

**AGENDA**

**ROSSMOOR COMMUNITY SERVICES DISTRICT**

**AUDIT COMMITTEE MEETING**

RUSH PARK  
3001 Blume Drive  
Rossmoor, California 90720  
Administrative Offices

**Wednesday, October 2, 2019**  
**8:30 a.m.**

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**A. ORGANIZATION**

1. CALL TO ORDER: 8:30 a.m.
2. ROLL CALL: Directors Casey, Nitikman
3. PLEDGE OF ALLEGIANCE
4. PRESENTATIONS: None

**B. PUBLIC FORUM**

*Any person may address the members of the Audit Committee at this time upon any subject within the jurisdiction of the Audit Committee of the Rossmoor Community Services District.*

**C. REGULAR CALENDAR**


1. DISCUSSION WITH GENERAL MANAGER/DISTRICT AUDITOR RE: 2018-2019

**D. ADJOURNMENT**

**CERTIFICATION OF POSTING**

I hereby certify that the attached Agenda for the October 2, 2019 Audit Committee Meeting of the Rossmoor Community Services District was posted at least 24 hours prior to the time of the meeting.


ATTEST:

  
\_\_\_\_\_  
Joe Mendoza  
General Manger

Date 9/30/19

**ROSSMOOR COMMUNITY SERVICES DISTRICT  
AGENDA ITEM C-1**

**MEMORANDUM**

**Date:** October 2, 2019  
**To:** Audit Committee  
**From:** Joe Mendoza   
Kathy Bell  
**Subject:** Meeting with Auditor

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Your Agenda package for this meeting includes the FY 2018-2019 Draft Audit prepared by Rogers, Anderson, Malody & Scott, LLP (RAMS), the District's Auditor.

Compared to the 2017-2018 Audit, the "Draft Statement of Revenues, Expenditures and Changes in Fund Balance" shows Revenues were up from \$1,545,879 to \$1,606,710 and the Expenditures were up from \$1,369,694 to 1,552,712. Expenditures were up in part due to the Board authorizing the transfer of \$60,000 from Fund 10 into Fund 40 to fund the following projects:

1. Rossmoor Park
  - a. Retrofitted the tennis lights to LED
  - b. Tennis and basketball courts were resurfaced
2. Montecito Center
  - a. Upgraded the lighting to LED
  - b. Replaced and upgraded the carpeting and flooring
3. Rush Park
  - a. Upgraded the lighting to LED in Auditorium and offices
4. General
  - a. Purchased an electric cart for the parks
  - b. (Previously budgeted) Payments made for the work truck

The Audit shows a positive balance of \$53,998 of Revenues over Expenses for FY 2018-2019. This would have increased the beginning Fund Balance of FY 2019-2020 to \$1,063,299 from the previous year's beginning Fund Balance of \$1,009,301. However, due to the \$60,000 transfer from Fund 10 to Fund 40 the beginning 2019-2020 Fund Balance is now \$1,003,299.

**ATTACHMENTS:**

1. 2018 SAS 114 Draft Letter to the Board of Directors at the conclusion of the Audit
2. 2018 GAGAS, Government Auditing Standard
3. Management Representation Letter from Joe Mendoza
4. FY 2018-2019 Draft Financial Statement with Independent Auditor's Report
5. 2019-2020 Approved Budget listing the 2018-2019 Estimates to Close General Fund Summary



Attachment 1

October 2, 2019

To the Board of Directors  
Rossmoor Community Services District

We have audited the financial statements of Rossmoor Community Services District (the District) as of and for the year ended June 30, 2019, and have issued our report thereon dated October 2, 2019. 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 June 5, 2019 our responsibility, as described by professional standards, is to form and express an opinion 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.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated October 2, 2019.

**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, our firm, and our network firms 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 2018-2019. 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 are management's estimates of the depreciation expense and accumulated depreciation which are based on the estimated useful lives of the depreciable capital assets.

Management's estimate of the depreciation expense and accumulated depreciation are based on the estimated useful lives of the depreciable capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets 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 the disclosure of accumulated depreciation in the notes to the financial statements based on estimated useful lives which could differ from actual useful lives of each capitalized item.

### **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. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management, and are attached to this letter.

### **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 2, 2019.

### **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.

Respectfully,

ROGERS, ANDERSON, MALODY & SCOTT, LLP

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Brad Welebir, CPA, CGMA, MBA  
Partner

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

*Independent Auditor's Report*

Board of Directors  
Rossmoor Community Services District  
Rossmoor, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rossmoor Community Services District (the District), as of and for the year ended June 30, 2019, 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 2, 2019.

**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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

### **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*.

### **District's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

October 2, 2019  
San Bernardino, California



Rossmoor Community Services District

Schedule of Findings and Responses  
For the Year Ended June 30, 2019

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**Finding 2019-001**

Significant Deficiency in Internal Control Over Financial Reporting – Bank Reconciliation and Review of Bank Reconciliation

*Criteria:* The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity necessary to adequately protect the District's assets and ensure accurate financial reporting.

*Condition:* During our audit, we noted that the bank reconciliation process and results are inconsistent and not easy to perform in the current accounting system. The current accounting system does not have a bank reconciliation module, and therefore the reconciliation process is performed manually, which increases the effort involved in performing the bank reconciliation and is more likely to yield variances requiring follow-up. We also noted that the bank reconciliations were not evidenced of being reviewed and approved by an individual other than the one who performed the bank reconciliations.

*Effect or Potential Effect:* Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to cash activities, including misappropriation of assets, could occur and not be detected within a timely basis.

*Cause:* Certain payroll-related transactions were not reconciled to the bank account, including payroll service fees and payroll deductions. Also, employees who are responsible for other cash functions also self-review the bank reconciliations.

This is a repeat finding from prior year identified as finding 2018-001.

*Recommendation:* We recommend that the District evaluate the processes associated with recording payroll transactions in the general ledger and add a timely routine to reconcile the payroll transactions to the bank statement. We also recommend that bank reconciliations be performed as soon as is reasonably feasible after month end, and any variances identified and corrected monthly. We recommend that management, who is independent of cash receipting and disbursement activities, should review the bank reconciliations for any unusual items and document their approval by initialing the form.

*Views of Responsible Officials and Planned Corrective Actions:* We concur with the auditor's recommendation and will take the necessary actions to improve the bank reconciliation process and to document the review and approval of the bank reconciliations by management.

Rossmoor Community Services District

Schedule of Findings and Responses  
For the Year Ended June 30, 2019

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**Finding 2019-002**

Significant Deficiency in Internal Control Over Financial Reporting – Safeguarding Cash Receipts and Ensuring Timely and Accurate Recordkeeping

*Criteria:* The safeguarding of cash receipts and timely and accurate recordkeeping for those assets is an important control activity necessary to adequately protect the District's assets and ensure accurate financial reporting.

*Condition:* During our audit, we observed that cash receipts (cash and checks) are not consistently stored in a secure manner throughout the day, but at times are left out on the counter. We also noted that some cash receipts are not being recorded using the District's software, RecDesk, and customers are instead given a manually written receipt.

*Effect or Potential Effect:* Without sufficient safeguarding and recording of cash receipts, the risk significantly increases that errors and fraud related to cash activities, including misappropriation of assets, could occur and not be detected within a timely basis.

*Cause:* Cash receipts are not consistently deposited immediately into a secure cash drawer or box. RecDesk may not always be utilized, and manual receipts are issued in place of computerized receipts.

*Recommendation:* We recommend that the District evaluate the manner in which cash receipts (cash and checks) are managed from the time collected from customers to the time they are deposited into the District's bank account, and ensure that security of those District's assets are protected throughout the entire cycle. We also recommend that all cash receipts be entered immediately into RecDesk and computer generated receipts be provided to the customers at the time of the exchange.

*Views of Responsible Officials and Planned Corrective Actions:* We concur with the auditor's recommendation and will take the necessary actions to improve the cash receipting process.





# ROSSMOOR COMMUNITY SERVICES DISTRICT

3001 BLUME DRIVE, ROSSMOOR, CA 90720 / (562) 430-3707 / FAX (562) 431-3710

October 2, 2019

## Attachment 3

Rogers, Anderson, Malody & Scott, LLP  
735 E. Carnegie Dr. Suite 100  
San Bernardino CA 92408

This representation letter is provided in connection with your audit of the basic financial statements of Rossmoor Community Services District (the District) as of June 30, 2019 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 2, 2019.

### Financial Statements

- We have fulfilled responsibilities, as set out in the terms of the audit engagement dated June 5, 2019, 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.
- 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.
- 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.

- With respect to the nonattest services provided: drafting the financial statements based on the District's trial balances, maintaining the District's capital asset records, and preparing the State Controller's Annual Financial Transaction Report, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.

### **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, 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 threatening litigation, claims, and assessments whose effects should be considered when preparing the financial statements
- 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 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.

  
\_\_\_\_\_  
Joe Mendoza, General Manager

Attachment 4

October 2, 2019

To the Board of Directors  
Rossmoor Community Services District

We have audited the financial statements of Rossmoor Community Services District (the District) as of and for the year ended June 30, 2019, and have issued our report thereon dated October 2, 2019. Professional standards require that we advise you of the following matters relating to our audit.

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**Planned Scope and Timing of the Audit**

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## **Compliance with All Ethics Requirements Regarding Independence**

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

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

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## **Significant Difficulties Encountered during the Audit**

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

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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. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

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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.

Respectfully,

ROGERS, ANDERSON, MALODY & SCOTT, LLP

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Brad Welebir, CPA, CGMA, MBA  
Partner

**ROSSMOOR COMMUNITY  
SERVICES DISTRICT**

**FINANCIAL STATEMENTS**

**WITH INDEPENDENT  
AUDITOR'S REPORT**

**JUNE 30, 2019**

Rossmoor Community Services District

Financial Statements with Independent Auditor's Report  
June 30, 2019

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*Independent Auditor's Report*

Board of Directors  
Rossmoor Community Services District  
Rossmoor, California

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Rossmoor Community Services District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the 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 Requirement for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America 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 opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying major fund budgetary comparison schedules and the Statement of Changes in Fiduciary Assets and Liabilities - Agency Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The major fund budgetary comparison schedules and the Statement of Changes in Fiduciary Assets and Liabilities - Agency Fund are the responsibility of management and were derived from and relate 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provision 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.

San Bernardino, California  
October 2, 2019

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Rossmoor Community Services District

Statement of Net Position  
June 30, 2019

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 980,616
Taxes receivable	13,497
Accounts receivable	55,000
Interest receivable	6,931
Capital assets not being depreciated	2,865,158
Capital assets being depreciated, net	<u>1,675,150</u>
 Total assets	 <u>5,596,352</u>
<b>LIABILITIES</b>	
Accounts payable	43,435
Deposits	3,870
Noncurrent liabilities:	
Due within one year	30,838
Due in more than one year	<u>14,558</u>
 Total liabilities	 <u>92,701</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,527,293
Unrestricted	<u>976,358</u>
 Total net position	 <u><u>\$ 5,503,651</u></u>

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

Rossmoor Community Services District

Statement of Activities  
For the Year Ended June 30, 2019

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<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
General government	\$ 884,188	\$ -	\$ -
Public services	251,712	55,000	-
Parks and recreation	587,612	168,964	-
Interest and fiscal charges	1,066	-	-
	<u>1,066</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 1,724,578</u>	<u>\$ 223,964</u>	<u>\$ -</u>

General revenues:  
 Taxes:  
     Property  
     Special assessments  
 Investment income  
 Other

Total general revenues

Change in net position

Net position, beginning of year

Net position, end of year

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

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<u>Capital Grants and Contributions</u>	<u>Net Governmental Activities</u>
\$ -	\$ (884,188)
-	(196,712)
-	(418,648)
-	(1,066)
<u>\$ -</u>	<u>(1,500,614)</u>

993,932
346,319
21,397
<u>21,098</u>
<u>1,382,746</u>
(117,868)
<u>5,621,519</u>
<u>\$ 5,503,651</u>

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Rossmoor Community Services District

**Balance Sheet  
Governmental Funds  
June 30, 2019**

	<u>General</u> <i>Fund 10</i>	<u>Capital Projects Contributions</u> <i>Fund 40</i>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 975,176	\$ 5,440	\$ 980,616
Receivables:			
Accounts	55,000	-	55,000
Taxes	13,497	-	13,497
Interest	6,931	-	6,931
<b>Total assets</b>	<u>\$ 1,050,604</u>	<u>\$ 5,440</u>	<u>\$ 1,056,044</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 43,435	\$ -	\$ 43,435
Deposits	3,870	-	3,870
<b>Total liabilities</b>	<u>47,305</u>	<u>-</u>	<u>47,305</u>
Fund balances:			
Assigned to:			
Capital projects	-	5,440	5,440
Unassigned	1,003,299	-	1,003,299
<b>Total fund balances</b>	<u>1,003,299</u>	<u>5,440</u>	<u>1,008,739</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,050,604</u>	<u>\$ 5,440</u>	<u>\$ 1,056,044</u>

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

Rossmoor Community Services District

Reconciliation of the Balance Sheet of  
Governmental Funds to the Statement of Net Position  
June 30, 2019

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**Fund balances of governmental funds** \$ 1,008,739

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 4,540,308

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences (32,381)  
Loan payable (13,015)

**Net position of governmental activities** \$ 5,503,651

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

Rossmoor Community Services District

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
	<u>Fund 10</u>	<u>Contributions</u>	<u>Governmental</u>
		<u>Fund 40</u>	<u>Funds</u>
<b>REVENUES</b>			
Taxes	\$ 993,932	\$ -	\$ 993,932
Special assessments	346,319	-	346,319
Intergovernmental	55,000	-	55,000
Charges for services	168,964	-	168,964
Investment income	21,397	-	21,397
Other	21,098	-	21,098
	<u>1,606,710</u>	<u>-</u>	<u>1,606,710</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
General government	888,468	-	888,468
Public services	251,712	-	251,712
Parks and recreation	367,920	9,848	377,768
Capital outlay	44,612	64,357	108,969
Debt service:			
Principal retirement	-	5,500	5,500
Interest and fiscal charges	-	1,066	1,066
	<u>1,552,712</u>	<u>80,771</u>	<u>1,633,483</u>
Total expenditures			
Excess of revenues over (under) expenditures	53,998	(80,771)	(26,773)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	60,000	60,000
Transfers out	(60,000)	-	(60,000)
	<u>(60,000)</u>	<u>60,000</u>	<u>-</u>
Total other financing sources			
Net change in fund balances	(6,002)	(20,771)	(26,773)
Fund balances, beginning of year	<u>1,009,301</u>	<u>26,211</u>	<u>1,035,512</u>
Fund balances, end of year	<u>\$ 1,003,299</u>	<u>\$ 5,440</u>	<u>\$ 1,008,739</u>

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

Rossmoor Community Services District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2019**

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**Net change in fund balances - total governmental funds** \$ (26,773)

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 and reported as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This is the amount by which depreciation expense (\$175,080) exceeded capitalized capital outlay (\$74,205) in the current period. (100,875)

The additions to and repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, they have no effect on net position.

Principal payments on loan payable 5,500

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.

Decrease in compensated absences 4,280

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**Change in net position of governmental activities** \$ (117,868)

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

Rossmoor Community Services District

Statement of Fiduciary Assets and Liabilities  
Agency Fund  
June 30, 2019

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	<u>Special Assessment Fund 50</u>
<b>ASSETS</b>	
Cash and investments	\$ 251,301
Investments held by fiscal agents	369,900
Assessments receivable	<u>2,932</u>
Total assets	<u>\$ 624,133</u>
<b>LIABILITIES</b>	
Due to bondholders	<u>\$ 624,133</u>

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

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 1: Summary of Significant Accounting Policies**

A. Reporting Entity

On November 4, 1986, the territory of the unincorporated Rossmoor Community approved the order adopted on June 25, 1986 by the Board of Supervisors of the County of Orange ordering a reorganization resulting in the formation of the Rossmoor Community Services District (the District). The District was formed to acquire, provide and maintain public recreation facilities and services, street lighting, and, subject to the consent of the County of Orange, installation and maintenance of median landscaping, aesthetic trimming of parkway trees, and street sweeping.

Upon formation on January 1, 1987, the District assumed responsibility for the various services formerly provided by Community Service Area Number 21 and assumed all assets and liabilities, including real property, from Community Service Area Number 21.

The District is governed by a five member Board of Directors elected by the registered voters within the District boundaries.

B. Basis of Presentation – Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the District's funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The fiduciary fund is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has elected to report the Capital Projects Contributions Fund as a major fund since the District only reports two governmental funds.

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 1: Summary of Significant Accounting Policies (continued)**

B. Basis of Presentation – Government-wide and Fund Financial Statements (continued)

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. The general operating expenses not paid through other funds are paid from this fund. This fund correlates with Fund 10 in the District's annual budget.

The Capital Projects Contributions Fund is used for the financing and construction of the District's public facilities. This fund correlates with Fund 40 in the District's annual budget.

Additionally, the District reports the following fund types:

Fiduciary Fund:

The Agency Fund is used to account for assets held by the District as an agent for other parties and agencies. The assets held are related to the series 1993 park improvement bonds, which are the liability of the property owners and are secured by liens against the assessed properties. This fund correlates with Fund 50 in the District's annual budget.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Notes to Financial Statements  
June 30, 2019

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**Note 1: Summary of Significant Accounting Policies (continued)**

C. Measurement Focus and Basis of Accounting (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, special assessments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District follows all pronouncements of the Governmental Accounting Standards Board (GASB).

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – amounts that are for any purpose; positive amounts are reported only in a general fund.



**Note 1: Summary of Significant Accounting Policies (continued)**

C. Measurement Focus and Basis of Accounting (continued)

The District Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. The District has not designated any level of authority for assigning fund balance; therefore, the District Board can assign fund balance. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. It is the District's policy to consider committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

D. Assets, Liabilities and Net Position

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at the acquisition value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District utilizes a capitalization threshold of \$5,000 and an estimated useful life in excess of two years.

3. Long-Term Liabilities

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position.

4. Property Taxes

Property taxes are levied January 1 of each year, at which time they become an enforceable lien on real property. Taxes for the first installment are due on November 1, and are payable through December 10 without penalty. The second installment of taxes is due February 1, and becomes delinquent on April 10. Property taxes are remitted to the District from the County of Orange at various times throughout the year. Property taxes are recognized in accordance with the modified accrual basis of accounting.

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 1: Summary of Significant Accounting Policies (continued)**

D. Assets, Liabilities and Net Position (continued)

5. Investments

Investments are stated at fair value (the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date).

6. Compensated Leave Benefits

Full-time District employees earn twelve sick leave days per year and ten to twenty vacation days per year depending on years of service. Part-time employees earn sick and vacation days at a pro-rated amount. Vacation days can only be used after one year of employment. Upon termination, the District is obligated to compensate employees for 100% of the accrued vacation time, and up to 80 hours of unused sick leave. Compensated absences are recorded in the long-term liabilities in the statement of net position.

7. Appropriations and Encumbrances

Unexpended and unencumbered appropriations of the governmental funds automatically lapse at the end of the fiscal year for noncapital projects.

8. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Revenues

Property taxes and special assessments are collected by the County of Orange on behalf of the District and remitted to the District at various times during the year. Reimbursements from the State and the County are presented as intergovernmental revenues. Charges for services revenues represent fees collected for the use of District facilities. Investment income is derived from interest earnings and fair market value adjustments of the District's financial assets that are maintained in various investment types. Revenues not classified in one of the categories above are presented as other revenues.

Intergovernmental revenue for the year ended June 30, 2019 consists of County street sweeping reimbursements of \$55,000. These intergovernmental revenues are presented as program revenues under the public services function/program in the statement of activities.

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 2: Stewardship, Compliance and Accountability**

A. Budgetary Data

Budgets for the General Fund and the Capital Projects Fund are prepared, approved and adopted in accordance with Section 61110 of the government code. Budgetary control is maintained at the total expenditure level of each fund. Any deficiency of budgeted revenues compared to budgeted expenditures is financed from beginning unrestricted fund balance. During the fiscal year, several nominal supplementary appropriations were necessary.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2019, the expenditures in excess of appropriations (legally adopted annual budget) were as follows:

Fund	Expenditures	Appropriations	Excess
General Fund	\$ 1,552,712	\$ 1,447,231	\$ 105,481

**Note 3: Cash and Investments**

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 980,616
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	251,301
Investments held by fiscal agents	369,900
Total cash and investments	\$ 1,601,817

Cash and investments as of June 30, 2019 consist of the following:

Deposits with financial institutions	\$ 203,946
Cash on hand	400
Investments	1,397,471
Total cash and investments	\$ 1,601,817

**Rossmoor Community Services District**

**Notes to Financial Statements**  
**June 30, 2019**

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**Note 3: Cash and Investments (continued)**

**Investments authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized by the District's investment policy. The table also identifies certain provisions of the District's investment policy that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities, Notes and Bonds	5 Years	25%	\$250,000
Federal Agency or U.S. Government Securities	5 Years	25%	\$250,000
California State Bonds, Warrants and Treasury Notes	5 Years	25%	\$250,000
California Local Agency Investment Fund	N/A	100%	\$65 Million
Orange County Treasury	N/A	25%	None
Medium-Term U.S. Corporate Bonds or Notes	5 Years	25%	\$250,000
Bankers Acceptances	6 Months	25%	\$250,000
Certificates of Deposit	2 Years	25%	\$250,000

**Investments authorized by debt agreements**

Provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy, govern investment of debt proceeds held by the bond trustee. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 3: Cash and Investments (continued)**

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
Federal Securities	None	None	None
U.S. District Securities	None	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Agreements	None	None	None
Certificates of Deposit, Savings Accounts	None	None	None
Municipal Obligations	None	None	None
Banker's Acceptances	1 year	None	None
U.S. Government Agencies	None	None	None

**Investment in State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF), which is part of the Pooled Money Investment Account that is regulated by the California Government Code under the oversight of the State Treasurer, Director of Finance and State Controller. The District may invest up to \$65 million in the LAIF fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at <http://www.treasurer.ca.gov>.

**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.

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 3: Cash and Investments (continued)**

**Interest rate risk (continued)**

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

Investment Type	Total	12 months or less	12 months or more
State investment pool	\$ 1,027,571	\$ 1,027,571	\$ -
Held by fiscal agents:			
Money market	3,304	3,304	-
U.S. Treasury Notes	366,596	366,596	-
	<u>\$ 1,397,471</u>	<u>\$ 1,397,471</u>	<u>\$ -</u>

**Credit risk**

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

Investment Type	Total	Minimum Legal Rating	Rating as of Year End
State investment pool	\$ 1,027,571	N/A	Not rated
Held by fiscal agents:			
Money market	3,304	N/A	Not rated
U.S. Treasury Notes	366,596	N/A	AAA
	<u>\$ 1,397,471</u>		

**Concentration of credit risk**

The investment policy of the District limits investments in any one issuer, except in the state investment pool, to 25% of its investment portfolio. For the year ended June 30, 2019, there were no investments in any one issuer (other than external investment pools) exceeding 5% of the investment portfolio. There are no maximum portfolio limits for investments authorized by debt agreements (e.g. bond reserve funds).

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 3: Cash and Investments (continued)**

**Custodial credit risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy limits investments in certificates of deposit and corporate notes from one issuer to \$250,000. All other authorized deposits are subject to the following provision: 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. California law also allows financial institutions to secure governmental agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2019, the District did not have deposits with financial institutions in excess of federal depository insurance limits.

**Fair value of investments**

The District reports its investments at fair value in the accompanying financial statements. All investment income, including changes in the fair value of investments, is recognized as revenue in the accompanying financial statements.

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 the following recurring fair value measurements as of June 30, 2019:

- U.S. Treasury Notes of \$366,596, valued using Level 1 inputs.

Investments in the State Investment Pool, Local Agency Investment Fund (LAIF) are not subject to classification in the fair value hierarchy.

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 4: Capital Assets**

A summary of changes in capital assets activity for the District's governmental activities for the year ended June 30, 2019 is as follows.

	Balance at June 30, 2018	Increases	Decreases	Balance at June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,861,158	\$ -	\$ -	\$ 2,861,158
Construction in progress	4,000	-	-	4,000
Total capital assets, not being depreciated	<u>2,865,158</u>	<u>-</u>	<u>-</u>	<u>2,865,158</u>
Capital assets, being depreciated:				
Buildings and structures	4,462,430	64,357	-	4,526,787
Motorized vehicles	49,855	9,848	-	59,703
Total capital assets, being depreciated	<u>4,512,285</u>	<u>74,205</u>	<u>-</u>	<u>4,586,490</u>
Less accumulated depreciation for:				
Buildings and structures	(2,712,906)	(171,597)	-	(2,884,503)
Motorized vehicles	(23,354)	(3,483)	-	(26,837)
Total accumulated depreciation	<u>(2,736,260)</u>	<u>(175,080)</u>	<u>-</u>	<u>(2,911,340)</u>
Total capital assets, being depreciated, net	<u>1,776,025</u>	<u>(100,875)</u>	<u>-</u>	<u>1,675,150</u>
Governmental activities capital assets, net	<u>\$ 4,641,183</u>	<u>\$ (100,875)</u>	<u>\$ -</u>	<u>\$ 4,540,308</u>

Depreciation expense of \$175,080 was charged to the parks and recreation function/program in the statement of activities.



Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 5: Long-Term Liabilities**

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
Long-term debt from direct borrowing:					
Loan payable	\$ 18,515	\$ -	\$ (5,500)	\$ 13,015	\$ 5,838
Other long-term liabilities:					
Compensated absences	36,661	56,687	(60,967)	32,381	25,000
Total long-term liabilities	<u>\$ 55,176</u>	<u>\$ 56,687</u>	<u>\$ (66,467)</u>	<u>\$ 45,396</u>	<u>\$ 30,838</u>

**Loan Payable**

On August 15, 2016, the District financed the purchase of a truck for \$27,784. The loan bears interest at 5.99% a year and matures on August 29, 2021. The total principal amount outstanding at June 30, 2019 was \$13,015.

The District's outstanding loan from direct borrowings of \$13,015 are secured with the truck as collateral. The District's outstanding loan from direct borrowings contain a provision that in an event of default, the timing of repayment of outstanding amounts may become immediately due or the vehicle may be repossessed.

The annual debt service requirements for the loan payable outstanding at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 5,838	\$ 621	\$ 6,459
2021	6,197	262	6,459
2022	980	7	987
Total	<u>\$ 13,015</u>	<u>\$ 890</u>	<u>\$ 13,905</u>

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 5: Long-Term Liabilities (continued)**

**Special Assessment District Bonds**

On June 10, 1993, the District issued \$5,000,000 of Series 1993 Limited Obligation Improvement Bonds for Landscaping and Lighting Assessment District No. 1991-1 (Rush School Site Acquisition Project) in accordance with the provisions of the Municipal Improvement Act 1915. The bonds are the liability of the property owners and are secured by liens against the assessed properties. The District acts as agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. Neither the faith and credit nor the general taxing power of the District have been pledged to the payment of the bonds. The bonds bear interest at 6.2% a year and mature on September 2, 2021. The balance of the bonds outstanding at June 30, 2019 was \$760,000.

**Note 6: Transfers To/From Other Funds**

<u>Transfer out:</u>	<u>Transfer in:</u>
	Capital Projects Contributions <i>(Fund 40)</i>
General Fund <i>(Fund 10)</i>	\$ 60,000
	\$ 60,000

The \$60,000 transfer from the General Fund to the Capital Projects Contributions fund was approved and budgeted for capital related projects.

Rossmoor Community Services District

Notes to Financial Statements  
June 30, 2019

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**Note 7: Risk Management**

The District is a member of the Special District Risk Management Authority (SDRMA). The Authority was formed under a joint powers agreement pursuant to California Government Code Sections 6500 et seq. and 900 et seq. to provide a general liability, automotive liability and property damage, and errors and omissions risk financing for the member districts. Contribution development is based on the particular characteristics of the member districts.

The following audited financial data is presented as of and for the fiscal year ended June 30, 2018 for SDRMA (most recent data available):

Total assets	\$ 112,001,700
Deferred outflows of resources	823,568
Total liabilities	(57,903,143)
Deferred inflows of resources	<u>(337,392)</u>
Net position	<u>\$ 54,584,733</u>
Total revenues	\$ 69,342,417
Total expenses	<u>(64,849,994)</u>
Change in net position	<u>\$ 4,492,423</u>

The District's precise share of the Authority's assets, liabilities, risk margin and changes therein during the fiscal year are not available.

**Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

**Required Supplementary Information**

**Rossmoor Community Services District**

**Required Supplementary Information**  
**General Fund (*Fund 10*)**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 960,330	\$ 960,330	\$ 993,932	\$ 33,602
Special assessments	339,900	339,900	346,319	6,419
Intergovernmental	55,000	55,000	55,000	-
Charges for services	190,000	190,000	168,964	(21,036)
Investment income	8,000	20,000	21,397	1,397
Other	22,000	22,000	21,098	(902)
Total revenues	<u>1,575,230</u>	<u>1,587,230</u>	<u>1,606,710</u>	<u>19,480</u>
<b>EXPENDITURES</b>				
Current:				
General government	816,279	816,279	888,468	(72,189)
Public services	245,500	253,345	251,712	1,633
Parks and recreation	311,996	342,507	367,920	(25,413)
Capital outlay	29,100	35,100	44,612	(9,512)
Total expenditures	<u>1,402,875</u>	<u>1,447,231</u>	<u>1,552,712</u>	<u>(105,481)</u>
Excess of revenues over (under) expenditures	172,355	139,999	53,998	(86,001)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(60,000)	(60,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balance	172,355	79,999	(6,002)	(86,001)
Fund balance, beginning of year	<u>1,009,301</u>	<u>1,009,301</u>	<u>1,009,301</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,181,656</u>	<u>\$ 1,089,300</u>	<u>\$ 1,003,299</u>	<u>\$ (86,001)</u>

Rossmoor Community Services District

Notes to Required Supplementary Information  
June 30, 2019

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**Note 1:        Budgets and Budgetary Accounting**

The annual District budget for the General Fund is prepared, approved and adopted in accordance with Section 61110 of the government code. Budgetary control is maintained at the total expenditure level of each fund. Any deficiency of budgeted revenues compared to budgeted expenditures is financed from beginning unassigned fund balance. During the fiscal year, several nominal supplementary appropriations were necessary.



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**Supplementary Information**

**Rossmoor Community Services District**

**Capital Projects Contributions Fund (Fund 40)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Parks and recreation	-	-	9,848	(9,848)
Capital outlay	5,000	67,973	64,357	3,616
Debt service:				
Principal retirement	4,500	4,500	5,500	(1,000)
Interest and fiscal charges	2,000	2,000	1,066	934
Total expenditures	<u>11,500</u>	<u>74,473</u>	<u>80,771</u>	<u>(6,298)</u>
Excess of revenues over (under) expenditures	(11,500)	(74,473)	(80,771)	(6,298)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	60,000	60,000	-
Total other financing sources	<u>-</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance	(11,500)	(14,473)	(20,771)	(6,298)
Fund balance, beginning of year	<u>26,211</u>	<u>26,211</u>	<u>26,211</u>	<u>-</u>
Fund balance, end of year	<u>\$ 14,711</u>	<u>\$ 11,738</u>	<u>\$ 5,440</u>	<u>\$ (6,298)</u>

Rossmoor Community Services District

**Statement of Changes in Fiduciary  
Assets and Liabilities – Agency Fund (Fund 50)  
For the Year Ended June 30, 2019**

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<b>Special Assesment Fund</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Assets</b>				
Cash and investments	\$ 243,650	\$ 382,240	\$ 374,589	\$ 251,301
Investments held by fiscal agents	365,244	380,785	376,129	369,900
Assessments receivable	7,202	2,932	7,202	2,932
Total assets	<u>\$ 616,096</u>	<u>\$ 765,957</u>	<u>\$ 757,920</u>	<u>\$ 624,133</u>
<b>Liabilities</b>				
Due to bondholders	<u>\$ 616,096</u>	<u>\$ 765,957</u>	<u>\$ 757,920</u>	<u>\$ 624,133</u>

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

*Independent Auditor's Report*

Board of Directors  
Rossmoor Community Services District  
Rossmoor, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rossmoor Community Services District (the District), as of and for the year ended June 30, 2019, 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 2, 2019.

**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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

### **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*.

### **District's Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

October 2, 2019  
San Bernardino, California



Rossmoor Community Services District

Schedule of Findings and Responses  
For the Year Ended June 30, 2019

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**Finding 2019-001**

Significant Deficiency in Internal Control Over Financial Reporting – Bank Reconciliation and Review of Bank Reconciliation

*Criteria:* The segregation of duties and responsibilities between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity necessary to adequately protect the District's assets and ensure accurate financial reporting.

*Condition:* During our audit, we noted that the bank reconciliation process and results are inconsistent and not easy to perform in the current accounting system. The current accounting system does not have a bank reconciliation module, and therefore the reconciliation process is performed manually, which increases the effort involved in performing the bank reconciliation and is more likely to yield variances requiring follow-up. We also noted that the bank reconciliations were not evidenced of being reviewed and approved by an individual other than the one who performed the bank reconciliations.

*Effect or Potential Effect:* Without sufficient segregation of duties, the risk significantly increases that errors and fraud related to cash activities, including misappropriation of assets, could occur and not be detected within a timely basis.

*Cause:* Certain payroll-related transactions were not reconciled to the bank account, including payroll service fees and payroll deductions. Also, employees who are responsible for other cash functions also self-review the bank reconciliations.

This is a repeat finding from prior year identified as finding 2018-001.

*Recommendation:* We recommend that the District evaluate the processes associated with recording payroll transactions in the general ledger and add a timely routine to reconcile the payroll transactions to the bank statement. We also recommend that bank reconciliations be performed as soon as is reasonably feasible after month end, and any variances identified and corrected monthly. We recommend that management, who is independent of cash receipting and disbursement activities, should review the bank reconciliations for any unusual items and document their approval by initialing the form.

*Views of Responsible Officials and Planned Corrective Actions:* We concur with the auditor's recommendation and will take the necessary actions to improve the bank reconciliation process and to document the review and approval of the bank reconciliations by management.

Schedule of Findings and Responses  
For the Year Ended June 30, 2019

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**Finding 2019-002**

Significant Deficiency in Internal Control Over Financial Reporting – Safeguarding Cash Receipts and Ensuring Timely and Accurate Recordkeeping

*Criteria:* The safeguarding of cash receipts and timely and accurate recordkeeping for those assets is an important control activity necessary to adequately protect the District's assets and ensure accurate financial reporting.

*Condition:* During our audit, we observed that cash receipts (cash and checks) are not consistently stored in a secure manner throughout the day, but at times are left out on the counter. We also noted that some cash receipts are not being recorded using the District's software, RecDesk, and customers are instead given a manually written receipt.

*Effect or Potential Effect:* Without sufficient safeguarding and recording of cash receipts, the risk significantly increases that errors and fraud related to cash activities, including misappropriation of assets, could occur and not be detected within a timely basis.

*Cause:* Cash receipts are not consistently deposited immediately into a secure cash drawer or box. RecDesk may not always be utilized, and manual receipts are issued in place of computerized receipts.

*Recommendation:* We recommend that the District evaluate the manner in which cash receipts (cash and checks) are managed from the time collected from customers to the time they are deposited into the District's bank account, and ensure that security of those District's assets are protected throughout the entire cycle. We also recommend that all cash receipts be entered immediately into RecDesk and computer generated receipts be provided to the customers at the time of the exchange.

*Views of Responsible Officials and Planned Corrective Actions:* We concur with the auditor's recommendation and will take the necessary actions to improve the cash receipting process.

**FY 2019-2020 APPROVED BUDGET**  
**Department Accounts Combined**  
**TOTAL FUND SUMMARY**

	APPROVED BUDGET Fund 10 (General Fund)	APPROVED BUDGET Fund 20 (Rush Park Bond Fund)	APPROVED BUDGET Fund 40 (CIP Fund)
<b>Fund Balance, Beginning FY 2019-2020</b>	1,096,361	0	8,758
<b>General Fund Revenues</b>			
Transfer In from other funds			150,000
Property Taxes	1,010,370   3.1%	383,500	
Street Light Assessments	356,040   3.5%		
Interest on Investments	24,000   20.0%		
From Other Govt. Agencies	65,400   8.3%		
Permit and Rental Fees	181,000   3.4%		
Miscellaneous Revenues	22,000   0.0%		
<b>Total General Fund Revenues</b>	<b>1,658,810   3.6%</b>	<b>383,500</b>	<b>158,758</b>
<b>Total General Fund Expenditures</b>	<b>1,631,328   7.7%</b>	<b>375,679</b>	<b>146,020</b>
<b>Revenues Less Expenditures</b>	<b>27,482</b>	<b>7,822</b>	<b>12,738</b>
<b>Transfer Out - (To Fund 50 as directed by auditor)</b>		<b>(7,822)</b>	
<b>Fund Balance, End FY</b>	<b>1,123,843</b>	<b>0</b>	<b>12,738</b>

**FY 2019-2020 APPROVED BUDGET  
(Department Accounts Combined)  
GENERAL FUND SUMMARY - FUND 10**

	2017-2018 ACTUAL	2018-2019 APPROVED FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE	2019-2020 APPROVED BUDGET	FY19-20 Budget vs. FY18-19 ETC	% Change
Fund Balance End	833,116	1,009,301	1,009,301	1,009,301	1,096,361		
Transfer from Reserve to Fund 40	0	0	0	0	0		
Transfer from Reserve to Fund 10	0	0	0	0	0		
<b>Fund Balance</b>	<b>833,116</b>	<b>1,009,301</b>	<b>1,009,301</b>	<b>1,009,301</b>	<b>1,096,361</b>		
<b>General Fund Revenues</b>							
Property Taxes	940,725	954,930	954,930	980,195	1,010,370	30,175	3.1%
Street Light Assessments	329,669	339,900	339,900	344,000	356,040	12,040	3.5%
Interest on Investments	11,216	8,000	20,000	20,000	24,000	4,000	20.0%
From Other Govt. Agencies	59,841	60,400	60,400	60,400	65,400	5,000	8.3%
Permit and Rental Fees	177,343	190,000	190,000	175,000	181,000	6,000	3.4%
Miscellaneous Revenues	27,085	22,000	22,000	22,000	22,000	0	0.0%
<b>Total General Fund Revenues</b>	<b>1,545,879</b>	<b>1,575,230</b>	<b>1,587,230</b>	<b>1,601,595</b>	<b>1,658,810</b>	<b>57,215</b>	<b>3.6%</b>
<b>General Fund Expenditures</b>							
<b>Transfer Out to Fund 40</b>	<b>0</b>	<b>0</b>	<b>60,000</b>	<b>60,000</b>	<b>150,000</b>	<b>90,000</b>	<b>150.0%</b>
Administrative Services	410,704	818,279	818,279	812,129	816,940	4,811	0.6%
Recreation	431,213	41,400	46,050	47,516	45,000	(2,516)	-5.3%
Rossmoor Park	186,436	107,900	100,828	96,758	103,290	6,532	6.8%
Montecito Center	91,240	20,624	27,879	29,309	26,098	(3,211)	-11.0%
Rush Park	222,365	127,480	142,830	144,880	140,900	(3,980)	-2.7%
Street Lighting	113,392	103,000	103,000	103,000	103,000	0	0.0%
Rossmoor Signature Wall	2,099	2,300	5,300	5,300	4,400	(900)	-17.0%
Street Sweeping	50,879	55,120	55,120	55,120	60,000	4,880	8.9%
Parkway Trees	130,831	113,380	127,225	139,452	166,550	27,098	19.4%
Mini-Parks and Medians	17,851	13,392	20,400	21,071	15,150	(5,921)	-28.1%
<b>Total General Fund Expenditures</b>	<b>1,657,010</b>	<b>1,402,875</b>	<b>1,506,911</b>	<b>1,514,535</b>	<b>1,631,328</b>	<b>116,793</b>	<b>7.7%</b>
<b>Revenues Less Expenditures</b>	<b>(111,131)</b>	<b>172,355</b>	<b>80,319</b>	<b>87,060</b>	<b>27,482</b>		
<b>Fund Balance, End of Year</b>	<b>721,985</b>	<b>1,181,656</b>	<b>1,089,620</b>	<b>1,096,361</b>	<b>1,123,843</b>		

**FY 2019-2020 APPROVED BUDGET  
(Department Accounts Combined)  
GENERAL FUND REVENUES BY ACCOUNT NUMBER - FUND 10**

	2017-2018 ACTUAL	2018-2019 APPROVED FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE	2019-2020 APPROVED BUDGET	FY 19-20 Budget vs. FY 18-19 ETC	% Change
<b>General Fund Revenues</b>							
Property Taxes							
10-00-3000	Current Secured	862,738	881,680	881,680	905,000	936,675	31,675 3.5%
10-00-3001	Current Unsecured	28,267	27,000	27,000	30,000	28,000	(2,000) -6.7%
10-00-3002	Prior Secured	6,676	7,100	7,100	6,000	6,500	500 8.3%
10-00-3003	Prior Unsecured	395	350	350	395	395	0 0.0%
10-00-3004	Delinquent Property Taxes	725	800	800	800	800	0 0.0%
10-00-3010	Current Supplemental Assmnt.	27,725	24,000	24,000	24,000	24,000	0 0.0%
10-00-3020	Public Utility	14,199	14,000	14,000	14,000	14,000	0 0.0%
<b>Total Property Taxes</b>		<b>940,725</b>	<b>954,930</b>	<b>954,930</b>	<b>980,195</b>	<b>1,010,370</b>	<b>30,175 3.1%</b>
Street Light Assessments							
10-00-3105	<b>Assessments</b>	<b>329,669</b>	<b>339,900</b>	<b>339,900</b>	<b>344,000</b>	<b>356,040</b>	<b>12,040 3.5%</b>
Interest on Investments							
10-00-3200	<b>Interest</b>	<b>11,216</b>	<b>8,000</b>	<b>20,000</b>	<b>20,000</b>	<b>24,000</b>	<b>4,000 20.0%</b>
From Other Governmental Agencies							
10-00-3301	State-Homeowners Prop. Tax Relief	5,162	5,400	5,400	5,400	5,400	0 0.0%
10-00-3305	County-Street Sweep Reimburse.	54,679	55,000	55,000	55,000	60,000	5,000 9.1%
<b>Total From Other Governmental Agencies</b>		<b>59,841</b>	<b>60,400</b>	<b>60,400</b>	<b>60,400</b>	<b>65,400</b>	<b>5,000 8.3%</b>
Permit and Rental Fees							
10-00-3404	Tennis Reservations	21,454	25,000	25,000	22,000	25,000	3,000 13.6%
10-00-3405	Wall Rental	580	500	500	500	500	0 0.0%
10-00-3406	Volleyball & Ball Field Reservations	25,134	25,000	25,000	25,000	25,000	0 0.0%
10-00-3410	Rossmoor Building Rental	16,718	18,500	18,500	18,500	18,500	0 0.0%
10-00-3412	Montecito Building Rental	29,057	27,000	27,000	25,000	27,000	2,000 8.0%
10-00-3414	Rush Building Rental	84,400	94,000	94,000	84,000	85,000	1,000 1.2%
<b>Total Fees</b>		<b>177,343</b>	<b>190,000</b>	<b>190,000</b>	<b>175,000</b>	<b>181,000</b>	<b>6,000 3.4%</b>
Miscellaneous Revenues							
10-00-3500	Miscellaneous	7,085	2,000	2,000	2,000	2,000	0 0.0%
10-00-3502	Admin Fees	20,000	20,000	20,000	20,000	20,000	0 0.0%
10-00-3600	Transfer IN	0	0	0	0	0	0 0.0%
<b>Total Miscellaneous Revenues</b>		<b>27,085</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>0 0.0%</b>
<b>Total General Fund Revenues</b>		<b>1,545,879</b>	<b>1,575,230</b>	<b>1,587,230</b>	<b>1,601,595</b>	<b>1,658,810</b>	<b>57,215 3.6%</b>

**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**GENERAL FUND EXPENDITURES BY ACCOUNT NUMBER - FUND 10**  
**Department 10 Administrative Services**

ACCOUNT NO.		2018-2019				2019-2020 APPROVED BUDGET	FY 19-20 Budget vs. FY 18-19 ETC	%
		2017-2018 ACTUAL	2018-2019 FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE			
<b>Department 10 Administrative Services</b>								
Salaries and Benefits								
10-10-4000	Board of Directors' Compensation	9,250	8,000	8,000	6,000	8,000	2,000	33.3%
10-10-4001	Part Time	18,055	0	0	0	10,000	10,000	0.0%
10-10-4003	Overtime	6,648	0	0	0	6,000	6,000	0.0%
* 10-10-4006	Salaries - Administrative	234,175	236,000	236,000	224,000	217,400	(6,600)	-2.9%
* 10-10-4008	Salaries - Recreation	110,000	114,764	120,500	122,000	129,600	7,600	6.2%
* 10-10-4009	Salaries - Maintenance & Park	137,400	142,800	130,000	130,000	132,000	2,000	1.5%
10-10-4007	Vehicle Allowance	231	250	500	1,000	1,500	500	50.0%
* 10-10-4010	Workers' Comp. Insurance	6,555	27,000	27,000	27,000	28,000	1,000	3.7%
10-10-4012	Employee Retirement Match	0	0	0	0	0	0	0.0%
	<i>*Deleted/On Hold per Board request</i>							
* 10-10-4011	Medical Insurance	42,776	91,000	91,000	79,000	79,000	0	0.0%
* 10-10-4015	Federal Payroll Taxes	16,652	34,000	36,400	36,400	37,600	1,200	3.3%
<b>Total Salaries and Benefits</b>		<b>767,998</b>	<b>656,214</b>	<b>649,400</b>	<b>625,400</b>	<b>649,100</b>	<b>23,700</b>	<b>3.8%</b>
Operations and Maintenance								
10-10-5002	Insurance - Liability	15,700	17,500	19,774	19,774	24,165	4,391	22.2%
	<i>*Changed Preliminary Budget due FY19-20 invoice</i>							
10-10-5004	Membership & Dues	5,659	6,400	7,200	7,200	7,200	0	0.0%
10-10-5006	Travel & Meetings	975	1,000	1,550	1,550	1,550	0	0.0%
10-10-5007	Board Meetings Televised Exp	20,851	21,100	21,100	21,100	17,860	(3,240)	-15.4%
	<i>*Changed reduced storage and truck rentals</i>							
* 10-10-5010	Publications & Legal Notices	3,592	6,500	6,500	8,500	6,500	(2,000)	-23.5%
* 10-10-5012	Printing	792	1,000	1,000	2,000	2,000	0	0.0%
* 10-10-5014	Postage	2,712	2,000	2,700	3,500	3,000	(500)	-14.3%
* 10-10-5016	Office & Meeting Supplies	7,034	9,000	9,000	9,000	9,000	0	0.0%
* 10-10-5020	Telephone	2,177	14,365	14,365	14,365	14,365	0	0.0%
10-10-5021	Computer/E-mail/Server Costs	3,560	3,700	3,700	5,000	5,000	0	0.0%
10-10-5045	Miscellaneous Expenditures	(3,430)	9,000	9,000	10,000	10,000	0	0.0%
10-10-5046	Bank Service Charges	2,247	2,000	2,800	2,800	2,800	0	0.0%
10-10-5050	Elections	0	7,500	0	0	0	0	0.0%
<b>Total Operations and Maintenance</b>		<b>61,869</b>	<b>101,065</b>	<b>98,689</b>	<b>104,789</b>	<b>103,440</b>	<b>(1,349)</b>	<b>-1.3%</b>
Contract Services								
10-10-5610	Legal Services	30,558	23,000	28,000	34,000	34,000	0	0.0%
10-10-5615	Financial Audit-Consulting	11,300	12,000	12,940	12,940	12,500	(440)	-3.4%
10-10-5670	Other Professional Services	19,097	24,000	27,250	33,000	15,900	(17,100)	-51.8%
<b>Total Contract Services</b>		<b>60,955</b>	<b>59,000</b>	<b>68,190</b>	<b>79,940</b>	<b>62,400</b>	<b>(17,540)</b>	<b>-21.9%</b>
Capital Expenditures								
10-10-6010	Equipment	1,457	2,000	2,000	2,000	2,000	0	0.0%
<b>Total Administrative Services</b>		<b>892,279</b>	<b>818,279</b>	<b>818,279</b>	<b>812,129</b>	<b>816,940</b>	<b>4,811</b>	<b>0.6%</b>



**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**GENERAL FUND EXPENDITURES BY ACCOUNT NUMBER - FUND 10**  
**Department 20 Recreation**

<b>ACCOUNT NO.</b>	<b>2017-2018 ACTUAL</b>	<b>2018-2019 APPROVED FINAL BUDGET</b>	<b>2018-2019 AMENDED BUDGET</b>	<b>2018-2019 ESTIMATE TO CLOSE</b>	<b>2019-2020 APPROVED BUDGET</b>	<b>FY 19-20 Budget vs. FY 18-19 ETC</b>	<b>% Change</b>
<b>Department 20 Recreation</b>							
Salaries and Benefits							
* 10-20-4001 Full Time	49,623	0	0	0	0	0	0.0%
* 10-20-4002 Part Time	27,408	0	0	0	0	0	0.0%
* 10-20-4003 Overtime	3,595	0	0	0	0	0	0.0%
10-20-4005 Event Attendant	716	0	0	0	0	0	0.0%
10-20-4007 Vehicle Allowance	0	100	0	0	0	0	0.0%
* 10-20-4010 Workers' Comp. Insurance	2,855	0	0	0	0	0	0.0%
* 10-20-4011 Medical Insurance	10,875	0	0	0	0	0	0.0%
* 10-20-4015 Federal Payroll Tax	6,221	0	0	0	0	0	0.0%
* 10-20-4018 State Payroll Taxes	492	0	0	0	0	0	0.0%
<b>Total Salaries and Benefits</b>	<b>101,785</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
Operations and Maintenance							
10-20-5006 Travel & Meetings	167	550	0	0	0	0	0.0%
* 10-20-5010 Publications & Legal Notices	426	0	0	0	0	0	0.0%
* 10-20-5012 Printing	638	0	0	0	0	0	0.0%
* 10-20-5014 Postage	142	0	0	0	0	0	0.0%
* 10-20-5016 Office & Meeting Supplies	1,091	0	0	0	0	0	0.0%
10-20-5017 Community Events	32,410	30,000	36,000	38,000	44,000	6,000	15.8%
10-20-5019 Fireworks	8,000	8,700	8,000	8,000	0	(8,000)	-100.0%
* 10-20-5020 Telephone	2,222	0	0	0	0	0	0.0%
10-20-5045 Miscellaneous Expenditures	(4,060)	500	500	500	500	0	0.0%
10-20-5051 Equipment Rental	-	250	250	250	250	0	0.0%
<b>Total Operations and Maintenance</b>	<b>41,036</b>	<b>40,000</b>	<b>44,750</b>	<b>46,750</b>	<b>44,750</b>	<b>(2,000)</b>	<b>-4.3%</b>
Contract Services							
10-20-5670 Other Professional Services	837	800	800	516	-	-	-
<b>Total Contract Services</b>	<b>837</b>	<b>800</b>	<b>800</b>	<b>516</b>	<b>0</b>	<b>(516)</b>	<b>-100.0%</b>
Capital Expenditures							
10-20-6010 Equipment	239	500	500	250	250	0	0.0%
<b>Total Capital Expenditures</b>	<b>287,555</b>	<b>500</b>	<b>500</b>	<b>250</b>	<b>250</b>	<b>0</b>	<b>0.0%</b>
<b>Total Recreation</b>	<b>431,213</b>	<b>41,400</b>	<b>46,050</b>	<b>47,516</b>	<b>45,000</b>	<b>(2,516)</b>	<b>-5.3%</b>

\* Departments combined fy 2018-2019. Totals moved to Administrative - Department 10

**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**GENERAL FUND EXPENDITURES BY ACCOUNT NUMBER - FUND 10**  
**Department 30 Rossmoor Park**

ACCOUNT NO.	2018-2019				2019-2020 APPROVED BUDGET	FY 19-20 Budget vs. FY 18-19 ETC	%
	2017-2018 ACTUAL	APPROVED FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE			
<b>Department 30 Rossmoor Park</b>							
<u>Salaries and Benefits</u>							
* 10-30-4001	Full Time	37,267	0	0	0	0	0.0%
* 10-30-4002	Part Time	17,979	0	0	0	0	0.0%
* 10-30-4003	Overtime	3,166	0	0	0	0	0.0%
* 10-30-4010	Workers' Comp. Insurance	6,554	0	0	0	0	0.0%
* 10-30-4011	Medical Insurance	13,433	0	0	0	0	0.0%
* 10-30-4015	Federal Payroll Taxes	4,466	0	0	0	0	0.0%
* 10-30-4018	State Payroll Taxes	261	0	0	0	0	0.0%
<b>Total Salaries and Benefits</b>		<b>83,126</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<u>Operations and Maintenance</u>							
* 10-30-5010	Publications & Legal Notices	426	0	0	0	0	0.0%
* 10-30-5012	Printing	38	0	0	0	0	0.0%
* 10-30-5014	Postage	49	0	0	0	0	0.0%
* 10-30-5016	Office & Meeting Supplies	722	0	0	0	0	0.0%
10-30-5018	Janitorial Supplies	4,288	4,500	4,500	4,500	4,500	0.0%
* 10-30-5020	Telephone	2,222	0	0	0	0	0.0%
10-30-5022	Utilities	13,034	14,000	14,000	13,000	13,000	0.0%
10-30-5023	Water	22,766	25,750	20,000	15,000	22,000	7,000 46.7%
10-30-5025	Sewer Tax	916	950	928	928	940	12 1.3%
10-30-5030	Vehicle Maintenance	864	800	800	1,050	1,050	0 0.0%
10-30-5032	Buildings & Grounds-Maintenance	25,992	30,000	30,000	30,000	30,000	0 0.0%
10-30-5034	Alarm Systems/Security	734	850	850	850	850	0 0.0%
10-30-5045	Miscellaneous/Expenditures	(3,176)	450	450	450	450	0 0.0%
10-30-5051	Equipment Rental	0	250	250	250	250	0 0.0%
10-30-5052	Minor Facility Repairs/Tools	0	250	250	250	250	0 0.0%
<b>Total Operations and Maintenance</b>		<b>68,875</b>	<b>77,800</b>	<b>72,028</b>	<b>66,278</b>	<b>73,290</b>	<b>7,012 10.6%</b>
<u>Contact Services</u>							
10-30-5655	Landscape Maintenance/Janitorial Service	32,327	28,000	28,000	30,000	30,000	0 0.0%
10-30-5656	Tree Trimming	1,139	1,300	0	0	0	0 0.0%
* 10-30-5670	Other Professional Services	730	800	800	480	0	(480) -100.0%
<b>Total Contract Services</b>		<b>34,196</b>	<b>30,100</b>	<b>28,800</b>	<b>30,480</b>	<b>30,000</b>	<b>(480) -1.6%</b>
<u>Capital Expenditures</u>							
10-30-6010	Equipment	238.74	0	0	0	0	0 0.0%
<b>Total Capital Expenditures</b>		<b>239</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 0.0%</b>
<b>Total Rossmoor Park</b>		<b>186,436</b>	<b>107,900</b>	<b>100,828</b>	<b>96,758</b>	<b>103,290</b>	<b>6,532 6.8%</b>

\* Departments combined by 2018-2019. Totals moved to Administrative - Department 10

**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**GENERAL FUND EXPENDITURES BY ACCOUNT NUMBER - FUND 10**  
**Department 40 Montecito Center**

ACCOUNT NO.	2017-2018 ACTUAL	2018-2019 APPROVED FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE	2019-2020 APPROVED BUDGET	FY 19-20 Budget vs. FY 18-19 ETC	%
<b>Department 40 Montecito Center</b>							
<b>Salaries and Benefits</b>							
* 10-40-4001 Full Time	30,618	0	0	0	0	0	0.0%
* 10-40-4002 Part Time	8,990	0	0	0	0	0	0.0%
* 10-40-4003 Overtime	2,479	0	0	0	0	0	0.0%
* 10-40-4010 Workers' Comp. Insurance	5,254	0	0	0	0	0	0.0%
* 10-40-4011 Medical Insurance	10,866	0	0	0	0	0	0.0%
* 10-40-4015 Federal Payroll Taxes	3,217	0	0	0	0	0	0.0%
* 10-40-4018 State Payroll Taxes	172	0	0	0	0	0	0.0%
<b>Total Salaries and Benefits</b>	<b>61,596</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Operations and Maintenance</b>							
* 10-40-5010 Publications & Legal Notices	426	0	0	0	0	0	0.0%
* 10-40-5012 Printing	38	0	0	0	0	0	0.0%
* 10-40-5014 Postage	49	0	0	0	0	0	0.0%
* 10-40-5016 Office & Meeting Supplies	701	0	0	0	0	0	0.0%
10-40-5018 Janitorial Supplies	4,288	4,500	4,500	4,500	4,500	0	0.0%
* 10-40-5020 Telephone	2,222	0	0	0	0	0	0.0%
10-40-5022 Utilities	1,772	2,000	2,000	2,000	2,000	0	0.0%
10-40-5023 Water	2,250	1,834	2,000	2,000	2,250	250	12.5%
10-40-5025 Sewer Tax	770	790	779	779	798	19	0.0%
10-40-5030 Vehicle Maintenance	864	800	1,000	1,050	1,050	0	0.0%
10-40-5032 Buildings & Grounds-Maintenance.	9,121	4,000	12,000	13,000	10,000	(3,000)	-23.1%
10-40-5034 Alarm Systems/Security	597	500	500	500	500	0	0.0%
10-40-5045 Miscellaneous/Expenditures	1,088	500	500	500	500	0	0.0%
10-40-5051 Equipment Rental	0	250	250	250	250	0	0.0%
10-40-5052 Minor Facility Repairs/Tools	0	250	250	250	250	0	0.0%
<b>Total Operations and Maintenance</b>	<b>24,183</b>	<b>15,424</b>	<b>23,779</b>	<b>24,829</b>	<b>22,098</b>	<b>(2,731)</b>	<b>-11.0%</b>
<b>Contract Services</b>							
10-40-5655 Landscape Maintenance/Janitorial Service	3,592	2,800	2,800	3,500	3,500	0	0.0%
10-40-5656 Tree Trimming	1,139	1,100	0	0	0	0	0.0%
10-40-5670 Other Professional Services	730	800	800	480	0	(480)	-100.0%
<b>Total Contract Services</b>	<b>5,461</b>	<b>4,700</b>	<b>3,600</b>	<b>3,980</b>	<b>3,500</b>	<b>(480)</b>	<b>-12.1%</b>
<b>Capital Expenditures</b>							
10-40-6010 Equipment	0	500	500	500	500	0	0.0%
<b>Total Capital Expenditures</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>0</b>	<b>0.0%</b>
<b>Total Montecito Center</b>	<b>91,240</b>	<b>20,624</b>	<b>27,879</b>	<b>29,309</b>	<b>26,098</b>	<b>(3,211)</b>	<b>-11.0%</b>

\* Departments combined fy 2018-2019. Totals moved to Administrative - Department 10

**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**GENERAL FUND EXPENDITURES BY ACCOUNT NUMBER - FUND 10**  
**Department 50 Rush Park**

ACCOUNT NO.		2017-2018 ACTUAL	2018-2019 APPROVED FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE	2019-2020 APPROVED BUDGET	FY 19-20 Budget vs. FY 18-19 ETC	% Change
<b>Department 50 Rush Park</b>								
Salaries and Benefits								
* 10-50-4001	Full Time	37,267	0	0	0	0	0	0.0%
* 10-50-4002	Part Time	17,979	0	0	0	0	0	0.0%
* 10-50-4003	Overtime	3,166	0	0	0	0	0	0.0%
* 10-50-4005	Event Attendant	3,750	0	0	0	0	0	0.0%
* 10-50-4010	Workers' Comp. Insurance	6,554	0	0	0	0	0	0.0%
* 10-50-4011	Medical Insurance	13,434	0	0	0	0	0	0.0%
* 10-50-4015	Federal Payroll Taxes	4,752	0	0	0	0	0	0.0%
* 10-50-4018	State Payroll Taxes	340	0	0	0	0	0	0.0%
<b>Total Salaries and Benefits</b>		<b>87,241</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Operations and Maintenance								
* 10-50-5010	Publications & Legal Notices	426	0	0	0	0	0	0.0%
* 10-50-5012	Printing	38	0	0	0	0	0	0.0%
* 10-50-5014	Postage	49	0	0	0	0	0	0.0%
* 10-50-5016	Office & Meeting Supplies	750	0	0	0	0	0	0.0%
10-50-5018	Janitorial Supplies	4,301	4,500	4,500	4,500	4,500	0	0.0%
* 10-50-5020	Telephone	2,222	0	0	0	0	0	0.0%
10-50-5022	Utilities	26,215	22,000	25,000	23,000	23,000	0	0.0%
10-50-5023	Water	35,746	37,080	39,000	39,000	39,000	0	0.0%
10-50-5025	Sewer Tax	3,508	3,700	3,550	3,550	4,050	500	14.1%
10-50-5030	Vehicle Maintenance	865	800	800	1,050	1,050	0	0.0%
10-50-5032	Buildings & Grounds-Maintenance	29,375	28,000	40,000	42,000	38,000	(4,000)	-9.5%
10-50-5034	Alarm Systems/Security	770	750	750	550	550	0	0.0%
10-50-5045	Miscellaneous/Expenditures	(3,336)	250	250	250	250	0	0.0%
10-50-5051	Equipment Rental	0	250	250	250	250	0	0.0%
10-50-5052	Minor Facility Repairs/Tools	0	250	250	250	250	0	0.0%
<b>Total Operations and Maintenance</b>		<b>100,928</b>	<b>97,580</b>	<b>114,350</b>	<b>114,400</b>	<b>110,900</b>	<b>(3,500)</b>	<b>-3.1%</b>
10-50-5655	Landscape Maintenance/Janitorial Service	32,327	28,000	28,000	30,000	30,000	0	0.0%
10-50-5656	Tree Trimming	1,139	1,100	0	0	0	0	0.0%
10-50-5670	Other Professional Services	730	800	480	480	0	(480)	-100.0%
<b>Total Contract Services</b>		<b>34,196</b>	<b>29,900</b>	<b>28,480</b>	<b>30,480</b>	<b>30,000</b>	<b>(480)</b>	<b>-1.6%</b>
Capital Expenditures								
10-50-6010	Equipment	0	0	0	0	0	0	0.0%
<b>Total Capital Expenditures</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Total Rush Park</b>		<b>222,365</b>	<b>127,480</b>	<b>142,830</b>	<b>144,880</b>	<b>140,900</b>	<b>(3,980)</b>	<b>-2.7%</b>

\* Departments combined by 2018-2019. Totals moved to Administrative - Department 10

**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**GENERAL FUND EXPENDITURES BY ACCOUNT NUMBER - FUND 10**  
**Department 60 Street Lighting, 65 Signature Wall, and 70 Street Sweeping**

<b>ACCOUNT NO.</b>	<b>2017-2018 ACTUAL</b>	<b>2018-2019 APPROVED FINAL BUDGET</b>	<b>2018-2019 AMENDED BUDGET</b>	<b>2018-2019 ESTIMATE TO CLOSE</b>	<b>2019-2020 APPROVED BUDGET</b>
<b>Department 60 Street Lighting</b>					
Operations and Maintenance					
10-60-5020 Telephone	740	0	0		
Contract Services					
10-60-5650 Street Lights	112,652	103,000	103,000	103,000	103,000
<b>Total Street Lighting</b>	<b>113,392</b>	<b>103,000</b>	<b>103,000</b>	<b>103,000</b>	<b>103,000</b>
<b>Department 65 Rossmoor Signature Wall</b>					
Operations and Maintenance					
10-65-5002 Insurance - Liability	2,000	2,200	2,200	2,200	2,400
10-65-5032 Buildings & Grounds-Maintenance	99	100	3,100	3,100	2,000
<b>Total Rossmoor Signature Wall</b>	<b>2,099</b>	<b>2,300</b>	<b>5,300</b>	<b>5,300</b>	<b>4,400</b>
<b>Department 70 Street Sweeping</b>					
Operations and Maintenance					
10-70-5020 Telephone	726	0	0	0	0
<b>Total Operations and Maintenance</b>	<b>726</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Contract Services					
10-70-5642 Street Sweeping	50,153	55,120	55,120	55,120	60,000
<b>Total Street Sweeping</b>	<b>50,879</b>	<b>55,120</b>	<b>55,120</b>	<b>55,120</b>	<b>60,000</b>

**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**GENERAL FUND EXPENDITURES BY ACCOUNT NUMBER - FUND 10**  
**Department 80 Parkway Trees**

ACCOUNT NO.	2017-2018 ACTUAL	2018-2019 APPROVED FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE	2019-2020 APPROVED BUDGET	FY 19-20 Budget vs. FY 18-19 ETC	%	Change
<b>Department 80 Parkway Trees</b>								
Salaries and Benefits								
* 10-80-4002	20,138	0	0	0	0	0	0.0%	
* 10-80-4003	14	0	0	0	0	0	0.0%	
10-80-4007	782	780	375	375	0	(375)	-100.0%	
* 10-80-4015	1,542	0	0	0	0	0	0.0%	
* 10-80-4018	175	0	0	0	0	0	0.0%	
<b>Total Salaries and Benefits</b>	<b>22,651</b>	<b>780</b>	<b>375</b>	<b>375</b>	<b>0</b>	<b>(375)</b>	<b>-100.0%</b>	
Operations and Maintenance								
* 10-80-5012	0	0	0	0	0	0	0.0%	
* 10-80-5014	23	0	0	0	0	0	0.0%	
* 10-80-5016	92	0	0	0	0	0	0.0%	
10-80-5017	0	0	1,000	1,247	1,500	253	20.3%	
* 10-80-5020	1,481	0	0	0	0	0	0.0%	
10-80-5030	0	50	0	0	0	0	0.0%	
10-80-5051	0	50	50	50	50	0	0.0%	
<b>Total Operations and Maintenance</b>	<b>1,596</b>	<b>100</b>	<b>1,050</b>	<b>1,297</b>	<b>1,550</b>	<b>253</b>	<b>19.5%</b>	
Contract Services								
10-80-5656	75,431	76,000	82,000	103,000	111,000	8,000	7.8%	
* 10-80-5657	234	5,000	6,000	5,280	0	(5,280)	-100.0%	
10-80-5660	1,716	2,500	2,800	1,500	9,000	7,500	500.0%	
10-80-5670	3,049	3,000	3,000	3,000	0	(3,000)	-100.0%	
<b>Total Contract Services</b>	<b>80,431</b>	<b>86,500</b>	<b>93,800</b>	<b>112,780</b>	<b>120,000</b>	<b>7,220</b>	<b>6.4%</b>	
Capital Expenditures								
10-80-6015	26,153	26,000	32,000	25,000	45,000	20,000	80.0%	
<b>Total Parkway Trees</b>	<b>130,831</b>	<b>113,380</b>	<b>127,225</b>	<b>139,452</b>	<b>166,550</b>	<b>27,098</b>	<b>19.4%</b>	

\* Departments combined by 2018-2019. Totals moved to Administrative - Department 10

**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**GENERAL FUND EXPENDITURES BY ACCOUNT NUMBER - FUND 10**  
**Department 90 Mini-Parks & Medians**

ACCOUNT NO.	2017-2018 ACTUAL	2018-2019 APPROVED FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE	2019-2020 APPROVED BUDGET	FY 19-20 Budget vs. FY 18-19 ETC	%	Change
<b>Department 90 Mini-Parks &amp; Medians</b>								
<b>Salaries and Benefits</b>								
* 10-90-4001 Full Time	714	0	0	0	0	0	0.0%	
* 10-90-4003 Overtime	62	0	0	0	0	0	0.0%	
* 10-90-4010 Workers' Comp	258	0	0	0	0	0	0.0%	
* 10-90-4015 Federal Payroll Taxes	59	0	0	0	0	0	0.0%	
* 10-90-4018 State Payroll Taxes	2	0	0	0	0	0	0.0%	
<b>Total Salaries and Benefits</b>	<b>1,095</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	
<b>Operations and Maintenance</b>								
* 10-90-5020 Telephone	741	0	0	0	0	0	0.0%	
10-90-5022 Utilities	886	1,150	1,150	1,150	1,150	0	0.0%	
10-30-5023 Water	7,386	6,592	7,000	7,000	7,600	600	8.6%	
10-90-5032 Building & Grounds Maintenance.	3,205	2,000	9,000	9,000	2,500	(6,500)	-72.2%	
10-90-5045 Miscellaneous/Expenditures	523	100	100	100	100	0	0.0%	
10-90-5051 Equipment Rental	0	100	100	100	100	0	0.0%	
10-90-5052 Minor Facility Repairs/Tools	0	100	100	100	100	0	0.0%	
<b>Total Operations and Maintenance</b>	<b>12,741</b>	<b>10,042</b>	<b>17,450</b>	<b>17,450</b>	<b>11,550</b>	<b>(5,900)</b>	<b>-33.8%</b>	
<b>Contract Services</b>								
10-90-5655 Landscape Maintenance/Janitorial Service	3,592	2,800	2,800	3,500	3,500	0	0.0%	
10-90-5656 Tree Trimming	380	400	0	0	0	0	0.0%	
10-90-5670 Other Professional Services	43	50	50	21	0	(21)	-100.0%	
<b>Total Contract Services</b>	<b>4,015</b>	<b>3,250</b>	<b>2,850</b>	<b>3,521</b>	<b>3,500</b>	<b>(21)</b>	<b>-0.6%</b>	
<b>Capital Expenditures</b>								
<b>10-90-6010 Equipment</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0.0%</b>	
<b>Total Capital Expenditures</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0.0%</b>	
<b>Total Mini-Parks &amp; Medians</b>	<b>17,851</b>	<b>13,392</b>	<b>20,400</b>	<b>21,071</b>	<b>15,150</b>	<b>(5,921)</b>	<b>-28.1%</b>	
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>1,657,010</b>	<b>1,402,875</b>	<b>1,506,911</b>	<b>1,514,535</b>	<b>1,631,328</b>	<b>116,793</b>	<b>7.7%</b>	

\* Departments combined by 2018-2019. Totals moved to Administrative - Department 10



**FY 2019-2020 APPROVED BUDGET**  
**(Department Accounts Combined)**  
**RUSH PARK ASSESSMENT DISTRICT - FUND 20**

**ACCOUNT NO.**

	<i>2017-2018 ACTUAL</i>	<i>2018-2019 APPROVED FINAL BUDGET</i>	<i>2018-2019 AMENDED BUDGET</i>	<i>2018-2019 ESTIMATE TO CLOSE</i>	<i>2019-2020 APPROVED BUDGET</i>
<b><u>Rush Park AD Revenues</u></b>					
Assessments					
20-00-3100 Current Year Secured	379,844	380,000	380,000	378,000	380,000
20-00-3101 Prior Year Secured	2,370	3,400	3,400	650	1,000
20-00-3200 Interest on investments	1,058	1,058	1,058	2,229	2,500
20-00-3500 Other Misc. Rev.	0	0	0	0	0
<b>Total Rush Park AD Revenues</b>	<b>383,272</b>	<b>384,458</b>	<b>384,458</b>	<b>380,879</b>	<b>383,500</b>
<b><u>Rush Park AD Expenditures</u></b>					
20-50-5617 Administrative Fees	20,000	20,000	20,000	20,000	20,000
20-50-5619 Bond Trustee	3,048	3,048	3,324	3,324	3,324
<b>Total Contract Services</b>	<b>23,048</b>	<b>23,048</b>	<b>23,324</b>	<b>23,324</b>	<b>23,324</b>
<b><u>Annual Debt Service</u></b>					
20-50-5800 Principal	280,000	295,000	295,000	294,993	315,000
20-50-5801 Interest	72,317	56,265	56,265	56,265	37,355
20-50-5045 Miscellaneous	0	0	0	0	0
<b>Total Annual Debt Service</b>	<b>352,317</b>	<b>351,265</b>	<b>351,265</b>	<b>351,258</b>	<b>352,355</b>
<b>Total Rush Park AD Expenditures</b>	<b>375,365</b>	<b>374,313</b>	<b>374,589</b>	<b>374,582</b>	<b>375,679</b>
<b>Revenues Less Expenditures</b>	<b>7,907</b>	<b>10,145</b>	<b>9,869</b>	<b>6,297</b>	<b>7,822</b>
Transfers Out	0	0	0	0	0
(1) Transfer Out - (To Fund 50 as directed by auditor)	7,907	10,145	9,869	6,297	7,822
<b>Fund Balance, End of Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FY 2019-2020 APPROVED BUDGET  
(Department Accounts Combined)  
CAPITAL IMPROVEMENT PROGRAM - FUND 40**

<b>ACCOUNT NO.</b>	<b>2016-2017 ACTUAL</b>	<b>2017-2018 ACTUAL</b>	<b>2018-2019 AMENDED BUDGET</b>	<b>2018-2019 ESTIMATE TO CLOSE</b>	<b>2019-2020 APPROVED BUDGET</b>
<b><u>Assigned Fund Balance, Beginning</u></b>	<b>105,109</b>	<b>32,696</b>	<b>26,196</b>	<b>26,196</b>	<b>8,758</b>
<b><u>Revenues</u></b>					
40-00-3600 Transfer In Fund 10	0	0	60,000	60,000	150,000 0
<b>Total Capital Improvement Program Revenues</b>	<b>105,109</b>	<b>32,696</b>	<b>86,196</b>	<b>86,196</b>	<b>158,758</b>
<b><u>Expenditures</u></b>					
Departments					
Rossmoor Park	25,060	0	37,825	37,825	48,100
Montecito Center	0	0	12,000	14,957	0
Rush Park	28,606	0	8,148	8,148	86,420
General	18,747	6,500	16,500	16,508	11,500
<b>Total Expenditures</b>	<b>72,413</b>	<b>6,500</b>	<b>74,473</b>	<b>77,438</b>	<b>146,020</b>
<b><u>Revenues Less Expenditures</u></b>	<b>32,696</b>	<b>26,196</b>	<b>11,723</b>	<b>8,758</b>	<b>12,738</b>
<b>Fund Balance, End of Year</b>	<b>32,696</b>	<b>26,196</b>	<b>11,723</b>	<b>8,758</b>	<b>12,738</b>

**CAPITAL IMPROVEMENT PROGRAM - FUND 40 PROJECT LIST**  
**2019-2020 APPROVED BUDGET**

PROJECT TITLE	2017-2018 ACTUAL	2018-2019 APPROVED FINAL BUDGET	2018-2019 AMENDED BUDGET	2018-2019 ESTIMATE TO CLOSE	2019-2020 APPROVED BUDGET	2020-2021 INFORMATION ONLY	2021-2022 INFORMATION ONLY
<b>REVENUES</b>							
Beginning Fund Balance	\$32,696	\$26,196	\$26,196	\$26,196	\$8,759	\$12,739	(\$63,261)
Transfer from Fund 10			\$60,000	\$60,000	\$150,000		
<b>TOTAL REVENUES</b>	<b>\$32,696</b>	<b>\$26,196</b>	<b>\$86,196</b>	<b>\$86,196</b>	<b>\$158,759</b>	<b>\$12,739</b>	<b>(\$63,261)</b>
<b>EXPENSES</b>							
<b>ROSSMOOR PARK</b>							
Retrofit Tennis Lights to LED and Monument Sign			\$14,125	\$14,124			
Basketball and Tennis Courts Resurfacing			\$23,700	\$23,700			
Repave, Slurry and Stripe Parking Spaces						\$16,000	
Picnic Canopy Site B					\$48,100		
Rossmoor Park Playground							\$100,000
<b>ROSSMOOR PARK SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,825</b>	<b>\$37,824</b>	<b>\$48,100</b>	<b>\$16,000</b>	<b>\$100,000</b>
<b>MONTECITO</b>							
Upgrade Lighting to LED			\$0	\$5,357			
Carpeting and Flooring			\$12,000	\$9,600			
<b>MONTECITO SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,000</b>	<b>\$14,957</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>RUSH PARK</b>							
Upgrade Lighting in Auditorium and Office (\$9,797 - 1,649 rebate = \$8,148)			\$8,148	\$8,148			
Repave, Slurry and Stripe Parking Lot					\$35,200		
Audio/Video Upgrade					\$33,420		
Lighting Upgrade for Board Meetings					\$17,800		
Auditorium Carpeting						\$40,000	
Handball and Pickle Court						\$20,000	
Outdoor Exercise Machines							\$52,000
Modular Building (additional office space) TBD							
<b>RUSH PARK SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,148</b>	<b>\$8,148</b>	<b>\$86,420</b>	<b>\$60,000</b>	<b>\$52,000</b>
<b>ROSSMOOR WALL</b>							
<b>ROSSMOOR WALL SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GENERAL</b>							
Work Truck (Finance for 4 years)	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500		
Electric Cart for Parks			\$10,000	\$10,008			
Computers and Software Upgrade					\$5,000		
<b>GENERAL SUBTOTAL</b>	<b>\$6,500</b>	<b>\$6,500</b>	<b>\$16,500</b>	<b>\$16,508</b>	<b>\$11,500</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENSES</b>	<b>\$6,500</b>	<b>\$6,500</b>	<b>\$74,473</b>	<b>\$77,437</b>	<b>\$146,020</b>	<b>\$76,000</b>	<b>\$152,000</b>
<b>ENDING FUND BALANCE</b>	<b>\$26,196</b>	<b>\$19,696</b>	<b>\$11,723</b>	<b>\$8,759</b>	<b>\$12,739</b>	<b>(\$63,261)</b>	<b>(\$215,261)</b>