

ROBERTS CREEK WATER DISTRICT

Audit Report

June 30, 2015

Roberts Creek Water District

June 30, 2015

BOARD OF COMMISSIONERS

		<u>Term Expires</u>	<u>Position</u>
Tracey Parker 2110 Freeman Ave. Roseburg, OR 97471-4704	President	July 2017	4
Tom Fullbright 5267 Grange Rd Roseburg, OR 97471	Secretary	July 2017	5
Don Jenkins 5579 Grange Rd Roseburg, OR 97471-4731	Treasurer	July 2017	1
Phillip Bigler 310 Jamie Loop Roseburg, OR 97471	Commissioner	July 2019	2
Stephen Lusch 182 Summerwood Roseburg, OR 97471	Vice-President	July 2019	3

OFFICE MANAGER

Gloria Breedlove
1312 SE Cobb St.
Roseburg, OR 97470

SUPERINTENDENT

Alan Paulson
4751 Happy Valley Rd.
Roseburg, OR 97471

REGISTERED AGENT

Gloria Breedlove

Roberts Creek Water District

June 30, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Roberts Creek Water District
4336 Old Highway 99S
Roseburg, OR 97471-4478

Dear Board Members:

We have audited the accompanying basic financial statements of Roberts Creek Water District as of and for the years ended June 30, 2015 and 2014, and the related notes to the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Roberts Creek Water District as of June 30, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

Member:

American Institute of Certified Public Accountants

Oregon Society of Certified Public Accountants

Private Companies Practice Section

**Roberts Creek Water District
Independent Auditor's Report**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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 audits were conducted for the purpose of forming opinions on Roberts Creek Water District's basic financial statements. The supplementary information and other supplemental data listed in the table of contents is presented for purposes of additional analysis and are not a part of the basic financial statements.

The supplementary information is the responsibility of management and was 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


The other supplemental data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 27, 2015 on our consideration of the District's compliance with certain provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-100 to 162-10-320. 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.

Neuner, Davidson & Cooley, LLC
Certified Public Accountants

By: _____


Jeffrey R. Cooley, CPA
October 27, 2015

Management's Discussion and Analysis

Roberts Creek Water District Management's Discussion and Analysis for the Year Ending June 30, 2015

This section is presented by the management of the Roberts Creek Water District. The narrative overview is intended to assist readers of the financial statements by providing an overview and analysis of the highlights of these statements and comparison to the previous year's financial statements. This information is presented in conjunction with the audited financial statements that follow this section.

Roberts Creek Water District uses fund accounting to maintain control over resources and expenditures that have been segregated for specific activities or objectives and to ensure and demonstrate compliance with finance-related legal requirements.

The District's basic operating services as reported in the General Fund (Enterprise Fund) focus on how the money flows into the District through mainly water sales and meter sales (Revenues and Expenditures) for normal operating costs.

The Capital Projects Fund is used to record large improvements or repairs to the water system's infrastructure. Projects completed with System Development Charges are tracked through this fund. Capital Projects' main source of revenue is from the SDC portion of meter sales, and a transfer from the General Fund generated from water sales. State law dictates how money derived from System Development Charges may be spent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis of the financial statements are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements beginning on Page 10 of this report, (2) notes to financial statements beginning on Page 15 of this report, and (3) proprietary fund financial statements beginning on Page 25 of this report. This report also contains other supplemental data on Page 33 of this report in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-wide Financial Statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business, and include the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as Net Assets. Over time, increases or decreases in the net assets may serve as a useful indicator showing if the financial position of the District is improving or deteriorating.

Roberts Creek Water District Management's Discussion and Analysis for the Year Ending June 30, 2015

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows.

In government-wide financial statements, the District's activities are shown in one category: Governmental Activities. The proprietary activities of the District include general government and water provision, and are principally supported by charges for services.

The government-wide financial statements can be found on Pages 10 through 14 of the audited financial statements.

FUND FINANCIAL STATEMENTS

The Fund Financial Statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: proprietary funds, internal service funds, and fiduciary funds.

PROPRIETARY FUNDS

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

Because the focus of governmental funds is narrower than that of governmental-wide financial statements, it is useful to compare the information presented for Proprietary Funds with similar information presented, Proprietary Activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the proprietary fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statement of Net Assets and Statement of Activities.

The District maintains two individual proprietary funds. Information is presented separately in the governmental fund Balance Sheet and Statement of Revenues and Expenditures and Changes in Fund Balances for the Enterprise Fund and Capital Projects, which are considered major funds.

The District adopts an annual operating budget for all funds. A budgetary comparison statement to demonstrate compliance with this budget is provided for these funds beginning on Page 28. The basic governmental fund financial statements can be found on Pages 25 through 27 of this report.

Roberts Creek Water District Management's Discussion and Analysis for the Year Ending June 30, 2015

INTERNAL SERVICE FUNDS

The District does not maintain any Internal Service Funds.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for internal services fund.

The District does not maintain any Fiduciary Funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS

These notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on Pages 15 through 24 of this report.

OVERALL FINANCIAL ANALYSIS OF THE DISTRICT

(Government-Wide Financial Statements)

Net Assets – The District's net assets decreased by \$62,646 (from \$ \$8,556,083 to \$8493,437) between fiscal 2013-14 and 2014-15. Net assets invested in capital assets, net of related debt, increased by \$364,644. Unrestricted net assets decreased by \$49,665.

Change in Net Assets – The District's program revenues increased by \$53,620 from \$1,853,158 in 2013-14 to \$1,906,778 in 2014-15.

Operating Expenses -- Program expenses increased from \$1,911,566 to \$1,974,592 (an increase of \$63,026) mostly due to increased costs in materials for several large projects

The District's non-operating revenues decreased by \$1467, just \$5 less than noted the previous year.

Roberts Creek Water District

Management's Discussion and Analysis

for the Year Ending June 30, 2015

There were no lines installed by contractors during the 2014-15 fiscal year, which is a direct reflection of the continuing state of economy in our District and lack of new construction.

The following is a list of the amount of contributed capital by contractors for the current fiscal year and the three years prior:

2011-12 = \$ -0-
 2012-13 = \$ -0-
 2013-14 = \$ -0-
 2014-15 = \$ -0-

FINANCIAL HIGHLIGHTS – FUND FINANCIAL STATEMENTS

The most significant source of operating revenue for the District is water sales. Revenue in the General Fund (Enterprise Fund) increased by a mere \$3,614

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>Incr./Decr.</u>
Water Sales	1,761,306	1,764,920	1,777,782	12,862
Meter Sales	2,500	4,900	7,250	2,350
Standby Charges	17,658	18,881	18,534	(347)
Miscellaneous	36,405	38,468	38,833	365
Special Surcharge (<i>Lines</i>)	-0-	-0-	-0-	-0-
Backflow Test Receipts	2,435	1,780	2,550	770
Interest	1,600	673	632	(41)
	<u>\$1,821,913</u>	<u>\$1,829,622</u>	<u>\$1,845,581</u>	<u>15,959</u>

Expenses in the General Fund (Enterprise Fund) increased by \$163,592, much of it due to the replacement of District's deteriorating infrastructure and the purchase of two company vehicles.

**Roberts Creek Water District
Management's Discussion and Analysis
for the Year Ending June 30, 2015**

BUDGETARY COMPARISONS

Enterprise Fund

Revenues:

Water consumption was up this year.

Interest income was down from \$673 for 2103-14 to \$632 for 2014-15. Interest as a whole has declined since 2012-13 mainly due to the expenditure of interest-earning funds to the plant upgrade loan payments and low interest rates. The District is now on a more even keel for determining interest income.

The amount of revenue and payment of the Special System Development Surcharge Tank & Lines is undeterminable due to being collectible strictly by the sale of the property to which the charges are attached. Therefore, the amount collected can make the comparison between actual and budget appear skewed.

Expenditures:

Removing the amount under Special System Development Surcharge Tank & Lines yields a difference of \$219,571 between actual and budget, which is mainly attributed to a decrease in insurance expenditures since self-pay was adopted.

Capital Projects

Revenues:

Revenues included an increase in meter sales, mainly due to the implementation of a new District policy regarding abandoned and pulled meter services.

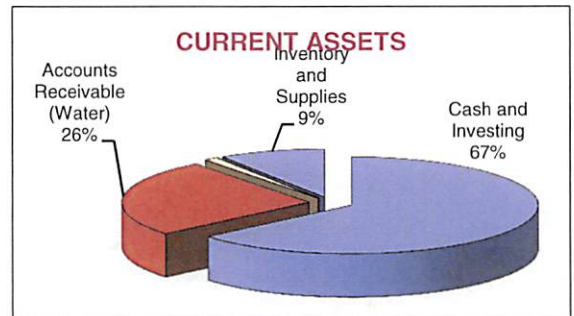
Expenditures:

In 2009, the District secured a 20-yr. loan from Oregon Community Economic Development (Safe Drinking Water) @ 4% interest to facilitate the upgrade to the treatment plant. The annual payment disbursement began in December 2012.

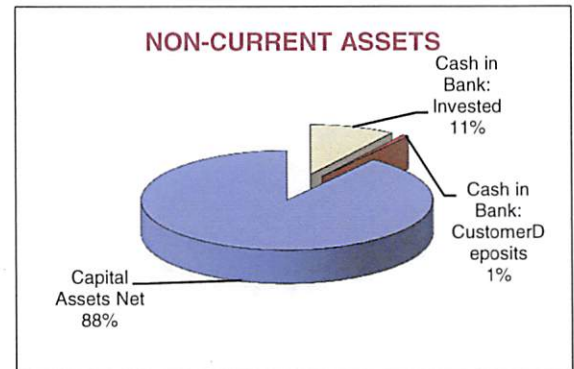
Along with the completion of the \$7,000,000 treatment plant upgrade, Roberts Creek Water District Board of Commissioners and staff are continually faced with the challenge of replacing aging infrastructure, complying with new requirements in the water purveyor's industry, and maintaining a stable source, quantity and delivery of water for our existing and future customers.

ROBERTS CREEK WATER DISTRICT

	2012-13	2013-14	2014-15
TOTAL CURRENT ASSETS	609,504	657,740	618,799
Cash and Investing	373,718	431,596	395,036
Accounts Receivable (Water)	166,168	153,749	159,866
Prepaid Expenses		7,262	7,232
Standby Charges	214	948	-
Inventory and Supplies	69,404	64,185	56,665

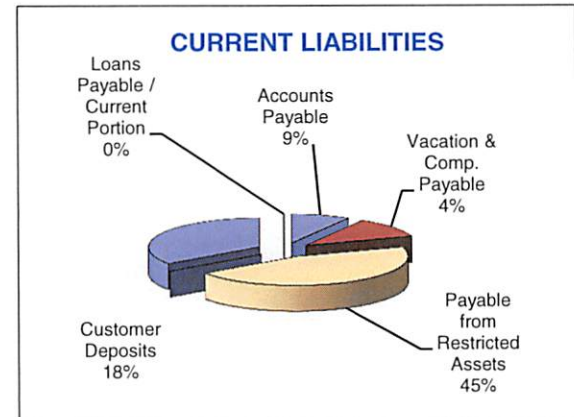


	2012-13	2013-14	2014-15
NON-CURRENT ASSETS	14,740,179	14,338,782	14,032,470
Cash in Bank: Invested	1,922,367	1,703,215	1,324,140
Cash in Bank: Customers' Deposits	95,155	95,866	97,316
Capital Assets Net	12,722,657	12,539,701	12,611,014



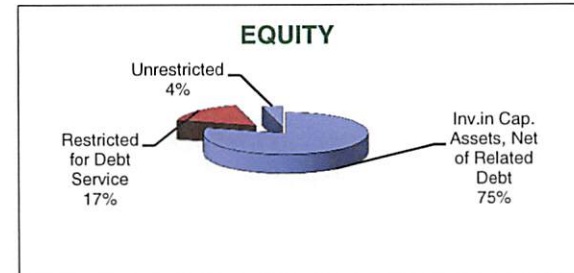
	2012-13	2013-14	2014-15
Total Assets	15,349,683	14,996,522	14,651,269
Total Non-Current Assets	14,740,179	14,338,782	14,032,470
TOTAL CURRENT ASSETS	609,504	657,740	618,799

	2012-13	2013-14	2014-15
Total Current Liabilities	571,328	563,272	280,665
Accounts Payable	17,797	8,923	23,813
Vacation and Comp. Time Payable	36,587	30,112	32,177
Payable from Restricted Assets	142,416	135,040	127,359
Unclaimed Property Liability	90		
Customer Deposits	95,155	95,866	97,316
Loans Payable / Current Portion	279,283	293,331	



	2012-13	2013-14	2014-15
Loans Payable/Non Current	6,170,498	5,877,167	5,877,167
TOTAL LIABILITIES	6,741,826	6,440,439	6,157,832

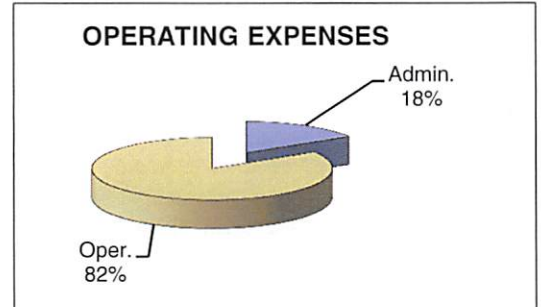
	2012-13	2013-14	2014-15
EQUITY			
Inv.in Cap. Assets, Net of Related Debt	6,272,876	6,369,203	6,733,847
Restricted for Debt Service	2,017,522	1,799,081	1,421,456
Unrestricted	317,458	387,799	338,134



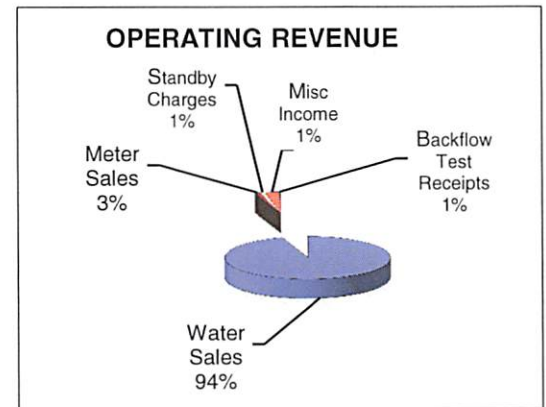
	2012-13	2013-14	2014-15
TOTAL NET ASSETS	6,590,334	8,556,083	8,493,437

ROBERTS CREEK WATER DISTRICT

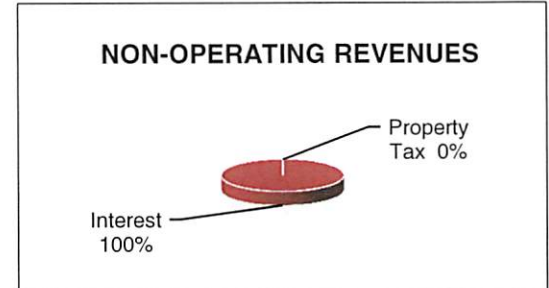
	2012-13	2013-14	2014-15
OPERATING EXPENSES	1,849,244	1,911,566	1,974,592
Administrative Department	301,843	361,548	347,888
Operating Department	1,547,401	1,550,108	1,626,704



	2012-13	2013-14	2014-15
OPERATING REVENUES	1,870,616	1,853,158	1,906,778
Water Sales	1,776,962	1,752,501	1,783,899
Meter Sales	19,910	41,461	62,962
Standby Charges	17,658	18,881	18,534
Special Surcharge (Lines)			
Special Surcharge (Tanks)			
Miscellaneous	53,651	38,535	38,833
Backflow Test Receipts	2,435	1,780	2,550



	2012-13	2013-14	2014-15
NON-OPERATING REVENUES	8,094	3,260	5,168
Property Taxes	9	0	0
Interest	8,085	3,260	5,168



	2012-13	2013-14	2014-15
CAPITAL CONTRIBUTION			
Developer Contributions	none	none	none

Basic Financial Statements

Roberts Creek Water District

Statement of Net Position

June 30, 2015 and 2014

	<u>Business - Type Activities</u>	
	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$395,036	\$431,596
Accounts Receivable:		
Water	159,866	153,749
Stand By Charges	-	948
Inventory and Supplies	56,665	64,185
Prepaid Expenses	<u>7,232</u>	<u>7,262</u>
Total Current Assets	<u>618,799</u>	<u>657,740</u>
Noncurrent Assets:		
Restricted Assets		
Cash in Bank-Capital Projects	1,324,140	1,703,215
Cash in Bank-Customer's Deposits	97,316	95,866
Capital Assets Net	<u>12,611,014</u>	<u>12,539,701</u>
Total Noncurrent Assets	<u>14,032,470</u>	<u>14,338,782</u>
Total Assets	<u>14,651,269</u>	<u>14,996,522</u>

		<u>Business-Type Activities</u>	
		<u>2015</u>	<u>2014</u>
<u>Liabilities and Net Position</u>			
Liabilities:			
Current Liabilities:			
Accounts Payable		23,813	8,923
Vacation and Comp. Time Payable		32,177	30,112
Payable from Restricted Assets:			
Accrued Interest		127,359	135,040
Customer Deposits		97,316	95,866
Loans Payable-Current Portion		<u>245,544</u>	<u>293,331</u>
Total Current Liabilities		<u>526,209</u>	<u>563,272</u>
Non Current Liabilities:			
Loan Payable - SPWF		78,800	98,658
Loan Payable - Douglas County		434,361	434,361
Loan Payable - SDWRLF		<u>5,118,462</u>	<u>5,344,148</u>
Total Non Current Liabilities		<u>5,631,623</u>	<u>5,877,167</u>
Total Liabilities		<u>6,157,832</u>	<u>6,440,439</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt		6,733,847	6,369,203
Restricted		1,421,456	1,799,081
Unrestricted		338,134	387,799
Total Net Position		<u>\$8,493,437</u>	<u>\$8,556,083</u>

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

Roberts Creek Water District

Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues:		
Water Sales	\$1,783,899	\$1,752,501
Meter Sales	62,962	41,461
Standby Charges	18,534	18,881
Backflow Test Receipts	2,550	1,780
Miscellaneous	38,833	38,535
Total Operating Revenues	<u>1,906,778</u>	<u>1,853,158</u>
Operating Expenses:		
Administrative Department:		
Personal Services	219,571	204,448
Material and Services	128,317	157,100
Operating Department:		
Personal Services	533,564	486,688
Material and Services	270,787	246,641
Inventory Change	7,520	5,219
Meter, Line Replacement, Misc. Improvements	478	198
Depreciation Expense	589,209	573,351
Interest Expense	225,146	237,921
Total Operating Expenses	<u>1,974,592</u>	<u>1,911,566</u>
Net Operating Income	<u>(67,814)</u>	<u>(58,408)</u>
Non Operating Revenues (Expenses):		
Gain on Sale of Assets	2,160	3,375
Interest	3,008	3,260
Total Non Operating Revenues	<u>5,168</u>	<u>6,635</u>
Capital Contribution - Developer Contributions	<u>-</u>	<u>-</u>
Change in Net Position	(62,646)	(51,773)
NET POSITION - BEGINNING	<u>8,556,083</u>	<u>8,607,856</u>
NET POSITION - ENDING	<u>\$8,493,437</u>	<u>\$8,556,083</u>

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

Roberts Creek Water District

Comparative Statement of Cash Flows

For the Fiscal Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flow From Operating Activities:		
Receipts from customers	\$1,863,278	\$1,827,753
Other operating cash receipts	39,781	37,711
Payments to suppliers	(384,662)	(420,075)
Payments to employees	(751,070)	(697,611)
Interest on Bonds and Loans	<u>(232,827)</u>	<u>(245,297)</u>
Net Cash Provided by Operating Activities	<u>534,500</u>	<u>502,481</u>
Cash Flows From Capital and Related Financing Activities:		
Purchase of Depreciable Assets	(660,522)	(390,395)
Sale of Depreciable Assets	2,160	3,375
SPWF Loan Repaid	<u>(293,331)</u>	<u>(279,283)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(951,693)</u>	<u>(666,303)</u>
Cash Flows From Investing Activities:		
Interest Received	<u>3,008</u>	<u>3,260</u>
Net Cash Provided by Investing Activities	<u>3,008</u>	<u>3,260</u>
Net Increase in Cash	(414,185)	(160,562)
CASH, Beginning	<u>2,230,677</u>	<u>2,391,240</u>
CASH, Ending	<u><u>\$1,816,492</u></u>	<u><u>\$2,230,677</u></u>
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed Capital from Contractor Paid Line Improvements	<u>\$ -</u>	<u>\$ -</u>
Cash & Cash Equivalents	395,036	431,596
Cash in Bank - Capital Projects	1,324,140	1,703,215
Cash in Bank - Customer's Deposit	97,316	95,866
	<u><u>\$1,816,492</u></u>	<u><u>\$2,230,677</u></u>

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

Roberts Creek Water District

Comparative Statement of Cash Flows (Continued)

For the Fiscal Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of Operating Income (Loss) to net cash provided (Used) by operating activities:		
Operating Income	\$ (67,814)	\$ (58,408)
Adjustments to Reconcile Net Income to Net Cash Provided by Operations:		
Depreciation	589,209	573,351
(Increase) Decrease in Accounts Receivable:		
Water	(6,117)	12,419
Stand By Charges	948	(734)
(Increase) Decrease in Inventory	7,520	5,219
(Increase) Decrease in Prepaid Expenses	30	(7,262)
Increase (Decrease) in Accounts Payable	14,890	(8,874)
Increase (Decrease) in Accrued Expenses	-	(90)
Increase (Decrease) in Vacation and Comp Payable	2,065	(6,475)
Increase (Decrease) in Accrued Interest	(7,681)	(7,376)
Increase (Decrease) in Customer Deposits	<u>1,450</u>	<u>711</u>
Net Cash Provided by Operating Activities	<u>\$ 534,500</u>	<u>\$ 502,481</u>

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

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Roberts Creek Water District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Organization and Fund Structure

Roberts Creek Water District was incorporated as a municipal corporation on February 24, 1937, under the name of "Roberts Creek Water District".

The government of Roberts Creek Water District is vested in a Board of Commissioners. The Board is composed of five members elected at large, three of whom are elected to terms of four years at one election, and two of whom are elected at the next biennial election, also for a term of four years. All officers are elected each year.

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Major Business-Type Funds Reported by the District Include -

The Enterprise Fund is used to record the daily operations of the District. It includes revenues from water sales and fees for special system development surcharge and expenditures for the normal operating costs of the District's water system and personnel services.

The Capital Projects Fund's primary source of income is from meter sales and grant funding for plant and line improvements. Other sources of income are from interest income. Expenditures are to be made for large improvements or repairs.

B. Proprietary Fund and Fund Financial Statements

Governmental financial statements generally include both government-wide and fund financial statements. However, the District is a special-purpose government engaged only in Business-type activities and such organizations present only the financial statements required for enterprise funds.

The District has adopted, at July 1, 2003, the principles of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34), as they are applicable to these financial statements. The Statement requires that the District present both government-wide and fund financial statements, and reconcile the two types of statements, if necessary.

The proprietary fund financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the business-type activities of the District. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any governmental-type activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)B. Proprietary Fund and Fund Financial Statements (Cont'd)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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, State and County aid, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for business-type funds. The individual business-type funds are reported as separate columns in the fund financial statements.

Proprietary Fund Financial Statements - The Proprietary Fund financial statements are reported using the economic resource management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 grantor or provider have been met. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

Fund Financial Statements – Budget Basis - Business-type fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method of accounting, revenues are recorded as received in cash.

Expenditures are recorded when the related fund liability is incurred, except for expenditures for interest on long-term debt which is recognized when due, certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources, and early retirement benefits which are recorded when paid. Depreciation expense is not recorded in these statements.

The District reports deferred revenue on its balance sheet for water receivable.

C. Basis of Accounting-Budget Purposes

For budget purposes the District has two funds, the Enterprise Fund and Capital Projects Fund. The budget is prepared on the modified cash basis of accounting in accordance with ORS 294 (Local Budget Law). Under such method, revenues are recorded as received in cash and expenditures are recorded when the liability is incurred except for interest expense on the general obligation bonds which is recorded on its due date. Appropriations which have not been spent at year-end lapse. The District prepares its annual budget on a detailed line item basis for management purposes. The District adopts and appropriates the budget for legal control in the Enterprise Fund by departments, transfers, debt service, and operating contingencies. The District adopts and appropriates the budget for legal control in the Capital Projects Fund by line items capital outlay.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)D. Cash and InvestmentsCash and Cash Equivalents

The District considers cash on hand, demand deposits and short-term highly liquid investments with a maturity of three months or less, when purchased, to be cash and cash equivalents. Investments maintained in the Oregon Local Government Investment Pool are carried at cost, which approximates fair value, and are classified as a cash equivalent. Fair value of the investments in the Oregon Local Government Investment Pool are the same as the value of the pool shares. Short-term investments classified as cash equivalents are carried at amortized cost.

Investments

Investments other than U.S. Government agency securities and investment in the Oregon Local Government Investment Pool are carried at fair market value. Investments in U.S. Government agency securities with a maturity of three months or more, when purchased, are carried at amortized cost which approximates fair value. Fair value is based on current market prices. Changes in the fair value of investments are recognized as revenue. The District had no investments at June 30, 2015.

E. Receivables

Receivables for the budget purpose statements are shown as an asset and a deferred revenue. Under generally accepted accounting principles, the receivables are fully accrued and are net of Reserve for Bad Debt. The Reserve for Bad Debt is 5% of Water Accounts Receivable.

F. Inventory

Inventory held by the District is priced at cost using the FIFO method. Inventory is charged as used by the job through the use of a work order system.

Inventory shown for budget purposes is recorded as an expenditure at the time of purchase. The amount of inventory is recorded as an asset which is offset by a fund balance reserve in an equal amount.

G. Restricted Assets

Restricted assets are recorded to reflect the restriction placed on those assets by the District. These assets have been restricted for the following items:

Capital Projects
Customer Deposits

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)H. Fixed Assets

The Enterprise Fund expenses the cost of normal maintenance and repairs as incurred. Renewals and betterments that significantly improve and extend the lives of property are capitalized, as is new equipment and construction which are recorded at cost. The capitalization policy is \$1000. Depreciation in the Enterprise Fund is computed on the straight-line method with the following useful life:

Water System	30 Years
Plant Equipment	10 Years
Office Equipment	5 Years
Rolling Stock	3 Years

No depreciation is reflected in the statements prepared for budget purposes and expenses are not capitalized.

I. Net Assets

Net Assets comprise the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net assets are classified in the following three components: Invested in capital assets, net of related debt; Restricted net assets; and Unrestricted net assets.

Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt (revenue bonds, revenue secured loans, and other debt obligations) that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net assets consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates. Unrestricted consists of all other net assets not included in the above categories.

It is the District's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purpose for which both restricted and unrestricted net assets are available.

J. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Quasi-external transactions are accounted for as revenues or expenditures, as appropriate.

All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating and/or capital transfers.

K. Comparative Data

Comparative total data for the prior years have been presented in the accompanying basic financial statements in order to provide an understanding of changes in the district's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Use of Estimates

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

2. CASH AND INVESTMENTS

The District's cash management policies are governed by state statutes. These statutes authorize the district to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

A. Cash and Cash Equivalents

	<u>2015</u>	<u>2014</u>
Cash balances consist of the following:		
Cash on Hand	\$ 550	\$ 550
Checking/Savings	123,766	131,470
Money Market Accounts	1,692,176	2,098,657
 Total Cash and Cash Equivalents	 <u>\$ 1,816,492</u>	 <u>\$ 2,230,677</u>

The District does not have a deposit policy for custodial risk, but deposits are secured by Federal deposit insurance to legal limits. The remaining balance is secured by collateral as established by Oregon Revised Statutes.

The District has no formal investment policy to deal with the interest rate risk and credit risk. In practice, the District has limited the investments in money market accounts.

Deposits with financial institutions include bank demand deposits. The total per the bank statements is \$1,870,303 and \$2,295,957 at June 30, 2015 and 2014, respectively. These deposits were adequately covered.

3. WATER SALES AND OTHER RECEIVABLES

Receivables for water sales are \$168,280 at June 30, 2015 and \$161,841 at June 30, 2014. The Reserve for Bad Debt is \$8,414 at June 30, 2015 and \$8,092 at June 30, 2014.

Roberts Creek Water District

Notes to
Financial Statements

at

June 30, 2015

4. FIXED ASSETS

The summary of changes in fixed assets during the fiscal year is as follows:

	Balance July 01, 2014	Increase	Decrease	Balance June 30, 2015
Land	\$ 341,036			\$ 341,036
Office Equipment	112,296			112,296
Office Building & Improvements	151,591			151,591
Vehicles	136,006	43,855	33,965	145,896
Water Plant & Equipment	11,753,454	24,097		11,777,551
Reservoir Tank & Road	1,011,735			1,011,735
Distribution Lines & Reservoir	6,200,699	592,570		6,793,269
Total	<u>\$ 19,706,817</u>	<u>\$ 660,522</u>	<u>\$ 33,965</u>	<u>\$ 20,333,374</u>

The summary of changes in accumulated depreciation for the fiscal year is as follows:

	Balance July 01, 2014	Increase	Decrease	Balance June 30, 2015
Office Equipment	\$ 104,549	\$ 3,805		\$ 108,354
Office Pumping Stations	88,440	3,239		91,679
Vehicles	102,354	19,794	33,965	88,183
Water Plant & Equipment	3,539,542	346,902		3,886,444
Reservoir Tank & Road	356,086	29,196		385,282
Distribution Lines & Reservoir	2,976,144	186,273		3,162,417
Total	<u>\$ 7,167,115</u>			<u>\$ 7,722,359</u>
Fixed Assets - Net	<u>\$ 12,539,702</u>	<u>\$ 660,522</u>	<u>\$ 33,965</u>	<u>\$ 12,611,015</u>

The summary of changes in fixed assets during the prior fiscal year is as follows:

	Balance July 1, 2013	Increase	Decrease	Balance June 30, 2014
Land	\$ 322,132	\$ 18,904	\$ -	\$ 341,036
Office Equipment	112,296		-	112,296
Office Building & Improvements	151,591		-	151,591
Vehicles	143,323	22,179	29,496	136,006
Water Plant & Equipment	11,660,486	94,763	1,795	11,753,454
Reservoir Tank & Road	1,011,735		-	1,011,735
Distribution Lines & Reservoir	5,946,149	254,550	-	6,200,699
Total	<u>\$ 19,347,712</u>	<u>\$ 390,396</u>	<u>\$ 31,291</u>	<u>\$ 19,706,817</u>

Roberts Creek Water District

Notes to
Financial Statements

at

June 30, 2015

4. FIXED ASSETS (Cont'd)

The summary of changes in accumulated depreciation for the prior fiscal year is as follows:

	Balance July 1, 2013	Increase	Decrease	Balance June 30, 2014
Office Equipment	\$ 99,875	\$ 4,674	\$ -	\$ 104,549
Office Pumping Stations	85,134	3,306	-	88,440
Vehicles	122,757	9,093	29,496	102,354
Water Plant & Equipment	3,196,690	344,647	1,795	3,539,542
Reservoir Tank & Road	326,890	29,196	-	356,086
Distribution Lines & Reservoir	2,793,709	182,435	-	2,976,144
Total	<u>\$ 6,625,055</u>	<u>\$ 573,351</u>	<u>\$ 31,291</u>	<u>\$ 7,167,115</u>
Fixed Assets - Net	<u>\$ 12,722,657</u>	<u>\$ (182,955)</u>	<u>\$ -</u>	<u>\$ 12,539,702</u>

5. DEFINED CONTRIBUTION PLAN

The District established a Simplified Employee Pension (SEP) retirement plan for their employees effective July 1, 1994. Edward D. Jones & Co. administers the defined contribution plan. For the 2014-2015 and 2013-2014 fiscal years, the District contributed 12% for eligible employees. The amount of contribution is to be determined annually. The length of employment to be eligible for retirement benefits is six months. The employer contribution for the fiscal years ending June 30, 2015 and 2014 is \$55,065 and \$51,057, respectively.

6. COMPENSATED ABSENCES

The commitments to employee sick leave at June 30, 2015 and 2014 are:

	2015	2014
Administration	\$ 15,975	\$ 13,462
Operations	31,575	36,950
Total Sick Leave	<u>\$ 47,550</u>	<u>\$ 50,412</u>

Sick Leave accrues at eight hours per month. Sick leave is accumulated with a maximum of 240 hours. Sick leave is lost if employment is prematurely terminated.

Accrued and unused vacation benefits are paid upon termination of employment. Vacation benefits are accumulated by hour with a maximum of 200 hours per employee.

For any overtime the employees work, they may choose to be paid at 1.5 times their regular rate, or take comp. time in lieu of pay at 1.5 times the number of overtime hours worked. Under Federal law, the maximum comp. time hours that may be accrued are 240.

Roberts Creek Water District

Notes to

Financial Statements

at

June 30, 2015

7. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015 consisted of the following:

The Enterprise Fund transferred \$550,000 to the Capital Projects Fund for future capital projects and asset acquisitions.

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions and funding capital projects and asset acquisitions in accordance with budgetary authorizations.

8. LOANS AND REVENUE BONDS PAYABLE

Roberts Creek Water District previously received \$905,000 as a loan from the State of Oregon Economic Development Department, for a Special Public Works Fund (SPWF) Award contract for plant and line improvements. The bond loan was \$730,000, payable in 20 years at 5.8% interest. Payments are due annually on December 1. The payment at December 1, 2014 for \$62,616 paid off the balance of \$59,183.

The remaining \$175,000 was a deferred loan, payable in 25 years at 6.0% interest. Annual principal and interest payments began December 1, 1997. Total annual payments began at \$7,627 in 1997 and balloon to \$31,578 by the year 2018. The balance of the deferred loan at June 30, 2015 is \$98,658. Five year maturities are as follows:

Fiscal Year Ending June 30,	Outstanding July 01, 2014	Redeemed	Outstanding June 30, 2015	Interest
2015	\$ 17,143	\$ 17,143	\$ -	\$ 6,948
2016	19,858	-	19,858	5,920
2017	22,853	-	22,853	4,728
2018	26,156	-	26,156	3,357
2019	29,791	-	29,791	1,787
Total	<u>\$ 115,801</u>	<u>\$ 17,143</u>	<u>\$ 98,658</u>	<u>\$ 22,740</u>

The District was awarded a loan from the State of Oregon's Safe Drinking Water Revolving Loan Fund. The proceeds of the loan were used for the costs of the Wastewater Treatment Plant Upgrade. The maximum amount awarded for the loan is \$6,653,446. The final loan amount was \$5,972,289 at December 1, 2011. Payments begin December 1, 2012 over a term of 20 years with 4% interest per annum. Five year maturities are as follows:

Fiscal Year Ending June 30,	Outstanding July 01, 2014	Redeemed	Outstanding June 30, 2015	Interest
2015	\$ 217,005	\$ 217,005	\$ -	\$ 222,446
2016	225,686		225,686	213,766
2017	234,713		234,713	204,738
2018	244,102		244,102	195,350
2019	253,866		253,866	185,586
2020	264,020		264,020	175,431
Thereafter	4,121,761		4,121,761	1,147,617
Total	<u>\$ 5,561,153</u>	<u>\$ 217,005</u>	<u>\$ 5,344,148</u>	<u>\$ 2,344,934</u>

Roberts Creek Water District

Notes to

Financial Statements

at

June 30, 2015

9. INTERGOVERNMENTAL AGREEMENT - RESERVOIR TANK LOAN PAYABLE

Roberts Creek Water District entered into an intergovernmental agreement with Douglas County to install a transmission main and 1.5 million gallon water storage reservoir to provide domestic and fire flow water storage capacity for industrial use in the District. The County loaned the District two-thirds of the costs of the project. The amount loaned at June 30, 2001 is \$539,353. The reservoir tank was completed during the 2001-2002 fiscal year.

The loan interest is 4% per annum, which at this time has been waived by the County. The District budgets annually a payment to the County based on the special System Development Charges (SDC's) collected in the prior fiscal year. If annual collections exceed \$100,000, the District shall enact a supplemental budget. Payments to the County will be made within 30 days of the beginning of the fiscal year or 30 days from enactment of a supplemental budget. Payments are first applied to interest and then to principal. The District is not responsible for any repayment of the loan or interest thereon in lieu of or in addition to special SDC's and is not a general obligation of the District. The amount payable in the next twelve months is undeterminable; therefore, no amount is included in current liabilities. There were no payments in the 2014-2015 fiscal year. The balance at June 30, 2015 is \$434,361.

10. RESERVATION FEE

The District has a contract to pay a \$2,175 annual reservation fee to Lookingglass Olalla Water Control District for stored water use. In addition to the annual reservation fee the District pays \$53 per acre foot of stored water used based on minimum flow requirements. This calculation is made by the water master of Douglas County who maintains the records on minimum flow and the minimum flow requirements for Lookingglass Olalla Water Control District. This contract expires January 31, 2023 and can be renewed after new negotiations.

11. CONTRIBUTED CAPITAL

Contributed Capital is due to prior grants received from EDA and SPWF, reimbursement district lines acquired, and Contractor's in-kind work on line improvements. The balance consists of:

	<u>2015</u>	<u>2014</u>
Beginning Balance	\$3,124,254	\$3,124,254
Contractor Line Improvements	<u>-</u>	<u>-</u>
Ending Balance	<u>\$3,124,254</u>	<u>\$3,124,254</u>

12. COMMITMENTS

The District has a cancelable contract with Meter readers to read all water meters in the District. The contract will expire June 30, 2015.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events as of October 27, 2015, the date the financial statements were made available to be issued. No subsequent events were noted.

Supplementary Information

Budget Basis

Roberts Creek Water District

Balance Sheet - Fund Financial Statements - Budget Basis

June 30, 2015

	<u>Enterprise Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 492,352	\$ 1,324,140	\$1,816,492
Accounts Receivable:			
Water	168,280	-	168,280
Inventory and Supplies	56,665	-	56,665
Prepaid Expenses	7,232	-	7,232
Office Equipment, Net	3,942	-	3,942
Operating Equipment-Vehicle, Net	57,713	-	57,713
Office and Building Site, Net	59,912	-	59,912
Water Plant, Net	8,858,595	-	8,858,595
Distribution Lines and Reservoir, Net	3,630,852	-	3,630,852
Amount to be Provided for			
Retirement of Revenue Bonds	98,658	-	98,658
Reservoir Tank Loan	434,361	-	434,361
Safe Drinking Water Revolving Loan	5,344,148	-	5,344,148
 Total Assets	 <u>\$19,212,710</u>	 <u>\$1,324,140</u>	 <u>\$20,536,850</u>
<u>Liabilities and Fund Equity</u>			
<u>Liabilities:</u>			
Accounts Payable	5,993	17,820	23,813
Vacation and Comp. Time Payable	32,177	-	32,177
Service Deposits Payable	97,316	-	97,316
Revenue Bond Payable-SPWF	98,658	-	98,658
Reservoir Tank Note Payable-Douglas County	434,361	-	434,361
Safe Drinking Water Revolving Loan Fund Payable	5,344,148	-	5,344,148
Deferred Revenue	168,280	-	168,280
Total Liabilities	<u>6,180,933</u>	<u>17,820</u>	<u>6,198,753</u>
 <u>Fund Equity:</u>			
Fund Balance Reserved for:			
Inventory	56,665	-	56,665
Fixed Assets	12,611,014	-	12,611,014
Unreserved	364,098	\$1,306,320	1,670,418
Total Fund Equity	<u>13,031,777</u>	<u>1,306,320</u>	<u>14,338,097</u>
 Total Liabilities and Fund Equity	 <u>\$19,212,710</u>	 <u>\$1,324,140</u>	 <u>\$ 20,536,850</u>

Roberts Creek Water District
Reconciliation of the Budget Basis Fund Equity
to the Statement of Net Position
at
June 30, 2015

Total Fund Equity - Balance Sheet	\$14,338,097
Amounts reported for Enterprise Fund activities in the statement of net assets are different because:	
Allowance for Bad Debt	(8,414)
Amount to be provided for bond retirement is not reported in the government-wide statements	(5,877,167)
Deferred revenues reported in the fund financial statements are recognized as revenues for the government-wide statements	168,280
Accrued interest payable is not reported in the fund financial statements, but is reported in the government-wide statements	(127,358)
Net Position	<u><u>\$8,493,437</u></u>

Roberts Creek Water District

Statement of Revenues, Expenditures and Changes in Fund Balances
Fund Financial Statements - Budget Basis

For The Fiscal Year Ended June 30, 2015

	Enterprise Fund	Capital Projects Fund	Total
Operating Revenues:			
Water Sales	\$1,777,782	-	\$1,777,782
Meter Sales	7,250	\$55,712	62,962
Standby Charges	18,534	-	18,534
Miscellaneous	38,833	-	38,833
Backflow Test Receipts	2,550	-	2,550
Interest	632	2,376	3,008
Total Revenues	<u>1,845,581</u>	<u>58,088</u>	<u>1,903,669</u>
Operating Expenditures:			
Administrative Department	336,720	-	336,720
Operating Department	913,518	-	913,518
Debt Service	86,707	439,451	526,158
Capital Outlay	-	563,001	563,001
Total Expenditures	<u>1,336,945</u>	<u>1,002,452</u>	<u>2,339,397</u>
Excess of Revenues Over (Under) Expenditures	<u>508,636</u>	<u>(944,364)</u>	<u>(435,728)</u>
Other Financing Sources (Uses):			
Proceeds from the Sale of Assets	2,160	-	2,160
Operating Transfer In	-	550,000	550,000
Operating Transfer Out	(550,000)	-	(550,000)
Total Other Financing Sources (Uses)	<u>(547,840)</u>	<u>550,000</u>	<u>2,160</u>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(39,204)</u>	<u>(394,364)</u>	<u>(433,568)</u>
Fund Balance, Unreserved, July 1, 2014	<u>403,302</u>	<u>1,700,684</u>	<u>2,103,986</u>
Fund Balance, Unreserved, June 30, 2015	<u>\$364,098</u>	<u>\$1,306,320</u>	<u>\$1,670,418</u>

Roberts Creek Water District

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to Change in Net Position
for the period ended
June 30, 2015

Net Change in fund balances - Proprietary Funds - Budget	(\$433,568)
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Amounts reported for proprietary funds and the
statement of activities are different because:

Depreciation Expense on capital assets is reported in the government-wide statement of activities and changes in net position, and not reported as expenditure in the proprietary funds	(589,209)
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Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in proprietary funds.	(7,520)
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Proprietary funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	660,522
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Accrued interest expense not reported in fund statements, but is in government-wide statements.	7,681
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The payment of long-term debt uses current financial resources in the budget basis financial statement of revenues, expenditures, and changes in fund balances, but they do not require the use of current financial resources in the proprietary fund.	293,331
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Some revenues will not be collected for several months after the districts year end, they are not considered "available" revenues in the proprietary funds.	6,117
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Change in net position	<u><u>(\$62,646)</u></u>
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Roberts Creek Water District

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)

For The Fiscal Year Ended June 30, 2015

	Actual	Original & Final Budget	Over (Under) Budget
Revenues:			
Water Sales	\$ 1,297,782	\$1,350,000	(\$52,218)
Water Sales Plant Upgrade	480,000	440,000	40,000
Meter Sales	7,250	15,000	(7,750)
Standby Charges	18,534	19,000	(466)
Miscellaneous	38,833	40,000	(1,167)
Special Surcharge (Lines)	-	75,000	(75,000)
Special Surcharge (Tanks)	-	75,000	(75,000)
Backflow Test Receipts	2,550	3,000	(450)
Interest	632	1,000	(368)
Total Revenues	<u>1,845,581</u>	<u>2,018,000</u>	<u>(172,419)</u>
Expenditures:			
Administrative Department			
Personal Services:			
Office Manager	67,368	65,900	1,468
Office Assistant	71,415	74,000	(2,585)
Administrative Assistant	-	2,000	(2,000)
Social Security	10,825	11,000	(175)
Worker's Compensation	322	1,000	(678)
Insurance	50,947	45,000	5,947
Unemployment Compensation	2,006	1,600	406
Retirement	16,667	17,000	(333)
Vacation and Compensation Time	21	3,000	(2,979)
Total Personal Services	<u>219,571</u>	<u>220,500</u>	<u>(929)</u>

Roberts Creek Water District

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)

For The Fiscal Year Ended June 30, 2015

	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
Administrative Department (Con't)			
Materials and Services:			
Audit	11,150	11,000	150
Elections	862	1,200	(338)
Supplies	7,044	7,500	(456)
Telephone	2,768	3,000	(232)
Electricity	2,623	3,500	(877)
Legal Fees	225	5,000	(4,775)
Property Insurance	32,858	30,000	2,858
Liability and Auto Insurance	8,727	15,000	(6,273)
Repair and Maintenance	2,969	3,500	(531)
Administrative Services	2,556	3,300	(744)
Bank Charges	-	2,000	(2,000)
Debit/Credit Card Fees	2,975	2,000	975
Budgeting	314	500	(186)
Miscellaneous	3,590	5,000	(1,410)
Advertising	890	500	390
Postage	11,469	16,000	(4,531)
Contract Services	25,354	27,000	(1,646)
	<u>116,374</u>	<u>136,000</u>	<u>(19,626)</u>
Total Materials and Services	<u>116,374</u>	<u>136,000</u>	<u>(19,626)</u>
Capital Outlay:			
Office Equipment	775	1,000	(225)
Office Improvements	-	3,000	(3,000)
	<u>775</u>	<u>4,000</u>	<u>(3,225)</u>
Total Capital Outlay	<u>775</u>	<u>4,000</u>	<u>(3,225)</u>
Total Administrative Department Expenditures	<u>336,720</u>	<u>360,500</u>	<u>(23,780)</u>
Operating Department			
Personal Services:			
Plant Superintendent	73,093	73,800	(707)
Service Crew	256,510	265,000	(8,490)
Social Security	25,196	26,000	(804)
Worker's Compensation	7,233	10,000	(2,767)
Insurance	127,925	145,000	(17,075)
Unemployment Compensation	3,166	3,500	(334)
Retirement	38,398	40,000	(1,602)
Vacation and Compensation Time	2,043	1,000	1,043
	<u>533,564</u>	<u>564,300</u>	<u>(30,736)</u>
Total Personal Services	<u>533,564</u>	<u>564,300</u>	<u>(30,736)</u>

Roberts Creek Water District

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)

For The Fiscal Year Ended June 30, 2015

	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
Operating Department (Con't)			
Materials and Services:			
Freight	1,527	3,000	(1,473)
Tools	2,094	2,500	(406)
Supplies and Safety Items	2,027	2,500	(473)
Telephone and Communications	6,394	8,000	(1,606)
Electricity	110,086	119,825	(9,739)
Fees and Dues	12,475	13,000	(525)
Fuel	11,472	15,000	(3,528)
Equipment Maintenance	8,161	8,000	161
Repair and Maintenance-Field	19,250	25,000	(5,750)
Repair and Maintenance-Plant	20,821	35,000	(14,179)
Chemicals	57,698	40,000	17,698
Miscellaneous	1,889	1,500	389
Education	1,720	5,000	(3,280)
Reservoir Maintenance	716	-	716
Miox System	-	500	(500)
Summer Stored Water	2,175	2,175	-
Emergency Inter-tie Water	2,525	1,500	1,025
Engineering	857	1,000	(143)
New Connections-Materials	1,103	2,000	(897)
Inventory Adjustment	3,003	-	3,003
Water Samples	7,152	8,000	(848)
Compliance Fees	1,596	1,200	396
Backflow Testing	1,360	1,600	(240)
Total Materials and Services	<u>276,448</u>	<u>296,300</u>	<u>(19,852)</u>
Capital Outlay:			
Meter Installations	478	3,000	(2,522)
Replace Lines	48,005	50,000	(1,995)
Equipment Purchases	-	2,500	(2,500)
Vehicle Purchases	43,855	50,000	(6,145)
Repair River Intake	11,168	2,000	9,168
Safety Equipment	-	3,000	(3,000)
Total Capital Outlay	<u>103,506</u>	<u>110,500</u>	<u>(6,994)</u>
Total Operating Department Expenditures	<u>913,518</u>	<u>971,100</u>	<u>(57,582)</u>

Roberts Creek Water District

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)

For The Fiscal Year Ended June 30, 2015

	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
Operating Contingencies	-	75,000	(75,000)
Debt Service			
Loan Payment Principal	59,183	59,200	(17)
Loan Payment Interest	3,433	3,450	(17)
Deferred Loan Interest	6,948	6,950	-
Deferred Loan Principal	17,143	17,150	(7)
Reserve for Payment	-	75,000	(75,000)
Intergovernmental Agreement Payment	-	75,000	(75,000)
Total Debt Service	<u>86,707</u>	<u>236,750</u>	<u>(150,041)</u>
Total Expenditures	<u>1,336,945</u>	<u>1,643,350</u>	<u>(306,403)</u>
Excess of Revenues Over (Under) Expenditures	<u>508,636</u>	<u>374,650</u>	<u>133,984</u>
Other Financing Sources (Uses):			
Proceeds from the Sale of Assets	2,160	-	2,160
Operating Transfer Out	<u>(550,000)</u>	<u>(640,000)</u>	<u>90,000</u>
Total Other Financing Sources (Uses)	<u>(547,840)</u>	<u>(640,000)</u>	<u>92,160</u>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(39,204)	(265,350)	226,144
FUND BALANCE, July 1, 2014	<u>403,302</u>	<u>400,500</u>	<u>2,802</u>
FUND BALANCE, June 30, 2015	<u>\$364,098</u>	<u>\$135,150</u>	<u>\$228,946</u>

Roberts Creek Water District

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Capital Project Fund (Budget Basis)

For The Fiscal Year Ended June 30, 2015

	Actual	Original & Final Budget	Over (Under) Budget
Revenues:			
Meter Sales	\$ 55,712	\$104,500	(\$48,788)
Interest	2,376	3,000	(624)
Miscellaneous Income	-	1,000	(1,000)
Total Revenues	<u>58,088</u>	<u>108,500</u>	<u>(50,412)</u>
Expenditures:			
Capital Outlay	561,133	1,076,700	(515,567)
Reservoir Maintenance	1,868	5,000	(3,132)
Miscellaneous	-	1,000	(1,000)
Debt Service - Plant Upgrade	<u>439,451</u>	<u>440,000</u>	<u>(549)</u>
Total Expenditures	<u>1,002,452</u>	<u>1,522,700</u>	<u>(520,248)</u>
Excess of Revenues Over (Under) Expenditures	<u>(944,364)</u>	<u>(1,414,200)</u>	<u>469,836</u>
Other Financing Sources (Uses):			
Operating Transfer In	<u>550,000</u>	<u>640,000</u>	<u>(90,000)</u>
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>640,000</u>	<u>(90,000)</u>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(394,364)</u>	<u>(774,200)</u>	<u>379,836</u>
FUND BALANCE, July 1, 2014	<u>1,700,684</u>	<u>1,250,000</u>	<u>450,684</u>
FUND BALANCE, June 30, 2015	<u>\$1,306,320</u>	<u>\$475,800</u>	<u>\$830,520</u>

Other Supplemental Data

Roberts Creek Water District

Schedule of Insurance Coverage

As of June 30, 2015

Company	Policy Number	Agency	Expires	Coverage	Amount
Special Districts Association of Oregon	26P54183-894	Umpqua Insurance Agency	1/1/16	Property Coverage:	
				Buildings	\$16,049,511
				Contents	3,175,359
				Equipment	220,150
				Electronic Data Processing Equip	113,198
				Equipment Rented/Leased	100,000
				Extra Expense	500,000
				Accounts Receivable	250,000
				Other Property Liability	250,000
				Earthquake	19,558,218
				Public Entity Liability Coverage	500,000
				Uninsured Motorist	500,000
				BOLI Defense	50,000
				Pollution Coverage	100,000
				OSHA Defense	5,000
				Crime:	
				Public Employee Dishonesty	50,000
				Forgery	50,000
				Theft, Disappearance or Destruction	
				Inside/Outside Premises	100,000
				Computer Fraud	50,000
				Excess Liability	4,500,000

Auditor's Comments and Disclosures
Required by State Law

NEUNER, DAVIDSON & COOLEY, LLC

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Roberts Creek Water District
Roseburg, OR 97471

We have audited the basic financial statements of the Roberts Creek Water District as of and for the year ended June 30, 2015, and have issued our report thereon dated October 27, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Roberts Creek Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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


Member:

*American Institute of Certified Public Accountants
Oregon Society of Certified Public Accountants
Private Companies Practice Section*

Roberts Creek Water District
Independent Auditor's Report
Required by Oregon State Regulations

Restrictions on Use

This report is intended solely for the information and use of the Board of Directors and management of Roberts Creek Water District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Jeffrey R. Cooley, CPA
Roseburg, Oregon