tentatively be added to the agenda for their January meeting.
- Responded to 2 public records requests.
- Finalized with the contract to provide legal counsel with the firm of Adamski Moroski Madden Cumberland & Green LLP.
- Prepared additional information for items needed as part of the Prop. 1 Grant process and met with a County representative.
- Continued working with Phoenix Engineering on the Water Master Plan.

B. Superintendent's Report - Summary of November Activities.

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- Reactor and clarifier #3 were taken offline and cleaned. Maintenance is being performed on the equipment.
- Annual maintenance was performed on the EQ Basin pumps.
- Annual grease trap inspections were performed at various restaurants around the District.

2. Water Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- A hotel compound meter was replaced.
- Monthly water meter reading was performed.
- Monthly repickling of the R.O. Unit was performed.

3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- Pot holes were filled around the District streets.
- SLO County Environmental Health Services came out for the annual inspection.
- Quarterly inspection and maintenance was performed on the stand-by generators at the well site and the WWTP.
- Data was compiled for Phoenix Engineering for the master plan update.
- Weed abatement was performed at the reservoir and the well site.

C. District Financial Summary

October Billing Revenue	\$ 65,876.76
November Billing Revenue	\$ 63,705.91
Past Due (31 to 60 days)	\$ 627.50
Past Due (60 days)	\$ 13.64

ENDING BANK BALANCES

November 30, 2017

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account \$ **89.00**

HERITAGE OAKS BANK:

Money Marketing Account Closing Balance October 31, 2017 \$ **830,821.74**

Interest for November \$ **239.04**

Money Marketing Account Closing Balance November 30, 2017 \$ **831,060.78**

Reserve Fund (\$ 250,000.00)

Wait-list Deposits (\$ 45,750.00)

Customer Deposits (\$ 9,708.00)

Available Funds \$ **524,876.35**

General Checking Account November 30, 2017 \$ **67,076.77**

LAIF Closing Balance November 30, 2017 \$ **527.40**

D. District Counsel's Report Summary of November activities

Natalie Frye Laacke reported that the new contract for legal services was finalized at the end of November. She stated that counsel was currently working to get up to speed on current issues.

5. ITEMS OF BUSINESS

A. Consideration of approval of last month's minutes – November 8, 2017.

Director Russell asked for changes to Item 10. He asked that the name "reservoir project" be referenced in the minutes under this section.

The minutes were tabled until the January meeting, so that counsel would have time to research where the appropriate placement of the closed session report out should be placed.

B. Consideration of approval of Disbursements Journal – December 13, 2017.

A motion was made to accept the Disbursements Journal.

Motion by: Director Patel

2nd: Chairperson Williams

All in: 3/ 1 (Vice-Chairperson McGuire voted No)

C. Consideration of approval of Special Meeting minutes – October 30, 2017.

A motion was made to approve the special meeting minutes.

Motion by: Vice-Chairperson McGuire

2nd: Director Russell

All in: 4 / 0

6. DISCUSSION/ACTION ITEMS

A. Consideration of Review of Draft District Audit 2016-2017 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.

Travis Hole presented the 16/17 FY audit. There were no significant findings, and all samples of paperwork that were audited were found to be clean.

There were no questions from the Board.

7. BOARD COMMITTEE REPORTS

None

8. BOARD REPORTS

None

9. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS

None

10. ADJOURNMENT @ 6:27 PM

5. ITEMS OF BUSINESS

- B. Consideration of approval of Disbursements Journal –
December 13, 2017**

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal

December 1, 2017

Type	Date	Num	Name	Memo	Paid Amount	Balance
Paycheck	12/01/2017	1496	Gwen Kellas	Board Service December	\$ 92.35	\$ 81,383.11
Paycheck	12/01/2017	1497	John K Russell	Board Service December	\$ 92.35	\$ 81,290.76
Paycheck	12/01/2017	1499	Mary M McGuire	Board Service December	\$ 92.35	\$ 81,198.41
Paycheck	12/01/2017	1495	Daniel Williams	Board Service December	\$ 92.35	\$ 81,106.06
Paycheck	12/01/2017	1498	Ken Patel	Board Service December	\$ 92.35	\$ 81,013.71
Bill Pmt -Check	12/01/2017	1485	Barbara Romley	Deposit Refund Acct. # 402	\$ 50.00	\$ 80,871.36
Check	12/01/2017	ET	CalPERS	Unfunded Accrued Liability & Health Premium for January 2018	\$ 1,287.33	\$ 79,584.03
Bill Pmt -Check	12/01/2017	1486	California Special Districts Assoc	2018 Membership dues, ID 255	\$ 2,633.00	\$ 76,951.03
Bill Pmt -Check	12/01/2017	1487	Carmel & Nacassha. LLP	Legal Fees for November	\$ 1,891.13	\$ 75,059.90
Bill Pmt -Check	12/01/2017	1488	County of San Luis Obispo	Environmental Health Services Annual Invoices	\$ 718.00	\$ 74,341.90
Bill Pmt -Check	12/01/2017	1489	Grace Environmental	Invoice #1136 Operations Management December	\$ 50,025.00	\$ 24,316.90
Bill Pmt -Check	12/01/2017	1490	LAFCO	Weed Abatement Authority Fee	\$ 3,000.00	\$ 21,316.90
Bill Pmt -Check	12/01/2017	1491	Robert Stilts, CPA	November Bookkeeping	\$ 1,200.00	\$ 20,116.90
Bill Pmt -Check	12/01/2017	1492	Rose Romeka	Deposit Refund Acct. # 147	\$ 50.00	\$ 20,066.90
Bill Pmt -Check	12/01/2017	1493	State Board of Equalization	Water Rights, Acct. WR STF 094-006560	\$ 174.14	\$ 19,892.76
Bill Pmt -Check	12/01/2017	1494	Steve Siebuhr	Consult on integration of filter system into existing SCADA system	\$ 1,000.00	\$ 18,892.76
					\$ 62,490.35	\$ 18,892.76

5. ITEMS OF BUSINESS

- C. Consideration of approval of Special Meeting minutes –
October 30, 2017.**

**NOTICE AND CALL OF A SPECIAL MEETING:
San Simeon Community Services**

I, Daniel Williams, Chairperson of the San Simeon Community Services District Board of Directors, hereby call a Special Meeting of the Board of Directors, pursuant to California Government Code Section 54956. The Special Meeting will be held: October 30, 2017 at 4:00 p.m. at the Cavalier Banquet Room, 250 San Simeon Avenue, San Simeon, CA 93452. The purpose of the Special Meeting is to discuss or transact the following business:



San Simeon Community Services District
October 30, 2017
Cavalier Banquet Room
250 San Simeon Avenue
San Simeon, CA 93452

4:00 p.m.

1. ESTABLISH QUORUM AND CALL TO ORDER @ 4:01 PM

Chairperson Williams	General Manager, Charles Grace
Vice-Chairperson McGuire	District Counsel, Tim Carmel (via telephone)
Director Patel	Counsel, Greg Sanders (via telephone)
Director Russell	Consultant, Jeff Oliveira

A. Pledge of Allegiance

B. Swear in new Board Member Gwen Kellas

General Manager Charlie Grace swore in Gwen Kellas as the new Board member.

2. PUBLIC COMMENTS

None

3. DISCUSSION ACTION ITEMS

A. Discussion regarding direction to staff for responding to the California Coastal Commission staff report and permit conditions for the Waste Water Treatment Plant after the fact permit for the rip-rap.

Charlie Grace provided background information about the history of the rip rap permit and the Coastal Commission timeline.

Chairperson Williams read an email from Daniel Robinson dated October 30, 2017 stating that this item had been moved from the November Coastal Commission meeting, to their December meeting. Chairperson Williams asked for clarification about the need for the Board to meet.

Jeff Oliveira explained that the draft version of the special conditions from the Coastal Commission were likely a good idea of what the District could expect to see as part of the staff report for the December Coastal Commission meeting.

Director Kellas recused herself and left the room.

Charlie Grace reviewed the draft version of the special conditions from the Coastal Commission.

Jeff Oliveria addressed thoughts and concerns about certain conditions.

Vice-Chair McGuire expressed concerns about the financial aspect of the requirements and stated that they were unrealistic based on the number of rate payers in our community.

Henry Krzciuk commented about item # 1 of the special conditions and provided his interpretation of this item.

Jeff Oliveria responded to Henry's comments and stated that he felt this approach would be unrealistic.

Charlie Grace discussed getting direction from the Board about what items could be negotiated.

Mike Hanchett suggested that this items was a legal issue and that direction is needed from Legal Counsel.

Greg Sanders responded that many of the conditions could bankrupt the District. He advised trying to negotiate various items with Coastal Commission staff. He also discussed legal implications from violating the Coastal Act.

Chairperson Williams commented about the condition of moving the waste water treatment plant (WWTP).

Jeff Oliveira proposed options to this condition as well as financing options associated with condition # 4 and discussed negotiating with the Coastal Commission. He also suggested proposing a 20 year timeline request, and common practices that other agencies in a similar situation had used. He provided a plan of action for monitoring both the rip rap and the WWTP, as well as ideas for mitigation.

Director Patel commented on the potential of the District being fined by the Coastal Commission.

A consensus was reached to direct staff to address the following items with Coastal Commission staff:

- 1) 10 year time line requirement pushed to 20 years.
- 2) Ask for the removal of the language pertaining to the rip rap restacking.
- 3) Adaptive management plan outlining a proactive approach and asking for the removal of a timeline.
- 4) Grant materializing condition/provision added.

B. Discussion regarding rescheduling of the November 8, 2017 Board meeting.

No action was taken due to the San Simeon CSD item being removed from the Coastal Commission Agenda.

Adjournment @ 5:08 PM

6. DISCUSSION ACTION ITEMS

- A. Consideration of Review of Draft District Audit 2016-2017 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.**

6. DISCUSSION/ACTION ITEMS
December 13, 2017

A. Review of Draft District Audit 2016-2017 presented by Travis Hole from Moss, Levy & Hartzheim, LLP.

Attached is the Draft copy of the 2016-2017 Fiscal Audit. At this time, Staff is requesting comments or corrections.

SAN SIMEON COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

June 30, 2017

DRAFT

SAN SIMEON COMMUNITY SERVICES DISTRICT
TABLE OF CONTENTS
June 30, 2017

INTRODUCTORY SECTION

Organization..... 1

FINANCIAL SECTION

Independent Auditors' Report..... 2

BASIC FINANCIAL STATEMENTS

Statement of Net Position – Proprietary Fund..... 4

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund 5

Statement of Cash Flows – Proprietary Fund 6

Notes to Basic Financial Statements 7

SUPPLEMENTARY INFORMATION

Schedule of Revenues and Expenses by Function for the Fiscal Year Ended June 30, 2017 15

Schedule of Revenues and Expenses by Function for the Fiscal Year Ended June 30, 2016 16

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INTRODUCTORY SECTION
DRAFT

Board of Directors

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Daniel Williams	Chairperson	2020
Alan Fields	Vice-Chairperson	2020
John Russell	Director	2018
Mary Margaret McGuire	Director	2020
Ken Patel	Director	2018

FINANCIAL SECTION

DRAFT



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Simeon Community Services District
San Simeon, CA

Report on the Financial Statements

We have audited the accompanying basic financial statements of San Simeon Community Services District (District) as of and for the fiscal year ended June 30, 2017, and the related notes to the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the San Simeon Community Services District, as of June 30, 2017, and the changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the schedules of revenues, expenses, and changes in net position by function on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of revenues, expenses, and changes in net position by function is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenses, and changes in net position by function are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has 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 November XX, 2017, on our consideration of the San Simeon Community Services 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* in considering the District's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the District's basic financial statements as of and for the fiscal year ended June 30, 2016, and our report dated January 20, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Santa Maria, California
November XX, 2017

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION-PROPRIETARY FUND
June 30, 2017
with Comparative Totals for June 30, 2016

	2017	2016
ASSETS		
Current Assets:		
Petty cash	\$ 150	\$ 150
Cash and investments	595,607	660,412
Restricted cash and investments	35	35
Accounts receivable	115,216	83,677
Prepaid expenses	47	47
Total current assets	<u>711,055</u>	<u>744,321</u>
Capital Assets:		
Non-depreciable:		
Construction in progress	62,208	922,452
Depreciable:		
Sewer plant	2,086,929	2,086,929
Water plant	2,091,540	1,140,431
Building	395,874	395,874
Equipment	316,748	316,748
Less: Accumulated depreciation	(2,226,265)	(2,109,789)
Net capital assets	<u>2,727,034</u>	<u>2,752,645</u>
Total assets	<u>3,438,089</u>	<u>3,496,966</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	17,987	171,740
Customer deposits	55,708	55,608
Long-Term Liabilities		
Current portion of loan payable	7,690	7,483
Total current liabilities	<u>81,385</u>	<u>234,831</u>
Long-Term Liabilities		
Loan payable	461,480	469,170
Total long-term liabilities	<u>461,480</u>	<u>469,170</u>
Total Liabilities	<u>542,865</u>	<u>704,001</u>
NET POSITION		
Net investment in capital assets	2,257,864	2,275,992
Restricted for:		
Capital projects	35	35
Debt service		
Unrestricted	637,325	516,938
Total net position	<u>\$ 2,895,224</u>	<u>\$ 2,792,965</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2017
With Comparative Totals for the Fiscal Year Ended June 30, 2016

	2017	2016
Operating Revenues:		
Services-waste	\$ 383,792	\$ 395,248
Services-water	335,481	328,018
Meter charge-water		
Effluent water	1,014	3,004
State of CA-Hearst Castle	80,549	31,107
Services-other	77,949	73,397
Late fees and adjustments	6,628	3,076
Total operating revenues	885,413	833,850
Operating Expenses:		
Accounting	8,815	8,535
Bank fees	184	169
Bookkeeping	14,400	14,400
Directors' fees	5,700	5,800
Payroll Expenses	440	444
Dues and subscriptions	5,546	3,664
Election expense	1,007	
Road maintenance	21,963	18,056
Riprap engineering	14,806	30,534
Insurance-health	12,003	10,991
Insurance-liability	7,449	6,967
LAFCO budget allocation	3,015	2,742
Legal fees	22,736	22,841
Legal fees-litigation		1,184
Licenses and permits	13,914	12,262
Miscellaneous	162	106
Depreciation	116,476	73,150
Office expenses	799	
Operations management	619,220	579,074
Professional fees	38,685	17,985
SS Ave project	4,570	
Pico project	3,456	4,907
Emergency stand by	10,000	12,607
Repairs	10,019	13,220
Website	15,920	3,840
Total operating expenses	951,285	843,478
Net operating gain (loss)	(65,872)	(9,628)
Non-Operating Revenues (Expenses):		
Property taxes	78,839	77,109
Interest expense	(13,207)	(13,409)
Interest income	1,947	2,266
Total non-operating revenues (expenses)	67,579	65,966
Capital and Financing Revenues		
Grant income	100,552	419,448
Total capital and financing revenues (expenses)	100,552	419,448
Changes in net position	102,259	475,786
Net position - beginning of fiscal year	2,792,965	2,295,860
Prior period adjustment		21,319
Net position - beginning of fiscal year-restated	2,792,965	2,317,179
Net position - end of fiscal year	\$ 2,895,224	\$ 2,792,965

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2017
With Comparative Totals for the Fiscal Year Ended June 30, 2016

	2017	2016
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 853,974	\$ 820,528
Payments to suppliers	(970,419)	(581,581)
Payments to employees	(18,143)	(17,235)
Net cash provided (used) by operating activities	<u>(134,588)</u>	<u>221,712</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(90,865)	(900,189)
Grants	100,552	419,448
Interest payments	(13,207)	(13,409)
Principal loan payments	(7,483)	(7,281)
Net cash provided (used) by capital and related financing activities	<u>(11,003)</u>	<u>(501,431)</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes	78,839	77,109
Net cash provided (used) by noncapital and related financing activities	<u>78,839</u>	<u>77,109</u>
Cash Flows from Investing Activities:		
Investment income	1,947	2,266
Net cash provided (used) by investing activities	<u>1,947</u>	<u>2,266</u>
Net increase (decrease) in cash and cash equivalents	(64,805)	(200,344)
Cash and cash equivalents, beginning of fiscal year	660,597	860,941
Cash and cash equivalents, end of fiscal year	<u>\$ 595,792</u>	<u>\$ 660,597</u>
Reconciliation to Statement of Net Position		
Petty cash	\$ 150	\$ 150
Cash and investments	595,607	660,412
Restricted cash and investments	35	35
	<u>\$ 595,792</u>	<u>\$ 660,597</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating loss	\$ (65,872)	\$ (9,628)
Adjustments to reconcile operating income (loss) to net cash provided (used)		
by operating activities:		
Depreciation	116,476	73,150
Change in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	(31,539)	(13,322)
(Increase) decrease in prepaid expenses	-	109
Increase (decrease) in accounts payable	(153,753)	171,403
Increase (decrease) in customer deposits	100	
Net cash provided (used) by operating activities	<u>\$ (134,588)</u>	<u>\$ 221,712</u>

See accompanying notes to basic financial statements.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 – NATURE OF DISTRICT

San Simeon Community Services District (the “District”) is a political subdivision of the State of California and operates under a council form of government. The District administers the following community services as provided by its charter: water, sanitation, streets, lighting and general and administrative services.

The District is a Community Services District as defined under State Code Section: 61000. A Community Services District is a public agency (State Code Section: 12463.1) which is a State instrumentality (State Code Section: 23706). State instrumentalities are exempt from federal and state income taxes.

There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, and No. 80.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Policies - The accounting policies of the District conform with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).
- B. Basis of Accounting - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred.
- C. Budget - Although a budget is adopted annually, it is used primarily as a guideline for the Board in regulating expenditures. There is no legal requirement to stay within the adopted budget in the payment or classification of expenditures.
- D. Cash and Cash Equivalents – Cash and cash equivalents consist of cash on hand and in banks and short-term, highly liquid investments with a maturity of three months or less, which include money market funds, cash management pools in County Treasury and the state Local Agency Investment Fund (LAIF). Cash held in the county and state pooled funds is carried at cost, which approximates fair value. Interest earned is deposited quarterly into the participant’s fund. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.
- E. Property, Plant and Equipment – Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- F. Depreciation – Capital assets purchased by the District are depreciated over their estimated useful lives (ranging from 5-50 years) under the straight-line method of depreciation.
- G. Receivables - The District did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable is shown at full value.
- H. Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.
- I. Customer Deposits - Customer deposits are recorded as a liability of the District. The District requires an advance deposit of \$50 for new customers.
- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- J. Net Position (Continued) - Net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.
- K. Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- L. Comparative Data/Total Only - Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District's financial position, operations, and cash flows. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

M. Future Accounting Pronouncements

Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provisions of this statement are effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 83	"Certain Asset Retirement Obligations"	The provisions of this statement are effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
Statement No. 85	"Omnibus 2017"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 86	"Certain Debt Extinguishment Issues"	The provisions of this statement are effective for fiscal years beginning after June 15, 2017.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value. On June 30, 2017, the District had the following cash and temporary investments on hand:

Deposits:		
Cash on hand		\$ 150
Cash in banks		595,010
		<u>595,160</u>
Pooled Investment Funds:		
Cash and investments in San Luis Obispo County Treasurer		
County Treasurer		108
State of California Local Agency Investment Fund (LAIF)		524
		<u>632</u>
Total Cash and Investments		<u>\$ 595,792</u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Petty cash	\$ 150
Cash and investments	595,607
Restricted cash and investments	35
Total cash and investments	<u>\$ 595,792</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the San Luis Obispo County Investment Pool and the Local Agency Investment Fund (LAIF), however, these external pools are not measured under Level 1, 2, or 3.

Restricted cash

Restricted cash consists of funds that are set aside for well refurbishment as well as appurtenant equipment and structure.

Investments Authorized by the District's Investment Policy

The table on the following page identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	20%	None
Mutual Funds	N/A	20%	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	20%	None

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments Authorized by the District's Investment Policy (Continued)

County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
San Luis Obispo County					
Treasury	\$ 108	\$ 108	\$ -	\$ -	\$ -
LAIF	524	524			
Total	\$ 632	\$ 632	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by (where applicable) the California Government Code and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
San Luis Obispo County						
Treasury	\$ 108	N/A	\$ -	\$ -	\$ -	\$ 108
LAIF	524	N/A				524
Total	\$ 632		\$ -	\$ -	\$ -	\$ 632

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District's investments.

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

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 3 - CASH AND INVESTMENTS (Continued)

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: 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law

Custodial Credit Risk (Continued)

also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for 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 (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 - SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets and depreciation for the fiscal years ended June 30, 2017, and June 30, 2016, are shown below:

	Balance				Balance
	July 1, 2016	Additions	Deletions	Transfers	June 30, 2017
Non-depreciable capital assets:					
Construction in progress	\$ 922,452	\$ 71,627	\$ -	\$ (931,871)	\$ 62,208
Total non-depreciable capital assets	\$ 922,452	\$ 71,627	\$ -	\$ (931,871)	\$ 62,208
Depreciable capital assets:					
Sewer plant	\$ 2,086,929	\$ -	\$ -	\$ -	\$ 2,086,929
Water plant	1,140,431	19,238		931,871	2,091,540
Building	395,874				395,874
Equipment	316,748				316,748
	3,939,982	19,238		931,871	4,891,091
Accumulated depreciation	2,109,789	116,476			2,226,265
Total depreciable capital assets	\$ 1,830,193	\$ (97,238)	\$ -	\$ 931,871	\$ 2,664,826
Net capital assets	\$ 2,752,645	\$ (25,611)	\$ -	\$ -	\$ 2,727,034

SAN SIMEON COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 4 - SCHEDULE OF CAPITAL ASSETS (Continued)

	Balance July 1, 2015	Additions	Deletions	Prior Period Adjustments	Balance June 30, 2016
Non-depreciable capital assets:					
Construction in progress	\$ 31,254	\$ 891,198	\$ -	\$ -	\$ 922,452
Total non-depreciable capital assets	\$ 31,254	\$ 891,198	\$ -	\$ -	\$ 922,452
Depreciable capital assets:					
Sewer plant	\$ 2,056,619	\$ 8,991	\$ -	\$ 21,319	\$ 2,086,929
Water plant	1,140,431				1,140,431
Building	395,874				395,874
Equipment	316,748				316,748
	3,909,672	-		21,319	3,939,982
Accumulated depreciation	2,036,639	73,150			2,109,789
Total depreciable capital assets	\$ 1,873,033	\$ (73,150)	\$ -	\$ 21,319	\$ 1,830,193
Net capital assets	\$ 1,904,287	\$ 818,048	\$ -	\$ 21,319	\$ 2,752,645

Depreciation expense for the fiscal years ended June 30, 2017 and 2016 was \$116,476 and \$73,150, respectively. Additions to construction in progress for the year ended June 30, 2017 consisted of expenses related to the RO unit and the Pico Slope Project.

NOTE 5 – CUSTOMER DEPOSITS

The liability for customer deposits consists of the following as of June 30, 2017 and 2016:

	2017	2016
Hook-Up deposits	\$ 45,750	\$ 45,750
Customer meter deposits	9,958	9,858
	\$ 55,708	\$ 55,608

The hook-up deposits are from customers on a waiting list to connect into the system. Each deposit represents total hook-up fees owed by the customer based on the fee schedule in place at the time of the payment. Additional fees may be required from the customer, based on the current fee schedule, when the utility connection is completed.

Customer meter deposits consist of a \$50 refundable deposit required for each metered customer before any service can be provided by the District.

NOTE 6 – LOAN PAYABLE

On July 11, 2011, the District applied for a \$500,000 loan from the United States Department of Agriculture. The loan was approved, and the District began to draw on the loan during the 13/14 fiscal year. The District is required to make semi-yearly payments of \$10,345. Future minimum payments are as follows on the next page:

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 – LOAN PAYABLE (Continued)

Fiscal year Ended June 30,	Principal	Interest	Total
2018	\$ 7,690	\$ 13,000	\$ 20,690
2019	7,902	12,788	20,690
2020	8,121	12,569	20,690
2021	8,347	12,343	20,690
2022	8,577	12,113	20,690
2023-2027	46,578	56,872	103,450
2028-2032	53,393	50,057	103,450
2033-2037	61,206	42,244	103,450
2038-2042	70,162	33,288	103,450
2043-2047	80,429	23,021	103,450
2048-2052	92,198	11,252	103,450
2053	24,567	830	25,397
Total	\$ 469,170	\$ 280,377	\$ 749,547

NOTE 7 – LONG TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the fiscal year ended June 30, 2017, is shown below:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within one year
Loan payable	\$ 476,653	\$ -	\$ 7,483	\$ 469,170	\$ 7,690
Totals	\$ 476,653	\$ -	\$ 7,483	\$ 469,170	\$ 7,690

NOTE 8 – JOINT POWERS AUTHORITY

The District is a member of the Special District Risk Management Authority (S.D.R.M.A.), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. Seq. In becoming a member of the S.D.R.M.A., the District elected to participate in the risk financing program(s) listed below for the program period July 1, 2016 through June 30, 2017.

General and Auto Liability, Public Officials' and Employees' Errors, and Employment Practices Liability and Employee Benefits Liability: Special District Risk Management Authority, coverage number LCA SDRMA 201112. This covers \$2,500,000 per occurrence, subject to policy deductibles.

Employee Dishonesty Coverage: Special District Risk Management Authority, coverage number EDC SDRMA 201112. This policy includes a \$400,000 Public Employee Dishonesty Blanket Coverage.

Property Loss: Special District Risk Management Authority, coverage number PPC SDRMA 201112. This policy covers the replacement cost for property on file, \$1,000,000,000 per occurrence, subject to policy deductibles.

Boiler and Machinery: Special District Risk Management Authority, coverage number BMC SDRMA 201112. This covers \$100,000,000 per occurrence, subject to policy deductibles.

SAN SIMEON COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 – JOINT POWERS AUTHORITY (Continued)

The District also participated in the elective comprehension/collision coverage on selected vehicles, subject to policy deductibles.

Personal Liability Coverage for Board Members: This policy covers \$500,000 per occurrence, coverage number LCA SDRMA 201112, annual segregate per each selected/appointed official, subject to policy deductibles.

Members are subject to dividends and/or assessments, in accordance with Second Amended Joint Powers Agreement and amendments thereto, on file with the District. No such dividends have been declared, nor have any assessments been levied.

NOTE 9 – RELATED PARTY TRANSACTION

The District has an agreement with Grace Environmental Services to oversee the daily operations of the District. San Simeon Community Services District paid \$619,220 for their services during the 16/17 fiscal year.

NOTE 10 – CONTINGENCIES

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

DRAFT

SUPPLEMENTARY INFORMATION
DRAFT

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2017

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
Utility sales	\$ 383,792	\$ 336,495	\$	\$ 720,287
Service charges			84,577	84,577
State of CA-Dept of Parks and Recreation	80,549			80,549
Total operating revenues	464,341	336,495	84,577	885,413
Operating Expenses:				
Accounting	2,938	2,938	2,939	8,815
Bank fees			184	184
Bookkeeping	4,800	4,800	4,800	14,400
Directors' fees	2,052	2,052	1,596	5,700
Payroll expenses	145	145	150	440
Dues and subscriptions	545	1,481	3,520	5,546
Election expense			1,007	1,007
Road maintenance			21,963	21,963
Riprap engineering	14,806			14,806
Insurance-Health			12,003	12,003
Insurance-Liability	4,469	2,235	745	7,449
LAFCO budget allocation			3,015	3,015
Legal fees	7,426	7,426	7,884	22,736
Licenses and permits	12,945	969		13,914
Miscellaneous			162	162
Depreciation	50,896	51,185	14,395	116,476
Office expenses			799	799
Operations management	381,794	198,814	38,612	619,220
Professional fees	23,462	8,145	7,078	38,685
Emergency water stand-by		10,000		10,000
SS Ave project			4,570	4,570
Pico project			3,456	3,456
Repairs			10,019	10,019
Website			15,920	15,920
Total operating expenses	506,278	290,190	154,817	951,285
Net operating gain (loss)	(41,937)	46,305	(70,240)	(65,872)
Non-Operating Revenues (Expenses):				
Property taxes			78,839	78,839
Interest expense			(13,207)	(13,207)
Interest income			1,947	1,947
Total non-operating revenues (expenses)			67,579	67,579
Capital and Financing Revenues				
Grant income			100,552	100,552
Total capital and financing revenues			100,552	100,552
Change in net position	\$ (41,937)	\$ 46,305	\$ 97,891	\$ 102,259

SAN SIMEON COMMUNITY SERVICES DISTRICT
SCHEDULE OF REVENUES AND EXPENSES BY FUNCTION
For the Fiscal Year Ended June 30, 2016

	Sanitation Fund	Water Fund	General	Total
Operating Revenues:				
Utility sales	\$ 395,248	\$ 328,018	\$ 3,076	\$ 726,342
Service charges		3,004	73,397	76,401
State of CA-Dept of Parks and Recreation	31,107			31,107
Total operating revenues	<u>426,355</u>	<u>331,022</u>	<u>76,473</u>	<u>833,850</u>
Operating Expenses:				
Accounting	2,838	2,838	2,859	8,535
Bank fees		10	159	169
Bookkeeping	4,800	4,800	4,800	14,400
Directors' fees	1,944	2,232	1,624	5,800
Payroll expenses	148	148	148	444
Dues and subscriptions	650	381	2,633	3,664
Road maintenance			18,056	18,056
Riprap engineering	30,534			30,534
Insurance-Health			10,991	10,991
Insurance-Liability	697	3,832	2,438	6,967
LAFCO budget allocation	686	686	1,370	2,742
Legal fees	7,614	7,614	7,613	22,841
Legal fees-litigation	67	67	1,050	1,184
Licenses and permits	9,959	2,303		12,262
Miscellaenous			106	106
Depreciation	35,112	22,676	15,362	73,150
Operations management	364,457	185,663	28,954	579,074
Professional fees	11,682	4,303	2,000	17,985
Pico project			4,907	4,907
Emergency water stand-by		12,607		12,607
Repairs	13,220			13,220
Website			3,840	3,840
Total operating expenses	<u>484,408</u>	<u>250,160</u>	<u>108,910</u>	<u>843,478</u>
Net operating gain (loss)	<u>(58,053)</u>	<u>80,862</u>	<u>(32,437)</u>	<u>(9,628)</u>
Non-Operating Revenues (Expenses):				
Property taxes			77,109	77,109
Interest expense			(13,409)	(13,409)
Interest income			2,266	2,266
Total non-operating revenues (expenses)			<u>65,966</u>	<u>65,966</u>
Capital and Financing Revenues				
Grant income			419,448	419,448
Total capital and financing revenues			<u>419,448</u>	<u>419,448</u>
Change in net position	<u>\$ (58,053)</u>	<u>\$ 80,862</u>	<u>\$ 452,977</u>	<u>\$ 475,786</u>