



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

AGENDA

Wednesday, May 19, 2021

Closed Session: 12:00 p.m. / Open Session: 1:00 p.m.

Administration Building

16320 Everhart Drive, Weed, California 96094 • (530) 938-3281

NOTICE OF TEMPORARY PROCEDURES FOR BOARD MEETINGS

Pursuant to California Governor Gavin Newsom's Executive Order N-29-20 issued March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic, the Lake Shastina Community Service District will be holding its meeting via teleconference and encourages the community to participate in the meeting to the same extent as if they were present.

How to participate appears at the end of this agenda.

CALL TO ORDER: 12:00 p.m.

LSCSD Board Roll Call: Directors: Beck _____ Cupp _____ MacIntosh _____ Mitchell _____ Thompson _____

ADJOURN TO CLOSED SESSION:

CLOSED SESSION:

- A. CONFERENCE WITH LABOR NEGOTIATORS - Pursuant to Government Code Section 54957.6 Agency Negotiators: Robert Moser, General Manager; Employee Organization: Teamsters Local 137
- B. Conference with Legal Counsel – Significant Exposure to Litigation (Gov. Code Section 54956.9(b). Number of Cases: 1 (Polly Johnson v. LSPD)

RETURN TO OPEN SESSION:

PLEDGE OF ALLEGIANCE:

REPORT ON CLOSED SESSION:

PUBLIC COMMENTS: This is an opportunity for members of the public to address the Board on subjects within its jurisdiction.

Those who wish to speak on a matter that does not appear on the agenda, may do so during this Public Comment period. Each individual comment will be limited to three minutes. The Public Comment portion of the meeting will be limited to thirty minutes (total time). If needed, time limits may be extended with concurrence of the Board. No person may speak twice to the same item. The Board may ask questions but may not act during the Public Comments portion of the meeting, except to direct staff to prepare a report, or to place the item on a future agenda.

Those who wish to speak on an item on the agenda, may do so by raising their hand and once acknowledged, identify the item(s). All above guidelines apply.

CONSENT CALENDAR: Items on the Consent Calendar are considered routine, not requiring separate discussion. However, if discussion is wanted, the item may be removed from the Consent Calendar and considered separately. Board members may ask questions of clarification without removing an item from the Calendar. Individual items are approved by the vote that approves the Consent Calendar unless an item is pulled for separate consideration.

1. Consent Items

- A. Approval of Minutes: Regular Meeting 04/21/21 and Special Meeting 05/06/21
- B. Ratification of Disbursements: April 1 through April 30, 2021
- C. Budget Comparison: FY 2020/21
- D. LAIF Quarterly Report 3/31/21
- E. Department Written Reports
 1. Fire Department
 2. Police Department
 3. Sewer Department
 4. Water Department

DISCUSSION / REPORTS: ACTION ITEMS:

2. Audit and Financial Statements for year ended June 30, 2020: CPA presentation and acceptance of audit (GM/CPA Bain)
3. Siskiyou County Water Users Association information only (Richard Marshall)
4. Police CSO position (Chief Bullington)
5. Purchase of new financial accounting software (GM)
6. Prepayment of current Sewer loan with City National Bank (GM)
7. California Drought (GM)

STAFF COMMENTS:

BOARD MEMBER COMMENTS:

ADJOURNMENT: The next LSCSD Regular Board Meeting is scheduled to be held on June 16, 2021, 1:00 p.m. at the Administration Building.

Supplementary documents and other materials distributed to the District board after their agenda packets have been distributed to the members may be viewed at the District office and obtained at the meeting.

Join Zoom Meeting Closed Session

<https://us02web.zoom.us/j/82865728509?pwd=SUhLZG5ESGcrdHpHYTVkMkJWRmoxdz09>

Meeting ID: 828 6572 8509

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Passcode: 071362

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LAKE SHASTINA COMMUNITY SERVICES DISTRICT

Regular Meeting
Wednesday, April 21, 2021
Closed Session 12:00 p.m.
Open Session by Teleconference: 1:00 p.m.
UNAPPROVED MINUTES

NOTICE OF TEMPORARY PROCEDURES FOR BOARD MEETINGS

Pursuant to California Governor Gavin Newsom’s Executive Order N-29-20 issued March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic, the Lake Shastina Community Service District will be holding its meeting via teleconference and encourages the community to participate in the meeting to the same extent as if they were present.

CALL TO ORDER AND ROLL CALL: 12:00 p.m.

LSCSD Board Roll Call: Beck abs Cupp ✓ MacIntosh ✓ Mitchell ✓ Thompson ✓
Also present: GM Moser and District Counsel Margaret Long. There were no people in the audience.

ADJOURN TO CLOSED SESSION: 12:00 p.m.

CLOSED SESSION:

A. Personnel (Gov. Code Section 54957) Public Employee Performance Evaluation: Legal Counsel

RETURN TO OPEN SESSION: 1:05 p.m.

Also present: GM Moser, AP DeBon, FC Pappas, and District Counsel Long. There were approximately 2 people in the audience.

REPORT ON CLOSED SESSION: Direction given to staff

PLEDGE OF ALLEGIANCE: Carried out.

PUBLIC COMMENTS: None received.

CONSENT CALENDAR: (All items accepted/approved by the Board unless otherwise noted.)

1. A. Approval of Minutes: Regular Meeting 3/17/2021, Special Meeting 4/13/2021
- B. Ratification of Disbursements: March 1 through March 31, 2021
- C. Budget Comparison: FY 2020/21
- D. LAIF and Accounts Receivables Aging Analysis: FY 2020/21
- E. Department Written Reports
 1. Fire Department
 2. Police Department
 3. Sewer Department
 4. Water Department

Motion by Dir. Cupp, second by Dir. Thompson , to approve Consent Calendar.

Ayes: Directors, Cupp, MacIntosh, Mitchell and Thompson
Noes: Dir. Beck
Absent: None

DISCUSSION / REPORTS / ACTION ITEMS:

2. CalPERS Contract Amendment to include the Fire Department (GM)

Motion by Dir. Thompson, second by Dir. MacIntosh, to approve the resolution authorizing an amendment to the contract with the California Public Employees' Retirement System to include local fire fighters.

Ayes: Directors Cupp, MacIntosh, Mitchell and Thompson (Director Beck is precluded from participating in this matter as it relates to District employees.)

Noes: None

Absent: None

3. Discussion/acceptance of CPA contract

Motion by Dir. Cupp, second by Dir. MacIntosh, to approve support accounting services contract with Drew Consulting, Inc. for the fiscal year 2022.

Ayes: Directors Beck, Cupp, MacIntosh, Mitchell and Thompson

Noes: None

Absent: None

4. Discussion regarding the California Drought
Direction given to staff.

5. Discussion regarding the Fire Department Apparatus Bay

STAFF COMMENTS: Comments received.

BOARD MEMBER COMMENTS: Comments received.

ADJOURNMENT: With no objections by the Board, Pres. Mitchell adjourned the meeting at 2:11 p.m. The next LSCSD Regular Board meeting to be held on May 19, 2021, 1:00 p.m. at the Administration Building, access may possibly be thru ZOOM meeting.

Approval Date: May 19, 2021

Paula Mitchell, President

ATTEST:

Robert Moser, General Manager, Secretary



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

Special Meeting
 Thursday, May 6, 2021
 Closed Session 2:00 p.m.
 Open Session by Teleconference: 2:15 p.m.
UNAPPROVED MINUTES

NOTICE OF TEMPORARY PROCEDURES FOR BOARD MEETINGS

Pursuant to California Governor Gavin Newsom's Executive Order N-29-20 issued March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic, the Lake Shastina Community Service District will be holding its meeting via teleconference and encourages the community to participate in the meeting to the same extent as if they were present.

CALL TO ORDER AND ROLL CALL: 2:00 p.m.

LSCSD Board Roll Call: Beck absent, Cupp ✓ MacIntosh ✓ Mitchell ✓ Thompson ✓
 Also present: GM Moser and District Counsel Margaret Long. There were no people in the audience.

ADJOURN TO CLOSED SESSION: 2:01 p.m.

CLOSED SESSION:

A. Conference with Legal Counsel – Initiation of Litigation (Gov. Code Section 54956.9(d)(4))

With no objections by the Board, Pres. Mitchell adjourned Closed Session at 2:19 p.m.

RETURN TO OPEN SESSION: 2:22 p.m.

Also present: GM Moser, AP DeBon, and District Counsel Long. Director Beck remained absent. There was one person in the audience.

REPORT ON CLOSED SESSION: Direction given to staff

PLEDGE OF ALLEGIANCE: Carried out.

PUBLIC COMMENTS: None received.

DISCUSSION / REPORTS / ACTION ITEMS:

1. Purchase new accounting software

Motion by Dir. Cupp, second by Dir. Thompson to postpone the decision for entering into a contract for hosted / non-hosted full accounting software package with Caselle Inc. until the regular May 19, 2021, meeting.

Ayes: Directors Cupp, MacIntosh and Thompson

Noes: Director Mitchell

Absent: Director Beck

Direction given to staff

2. Sewer loan prepay

Motion by Dir. Thompson, second by Dir. MacIntosh, to postpone the decision to prepay current sewer department loan with City National Bank until the regular May 19, 2021, meeting.

Ayes: Directors Cupp, MacIntosh, Mitchell and Thompson

Noes: None

Absent: Director Beck

Direction given to staff

STAFF COMMENTS: Comments received.

BOARD MEMBER COMMENTS: Comments received.

ADJOURNMENT: With no objections by the Board, Pres. Mitchell adjourned the meeting at 3:51 p.m. The next LSCSD Regular Board Meeting to be held on May 19, 2021, 1:00 p.m. at the Administration Building, access may possibly be thru ZOOM meeting.

Approval Date: _____

Paula Mitchell, President

ATTEST:

Robert Moser, General Manager/Secretary

TREASURER'S REPORT - RATIFICATION OF DISBURSEMENTS
LAKE SHASTINA COMMUNITY SERVICES DISTRICT

1B

Board motion "To ratify the checks for expenses, including payroll and liabilities, issued on behalf of the District for the period of April 1 thru April 30,2021 for a total of: " \$ 300,965.84

Each check has been signed by two directors with documentation attached to each check.

Submitted for April 2021	\$ 300,965.84
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Expenses - Regular Checks Mechanics Bank Account	\$ 229,248.58
Expenses - Payroll & Liability Checks Mechanics Bank Account	\$ 71,717.26
<u>Subtotal</u>	<u>\$ 300,965.84</u>
<u>Total CSD Expenses</u>	<u>\$ 300,965.84</u>

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LAKE SHASTINA COMMUNITY SERVICES DISTRICT
ACCOUNTS PAYABLE - MECHANICS BANK

1B

Date	JE or Ck #	Payee	Total Expense	Regular Expenses	Payroll Expenses	18 General	15 Sewer	20 Water	25 Police	26 COPS Grant	30 Fire	31 SAFER
4/6/2021	1235	Meek's Lumber & Hardware	2.50	2.50		-	2.50	-	-	-	-	-
	1242	FNBO-SP	2,003.09	2,003.09		-	-	-	-	20.83	1,982.26	-
	1243	FNBO-AD	451.09	451.09		-	451.09	-	-	-	-	-
	1244	FNBO-WB	240.37	240.37		-	-	-	-	240.37	-	-
	1245	FNBO-RV	155.83	155.83		-	-	24.12	131.71	-	-	-
	1246	FNBO-RM	437.23	437.23		14.99	293.13	129.11	-	-	-	-
4/8/2021	1236	Pilney Bowes	202.70	202.70		202.70	-	-	-	-	-	-
	1237	Quill Corp	51.22	51.22		51.22	-	-	-	-	-	-
	1238	US Bank Equipment Finance	490.55	490.55		-	-	-	-	490.55	-	-
	1239	Verizon Wireless	40.62	40.62		-	-	-	-	-	40.62	-
	1240	US Cellular	134.67	134.67		-	-	-	-	134.67	-	-
	24675	Basic Lab	1,042.20	1,042.20		-	447.00	595.20	-	-	-	-
	24676	Black Butte Auto	800.00	800.00		-	-	-	-	-	800.00	-
	24677	Cal Ore Telephone	435.02	435.02		192.21	68.01	68.01	85.43	-	21.30	-
	24678	Capital Research & Management	195.47	195.47		-	24.43	24.43	48.87	48.87	48.87	-
	24679	City of Medford	2,025.27	2,025.27		-	-	-	-	-	2,025.27	-
	24680	Don R. Erickson Oil, Inc.	4,347.49	4,347.49		763.85	475.01	445.42	-	1,099.06	1,564.15	-
	24681	Ferguson Waterworks	392.83	392.83		-	-	392.83	-	-	-	-
	24682	Kristine Ann Duncan	187.98	187.98		-	-	-	-	-	187.98	-
	24683	LSCSD Utilities	149.79	149.79		149.79	-	-	-	-	-	-
	24684	Mt. Shasta IT Services Inc	2,200.00	2,200.00		660.00	330.00	330.00	440.00	220.00	220.00	-
	24685	Municipal Emergency Services	101,373.12	101,373.12		-	-	-	-	-	101,373.12	-
	24686	N.C.G.T. Security Fund	15,691.00	15,691.00		3,626.50	2,657.61	2,263.89	2,947.00	1,716.00	1,716.00	764.00
	24687	Nor-Cal Rewinding	4,648.77	4,648.77		-	4,648.77	-	-	-	-	-
	24688	Norco Inc.	11.47	11.47		-	-	-	-	-	11.47	-
	24689	VOIDED				-	-	-	-	-	-	-
	24691	Shasta Auto Supply	89.33	89.33		-	-	-	-	89.33	-	-
	24692	Siskiyou Disposal	325.00	325.00		112.50	58.25	56.25	50.00	-	50.00	-
	24693	Sojano's Inc	258.46	258.46		19.46	151.23	56.61	-	31.14	-	-
	24694	The Sign Dude	204.53	204.53		-	-	-	-	-	-	204.53
	24695	Turnout Topco, LLC	1,738.80	1,738.80		-	-	-	-	-	1,738.80	-
	24696	US Postal Services	2,381.19	2,381.19		2,381.19	-	-	-	-	-	-
	24697	Western Business Products	109.37	109.37		109.37	-	-	-	-	-	-
	24698	SHN Consulting Engineers	18,257.69	18,257.69		-	-	18,257.69	-	-	-	-
	24699	Payroll Checks (Live Checks)-MR	2,320.37	2,320.37		-	2,320.37	-	-	-	-	-
	24700	Payroll Checks (Live Checks)-JB	488.77	488.77		-	-	-	-	-	488.77	-
	24701	Payroll Checks (Live Checks)-BB	39.79	39.79		-	-	-	-	-	39.79	-
	24702	Payroll Checks (Live Checks)-HS	453.83	453.83		-	-	-	-	-	453.83	-
	24703	Payroll Checks (Live Checks)-MW	1,506.36	1,506.36		-	-	-	-	-	-	1,506.36
	505335	EDD EFT	1,437.08	1,437.08		352.46	467.74	-	266.05	146.76	122.29	81.78
	505336	EFTPS EFT	4,038.41	4,038.41		703.28	1,272.14	-	661.15	296.36	621.51	483.97
	505337	American Funds EFT	126.92	126.92		-	-	-	-	-	126.92	-
	505338	CalPERS Classic EFT	1,937.93	1,937.93		400.59	1,537.34	-	-	-	-	-
	505339	CalPERS PEPPRA EFT	524.14	524.14		-	-	-	-	-	-	-
	505340	CalPERS Clc Safety EFT	1,000.59	1,000.59		-	-	-	1,000.59	-	-	-
	505341	CalPERS Pep Safety EFT	1,003.20	1,003.20		-	-	-	495.14	508.06	-	-
	505342	CalPERS 457 Plan	737.97	737.97		50.00	390.00	-	200.00	97.97	-	-
	505343	MB EFT - Payroll Checks (Direct Deposits)	18,312.30	18,312.30		5,156.48	5,071.51	-	4,199.82	2,101.61	1,781.08	-

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
 ACCOUNTS PAYABLE - MECHANICS BANK

1B

Date	JE or Ck #	Payee	Total Expense	Regular Expenses	Payroll Expenses	10 General	15 Sewer	20 Water	25 Police	26 COPS Grant	30 Fire	31 SAFER
4/22/2021	24704	Payroll Checks (Live Checks)-MR	1,873.68		1,873.68	-	1,873.68	-	-	-	-	-
	24705	Payroll Checks (Live Checks)-MW	1,506.36		1,506.36	-	-	-	-	-	-	1,506.36
	24706	UNION DUES	458.48	458.48	185.00	147.00	-	61.24	65.24	-	-	-
	505353	EDD EFT	1,420.56	1,420.56	364.40	408.66	-	271.38	242.43	81.91	-	81.78
	505354	EFTPS EFT	3,962.52	3,962.52	741.25	1,115.21	-	672.78	502.98	446.33	483.97	-
	505355	American Funds EFT	126.92	126.92	-	-	-	-	-	-	126.92	-
	505356	CalPERS Classic EFT	1,937.93	1,937.93	400.59	1,537.34	-	-	-	-	-	-
	505357	CalPERS PEPPRA EFT	524.14	524.14	524.14	-	-	-	-	-	-	-
	505358	CalPERS Ctc Safety EFT	1,000.69	1,000.69	-	-	-	1,000.59	-	-	-	-
	505359	CalPERS Pcp Safety EFT	1,038.41	1,038.41	-	-	-	504.94	533.47	-	-	-
	505360	AFLAC	258.04	258.04	33.12	224.92	-	-	-	-	-	-
	505361	CalPERS 457 Plan	763.88	763.88	50.00	390.00	-	200.00	123.88	-	-	-
	505362	MB EFT - Payroll Checks (Direct Deposits)	18,766.76	18,766.76	5,282.26	4,699.78	-	4,368.59	2,635.05	1,781.08	-	-
	505364	EDD EFT	316.88	316.88	-	316.88	-	-	-	-	-	-
	505365	EFTPS EFT	733.28	733.28	-	733.28	-	-	-	-	-	-
	505366	MB EFT - Payroll Checks (Direct Deposits)	3,101.17	3,101.17	-	3,101.17	-	-	-	-	-	-
	1241	AT&T	114.65	114.65	-	57.33	57.32	-	-	-	-	-
	1247	Pacific Power	11,924.33	11,924.33	1,018.27	5,089.89	5,511.47	145.09	-	-	159.61	-
	1248	Quill Corp	198.35	198.35	130.80	-	-	-	-	33.78	33.77	-
	24707	Basic Lab	153.60	153.60	-	-	153.60	-	-	-	-	-
	24708	Caliber Office Furniture	309.95	309.95	309.95	-	-	-	-	-	-	-
	24709	City of Medford	218.50	218.50	-	-	-	-	-	-	218.50	-
	24710	Empire Steel Buildings	20,000.00	20,000.00	-	-	-	-	-	-	20,000.00	-
	24711	Fischer's Siskiyou Backhoe	25.73	25.73	25.73	-	-	-	-	-	-	-
	24712	Galls, LLC	53.99	53.99	-	-	-	-	53.99	-	-	-
	24713	Hue & Cry	38.00	38.00	38.00	-	-	-	-	-	-	-
	24714	Jeff Clifford Partridge	525.00	525.00	-	-	-	-	-	-	525.00	-
	24715	Kellie Power	400.00	400.00	400.00	-	-	-	-	-	-	-
	24716	Lake Shastina Golf Resort	133.53	133.53	35.94	21.27	21.27	-	-	-	55.05	-
	24717	Mauro Rodriguez	96.99	96.99	-	47.99	48.00	-	-	-	-	-
	24718	Prentice Long, PC	2,115.00	2,115.00	657.50	210.00	210.00	557.50	-	-	280.00	-
	24719	Siskiyou County	365.99	365.99	-	-	-	-	-	365.99	-	-
	24720	Suds City Auto Spa	11.00	11.00	-	-	-	-	-	11.00	-	-
	24721	Valley Pump & Motor Works Inc	30,403.32	30,403.32	-	30,403.32	-	-	-	-	-	-
	24722	Will Johnson Electric	585.00	585.00	-	585.00	-	-	-	-	-	-
	24723	Woods Pest Control	120.00	120.00	-	60.00	60.00	-	-	-	-	-
	24724	XIO, Inc	382.00	382.00	-	-	382.00	-	-	-	-	-
			308,965.84	229,248.58	71,717.26	25,869.70	71,686.85	29,087.22	18,307.67	11,809.39	139,092.26	5,112.75

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

April 2021 Detailed Budget Comparison 2020/2021 YTD

For the Period: 7/1/2020 to 4/30/2021	Original Bud.	Amended Bud.	YTD Actual	CJRR MTH	UnensBal	5/12/2021 % Bud
Fund: 10 - LSCSD General Fund						
Revenues						
Dept: 00						
4055.000 Misc Operational Income	500.00	250.00	35.90	0.00	214.10	14.4
4056.000 Misc-Non Operating Income	0.00	1,462.00	1,461.33	0.00	0.67	100.0
4070.000 Antenna Lease Revenue	24,438.79	24,438.79	21,537.91	2,053.27	2,900.88	88.1
5050.000 Transfer Fees	4,000.00	4,000.00	4,640.00	460.00	-640.00	116.0
5080.000 Interest Earned-OPS	100.00	100.00	4.84	0.00	95.16	4.8
5081.000 Interest Earned-RSV	1,000.00	1,000.00	406.28	0.00	593.72	40.6
Dept: 22 Medical Clinic						
4053.000 Medical Clinic Revenue	60,264.00	60,264.00	50,220.00	5,022.00	10,044.00	83.3
Dept: 23 Green Waste Site						
4055.000 Misc Operational Income	5,000.00	5,000.00	4,370.50	1,202.00	629.50	87.4
Revenues	95,302.79	96,514.79	82,676.76	8,737.27	13,838.03	85.7%
Expenditures						
Dept: 01 General Admin						
7002.000 Admin Overhead Alloc	-401,280.86	-447,779.41	0.00	0.00	-447,779.41	0.0
7010.000 Capital Improvement	10,000.00	10,000.00	0.00	0.00	10,000.00	0.0
7020.000 IT Contract Services/Server	8,000.00	3,950.00	3,300.00	330.00	660.00	83.3
7026.000 Contract Services	20,000.00	20,000.00	30,752.66	344.00	-10,752.66	153.8
7033.000 Licenses, Permits, Fees	2,500.00	2,500.00	2,842.64	224.99	-342.64	113.7
7034.000 Dues & Subscriptions	8,000.00	8,000.00	3,778.48	0.00	4,221.52	47.2
7035.000 Advertising	700.00	1,000.00	1,021.66	0.00	-21.66	102.2
7040.000 Insurance (Liability)	1,000.00	1,000.00	0.00	0.00	1,000.00	0.0
7041.000 Legal	15,000.00	50,000.00	35,341.03	0.00	14,658.97	70.7
7050.100 Off Exp-Supplies	5,000.00	3,500.00	3,084.32	106.56	415.68	88.1
7050.200 Off Exp-Postage	5,500.00	5,500.00	0.00	0.00	5,500.00	0.0
7050.400 Off Exp-Maint	7,500.00	7,500.00	689.37	12.48	6,810.63	9.2
7062.000 Repair & Maintenance	600.00	600.00	130.78	0.00	469.22	21.8
7063.000 Fuel	300.00	250.00	11.87	0.00	288.13	4.7
7064.000 Materials/Supplies/Small Tools	3,000.00	7,500.00	8,295.83	309.95	-795.83	110.6
7065.000 Vehicle Repair/Maintenance	600.00	500.00	0.00	0.00	500.00	0.0
7101.000 Property Taxes	126.00	126.00	126.00	0.00	0.00	100.0
7105.000 Utilities - CSD	2,000.00	3,500.00	3,005.62	149.79	494.38	85.9
7105.100 Util-Telephone	2,000.00	1,500.00	1,674.31	169.57	-174.31	111.6
7105.200 Util-Electric	4,000.00	2,000.00	2,993.02	337.63	-993.02	149.7
7105.400 Utilities-Propane	500.00	250.00	87.50	0.00	162.50	35.0
7105.600 Utility - Internet	1,550.00	1,500.00	1,281.40	128.14	218.60	85.4
7204.000 Events	500.00	250.00	0.00	0.00	250.00	0.0
7501.000 Payroll Expense	238,166.60	253,660.20	192,084.12	15,251.57	61,576.08	75.7
7513.000 Payroll-TAXES	5,734.21	5,958.57	5,418.64	242.48	539.93	90.9
7514.000 Payroll-Benefits	66,621.18	66,621.18	47,097.51	4,058.16	19,523.67	70.7
7516.200 Pension Cost (CalPERS)	20,902.71	20,902.71	0.00	0.00	20,902.71	0.0
7516.400 CalPERS Fees	21,602.71	21,232.82	15,665.68	1,337.24	5,567.14	73.8
7516.500 CalPERS UAL Expense	400.00	400.00	364.00	0.00	36.00	91.0
7518.000 Workers Comp	40,440.60	40,540.00	39,840.12	0.00	699.88	98.3
7530.000 Payroll Reimbursement	30,450.00	21,474.22	4,840.03	1,281.44	16,634.19	22.5
7530.100 PR Reimbursement Admin	-66,092.14	-66,092.14	-26,047.79	0.00	-40,044.35	39.4
7550.000 Travel & Training	5,000.00	1,000.00	389.06	0.00	610.94	38.9
7551.000 Meals	600.00	300.00	35.94	0.00	264.06	12.0
Dept: 22 Medical Clinic						
7026.000 Contract Services	1,000.00	1,000.00	280.00	0.00	720.00	28.0
7040.000 Insurance (Liability)	800.00	800.00	0.00	0.00	800.00	0.0
7062.000 Repair & Maintenance	1,000.00	1,000.00	39.44	0.00	960.56	3.9
7063.000 Fuel	50.00	50.00	23.81	0.00	26.19	47.6
7080.000 Interest Expense	9,000.00	9,000.00	2,377.05	0.00	6,622.95	26.4
7084.000 Loan Principle Expense	36,500.49	36,500.49	30,622.95	0.00	5,877.54	83.9
7501.000 Payroll Expense	3,006.00	3,000.00	606.99	89.31	2,393.01	20.2
7513.000 Payroll-TAXES	400.00	400.00	9.72	1.39	390.28	2.4
7514.000 Payroll-Benefits	350.00	350.00	0.00	0.00	350.00	0.0
7516.200 Pension Cost (CalPERS)	650.00	650.00	54.27	8.26	595.73	8.3
7518.000 Workers Comp	300.00	300.00	16.29	7.67	283.71	5.4
Medical Building Reserves	7,064.00	7,064.00	0.00	0.00	0.00	0.0
Dept: 23 Green Waste Site						
7026.000 Contract Services	850.00	850.00	234.81	0.00	615.19	27.6
7063.000 Fuel	500.00	500.00	0.00	0.00	500.00	0.0
7064.000 Materials/Supplies/Small Tools	450.00	450.00	0.00	0.00	450.00	0.0
7501.000 Payroll Expense	1,700.00	1,700.00	611.10	87.30	1,088.90	35.9
7513.000 Payroll-TAXES	250.00	250.00	81.19	11.30	168.81	32.5
7514.000 Payroll-Benefits	500.00	500.00	0.00	0.00	500.00	0.0
7516.200 Pension Cost (CalPERS)	600.00	600.00	0.00	0.00	600.00	0.0
7518.000 Workers Comp	150.00	150.00	45.00	7.50	105.00	30.0
Expenditures	126,055.50	114,268.64	413,106.42	24,496.73	-305,901.78	385.3%

For the Period: 7/1/2020 to 4/30/2021

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	UnencBal	% Bud
Fund: 15 - LSCSD Sewer Dept						
Revenues						
Dept: 00						
4001.100 Assmt/Revenue-Residential	554,618.40	554,618.40	471,908.14	158,211.00	82,710.26	85.1
4001.200 Assmt/Revenue-Standby	65,232.00	65,232.00	65,136.00	0.00	96.00	99.9
4001.300 Assmt/Revenue-Commercial	14,000.00	14,000.00	14,907.00	0.00	-907.00	106.5
4003.000 Late Payment Revenue	3,000.00	4,500.00	6,635.95	-0.46	-2,135.95	147.5
4058.000 Misc-Non Operating Income	2,000.00	500.00	0.00	0.00	500.00	0.0
5004.000 Sewer Hook Up Fee	20,000.00	37,000.00	0.00	0.00	37,000.00	0.0
5005.000 Sewer Payment Contracts	1,000.00	1,000.00	0.00	0.00	1,000.00	0.0
5040.000 Gain on Sale of Equipment	0.00	0.00	65,236.50	0.00	-65,236.50	0.0
5081.000 Interest Earned-RSV	1,154.73	1,154.73	1,106.50	0.00	48.23	95.8
Dept: 36 Planning Grant						
5075.000 Grant Income	22,000.00	22,000.00	1,038.00	0.00	20,962.00	4.7
Revenues	683,005.13	700,005.13	625,968.09	158,210.54	74,037.04	89.4%

Expenditures

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	UnencBal	% Bud
Dept: 01 General Admin						
7001.000 Accounting Audit/Review	2,800.00	2,800.00	0.00	0.00	2,800.00	0.0
7002.000 Admin Overhead Alloc	128,409.88	143,289.41	0.00	0.00	143,289.41	0.0
7010.000 Capital Improvement	140,000.00	210,000.00	99,745.29	30,403.32	110,254.71	47.5
Less Reimbursement due from LAIF Savings	-140,000.00	-210,000.00	-99,745.29	-30,403.32	-110,254.71	-47.5
7020.000 IT Contract Services/Server	3,960.00	3,960.00	3,300.00	330.00	660.00	83.3
7026.000 Contract Services	15,000.00	15,000.00	7,546.52	677.98	7,453.48	50.3
7033.000 Licenses, Permits, Fees	8,700.00	10,000.00	9,472.76	0.00	527.24	94.7
7034.000 Dues & Subscriptions	500.00	250.00	189.75	0.00	60.25	75.9
7035.000 Advertising	100.00	1,000.00	675.82	0.00	324.18	67.6
7040.000 Insurance (Liability)	14,000.00	14,000.00	0.00	0.00	14,000.00	0.0
7041.000 Legal	1,000.00	1,000.00	210.00	0.00	790.00	21.0
7050.100 Off Exp-Supplies	100.00	100.00	139.34	24.12	-39.34	139.3
7050.200 Off Exp-Postage	250.00	250.00	0.00	0.00	250.00	0.0
7055.000 Safety Equipment	1,000.00	3,000.00	49.98	0.00	2,950.02	1.7
7061.000 Rental Equipment	500.00	500.00	0.00	0.00	500.00	0.0
7062.000 Repair & Maintenance	29,000.00	29,000.00	20,862.77	542.31	8,147.23	71.9
7063.000 Fuel	7,500.00	7,500.00	3,432.29	0.00	4,067.71	45.8
7064.000 Materials/Supplies/Small Tools	8,500.00	6,000.00	4,258.11	1,077.77	1,741.89	71.0
7065.000 Vehicle Repair/Maintenance	3,000.00	5,000.00	3,200.21	164.01	1,799.79	64.0
7080.000 Interest Expense	16,163.94	16,163.94	16,163.94	0.00	0.00	100.0
7085.000 Municipal Finance Principle	44,861.50	44,861.50	44,861.50	0.00	0.00	100.0
7100.000 Lease/Rent Expense	1,760.00	2,500.00	1,967.97	0.00	532.03	78.7
7105.100 Util-Telephone	500.00	650.00	559.19	57.33	90.81	86.0
7105.200 Util-Electric	50,000.00	50,000.00	37,973.04	5,089.69	12,026.96	75.9
7105.300 Util-Waste	510.00	510.00	582.50	56.25	-52.50	110.3
7105.600 Utility - Internet	700.00	700.00	658.10	68.01	41.90	94.0
7501.000 Payroll Expense	145,000.00	145,000.00	103,406.17	13,419.76	41,593.83	71.3
7513.000 Payroll-TAXES	13,000.00	13,000.00	2,158.72	203.59	10,841.28	16.6
7514.000 Payroll-Benefits	30,000.00	30,000.00	29,327.13	2,657.61	672.87	97.8
7516.200 Pension Cost (CalPERS)	15,000.00	15,000.00	9,063.69	856.12	5,936.31	60.4
7516.400 CalPERS Fees	200.00	200.00	198.00	0.00	4.00	98.0
7516.500 CalPERS UAL Expense	21,151.93	21,151.93	20,702.11	0.00	449.82	97.9
7516.600 Pension Plan Fees (MPPP)	202.00	202.00	170.41	0.00	31.59	84.4
7518.000 Workers Comp	13,000.00	13,000.00	2,571.66	770.58	10,428.34	19.8
7550.000 Travel & Training	500.00	500.00	81.99	0.00	418.01	16.4
7551.000 Meals	500.00	500.00	21.27	0.00	478.73	4.3
7552.000 Employee Physical Exams-Shots	100.00	100.00	0.00	0.00	100.00	0.0
7555.000 Personal Protective Equip PPE	1,000.00	1,000.00	907.53	890.54	92.47	90.8
7556.000 Uniforms	1,200.00	1,200.00	515.00	47.99	685.00	42.9
Dept: 36 Planning Grants						
7026.000 Contract Services	20,000.00	20,000.00	12,688.57	0.00	7,311.43	63.4
7513.000 Payroll-TAXES	0.00	0.00	6.70	0.00	-6.70	0.0
7516.200 Pension Cost (CalPERS)	0.00	0.00	10.28	0.00	-10.28	0.0
7518.000 Workers Comp	0.00	0.00	10.47	0.00	-10.47	0.0
7530.000 Payroll Reimbursement	2,000.00	2,000.00	335.16	0.00	1,664.84	16.8
Expenditures	601,669.25	620,888.78	338,246.65	26,933.86	282,642.13	54.5%

For the Period: 7/1/2020 to 4/30/2021

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	UnencBal	% Bud
Fund: 20 - LSCSD Water Dept						
Revenues						
Dept: 00						
4001.100 Assmt/Revenue-Residential	345,000.00	345,000.00	271,555.96	71,530.55	73,434.04	78.7
4001.200 Assmt/Revenue-Standby	102,200.00	102,200.00	102,200.96	0.00	-0.96	100.0
4001.300 Assmt/Revenue-Commercial	13,000.00	13,000.00	12,746.92	0.00	253.08	98.1
4003.000 Late Payment Revenue	8,000.00	8,000.00	6,216.21	-0.48	1,783.79	77.7
4056.000 Misc-Non Operating Income	2,000.00	0.00	0.00	0.00	0.00	0.0
4075.000 Water Capacity Expansion Fee	1,500.00	1,500.00	2,240.00	0.00	-740.60	149.3
5006.000 Water Hook Up Fee	1,000.00	1,000.00	11,752.07	0.00	-10,752.07	1175.2
5081.000 Interest Earned-RSV	6,000.00	6,000.00	2,437.21	0.00	3,562.79	40.6
Dept: 22 Medical Clinic						
4054.000 Loan Principle Revenue	36,500.00	36,500.00	30,622.95	0.00	5,877.05	83.9
5081.000 Interest Earned-RSV	9,000.00	9,000.00	2,377.05	0.00	6,622.95	26.4
Dept: 36 Planning Grant						
5075.000 Grant Income	0.00	2,000.00	11,787.00	0.00	-9,787.00	589.4
Revenues	524,200.00	524,200.00	453,946.33	71,530.07	70,253.67	86.6%
Expenditures						
7001.000 Accounting Audit/Review	2,800.00	2,800.00	0.00	0.00	2,800.00	0.0
7002.000 Admin Overhead Alloc	145,919.11	161,200.58	0.00	0.00	161,200.58	0.0
7010.000 Capital Improvement	70,000.00	70,000.00	69,341.96	69,341.96	658.04	99.1
Less Reimbursement due from LAIF Savings	-70,000.00	-70,000.00	-69,341.96	-69,341.96	-658.04	-99.1
7020.000 IT Contract Services/Server	4,200.00	3,960.00	3,300.00	330.00	660.00	83.3
7026.000 Contract Services	20,000.00	20,000.00	10,999.35	535.60	9,000.65	55.0
7033.000 Licenses, Permits, Fees	3,000.00	3,200.00	3,167.22	0.00	32.78	99.0
7034.000 Dues & Subscriptions	1,300.00	500.00	393.75	0.00	106.25	78.8
7035.000 Advertising	150.00	1,000.00	675.84	0.00	324.16	67.6
7040.000 Insurance (Liability)	20,000.00	20,000.00	0.00	0.00	20,000.00	0.0
7041.000 Legal	2,000.00	2,000.00	210.00	0.00	1,790.00	10.5
7050.100 Off Exp-Supplies	500.00	500.00	174.67	24.13	325.33	34.9
7050.200 Off Exp-Postage	500.00	500.00	0.00	0.00	500.00	0.0
7055.000 Safety Equipment	1,000.00	3,000.00	0.00	0.00	3,000.00	0.0
7062.000 Repair & Maintenance	20,000.00	10,600.00	1,444.75	0.00	8,555.25	14.4
7063.000 Fuel	7,500.00	7,500.00	3,405.44	0.00	4,094.56	45.4
7064.000 Materials/Supplies/Small Tools	20,000.00	30,000.00	6,054.29	236.69	24,945.71	18.8
7065.000 Vehicle Repair/Maintenance	3,000.00	5,000.00	2,966.49	0.00	2,033.51	59.3
7100.000 Lease/Rent Expense	1,760.00	1,760.00	1,967.96	0.00	-207.96	111.8
7105.100 Util-Telephone	500.00	500.00	559.21	57.32	-59.21	111.8
7105.200 Util-Electric	70,000.00	70,000.00	72,437.72	5,511.47	-2,437.72	103.5
7105.300 Util-Waste	510.00	510.00	562.50	56.25	-52.50	110.3
7105.600 Utility - Internet	700.00	700.00	658.12	68.01	41.88	94.0
7501.000 Payroll Expense	95,000.00	95,000.00	75,582.69	5,419.18	19,417.31	79.6
7513.000 Payroll-TAXES	8,000.00	8,000.00	1,526.69	83.69	6,473.31	19.1
7514.000 Payroll-Benefits	15,000.00	15,000.00	24,982.37	2,263.89	-9,982.37	166.5
7516.200 Pension Cost (CalPERS)	9,000.00	9,000.00	6,830.29	512.64	2,169.71	75.9
7516.400 CalPERS Fees	200.00	200.00	140.00	0.00	60.00	70.0
7516.500 CalPERS UAL Expense	13,297.47	13,297.47	13,235.77	0.00	61.70	99.5
7516.600 Pension Plan Fees (MPPP)	202.00	202.00	170.38	0.00	31.62	84.3
7518.000 Workers Comp	8,000.00	8,000.00	1,633.06	460.69	6,366.94	20.4
7530.000 Payroll Reimbursement	0.00	0.00	-181.82	0.00	181.82	0.0
7550.000 Travel & Training	500.00	500.00	82.00	0.00	418.00	16.4
7551.000 Meals	500.00	500.00	21.27	0.00	478.73	4.3
7552.000 Employee Physical Exams-Shots	100.00	100.00	0.00	0.00	100.00	0.0
7555.000 Personal Protective Equip PPE	1,000.00	1,000.00	16.99	0.00	983.01	1.7
7556.000 Uniforms	1,200.00	1,200.00	515.05	48.00	684.95	42.9
Dept: 36 Planning Grants						
7026.000 Contract Services	0.00	1,560.00	47,851.28	0.00	-46,291.28	3067.4
7501.000 Payroll Expense	0.00	0.00	184.50	0.00	-184.50	0.0
7513.000 Payroll-TAXES	0.00	0.00	5.85	0.00	-5.85	0.0
7514.000 Payroll-Benefits	0.00	0.00	24.80	0.00	-24.80	0.0
7516.200 Pension Cost (CalPERS)	0.00	0.00	23.25	0.00	-23.25	0.0
7530.000 Payroll Reimbursement	0.00	440.00	347.78	0.00	92.22	79.0
Expenditures	477,338.58	498,630.05	280,969.51	15,607.56	217,660.54	56.3%

For the Period: 7/1/2020 to 4/30/2021	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	UnencBal	% Bud
Fund: 25 - LSCSD Police Department						
Revenues						
4001.100 Assmt/Revenue-Residential	137,940.00	137,940.00	138,164.59	34,677.50	-224.59	100.2
4001.200 Assmt/Revenue-Standby	280,720.00	280,720.00	280,536.50	0.00	183.50	99.9
4001.300 Assmt/Revenue-Commercial	3,520.00	3,520.00	3,025.00	0.00	495.00	85.9
4003.000 Late Payment Revenue	10,000.00	10,000.00	11,429.63	-1.46	-1,429.63	114.3
4056.000 Misc-Non Operating Income	7,000.00	7,000.00	95.00	0.00	6,905.00	1.4
5040.000 Gain on Sale of Equipment	3,000.00	3,000.00	0.00	0.00	3,000.00	0.0
5054.000 Animal Control Fees - Other	300.00	300.00	0.00	0.00	300.00	0.0
5055.000 Animal License Fee	4,500.00	4,500.00	3,060.00	120.00	1,440.00	68.0
5056.000 Warrant	700.00	700.00	4,501.23	78.82	-3,801.23	643.0
5062.000 Event/Donations	200.00	200.00	0.00	0.00	200.00	0.0
5075.000 Grant Income	870.00	870.00	0.00	0.00	870.00	0.0
5081.000 Interest Earned-RSV	6,000.00	6,000.00	1,091.11	0.00	4,908.89	18.2
Revenues	454,750.00	454,750.00	441,903.06	34,874.86	12,846.94	97.2%

Expenditures						
7001.000 Accounting Audit/Review	2,800.00	2,800.00	0.00	0.00	2,800.00	0.0
7002.000 Admin Overhead Alloc	68,217.75	76,122.50	0.00	0.00	76,122.50	0.0
7010.000 Capital Improvement	0.00	47,000.00	0.00	0.00	47,000.00	0.0
Less Reimbursement due from LAIF Savings	0.00	-47,000.00	0.00	0.00	-47,000.00	0.0
7020.000 IT Contract Services/Server	5,280.00	5,280.00	4,400.00	440.00	880.00	83.3
7026.000 Contract Services	4,000.00	1,000.00	897.50	0.00	102.50	89.8
7033.000 Licenses, Permits, Fees	1,500.00	1,500.00	94.59	0.00	1,405.41	6.3
7034.000 Dues & Subscriptions	4,000.00	4,000.00	3,511.00	0.00	489.00	87.8
7035.000 Advertising	700.00	700.00	0.00	0.00	700.00	0.0
7040.000 Insurance (Liability)	7,500.00	7,500.00	0.00	0.00	7,500.00	0.0
7041.000 Legal	5,500.00	3,000.00	930.00	0.00	2,070.00	31.0
7105.000 Utilities - CSD	900.00	3,000.00	1,302.95	0.00	1,697.05	43.4
7105.200 Util-Electric	2,500.00	1,500.00	446.11	145.09	1,053.89	29.7
7105.300 Util-Waste	480.00	500.00	500.00	50.00	0.00	100.0
7105.400 Utilities-Propane	2,500.00	1,000.00	1,127.78	0.00	-127.78	112.8
7105.600 Utility - Internet	1,025.00	1,025.00	854.30	85.43	170.70	83.3
7204.000 Events	250.00	100.00	0.00	0.00	100.00	0.0
7501.000 Payroll Expense	178,621.90	188,501.90	137,615.27	12,454.86	50,886.63	73.0
7513.000 Payroll-TAXES	4,169.52	4,312.78	2,829.09	193.04	1,483.69	85.6
7514.000 Payroll-Benefits	58,194.60	36,964.00	32,069.00	2,947.00	4,895.00	86.8
7516.200 Pension Cost (CalPERS)	18,726.18	17,843.40	12,881.96	1,271.28	4,961.44	72.2
7516.600 Pension Plan Fees (MPPP)	200.00	200.00	972.94	0.00	-772.94	486.5
7518.000 Workers Comp	15,703.58	15,703.58	3,737.25	1,067.01	11,966.33	23.8
7552.000 Employee Physical Exams-Shots	400.00	400.00	0.00	0.00	400.00	0.0
Expenditures	383,167.53	372,953.16	204,169.74	18,653.71	168,783.42	54.7%

For the Period: 7/1/2020 to 4/30/2021	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	UnencBal	% Bud
Fund: 26 - COPS Grant						
Revenues						
5075.000 Grant Income	140,000.00	140,000.00	130,219.35	130,219.35	9,780.65	93.0
Revenues	140,000.00	140,000.00	130,219.35	130,219.35	9,780.65	93.0%

Expenditures						
7020.000 IT Contract Services/Server	2,640.00	2,640.00	2,200.00	220.00	440.00	83.3
7033.000 Licenses, Permits, Fees	3,500.00	4,000.00	3,890.16	0.00	109.84	97.3
7050.100 Off Exp-Supplies	1,500.00	2,000.00	1,681.62	102.01	318.38	84.1
7050.200 Off Exp-Postage	400.00	400.00	37.70	0.00	362.30	9.4
7050.400 Off Exp-Maint	2,000.00	2,000.00	2,287.51	600.42	-287.51	114.4
7051.000 Public Safety Supplies	5,000.00	5,000.00	38.58	0.00	4,961.42	0.8
7051.100 Mandatory Safety	5,000.00	5,000.00	0.00	0.00	5,000.00	0.0
7062.000 Repair & Maintenance	1,500.00	1,500.00	139.41	0.00	1,360.59	9.3
7063.000 Fuel	10,000.00	10,000.00	7,795.93	0.00	2,204.07	78.0
7064.000 Materials/Supplies/Small Tools	8,000.00	8,000.00	5,474.97	0.00	2,525.03	68.4
7065.000 Vehicle Repair/Maintenance	10,000.00	10,000.00	7,510.03	108.40	2,489.97	75.1
7105.100 Util-Telephone	5,000.00	5,000.00	2,988.93	304.24	2,011.07	59.8
7501.000 Payroll Expense	77,312.25	77,312.25	65,081.21	6,630.33	12,231.04	84.2
7513.000 Payroll-TAXES	1,555.03	1,555.03	1,384.31	102.77	170.72	89.0
7514.000 Payroll-Benefits	21,193.20	21,193.20	18,672.00	1,716.00	2,521.20	88.1
7516.200 Pension Cost (CalPERS)	6,932.10	6,932.10	5,328.93	520.71	1,603.17	76.9
7516.600 Pension Plan Fees (MPPP)	600.00	600.00	340.79	0.00	259.21	56.8
7518.000 Workers Comp	6,587.78	6,587.78	1,793.76	555.37	4,794.02	27.2
7550.000 Travel & Training	3,000.00	1,500.00	114.44	0.00	1,385.56	7.6
7551.000 Meals	1,000.00	500.00	292.77	109.90	207.23	58.6
7552.000 Employee Physical Exams-Shots	300.00	300.00	270.00	0.00	30.00	90.0
7555.000 Personal Protective Equip PPE	5,500.00	5,500.00	7,198.96	0.00	-1,698.96	130.9
7556.000 Uniforms	4,000.00	4,000.00	425.51	0.00	3,574.49	10.6
Expenditures	182,520.36	181,520.36	134,947.52	10,970.15	46,572.84	74.3%

For the Period: 7/1/2020 to 4/30/2021

Fund: 30 - LSCSD Fire Department

Revenues

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	UnencBal	% Bud
Dept: 00						
4001.100 Assml/Revenue-Residential	50,160.00	150,960.00	92,139.21	25,201.66	58,820.79	61.0
4001.200 Assml/Revenue-Standby	63,750.00	162,180.00	142,354.07	0.00	19,825.93	87.8
4001.300 Assml/Revenue-Commercial	1,100.00	4,000.00	1,835.00	0.00	2,165.00	45.9
4003.000 Late Payment Revenue	2,500.00	2,500.00	5,346.01	-0.32	-2,846.01	213.8
4055.000 Misc Operational Income	2,000.00	2,500.00	1,960.81	0.00	539.39	78.4
4056.000 Misc-Non Operating Income	1,500.00	0.00	0.00	0.00	0.00	0.0
4076.000 Fire Suppression Expansion Fee	632.00	632.00	1,106.00	0.00	-474.00	175.0
5040.000 Gain on Sale of Equipment	15,000.00	15,000.00	0.00	0.00	15,000.00	0.0
5056.000 Warrant	5,000.00	500.00	2,355.42	1,863.45	-1,855.42	471.1
5062.000 Event/Donations	5,000.00	5,100.00	5,100.00	0.00	0.00	100.0
5075.000 Grant Income	9,815.00	9,815.00	0.00	0.00	9,815.00	0.0
5081.000 Interest Earned-RSV	1,200.00	1,200.00	0.00	0.00	1,200.00	0.0
Dept: 34 Fire Fuels Removal						
4055.000 Misc Operational Income	70,000.00	45,000.00	39,250.00	2,500.00	5,750.00	87.2
5026.000 Fines/Violations	30,000.00	15,000.00	0.00	0.00	15,000.00	0.0
Dept: 45 Mutual Aid Strike Team						
4080.000 Strike Team Rev Payroll Reimb	155,000.00	530,000.00	542,661.79	-67,158.54	-12,661.79	102.4
4081.000 Strike Team Rev Engine Reimb	15,000.00	190,000.00	213,191.94	-55,407.00	-23,191.94	112.2
4082.000 Strike Team Rev Admin OH Reimb	34,000.00	113,000.00	101,468.58	-19,810.49	11,531.42	89.8
4085.000 Emerg Resp Reimb Travel/Meals	1,000.00	3,200.00	3,232.15	0.00	-32.15	101.0
Revenues	462,657.00	1,250,587.00	1,152,000.78	-112,611.24	98,586.22	92.1%

Expenditures

	Original Bud.	Amended Bud.	YTD Actual	CURR MTH	UnencBal	% Bud
Dept: 01 General Admin						
7001.000 Accounting Audit/Review	2,800.00	2,800.00	0.00	0.00	2,800.00	0.0
7002.000 Admin Overhead Alloc	60,192.28	67,166.91	0.00	0.00	67,166.91	0.0
7010.000 Capital Improvement	0.00	101,000.00	120,967.72	120,967.72	-19,967.72	119.8
Less Reimbursement due from LAIF Savings	0.00	-101,000.00	-120,967.72	-120,967.72	19,967.72	-119.8
7020.000 IT Contract Services/Server	2,640.00	2,640.00	2,200.00	220.00	440.00	83.3
7026.000 Contract Services	1,500.00	1,000.00	1,476.43	255.25	-476.43	147.6
7033.000 Licenses, Permits, Fees	50.00	50.00	97.12	14.40	-47.12	194.2
7034.000 Dues & Subscriptions	2,000.00	2,000.00	535.98	0.00	1,464.02	26.8
7035.000 Advertising	200.00	0.00	0.00	0.00	0.00	0.0
7040.000 Insurance (Liability)	10,000.00	10,000.00	0.00	0.00	10,000.00	0.0
7041.000 Legal	1,000.00	1,000.00	735.00	0.00	265.00	73.5
7050.100 Off Exp-Supplies	1,000.00	1,000.00	985.25	113.45	14.75	98.5
7050.200 Off Exp-Postage	100.00	100.00	47.19	0.00	52.81	47.2
7051.000 Public Safety Supplies	1,500.00	1,500.00	1,340.88	405.40	159.12	89.4
7051.100 Mandatory Safety Equipment	10,000.00	10,000.00	0.00	0.00	10,000.00	0.0
7062.000 Repair & Maintenance	1,000.00	1,000.00	515.42	0.00	484.58	51.5
7063.000 Fuel	12,000.00	12,000.00	11,038.13	0.00	961.87	92.0
7064.000 Materials/Supplies/Small Tools	3,000.00	4,000.00	4,349.85	1,863.58	-349.85	108.7
7065.000 Vehicle Repair/Maintenance	15,000.00	40,000.00	60,697.10	1,605.23	-20,697.10	151.7
7075.000 VFA Grant Equipment	19,630.00	19,630.00	19,593.94	0.00	36.06	99.8
7105.000 Utilities - CSD	1,200.00	3,000.00	1,434.95	0.00	1,565.05	47.8
7105.100 Util-Telephone	2,000.00	1,000.00	954.83	97.16	45.17	95.5
7105.200 Util-Electric	2,500.00	1,000.00	578.77	159.61	421.23	57.9
7105.300 Util-Waste	480.00	550.00	500.00	50.00	50.00	90.9
7105.400 Utilities-Propane	1,200.00	1,200.00	1,382.17	0.00	-182.17	115.2
7105.600 Utility - Internet	280.00	280.00	213.60	21.36	46.40	82.2
7245.000 Election	600.00	1,800.00	1,786.95	0.00	13.04	99.3
7501.000 Payroll Expense	68,229.23	68,229.23	46,362.91	4,369.14	21,866.32	68.0
7513.000 Payroll-TAXES	6,592.84	6,592.84	4,170.55	330.03	2,422.29	63.3
7514.000 Payroll-Benefits	21,193.20	21,193.20	18,672.00	1,716.00	2,521.20	88.1
7516.100 Pension Cost (MPPP)	3,300.00	3,300.00	2,313.09	253.84	986.91	70.1
7516.200 Pension Cost (CalPERS)	550.00	550.00	343.94	13.43	206.06	62.5
7516.600 Pension Plan Fees (MPPP)	300.00	300.00	340.80	0.00	-40.80	113.6
7518.000 Workers Comp	12,549.48	12,549.48	-365.17	375.74	12,914.65	-2.9
7549.000 Vounteer FF Stipend	14,000.00	14,000.00	0.00	0.00	14,000.00	0.0
7549.100 VFF Payroll Taxes	3,000.00	3,000.00	0.00	0.00	3,000.00	0.0
7550.000 Travel & Training	500.00	500.00	1,028.95	0.00	-528.95	205.8
7551.000 Meals	500.00	500.00	389.59	0.00	110.41	77.9
7552.000 Employee Physical Exams-Shots	600.00	600.00	281.50	0.00	318.50	46.9
7556.000 Uniforms	2,000.00	2,000.00	786.97	0.00	1,213.03	39.3
Dept: 34 Fire Fuels Removal						
7026.000 Contract Services	100.00	300.00	275.00	0.00	25.00	91.7
7034.000 Dues & Subscriptions	50.00	50.00	29.99	0.00	20.01	60.0
7050.200 Off Exp-Postage	100.00	100.00	0.00	0.00	100.00	0.0
7062.000 Repair & Maintenance	3,000.00	1,000.00	1,107.35	0.00	-107.35	110.7
7064.000 Materials/Supplies/Small Tools	3,000.00	1,000.00	1,636.75	0.00	-636.75	163.7
7501.000 Payroll Expense	45,000.00	45,000.00	24,316.66	1,003.96	20,683.34	54.0
7513.000 Payroll-TAXES	6,000.00	6,000.00	2,397.17	130.01	3,602.83	40.0
7518.000 Workers Comp	4,000.00	4,000.00	861.22	86.34	3,138.78	21.5
Dept: 45 Mutual Aid Strike Team						
7063.000 Fuel	300.00	0.00	0.00	0.00	0.00	0.0
7501.000 Payroll Expense	115,927.00	450,000.00	418,654.72	0.00	31,345.28	93.0
7516.100 Pension Cost (MPPP)	4,926.00	34,420.00	3,959.25	0.00	30,460.75	11.5
7513.000 Payroll-TAXES	0.00	0.00	-9.48	0.00	9.48	0.0
7518.000 Workers Comp	9,867.00	45,580.00	3,771.05	0.00	41,808.95	8.3
7550.000 Travel & Training	500.00	1,600.00	1,705.35	0.00	-105.35	106.6
7551.000 Meals	500.00	1,600.00	335.95	0.00	1,264.05	21.0
Expenditures	478,437.03	908,661.66	643,829.68	13,083.93	264,831.98	70.9%

Grand Total Net Effect: -92,259.33 48,198.27 581,389.88 -100,959.63 -533,191.61



Lake Shastina Fire Board Report

April 2021

For April 2021, Lake Shastina Fire responded to a total of 41 calls of service, including:

- 29 medical emergencies
- 7 public assists
- 2 traffic collisions
- 1 structure fire
- 1 broken water line
- 1 commercial fire alarm call

- LSFDF volunteers, throughout April during trainings, completed all of the requirements for S-130 and RT-130, which are national standards for fighting wildland fire. Volunteers covered skills ranging from recording and relaying fire weather, putting in hose lays, using fire shelters, understanding fire behavior, and more. With our volunteers completing these courses they will be able to staff the engines during the summer on local and statewide fires.

- Several LSFDF firefighters are seeking further trainings and experience through upcoming courses at College of the Siskiyous. Local COS instructors are hosting courses that qualify volunteers to be Engine Bosses, a certification which lets them not only staff engines during wildland season but pump and operate them as well.

- We are reaching the beginning of fire season, so the burn site will not be open much longer. The community has contributed enough pine needles and tree limbs to build up significant piles, which we hope to burn off and use for wildland training before the season picks up. In the past we have invited Weed City Fire and CalFire to train with us when we burn the piles, simulating a wildfire dispatch and response. We hope to host another interagency training this year.

- CalFire has offered seasonal positions to several LSFDF volunteers. Some have accepted, and others have chosen to stay with Lake Shastina for the summer. Two LSFDF firefighters accepted local CalFire positions in the Siskiyou unit. CalFire is a common 'next step' for a lot of our volunteers seeking careers in fire, and those that are staying local say they plan to return to Lake Shastina for the off season. Even with the recent hiring, we have enough volunteers to staff our engines and the station for the upcoming wildland season.



ITEM 1 E.2

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

TO: LSCSD BOARD OF DIRECTORS
FROM: Will Bullington, Chief of Police
MEETING DATE: May 19, 2021
SUBJECT: **April 2021 Police Monthly Board Report**

POLICE ACTIVITY: LSPD HAD 72 CALLS FOR SERVICE IN MARCH

SUMMARY:

MISDEMEANOR ARRESTS: 3

FELONY ARRESTS: 5

TRAFFIC WARNINGS: 9

TRAFFIC CITATIONS: 1

ANIMAL CONTROL CITES: 0

ANIMAL RELATED: 11

PARKING CITES: 0

HOUSE WATCH: 420+-

MISC. POLICE CALLS, INCLUDING NON-CRIMINAL: 43

NOTABLE ACTIVITY:

4/2/21 42 YEAR OLD SEATTLE, WA RESIDENT ARRESTED FOR D.U.I., POSSESSION OF METH., METH PIPES, AND OPEN CONTAINER OF CANNABIS.

4/3/21 OFFICER RESPONDED TO A MALE SUBJECT POINTING A GUN AND THREATENING A NEIGHBOR. OFFICERS HAVE BEEN TO THIS HOUSE ON OTHER OCCASSIONS AND ARRESTED THE SUBJECT FOR ASSAULTS. A 30 YEAR OLD LAKE SHASTINA RESIDENT WAS ARRESTED FOR FELON IN POSSESSION OF A FIREARM AND AMMUNITION, CRIMINAL THREATS, BRANDISHING A FIREARM AND D.U.I DRUGS. HIS SPOUSE A 33 YEAR OLD LAKE SHASTINA RESIDENT WAS ARRESTED FOR FALSE DRUG COMPARTMENT AND POSSESSION OF DRUG PARAPHERNALIA.

4/10/21 TWO 23 YEAR OLD WASCO, CA RESIDENTS WERE ARRESTED FOR CULTIVATION OF MARIJUANA AND ONE FOR DRIVING WITHOUT A LICENSE. 247 PLANTS WERE SEIZED.

4/11/21 OFFICER RESPONDED TO THE COMMUNITY CENTER ON THE REPORT OF SUSPICIOUS SUBJECTS THERE WITH NUMEROUS ITEMS ALL OVER. A 36 YEAR OLD LAKE SHASTINA RESIDENT WAS ARRESTED FOR A FELONY PROBATION VIOLATION AND A 46 YEAR OLD MCCLLOUD, CA RESIDENT ARRESTED FOR A FELONY PAROLE VIOLATION.

4/27/21 POLICE RESONDED TO THE REPORT OF A SUBJECT DRIVING A TRAILER FULL OF MARIJUANA FROM THE CAMPGROUND ONTO JACKSON RANCH ROAD. POLICE ARRESTED A 33 YEAR OLD GRENADA RESIDENT FOR AN OUTSTANDING FELONY WARRANT.

TWO OFFICERS WERE OUT FOR A WEEK EACH ON VACATION.

I ATTENDED A P.O.S.T. "BECOMING A POLICE CHIEF" TRAINING. REALLY GOOD TRAINING, A LOT LEARNED, MANY CONTACTS MADE FOR THE FUTURE. SEE ATTACHED AGENDA.

TWO OFFICERS ATTENDED ONLINE INVESTIGATIVE INTERVIEWING AND POSITIVE PERSUASION TRAINING. SEE COURSE FLYER.

Becoming a Police Chief

Developing a Mindset for Success and Service

Course Agenda

April 19 – 22, 2021 in Pismo Beach, CA

Monday, April 19th

- | | |
|---------------------|--|
| 8:00 am – 10:00 am | Setting the Stage: The Role of the Police Chief
Chief Darryl McAllister (ret.), Union City Police Department |
| 10:00 am – 12:00 pm | Professional Development for Police Chiefs
Chief Joel Bryden (ret.), Walnut Creek Police Department
Vice President at Bob Murray & Associates |
| 12:00 pm – 1:00 pm | Hosted Lunch
Mastagni, Holstedt, Amick, Miller & Johnsen |
| 1:00 pm – 5:00 pm | Your First Six Months as Chief
Chief Jackie Gomez-Whiteley (ret.), Cypress Police Department |

Tuesday, April 20th

- | | |
|---------------------|--|
| 8:00 am – 10:00 am | Expectations of City Managers and Elected Officials (panel) |
| 10:00 am – 12:00 pm | Working with Your POA
Chief Ed Medrano (ret.), Gardena Police Department |
| 12:00 pm – 1:00 pm | Lunch (on your own) |
| 1:00 pm – 5:00 pm | Managing a Crisis in a Post George Floyd World
Laura Cole, President and Founder, Cole Pro Media
Chief Ed Medrano (ret.), Gardena Police Department |

Wednesday, April 21st

- | | |
|--------------------|---|
| 8:00 am – 12:00 pm | Public Engagement: A Vital Leadership Skill
Pete Peterson, Dean of Public Policy, Pepperdine University
Jamil Barnett, Deputy Probation Officer, County of Los Angeles |
| 12:00 pm – 1:00 pm | Lunch (on your own) |
| 1:00 pm – 5:00 pm | Executive Briefing: What Police Chiefs Need to Know about Labor Relations and Personnel Issues
Laura Kalty, Partner, Liebert Cassidy Whitmore |

Thursday, April 22nd

- | | |
|--------------------|---|
| 8:00 am – 12:00 pm | Contemporary Legal Issues
Jim Touchstone, Partner, Jones & Mayer |
| 12:00 pm – 1:00 pm | Lunch (on your own) |
| 1:00 pm – 3:00 pm | Police Chief Panel |
| 3:00 pm – 5:00 pm | Leading in a Political Environment
Chief Darryl McAllister (ret.), Union City Police Department |



Programs ▾

Resources ▾

Store



Sign Up / Login

1-Day Virtual Program

The Reid Technique of Investigative Interviewing and Positive Persuasion

Tuesday May 18th, 2021 • Zoom

Register for this program

Supported browsers: Chrome, Firefox, Safari & Edge

Program Information

Event times and contact information.

Dates

May 18th - May 18th, '21

Location

Zoom

Daily Hours

9am - 4pm

Contact Info

Chicago Office

800-255-5747

ext 14 or 24

Sponsored by:

Need assistance?

Contact the Reid office by phone or email.

info@reid.com

800-255-5747

Description

This training program will consist of three primary topics:

Behavior Symptom Analysis

The Behavior Analysis Interview

The Seven Steps of Positive Persuasion

Behavior Symptom Analysis

During this segment of the program we discuss the verbal and nonverbal behavior symptoms that are displayed by a person who is telling the truth during a non-accusatory interview, as well as those displayed by a person who is fabricating or withholding relevant information. The specific behaviors discussed include attitude; posture; significant posture changes; grooming, personal and protective gestures; eye contact; and, verbal responses. The ability to recognize and evaluate these behaviors becomes particularly important in those cases in which the available investigative information does not definitively establish the credibility of the subject.

At the conclusion of this segment of the program, the participant will have a behavioral model for both the truthful and deceptive individual that can be used as a model for the evaluation of subjects in future investigative interviews.

[Full description →](#)

Notes

Twenty-four hours prior to the start of the program you've registered for, you will receive the hand out for the training program and Zoom invitation link to access the program

Each participant will receive a handout for the training program that is designed for note taking and a digital Certificate indicating 6 hours CPE credits at the completion

Lake Shastina Sewer Department

To: Lake Shastina CSD Board
From: Robert Moser, Public Works Director
Meeting Date: May 19, 2021
Subject: Board Report –April 2021 (Sewer)

Removed a tree and stump for a sewer extension. With that a 120' sewer extension was done for a new home construction.

2 USA digs were completed for this month.

98% sewer locate and stub out was completed in the 9's in preparation of a new home construction.

We have a new hire starting in the PW department on the 24th. His name is Hector and with the addition of this new employee the PW staff is back to a full compliment.

Lake Shastina Water Department

To: Lake Shastina CSD Board
From: Robert Moser, Public Works Director
Meeting Date: May 19, 2021
Subject: Board Report – April 2021 (Water)

98% water locate and connection was made in the 9's for a new home construction.

Water samples were conducted for the month as we do every month.

Replaced a water branch on Wood Ct to correct a leaking valve.

We have started lawn maintenance again and some clean up of the yards.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2020

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

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LARRY BAIN, CPA

An Accounting Corporation

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
lpbain@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Shastina Community Services District
Weed, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Lake Shastina Community Service District, as of and for the year ended June 30, 2020, 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 the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining funds of the Lake Shastina Community Service District as of June 30, 2020, and the changes in financial position, of those activities and funds, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

The Lake Shastina Community Services District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison for the General fund, Police Fund and Fire Fund on pages 26-28 the District's Employees' Retirement System Schedule of the District's Proportionate Share of the Net Pension Liability and the Retirement System Schedule of the District's Contributions on pages 29-30; 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Larry Bain, CPA,
An Accounting Corporation
April 12, 2021

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 830,200	\$ 1,160,573	\$ 1,990,773
Receivables			
General receivables	91,342	38,123	129,465
Unbilled service receivables	43,206	234,836	278,042
Delinquent accounts-tax roll	215,698	132,587	348,285
Grant receivable	16,752	11,577	28,329
Interest receivable	2,050	3,339	5,389
Due from others	13,067		13,067
Prepaid expense	10,616	950	11,566
Inventory		52,578	52,578
Total current assets	<u>1,222,931</u>	<u>1,634,563</u>	<u>2,857,494</u>
Noncurrent Assets			
Intergovernmental advance	(307,550)	307,550	-
Asset held for investment	389,263		389,263
Capital assets:			
Nondepreciable capital assets			
Land	37,506	31,433	68,939
Construction in progress		168,323	168,323
Depreciable capital assets			
Infrastructure		9,219,492	9,219,492
Land improvements		21,318	21,318
Structures and improvements	426,089	289,889	715,978
Equipment and vehicles	1,104,800	438,531	1,543,331
Less accumulated depreciation	<u>(1,206,697)</u>	<u>(6,039,455)</u>	<u>(7,246,152)</u>
Total capital assets (net of accumulated depreciation)	<u>361,698</u>	<u>4,129,531</u>	<u>4,491,229</u>
Total noncurrent assets	<u>443,411</u>	<u>4,437,081</u>	<u>4,880,492</u>
Total assets	<u>1,666,342</u>	<u>6,071,644</u>	<u>7,737,986</u>
Deferred Outflows of Resources			
Deferred outflows-pension	<u>51,639</u>	<u>148,586</u>	<u>200,225</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued expense	28,879	46,867	75,746
Accrued payroll	35,570	10,818	46,388
Due to others	23,253		23,253
Capital lease-current		44,862	44,862
Compensated absences	11,944	28,170	40,114
Total current liabilities	<u>99,646</u>	<u>130,717</u>	<u>230,363</u>
Noncurrent Liabilities			
Net pension liability	240,587	645,555	886,142
Capital lease-due in more than one year		237,852	237,852
Compensated absences	17,915	28,170	46,085
Total noncurrent liabilities	<u>258,502</u>	<u>911,577</u>	<u>1,170,079</u>
Total liabilities	<u>358,148</u>	<u>1,042,294</u>	<u>1,400,442</u>
Deferred Inflows of Resources			
Deferred inflows-pension	<u>15,239</u>	<u>43,160</u>	<u>58,399</u>
Net Position			
Net investment in capital assets	361,698	3,846,817	4,208,515
Unrestricted	982,896	1,287,959	2,270,855
Total net position	<u>\$ 1,344,594</u>	<u>\$ 5,134,776</u>	<u>\$ 6,479,370</u>

The notes to the financial statements are an integral part of this statement

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**STATEMENT OF ACTIVITIES
JUNE 30, 2020**

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General	\$ 103,933	\$ 7,456	\$ -	\$ -	\$ (96,477)	\$ -	\$ (96,477)
Public safety	1,091,069	614,571		453,407	(23,091)		(23,091)
Interest	8,353				(8,353)		(8,353)
Total governmental activities	<u>1,203,355</u>	<u>622,027</u>		<u>453,407</u>	<u>(127,921)</u>		<u>(127,921)</u>
Business-type activities:							
Water	710,440	485,380			(225,060)		(225,060)
Sewer	731,360	670,684		38,557	(22,119)		(22,119)
Interest	18,719				(18,719)		(18,719)
Total business-type activities	<u>1,460,519</u>	<u>1,156,064</u>		<u>38,557</u>	<u>(265,898)</u>		<u>(265,898)</u>
Total	<u>\$2,663,874</u>	<u>\$ 1,778,091</u>	<u>\$ -</u>	<u>\$ 491,964</u>	<u>(127,921)</u>	<u>(265,898)</u>	<u>(393,819)</u>
General Revenues:							
Rental income					84,131		84,131
Other					30,553		30,553
Investment income					12,351	25,715	38,066
Total general revenues					<u>127,035</u>	<u>25,715</u>	<u>152,750</u>
Change in net position					(886)	(240,183)	(241,069)
Net position - beginning					1,345,480	5,374,959	6,720,439
Net position - ending					<u>\$ 1,344,594</u>	<u>\$5,134,776</u>	<u>\$ 6,479,370</u>

The notes to the financial statements are an integral part of this statement

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020**

	Major Special Revenue Funds				Total Governmental Funds
	General Fund	Police	Fire	Cops Grant	
Assets					
Cash and investments	\$ 223,881	\$ 395,620	\$ 202,992	\$ 7,707	\$ 830,200
Receivables					
Accounts	1,345	15,585	74,412		91,342
Assessments		43,206			43,206
Delinquent accounts-tax roll		164,758	50,940		215,698
Grants			16,752	-	16,752
Interest	447	883	720		2,050
Due from other fund		91,168			91,168
Prepaid expense	8,557	30	29	2,000	10,616
Due from others	9,607		3,460		13,067
Total assets	<u>\$ 243,837</u>	<u>\$ 711,250</u>	<u>\$ 349,305</u>	<u>\$ 9,707</u>	<u>\$ 1,314,099</u>
Liabilities					
Accounts payable	\$ 10,142	\$ 1,371	\$ 8,130	\$ 9,236	\$ 28,879
Accrued payroll	9,049	6,705	16,761	3,055	35,570
Due to others	3		23,250		23,253
Deferred revenue			12,735		12,735
Due to other funds				91,168	91,168
Advance from other fund	307,550				307,550
Total liabilities	<u>326,744</u>	<u>8,076</u>	<u>60,876</u>	<u>103,459</u>	<u>499,155</u>
Fund balances					
Nonspendable					
Prepaid expense	8,557	30	29	2,000	10,616
Assigned for police		703,144			703,144
Assigned for fire			288,400		288,400
Unassigned	(91,464)			(95,752)	(187,216)
Total fund balances	<u>(82,907)</u>	<u>703,174</u>	<u>288,429</u>	<u>(93,752)</u>	<u>814,944</u>
Total liabilities and fund balances	<u>\$ 243,837</u>	<u>\$ 711,250</u>	<u>\$ 349,305</u>	<u>\$ 9,707</u>	<u>\$ 1,314,099</u>

The notes to the financial statements are an integral part of this statement

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Fund balances of governmental funds	\$ 814,944
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	361,698
Assets held for investment are not current financial resources and are not included in the governmental funds	389,263
Some liabilities, including long-term debt, accrued interest and compensated absences and deferred revenue are not due and payable in the current period and therefore are not reported in the funds.	
Deferred revenue	12,735
Compensated absences	(29,859)
Net pension liability, deferred inflows/outflows	<u>(204,187)</u>
Net position of governmental activities	<u><u>\$ 1,344,594</u></u>

The notes to the financial statements are an integral part of this statement

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Major Special Revenue Funds			Total Governmental Funds
		Police	Fire	Cops Grant	
Revenues					
Assessments	\$ -	\$ 393,456	\$ 106,692	\$ -	\$ 500,148
Intergovernmental revenues			282,353	158,319	440,672
Use of money and property	87,156	5,140	4,188		96,484
Licenses and permits		4,615			4,615
Fines forfeitures and penalties			34,245		34,245
Charges for services	7,456		70,900		78,356
Other	5,078	12,748	19,386		37,212
Total revenues	<u>99,690</u>	<u>415,959</u>	<u>517,764</u>	<u>158,319</u>	<u>1,191,732</u>
Expenditures					
Current:					
General administration	69,587				69,587
Public protection-police		291,198		168,132	459,331
Public protection-fire			571,971		571,971
Interest expense	8,353				8,353
Capital outlay	7,503		16,000	3,800	27,303
Total expenditures	<u>85,443</u>	<u>291,198</u>	<u>587,971</u>	<u>171,932</u>	<u>1,136,544</u>
Net change in fund balance	<u>14,247</u>	<u>124,761</u>	<u>(70,207)</u>	<u>(13,613)</u>	<u>55,188</u>
Fund balances, beginning of fiscal year	<u>(97,154)</u>	<u>578,413</u>	<u>358,636</u>	<u>(80,139)</u>	<u>759,756</u>
Fund balances, end of fiscal year	<u>\$ (82,907)</u>	<u>\$ 703,174</u>	<u>\$ 288,429</u>	<u>\$ (93,752)</u>	<u>\$ 814,944</u>

The notes to the financial statements are an integral part of this statement

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES-GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Net change in fund balances - total governmental funds \$ 55,188

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balances because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized	27,303
Depreciation expense	(53,350)
Sale of assets	(1,996)

Changes in proportions from the pension do not effect expenditures in the governmental funds, but the change is adjusted through expense in the government-wide statement. (19,886)

Deferred revenue reported in the statement of activities do not provide current financial resources and, therefore, are not reported in governmental funds. 12,735

Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. (20,880)

Change in net position of governmental activities \$ (886)

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Water	Sewer	Totals
Current Assets:			
Cash and investments	\$ 636,896	\$ 523,677	\$ 1,160,573
General receivables	20,850	17,273	38,123
Unbilled services receivable	93,033	141,803	234,836
Delinquent accounts-tax roll	78,678	53,909	132,587
Grants receivable		11,577	11,577
Interest receivable	2,182	1,157	3,339
Prepaid expense	781	169	950
Inventory	46,939	5,639	52,578
Total current assets	<u>879,359</u>	<u>755,204</u>	<u>1,634,563</u>
Noncurrent Assets			
Advances to other funds	307,550		307,550
Capital Assets:			
Nondepreciable capital assets:			
Land	26,136	5,297	31,433
Construction in progress	168,323		168,323
Depreciable capital assets			
Infrastructure	2,462,946	6,756,546	9,219,492
Land improvements	21,318		21,318
Structures and improvements	172,905	116,984	289,889
Equipment and vehicles	279,620	158,911	438,531
Less accumulated depreciation	(2,022,617)	(4,016,838)	(6,039,455)
Total capital assets (net of accumulated depreciation)	<u>1,108,631</u>	<u>3,020,900</u>	<u>4,129,531</u>
Total noncurrent assets	<u>1,416,181</u>	<u>3,020,900</u>	<u>4,437,081</u>
Total assets	<u>2,295,540</u>	<u>3,776,104</u>	<u>6,071,644</u>
Deferred Outflows of Resources			
Deferred outflows from pensions	64,348	84,238	148,586
Liabilities			
Current Liabilities:			
Accounts payable and accrued expense	22,749	24,118	46,867
Accrued payroll	4,812	6,006	10,818
Compensated absences-current	14,085	14,085	28,170
Capital lease-current		44,862	44,862
Total current liabilities	<u>41,646</u>	<u>89,071</u>	<u>130,717</u>
Noncurrent Liabilities			
Compensated absences-noncurrent	14,085	14,085	28,170
Net pension liability	286,138	359,417	645,555
Capital lease payable-noncurrent		237,852	237,852
Total noncurrent liabilities	<u>300,223</u>	<u>611,354</u>	<u>911,577</u>
Total liabilities	<u>341,869</u>	<u>700,425</u>	<u>1,042,294</u>
Deferred Inflows of Resources			
Deferred inflows from pensions	14,691	28,469	43,160
Net Position:			
Net investment in capital assets	1,108,631	2,738,186	3,846,817
Unrestricted	894,697	393,262	1,287,959
Total net position	<u>\$ 2,003,328</u>	<u>\$ 3,131,448</u>	<u>\$ 5,134,776</u>

The notes to the financial statements are an integral part of this statement

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Water	Sewer	Totals
Operating Revenues			
Charges for services	\$ 474,322	\$ 630,804	\$ 1,105,126
Late payment penalties and other	8,718	3,637	12,355
Total operating revenues	<u>483,040</u>	<u>634,441</u>	<u>1,117,481</u>
Operating Expenses			
Salary and benefits	329,891	308,308	638,199
Services and supplies	219,243	205,977	425,220
Depreciation expense	161,306	217,075	378,381
Total operating expenses	<u>710,440</u>	<u>731,360</u>	<u>1,441,800</u>
Operating income (loss)	<u>(227,400)</u>	<u>(96,919)</u>	<u>(324,319)</u>
Non-operating Revenue (Expense)			
Connection fees	2,340	36,243	38,583
Interest revenue	20,667	5,048	25,715
Grant revenue		38,557	38,557
Interest expense		(18,719)	(18,719)
Total non-operating revenue (expense)	<u>23,007</u>	<u>61,129</u>	<u>84,136</u>
Change in net position	<u>(204,393)</u>	<u>(35,790)</u>	<u>(240,183)</u>
Net position, beginning of fiscal year	<u>2,207,721</u>	<u>3,167,238</u>	<u>5,374,959</u>
Net position, end of fiscal year	<u>\$ 2,003,328</u>	<u>\$ 3,131,448</u>	<u>\$ 5,134,776</u>

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2020**

	Water	Sewer	Totals
Cash Flows from Operating Activities			
Cash received from customers	\$ 467,393	\$ 615,713	\$ 1,083,106
Cash payments to suppliers	(249,564)	(194,933)	(444,497)
Cash payments to employees	(308,839)	(303,810)	(612,649)
Net cash provided (used) by operating activities	<u>(91,010)</u>	<u>116,970</u>	<u>25,960</u>
Cash Flows from Non-Capital Financing Activities			
Payment for interfund advances	<u>35,646</u>		<u>35,646</u>
Net cash provided (used) by noncapital financing activities	<u>35,646</u>		<u>35,646</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of capital assets	(110,237)	(77,631)	(187,868)
Cash received from grants		147,845	147,845
Principal paid on debt		(42,307)	(42,307)
Interest paid on debt		(18,719)	(18,719)
Connection fees	<u>2,340</u>	<u>36,243</u>	<u>38,583</u>
Net cash provided (used) by capital and related financing activities	<u>(107,897)</u>	<u>45,431</u>	<u>(62,466)</u>
Cash Flows from Investing Activities:			
Interest received on investments	<u>23,236</u>	<u>5,754</u>	<u>28,990</u>
Net increase (decrease) in cash and cash equivalents	(140,025)	168,155	28,130
Cash and cash equivalents, beginning of fiscal year	<u>776,921</u>	<u>355,522</u>	<u>1,132,443</u>
Cash and cash equivalents, end of fiscal year	<u>\$ 636,896</u>	<u>\$ 523,677</u>	<u>\$ 1,160,573</u>
Reconciliation of Cash and Cash Equivalents:			
Cash and investments	<u>\$ 636,896</u>	<u>\$ 523,677</u>	<u>\$ 1,160,573</u>
Reconciliation of operating income to net cash flows from operating activities:			
Operating income	\$ (227,400)	\$ (96,919)	\$ (324,319)
Noncash items included in operating loss:			
Depreciation	161,306	217,075	378,381
Changes in:			
General receivables	(13,027)	1,963	(11,064)
Unbilled service receivables	(5,038)	(20,893)	(25,931)
Tax roll receivables	2,418	201	2,619
Prepays	2,714	3,186	5,900
Accounts payables	(33,035)	7,858	(25,177)
Accrued payroll and benefits	4,812	(14,108)	(9,296)
Compensated absences	(6,132)	(1,280)	(7,412)
GASB 68 pension adjustments	<u>22,372</u>	<u>19,886</u>	<u>42,258</u>
Net cash provided (used) by operating activities	<u>\$ (91,010)</u>	<u>\$ 116,970</u>	<u>\$ 25,960</u>

The notes to the financial statements are an integral part of this statement

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 1: Summary of Significant Accounting Policies

The basic financial statements of Lake Shastina Community Services District, (the "District") have been prepared in conformity with accounting principles generally in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the acceptable standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District was form in 1978 and is located in Siskiyou County, California. The District operated under a five member Board of Directors and provides services including police and fire protection, the collection and treatment of wastewater and provides water to the residences within the District's boundaries.

The financial reporting entity, as defined by the GASB, consists of the primary government, the District, organizations for which the primary government is financially accountable, and any other organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for assessment revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the District. These statements include the financial activities of the overall government. These statements distinguish between the governmental and business-type activities of the District. Governmental activities, which normally are supported by taxes, assessments and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continue)

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in separate columns.

The District reports the following major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District has three special revenue funds; the police fund, the fire fund and the COPS Grant fund.

The District reports the following major enterprise funds.

Water and Sewer Funds - account for the operation of the District's water and sewer utilities. Activities of these funds include administration, operation and maintenance of the water and sewer systems and billing and collection activities. The Funds also accumulate resources for, and payment of long-term debt principal and interest. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Funds.

D. Use of Estimates

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

E. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the District considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Restricted cash and unrestricted pooled cash and investments held by the District are considered cash equivalents for purposes of the combined statement of cash flow's because the District's cash management pool and funds invested by the District possess the characteristics of demand deposit accounts.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

F. Accounts Receivable

Accounts receivable are recorded for services, provided to individuals or non-governmental entities that are billed but unpaid. Proprietary Fund receivables are shown net of allowance for uncollectible accounts.

G. Inventory of Supplies

The inventory of supplies account is valued at cost and is determined on a first-in, first-out basis, which approximates market.

H. Prepaid Expense

Prepaid expenses are payments made to vendors in the current accounting period for costs applicable to future accounting periods.

I. Fixed Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in governmental activities column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings and building improvements and equipment. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

<u>Assets</u>	<u>Useful Life</u>
Subsurface sewer lines	40-50 years
Sewage collections facilities	10-40 years
Sewage disposal facilities	40 years
Water System	5-35 years
Building	20-40 years
Equipment	5-20 years
Vehicles	5-10 years

J. Compensated Absences

District employees are granted vacation and sick time in varying amounts based on classification and length of service. Upon termination or retirement, the District is to pay 100% of the vacation time accrued and sick time will be paid based on the tier system the District has established for sick time earned. For employees who retire from the District, accrued sick leave at the time retirement will be added to years of service for pension purposes.

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

L. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) which will only be recognized as an outflow of resources (expense/expenditures) in the futures. The change in proportion and differences between the District contributions and proportionate share of contributions, and resources in the government-wide statement of net position. District contributions subsequent to the measurement date are being amortized in the current fiscal year as provided by accounting pronouncement GASB Statement No. 71. The change in proportion and difference between District contributions and proportionate share of contributions is amortized over the estimated service lives of pension plan participants. In addition to liabilities, the statement of net position includes a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and would only be recognized as an inflow of resources (revenue) at that time. The District's proportionate share of the net difference between projected and actual earnings on pension plan investments is reported as deferred inflows of resources in the government-wide statement of net position. The amount will be amortized over a five year period.

M. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

N. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balances for governmental funds are made up of the following:

- Nonspendable fund balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted fund balance - includes amounts that can be spent for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

N. Fund Balances (Continued)

- Committed fund balance - includes amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the Board of Directors. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- Assigned fund balance - comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the Board of Directors or (b) a body (for example: a budget or finance committee) or official to which the Board of Directors has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned fund balance - is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, that fund would report a negative unassigned fund balance.

Note 2: Cash and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and investments. Unless otherwise dictated by legal or contractual requirements, income earned or losses arising from the investment of pooled cash are allocated on a quarterly basis to the participating funds and component units based on their proportionate shares of the average quarterly cash balance.

The District maintains “restricted cash and investments”.

Cash and investments at June 30, 2020, consisted of the following:

Cash on hand	\$	311
Deposit accounts		451,120
Investments (LAIF)		<u>1,539,342</u>
Total cash and investments	\$	<u><u>1,990,773</u></u>

A. Investments Authorized by the California Government Code and the Entity’s Investment Policy

The table below identifies the **investment types** that are authorized for Lake Shastina Community Services District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address **interest rate risk, credit risk and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees 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 investment policy.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 2: Cash and Investments (Continued)

A. Investments Authorized by the California Government Code and the Entity's Investment Policy (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA			
Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of all investments. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining Maturity (in Months)</u>	
		<u>12 Months or Less</u>	<u>13-48 Months</u>
Local Agency Investment Fund	\$ 1,539,342	\$ 1,539,342	\$ -
Totals	<u>\$ 1,539,342</u>	<u>\$ 1,539,342</u>	<u>\$ -</u>

*Not subject to categorization

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. 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 deposit 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 of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured 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 government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2020, the District's deposits balance was \$457,168 and the carrying amount was \$451,120. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance \$250,000 was covered by the Federal Depository Insurance or by collateral held in the pledging bank's trust department in the District's name and \$207,168 was collateralized with pledged securities.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 2: Cash and Investments (Continued)
D. Custodial Credit Risk (Continued)

LAIF is included in the State's Pooled Money Investment Account. The total amount invested by all public agencies in the State's Pooled Money Investment Account approximates \$101.79 billion. Of the \$101.79 billion managed by the State Treasurer, 100% is invested in non-derivative financial products and 3.37% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute.

Investments are accounted for in accordance with the provisions of GASB Statement No. 31, which requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in fair value of investments in the year in which the change occurred. The District reports its investments at fair value based on quoted market information obtained from fiscal agents or other sources if the change is material to the financial statements.

Note 3: Assessments and Accounts Receivable

Major receivable balances for both governmental and business-type activities include assessments for services and assessments for services placed on the Siskiyou County tax rolls. There is no allowances for uncollectible accounts as management feels all amounts are collectible. Charges for sewer and water services are recorded when earned. Services provided but unbilled at year-end have been included in the accompanying financial statements.

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Retirements/ Adjustments	Balance June 30, 2020
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 37,506	\$ -	\$ -	\$ 37,506
Capital assets, being depreciated:				
Structures and improvements	426,089			426,089
General equipment	476,316	11,303		487,619
Vehicles and rolling stock	611,162	16,000	(9,981)	617,181
Total capital assets, being depreciated	1,518,930	27,303	(9,981)	1,530,889
Less accumulated depreciation:	(1,161,333)	(53,349)	7,985	(1,206,697)
Governmental activities capital assets, net	\$ 395,103	\$ (26,046)	\$ (1,996)	\$ 361,698
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 31,433	\$ -	\$ -	\$ 31,433
Construction in progress	333,420		(165,097)	168,323
Capital assets, being depreciated:				
Infrastructure	8,988,322	231,170		9,219,492
Land improvements	21,318			21,318
Structures and improvements	289,889			289,889
Vehicles and rolling stock	316,734	121,797		438,531
Total capital assets, being depreciated	9,616,263	352,967		9,969,230
Less accumulated depreciation:	(5,661,075)	(378,380)		(6,039,455)
Total capital assets, being depreciated, net	3,955,188	(25,413)		3,929,775
Business-type activities capital assets, net	\$ 4,320,041	\$ (25,413)	\$ (165,097)	\$ 4,129,531

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 5: Long-term Liabilities

Governmental Activities:

A summary of the changes in the District's long-term liabilities reported in the governmental activities column of the government-wide financial statements for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Adjustments/ Retirements	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 8,981	\$ 47,091	\$ (26,213)	\$ 29,859	\$ 11,944
Net pension liability	220,642	19,945		240,587	
Total	<u>\$ 229,623</u>	<u>\$ 67,036</u>	<u>\$ (26,213)</u>	<u>\$ 270,446</u>	<u>\$ 11,944</u>

Business Activities:

A summary of the changes in the District's long-term business-type liabilities reported in the proprietary funds statement of net position and the business-type activities column of the government-wide financial statements for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Adjustments/ Retirements	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 63,752	\$ 37,988	\$ (45,400)	\$ 56,340	\$ 22,536
Net pension liability	603,173	42,382		645,555	
Note payable	325,021		(42,307)	282,714	44,862
Total	<u>\$ 991,946</u>	<u>\$ 80,370</u>	<u>\$ (87,707)</u>	<u>\$ 984,609</u>	<u>\$ 67,398</u>

Note

Payable

On August 18, 2010, the sewer fund obtained a \$600,000 loan to finance the sewer pond construction. The loan, with interest calculated at 5.95%, is to be repaid in thirty semi-annual payments of \$30,513 over fifteen years. Principal and interest paid for the current year was \$61,026. Total principal and interest remaining on the loan is \$282,714 which is the amount of the remaining dedicated source of pledged revenues.

The annual debt service requirements to maturity for Business-Type Activities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 44,862	\$ 16,164	\$ 61,026
2022	47,570	13,455	61,025
2023	50,443	10,583	61,026
2024	53,489	7,536	61,025
2025	56,719	4,307	61,026
2026	29,631	882	30,513
Totals	<u>\$ 282,714</u>	<u>\$ 52,927</u>	<u>\$ 335,641</u>

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan

A. General Information about the Pension Plans

Plan Descriptions – All qualified non-safety and safety Police, permanent and probationary employees are eligible to participate in the District’s Miscellaneous and Safety Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Effective August 26, 2019 Local Police Officers were added as members of the retirement system.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire between ages 55 and 62, dependent upon the individual plan criteria, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous		Safety	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2.0% @ 55	2.0% @ 62	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-57	52-67	52-57	52-57
Monthly benefits, as a % of compensation	1.5% to 2.0%	1.0% to 2.0%	2.20% to 2.70%	2.20% to 2.70%
Required employee contribution rates	7.00%	6.75%	12.00%	12.00%
Required employer contribution rates	9.68%	6.99%	13.03%	13.03%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions-employer miscellaneous classic	\$	99,139
Contributions-employer miscellaneous-PEPRA		11,434
Contributions-employer safety classic		7,864
Contributions-employer safety PEPRA		6,974

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate share of Net pension liability
Miscellaneous Plan	\$ 886,143

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2019 and 2020 reporting dates were as follows:

Proportion - June 30, 2019	0.02186%
Proportion - June 30, 2020	0.02213%
Change - Increase (Decrease)	0.00027%

For the year ended June 30, 2020, the District recognized pension expense of \$98,268. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,778	\$ -
Changes of assumptions	27,277	
Net difference between projected and actual earnings		(15,493)
Changes in proportion	5,597	
Changes in proportionate share of contributions		(42,906)
District contributions subsequent to the measurement date	110,573	
Total	\$ 200,225	\$ (58,399)

\$110,573 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period	
Year Ended June 30:	
2021	\$ (44,469)
2022	18,788
2023	(2,443)
2024	(3,129)

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
<i>Actuarial Assumptions:</i>	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.15%

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%

(1) An expected inflation of 2.00% used for this period

(2) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Discount Rate -1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate +1%</u> <u>(8.15%)</u>
Misc Tier I	\$ 1,421,419	\$ 886,143	\$ 444,310

Note 7: Money Purchase Pension Plan

The Lake Shastina Community Services District Money Purchase Pension Plan was adopted for the purpose of rewarding long and loyal service to the Police Officer employee’s by adding additional financial security at retirement. Fire department employees were subsequently added. Incidental benefits are provided in the case of disability, death or termination of employment. The Plan is a type of qualified retirement plan commonly referred to as a money purchase pension plan. Since the principal purpose of the plan is to provide benefits at normal retirement age, the principal goal of the investment of the funds in the plan should be both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of participants. Investments, other than “fixed dollar” investments, should be included among the plan’s investments to prevent erosion by inflation. However, investments should be sufficiently liquid to enable to plan, on short notice, to make some distributions in the event of death or disability of a participant. Employees are generally not taxed on the amounts the District contributes to the Plan on their behalf until they withdraw these amounts from the Plan.

During the 2019/20 fiscal year the City adopted a safety plan with CalPERS for the Police Department employee’s. See note 6 to these financial statements for information on the safety member Defined Benefit Pension Plan with CalPERS.

The District contributes an amount equal to 6 percent of eligible fire department employees’ regular wages. Total contributions for the year ended June 30, 2020 were \$4,099. Fire department eligible employees are also covered by Social Security. As of June 30, 2020 there was one Fire Department employee covered under the plan.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 8: Interfund Transactions

Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Receivables and Payables

Balances representing lending/borrowing transactions between funds outstanding at the fiscal year end are reported as either "due from/due to other funds" (amounts due within one year), "advances to/from other funds" (non-current portions of interfund lending/borrowing transactions), or "loans to/from other funds" (long-term lending/borrowing transactions evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Note 9: Related Party Transaction

The District prepares, bills and collects the association dues for the Lake Shastina Property Owner's Association (LSPOA). The District also processes bills, payroll and provides other financial and administrative services for the LSPOA. The LSPOA utilizes office space in the District administration building, has a separate Board of Directors, is a separate legal entity and is not reported as a component unit of Lake Shastina Community Services District as defined by its reporting entity. The amount of payroll reimbursements paid by LSPOA to the District during the 2019/20 fiscal year was \$84,876 and the amount of shared services and supplies reimbursed was \$49,303. Furthermore the LSPOA general manager is also a Board Member of Lake Shastina Community Services District.

Note 10: Stewardship, Compliance and Accountability

A. Deficit Fund Balances

At June 30, 2020, the General Fund had a negative fund balance of \$82,907, and the Cops Fund had a negative fund balance of \$93,752.

B. Budget Variances

The general fund capital expense was \$7,503 over the legally adopted budget. The functional expense for public protection fire was over the final budget by \$22,047.

Note 11: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

Note 12: Commitments and Contingencies

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

In the normal course of business, the District is subject to various lawsuits. Defense of lawsuits is typically handled by the District's insurance carrier and losses, if any, are expected to be covered by insurance.

COVID 19

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of Lake Shastina Community Services District could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The District has not included any contingencies in the financial statements specific to this issue.

Commitments

The District had professional service commitments as of June 30, 2020.

Note 13: Subsequent Event

On July 31, 2020 the District purchased a new utility truck for public works from Corning Ford in the amount of \$138,684.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Interest	\$ 1,100	\$ 1,100	\$ 3,025	\$ 1,925
Rental income	83,703	83,703	84,131	428
Charges for services			7,456	7,456
Other revenues and reimbursements	<u>4,500</u>	<u>13,016</u>	<u>5,078</u>	<u>(7,938)</u>
Total revenues	<u>89,303</u>	<u>97,819</u>	<u>99,690</u>	<u>1,871</u>
Expenditures				
General administration	79,803	89,301	69,587	19,714
Interest expense	9,500	8,518	8,353	165
Capital outlay			<u>7,503</u>	<u>(7,503)</u>
Total expenditures	<u>89,303</u>	<u>97,819</u>	<u>85,443</u>	<u>12,376</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	14,247	<u>\$ 14,247</u>
Fund balances, beginning of fiscal year			<u>(97,154)</u>	
Fund balances, end of fiscal year			<u>\$ (82,907)</u>	

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
POLICE FUND
June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Assessments	\$ 433,170	\$ 433,535	\$ 393,456	\$ (40,079)
Intergovernmental			-	-
Use of money and property	5,700	5,700	5,140	(560)
License and permits	6,600	6,600	4,615	(1,985)
Other revenues and reimbursements	<u>3,700</u>	<u>6,600</u>	<u>12,748</u>	<u>6,148</u>
Total revenues	<u>449,170</u>	<u>452,435</u>	<u>415,959</u>	<u>(36,476)</u>
Expenditures				
Public protection-police	428,555	337,538	291,198	46,340
Capital outlay	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>436,055</u>	<u>337,538</u>	<u>291,198</u>	<u>46,340</u>
Net change in fund balance	<u>\$ 13,115</u>	<u>\$ 114,897</u>	124,761	<u>\$ (82,816)</u>
Fund balances, beginning of fiscal year			<u>578,413</u>	
Fund balances, end of fiscal year			<u>\$ 703,174</u>	

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

**FIRE FUND
June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Assessments	\$ 117,670	\$ 117,883	\$ 106,692	\$ (11,191)
Intergovernmental revenues	256,500	296,684	282,353	(14,331)
Use of money and property	1,100	1,271	4,188	2,917
Fines forfeitures and penalties	15,000	40,245	34,245	(6,000)
Charges for services	22,000	61,275	70,900	9,625
Other revenues and reimbursements	10,948	15,942	19,386	3,444
	<u>423,218</u>	<u>533,300</u>	<u>517,764</u>	<u>(15,536)</u>
Totarevenues				
Expenditures				
Public protection-fire	407,675	549,924	571,971	(22,047)
Capital outlay	<u>17,495</u>	<u>17,495</u>	<u>16,000</u>	<u>1,495</u>
	<u>407,675</u>	<u>567,419</u>	<u>587,971</u>	<u>(20,552)</u>
Total expenditures				
Net change in fund balance	<u>\$ 15,543</u>	<u>\$ (34,119)</u>	<u>(70,207)</u>	<u>\$ (36,088)</u>
Fund balances, beginning of fiscal year			<u>358,636</u>	
Fund balances, end of fiscal year			<u>\$ 288,429</u>	

*Negative balance to be reserve transfer

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY
June 30, 2020**

<u>Reporting Date</u>	<u>District's proportion of the net pension liability (asset)</u>	<u>District's proportionate share of the net pension liability (asset)</u>	<u>District's covered-employee payroll</u>	<u>District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
6/30/2015	0.01041%	\$647,752	\$531,976	121.76%	66.00%
6/30/2016	0.02384%	\$653,982	\$433,896	150.72%	71.25%
6/30/2017	0.02210%	\$767,697	\$334,425	229.56%	72.61%
6/30/2018	0.02180%	\$859,560	\$345,984	248.44%	65.04%
6/30/2019	0.02186%	\$823,815	\$437,361	188.36%	67.47%
6/30/2020	0.02213%	\$886,143	\$429,120	206.50%	67.92%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
June 30, 2020

<u>Reporting Date</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employees payroll</u>	<u>Contribution as a percentage of covered-employee payroll</u>
6/30/2015	\$83,991	(\$83,991)	\$0	\$531,976	15.79%
6/30/2016	\$83,991	(\$83,991)	\$0	\$433,896	19.36%
6/30/2017	\$71,983	(\$71,983)	\$0	\$334,425	21.52%
6/30/2018	\$81,082	(\$81,082)	\$0	\$345,984	23.44%
6/30/2019	\$95,966	(\$95,966)	\$0	\$437,361	21.94%
6/30/2020	\$110,573	(\$110,573)	\$0	\$429,120	25.77%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2020

Budgets and Budgetary Accounting

As required by the laws of the State of California, the District prepares and legally adopts a final balanced operating budget. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements. At the fund level, actual expenditures cannot exceed budgeted appropriations.

Budgets for the general, and special revenue funds are adopted on the modified accrual basis of accounting. The budgets for the general and special revenue funds are the only legally adopted budgets. Budgets for the proprietary funds are used for management and control purposes only.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.

Lake Shastina Community Services District

Management Report

June 30, 2020

LARRY BAIN, CPA

An Accounting Corporation

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
lpbain@sbcglobal.net

COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

To the Board of Directors
Lake Shastina Community Services District
Weed, California 96094

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Lake Shastina Community Services District as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated April 12, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake Shastina Community Service District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake Shastina Community Services District internal control. Accordingly, we do not express an opinion on the effectiveness of Lake Shastina Community Services District's internal control.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We consider findings FS 2020-001, and FS 2020-002 in the following schedule of findings to be deficiencies in internal control that we considered a material weaknesses.

A significant deficiency is a deficiency, or 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. We consider finding FS 2020-003 through FS 2020-006 in the following schedule of findings to be significant deficiencies in the District's internal control:

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Lake Shastina Community Service District's written response to the significant deficiencies identified in our audit and any follow up for subsequent year corrections has not been subjected to the audit procedures applied in the audit of the financial statements and accordingly, we do not express an opinion on the responses.

This report is intended solely for the information and use of management, the audit committee, Board of Directors, the Siskiyou County Auditor Controller's Office, the California State Controller's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Larry Bain, CPA,
An Accounting Corporation
May 5, 2021

LAKE SHASTINA COMMUNITY SERVICES DISTRICT
FINDINGS and RECOMMENDATIONS
JUNE 30, 2020

Deemed to be Significant Deficiencies and Material Weaknesses

Finding 2020-001: The District relies on the external auditor to ensure its financial statements are in accordance with GAAP. In addition, the District relies on the external auditor to ensure that all necessary disclosures are included in the notes to the financial statements. The District does not employ a staff member with the necessary knowledge and training to prepare governmental financial statements. In accordance with Statement of Auditing Standards No. 122c external auditors cannot be part of an entity's internal controls over preparation of the financial statements and are prohibited from auditing their own work, which would impair their independence. We also posted numerous material journal entries as part of our audit in order to agree the financial statements with the underlying support. We have noted this condition in the prior audit.

Recommendation: The District should consider training staff in preparing GAAP financial statements or hire an external qualified accountant to prepare the GAAP financial statements. The District could opt to take no action if it considers the cost will outweigh the benefit.

District Response: The District agrees with this recommendation and, in addition to providing staff with additional training where applicable, the District will continue to explore the costs of utilizing a CPA to prepare the GAAP financial statements after fiscal year end as determined a need by the District Board of Directors.

FS 2020-002 (Prior Year Finding 2018-005): We noted the fire department overbilled OES for the Lane Fire strike team reimbursement. Furthermore strike team invoices are prepared by the fire chief and sent directly by the fire chief to OES with a return address, for checks to be mailed, to the fire department. The invoices are not entered into the general ledger as an accounts receivable when they are billed. This provides a lack of review for accuracy and a lack of segregation of duties for billing and collecting funds. This also increases the risk of material misstatement in the financial statements for misappropriation of assets.

During our testing of strike team activity we noted relatives of fire department management who were working as strike team members, and it appeared that a fire department management employee was involved in their hiring.

(Prior Year Follow Up 2019-003): During the 2018/19 fiscal year audit we noted continuing problems with the strike team billing. We noted the District overbilled CalFire/OES a net total of \$14,853.93 during the 2018/19 fiscal year and we did not observe that the overbilling for the Lane Fire strike team had been reimbursed to CalFire/OES.

We also noted that the amounts reported to CalFire/OES for firefighter salaries on the salary survey and the administrative overhead rate were not supported by underlying documentation. We were informed that the administrative overhead rate was calculated based on budgets as opposed to actual overhead costs. The salary survey rates reported to CalFire/OES for firefighters did not appear to be supported by actual rates paid to firefighters. The salary survey indicated a firefighter hourly rate of \$24.14, as opposed to the default rate of \$20.69. We estimate the District overbilled CalFire/OES for strike team firefighter reimbursements in the 2018/19 fiscal year by \$35,608.60. This lack of supporting documentation could result in questioned costs that will have to be repaid to the State.

**LAKE SHASTINA COMMUNITY SERVICES DISTRICT
FINDINGS and RECOMMENDATIONS
JUNE 30, 2020**

Deemed to be Significant Deficiencies and Material Weaknesses (Continued)

2019/20 Fiscal Year Follow Up: During the current fiscal year we did not observe that the 2017/18 fiscal year or 2018/19 fiscal year findings had been resolved.

We tested the five largest strike team incidents for the 2019/20 fiscal year and noted that the amount reported on the salary survey was higher than expected based on the full time firefighter and captain salaries, at the time the salary survey was prepared. The amount claimed based on the 2019/20 fiscal year salary survey for firefighters was \$28.81 and for captain was \$31.48. The expected amount would have been the default base rate for firefighters of \$20.69 and the captains supported full time hourly rate of \$26.44. Based on these expectations we calculated the District was overpaid \$26,318 for the five strike team incidents tested and the strike team members were overpaid \$13,219 for the five incidents tested, had the default rate been used.

Furthermore, we noted the District was underpaying the strike team members. The time and one half hourly rate received from Cal Fire for firefighters was \$43.21 and for the captain was \$47.22, however the District paid the firefighters \$38 per hour and paid the captain \$42 per hour resulting in an underpayment to the firefighters of \$5.21 per hour and an underpayment to the captain of \$5.22 per hour. It is acceptable for a District to pay less than the reimbursed rate when the District incurs additional cost for backfilling positions when the District firefighter's employees are on strike teams, however we did not observe and the District could not document that backfill costs were incurred for the strike team incidents tested.

Recommendation: We recommend the District continue to follow up on the overbilling for the Lane fire strike team and the additional overbillings for the 2018/19 and 2019/20 fiscal years. The Finance Department and Board of Directors should also review and approve the salary survey and the administrative overhead rate to verify they are supported by underlying documentation. The District should consult with Cal Fire OES regarding the unsupported amount reported on the salary survey versus the default rate and determine if a reimbursement to Cal Fire OES is necessary. Furthermore the District should review the amount that was reimbursed for strike team members versus the amount paid out. If it determined that additional wages are owed to strike team members then the District should take action to reimburse those wages. It is our understanding that the District should not make a profit on the strike team member wage reimbursements from Cal Fire OES.

District Response: The District has entered into contract with a CPA firm whose Public Safety consultant, with knowledge and expertise specific to Cal Fire OES "Strike Team" billing needs and processes, will look to 1) support the District with overall training to current processes for the 2021 Fire Season, 2) support the District in the development of revised policies and procedures specific to this area of compliance for the 2021 Fire Season, and 3) carry out an independent review and reconciliation of 2018-2020 "Strike Team" reimbursement submissions to support follow-up with Cal Fire OES, as instructed by the District, on an as-needed basis. The District is therefore in the process of refining compliance measures and performance needs to ensure a consistent and compliant approach moving forward in FY2022.

Deemed to be Significant Deficiency and Not Material Weaknesses

Finding 2020-003: During the current year audit we noted the Cops Grant fund had a negative fund balance of \$93,752 and a due to other fund liability of \$91,168 as of June 30, 2020. We have noted this condition in past audits.

Recommendation: Because the Cops Grant fund operates with a restricted allocation each year, any shortage should be made up from the Police department fund. We recommend the District review the activity in the Cops Grant fund and cure the due to other fund liability and the negative fund balance.

District Response: The District is working alongside a contracted CPA firm to review and refine this area of operation and accountability to ensure compliance moving forward in FY2022.

**LAKE SHASTINA COMMUNITY SERVICES DISTRICT
FINDINGS and RECOMMENDATIONS
JUNE 30, 2020**

Deemed to be Significant Deficiency and Not Material Weaknesses

Finding 2020-004: During our audit we noted that many of the prior year audit journal entries were posted as of July 1, 2019 as opposed to June 30, 2019. While there was no effect on equity as of June 30, 2020, the fund equity as of June 30, 2019 was misstated.

Recommendation: We recommend the District post the audit entries to the correct fiscal year.

District Response: Given timing to changes in the District's accounting function, personnel support and challenges encountered with the currently utilized accounting software system, the District was not able to input FY2019 audit entries into the system at a date of June 30, 2019. Instead, the District motioned to enter outstanding FY2019 audit entries to the first available date of July 1, 2019, to ensure financial reporting compliance. In moving forward, the District will ensure, as in the past, for all audit entries to be entered into the accounting system within a month of receipt and acceptance of the audited financial statements by the District Board of Directors.

Finding 2020-005: During our testing of compensated time off we noted that a management employee was paid out 220 hours for PTO. Per review of the District policy we did not observe a provision where PTO could be paid out.

Recommendation: We recommend the Board review the policy for PTO payout and revise the policy if the intent is that employees can be paid out for the accumulated time, or if the hours can only be used for paid time off from work..

District Response: The Board of Directors has recently approved several employee contracts containing "PTO" provisions and that the District will look to formalize updates to the Financial Policies and Procedures to specifically include verbiage to "PTO" which was in fact intended as part of previously allowable vacation and similar cost centers.

Finding 2020-006: During our review of the FEMA Safer Grant activity we noted the invoices seeking reimbursement did not agree to the underlying general ledger activity for matching expenditures. Furthermore, the Fire Department, who is the administrator of the grant, was sending the invoice to the grantor seeking reimbursement without providing the finance department with the invoice. The CPA consultant assisted the District with reconciling the activity to the underlying documents.

Recommendation: We recommend the finance department review the Safer Grant invoices, and match them to the general ledger and underlying documents prior to sending the invoice to the grantor. The finance department should then enter the invoice into the general ledger as a receivable, record the revenue and then clear out the receivable once the money is collected.

District Response: During FY2021, the District entered contract with a CPA firm who, as outlined above, supported the District in developing needed grant compliance, support and reconciliation documents in the month of November 2020, to ensure the achievement of a "Clean" monitoring audit report with the grantor, Federal Emergency Management Agency, as issued to the District in the month of December 2020. The District is in the process of refining compliance measures and performance needs to ensure a consistent and compliant approach moving forward in FY2022.

LARRY BAIN, CPA

An Accounting Corporation

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
lpbain@sbcglobal.net

May 5, 2021

To the Board of Directors
Lake Shastina Community Services District

We have audited the financial statements of the governmental-type and business-type activities of Lake Shastina Community Services District for the year ended June 30, 2020, and have issued our report thereon dated April 12, 2021. Professional standards require that we provide you with the following information related to our audit.

Our responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 29, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit beginning January 18, 2021 as previously communicated in the letter dated December 29, 2020. The report issuance was issued as previously communicated in the letter dated December 29, 2020.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Lake Shastina Community Services District are described in Note 1 to the financial statements. The application of existing policies was not changed during the 2020 fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There were no prior period adjustments recorded in the financial statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

Management's estimate of the useful lives of assets for calculating depreciation expense is based on GFOA recommended useful lives. We evaluated the key factors and assumptions used to develop the useful life estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Estimates for allocating administrative assets, liabilities, revenues and expenses are allocated to each fund based on percentages that are determined by management and the governing board of the District.

Deferred outflows of resources-pensions, deferred inflows of resources-pensions and net pension liability are reported based on actuarially determined calculations.

Difficulties Encountered in performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. All material misstatements were corrected by management.

Disagreements with Management

For purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significance to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 12, 2021.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Observations

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. We also discussed other observations including:

We discussed that the District should consider hiring and cross training the accounting/billing clerk's replacement. The current employee had previously announced and then postponed retirement, and we feel the remaining staff and outside consultant may not be able to fully take over the duties of this critical position.

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

Very truly yours,

Larry Bain, CPA,
An Accounting Corporation

Robert,

Enjoyed speaking with you this morning regarding opportunity to present to your Board important information relative to the Klamath Dams and to the issue of 60,000 AC FT water rights for Shasta Valley and the issue of Siskiyou County creating a strategic water policy to protect the County against future droughts. The following is a thumbnail sketch of the issues involved.

1. The Siskiyou County Water Users have submitted to the BoS the attached recommendation for formation of a strategic water policy. The drought we are currently in and the emergency generated by it demand a more aggressive formulated policy to protect the County in the future. A copy of our letter addressing the situation is attached.
2. Siskiyou Water Users through diligent efforts including investigating the hydro-morphology of the Klamath River and historic reports (J. C. Boyle) has identified the potential remnants of two ancient lava reefs which are currently under water behind the Iron Gate and Copco Dams. Our **organization needs to raise funds to finance the Sonar investigation** aimed at determining the exact height and location of these reefs. Their presence in ancient days substantially prevented the migrating Salmon from proceeding beyond the Spencer Creek location identified by the Shasta Tribal guides as preventing the passage of Salmon upstream. We would hope that your organization might be able to provide some funding for this important study.
3. In connection with item 1 above there is a need to perfect the outstanding water rights (60,000 AC FT) issued to the County of Siskiyou (16958 issued 3/20/56) and currently held by the California Dept. of Finance in trust for the County of Siskiyou.

Regards
Richard Marshall
President Siskiyou County Water Users.

Siskiyou County Water Users



April 26, 2021
Board of Supervisors, Siskiyou County
Attention: Ray Haupt Chairperson Board of Supervisors
Yreka, CA. 96097

Re: Resolution by SCWUA supporting County Board of Supervisors Action at their meeting of April 6, 2021

Dear Chairman Haupt,

The Siskiyou County Water Users understand the need for and support the recent declaration by the Board of Supervisors to declare officially the Drought in Siskiyou County. We attach to this letter of support, a copy of the Resolution by the SCWUA Board of Directors outlining the need for the County to take strong action in the face of the impending drought which will impact among others the farmers and ranchers of Siskiyou County.

The recent finding by the U. S. Drought Monitor of the drought conditions in Siskiyou County and their impact on the agricultural community supports the contention that Siskiyou County could benefit significantly going forward with an aggressive all-encompassing plan under the auspices of the Siskiyou County Flood Control and Water Conservation District. As you may recall the SCFCWD was set up under the auspices of Chapter 2121 of the California Water Code providing Siskiyou County with control over all water within its borders including subterranean water. Assemblywoman Pauline Davis representing the Second District in California referred to as "The First Lady of Water" authored the bill. She lived to be 101 years old.

The strong action which we are suggesting involves the creation of a "**Strategic Water Supply**" for Siskiyou County. This involves an effort to locate, control and in some cases rebuild former upper elevation sources of water. In short we need to take a more aggressive stance in light of the current efforts by outsiders to make decisions regarding the water for which we are the "county of origin".

This effort means looking at the following opportunities for increasing water supply in Siskiyou County.

- Buck Lake
- Establish Keno cleanup water operation
- Perfecting Siskiyou's existing 60,000 AC water right from the Klamath
- Repairing Dwinnell reservoir
- Re-establish upper elevation retention ponds
- Building a takeout point at Iron Gate area

Sincerely yours

Siskiyou County Water Users
Richard Marshall, President



Client Name: Siskiyou Water Users Assoc.	Bid No: Q105-2021
Client Contact: Richard Marshall	Date: Tuesday, February 16, 2021
Project Name: Iron Gate - Copo	Prepared By: Greg Engelgau Project Manager
Site Location: Siskiyou Co. Iron Gate and Copco Lake	Expires: 3/18/2021
Attachments: Survey Plan	Status: Confidential

Hydrographic Survey - Iron gate - Devils Pillar Reef

Statewide Land Surveying Inc (SWLS) will be responsible for establishing project survey control and hydrographic mapping a portion of Iron Gate Reservoir. Iron Gate, Devils Pillar Reef mapping area lies approximately at USGS Klamath River Mile 195. Proposed mapping area is approximate 10.0 acres.

Project horizontal datum proposed to be Nad 83/2011 Epoch 2010.0000 California State Plane Coordinate System 1 0401 with units in US Survey Feet.

Project Vertical Datum proposed to be North American Vertical Datum of 88 (NAVD88)

Hydrographic Data will be collected via 22' River Wild Jet Boat and Norbit iWBMSH STX Multibeam Sonar System.

Final submittals include cad drawing, PDF File of cad drawing, 3D file with viewer, and survey report.

Services	Amount
Research/Project Preparation	\$360.00
<i>Project Preparation</i>	
Field Investigation	\$4,536.00
<i>Project Control</i>	
<i>Hydrographic Mapping</i>	
Calculations/Analysis	\$720.00
<i>QA QC Hydrographic Data / Control</i>	
Drafting/Deliverables	\$1,440.00
<i>Drafting</i>	
<i>Survey Report</i>	
Total Hydrographic Survey Iron Gate	\$7,056.00

Hydrographic Survey - Copco - Wards Canyon Reef

Statewide Land Surveying Inc (SWLS) will be responsible for establishing project survey control and hydrographic mapping a portion of Copco Lake. Copco Lake, Wards Canyon Reef mapping area lies approximately at USGS Klamath River Mile 199. Proposed mapping area is approximate 11.1 acres in size.

Project horizontal datum proposed to be Nad 83/2011 Epoch 2010.0000 California State Plane Coordinate System 1 0401 with units in US Survey Feet.

Project Vertical Datum proposed to be North American Vertical Datum of 88 (NAVD88)

Hydrographic Data will be collected via 22' River Wild Jet Boat and Norbit iWBMSH STX Multibeam Sonar System.

Final submittals include cad drawing, PDF File of cad drawing, 3D file with viewer, and survey report.

Services	Amount
Research/Project Preparation	\$0.00
<i>Project Preparation</i>	
Field Investigation	\$0.00
<i>Project Control</i>	
<i>Hydrographic Mapping</i>	
Calculations/Analysis	\$0.00
<i>QA QC Hydrographic Data / Control</i>	
Drafting/Deliverables	\$0.00
<i>Drafting</i>	
<i>Survey Report</i>	
Total Hydrographic Survey Copco	\$7,056.00



Reimbursable Expenses Iron gate - Devils Pillar Reef				
Per Diem	Quantity	Unit	Unit Price	Amount
Survey Per Diem Crew Member 1	2.00	Day	\$151.00	\$302.00
Survey Per Diem Crew Member 2	2.00	Day	\$151.00	\$302.00
Survey Per Diem Crew Member 3	2.00	Day	\$151.00	\$302.00
Total Reimbursable Expenses Iron Gate	6.00			\$906.00

Reimbursable Expenses Copco - Wards Canyon Reef				
Per Diem	Quantity	Unit	Unit Price	Amount
Survey Per Diem Crew Member 1	2.00	Day	\$151.00	\$302.00
Survey Per Diem Crew Member 2	2.00	Day	\$151.00	\$302.00
Survey Per Diem Crew Member 3	2.00	Day	\$151.00	\$302.00
Total Reimbursable Expenses Copco	6.00			\$906.00

Survey Equipment Iron gate - Devils Pillar Reef				
Equipment	Quantity	Unit	Unit Price	Amount
12' Sotar Cataract	0.00	Day	\$102.00	\$0.00
16' Aire Cataract	0.00	Day	\$102.00	\$0.00
18' Clackacraft Driftboat	0.00	Day	\$102.00	\$0.00
22' Riverwild Jet Boat	2.00	Day	\$360.00	\$720.00
4-Wheel Drive Polaris ATV	0.00	Day	\$46.00	\$0.00
ARIS Explorer 3000 Sonar System	0.00	Day	\$720.00	\$0.00
CEEScope Lite Singlebeam Sonar System	0.00	Day	\$52.00	\$0.00
CEE-USV Survey Boat	0.00	Day	\$310.00	\$0.00
Float Tube	0.00	Day	\$36.00	\$0.00
In Situ Aqua Troll 600	0.00	Day	\$42.00	\$0.00
Inflatable/Hard Shell Kayak	0.00	Day	\$36.00	\$0.00
Norbit iWBMSc Multibeam Sonar System	0.00	Day	\$635.00	\$0.00
Norbit iWBMSH STX Multibeam Sonar System	2.00	Day	\$1,020.00	\$2,040.00
Sound Velocity Profiler	2.00	Day	\$35.00	\$70.00
Total Survey Equipment Iron Gate	6.00			\$2,830.00

Survey Equipment Copco - Wards Canyon Reef				
Equipment	Quantity	Unit	Unit Price	Amount
12' Sotar Cataract	0.00	Day	\$102.00	\$0.00
16' Aire Cataract	0.00	Day	\$102.00	\$0.00
18' Clackacraft Driftboat	0.00	Day	\$102.00	\$0.00
22' Riverwild Jet Boat	2.00	Day	\$360.00	\$720.00
4-Wheel Drive Polaris ATV	0.00	Day	\$46.00	\$0.00
ARIS Explorer 3000 Sonar System	0.00	Day	\$720.00	\$0.00
CEEScope Lite Singlebeam Sonar System	0.00	Day	\$52.00	\$0.00
CEE-USV Survey Boat	0.00	Day	\$310.00	\$0.00
Float Tube	0.00	Day	\$36.00	\$0.00
In Situ Aqua Troll 600	0.00	Day	\$42.00	\$0.00
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Sound Velocity Profiler	2.00	Day	\$35.00	\$70.00
Total Survey Equipment Copco	6.00			\$2,830.00



Standard Agreement for Professional Services between Statewide Land Surveying, Inc. (SWLS) and Client

Terms and Conditions

1. SWLS assumes that the survey is limited to the project area identified within the Scope of Services
2. SWLS assumes that the client will provide a continuous right of entry for all areas.
3. SWLS assumes all services to be performed will be completed in accordance with the current governing agencies requirements as of the time of this proposal. Modifications or revisions required because of new jurisdictional code or design requirements will be completed as a Contract Addendum.
4. SWLS assumes that reimbursable expenses will be itemized and invoiced separately at cost plus 10% and any additional work will be invoiced as per our Survey Fee Schedule, less any negotiated discounts.
5. SWLS assumes that during the course of any survey, it may become necessary to enter adjoining ownerships, which could add time, expense, and difficulty to the project. These additional expenses may be charged to the client on a time and materials basis.
6. SWLS assumes that the client agrees to allow a copy of the map being created under the scope of work to be provided to property owners whose property we enter during the course of this survey (if the property is outside of the urban growth boundary, and the survey is requested in writing) per ORS 672.047 (Oregon only, a copy of this statute may be obtained online at the following address: <http://www.oregonlaws.org/ors/672.047>).
7. SWLS assumes that traffic control (i.e.-flaggers/traffic control application/plan), if necessary, shall be provided by the client, or billed at cost plus 10%.
8. SWLS assumes that all fees will be paid by client and/or owner at the time fees are required.
9. SWLS assumes that full payment for services will be paid prior to filing or recording of any maps, surveys, plats and/or etc.
10. SWLS assumes that client (or client's representative[s]) will communicate all existing and potential safety hazards (working tub-grinders, mechanical brush clearing, logging, blasting, etc.) to SWLS prior to starting work, and will coordinate with SWLS regarding such hazards for the duration of the project to ensure that our staff members will not be required to be present during such activities.
11. SWLS assumes that our staff members (and our sub-consultants) have the right to leave a site at any time due to conditions perceived to be unsafe (working tub-grinders, mechanical brush clearing, logging, blasting, etc.) and that any additional costs associated with exercising this right may require a Contract Addendum.
12. SWLS will make all reasonable effort to schedule a field crew within 48 hours of receiving a staking request (excluding weekends and holidays). Requests received after 2:00 p.m. will be scheduled 48 hours from the start of the next business day.
13. If boundary resolution is involved in the scope of services SWLS assumes that there are no conflicts in the deeds, surveys, and/or plats. If a problem arises the client will be notified immediately and the fee will need to be adjusted.
14. Matters of unwritten property rights are not within the scope of the Standard Agreement, unless stated otherwise.

Contract Addendums

SWLS assumes additional services requested by the client not identified within the above Scope of Services will be completed on a time and materials basis or lump sum in a contract addendum. These services will be listed in detail in the contract addendum and required to be approved by the client prior to commencement of the services.

Sub-Consultant Services

SWLS assumes no sub-consultant services are needed at this time. SWLS assumes any wetland, traffic, arborist, geotechnical, site electrical, site lighting, street illumination, or architectural services will be contracted directly with the owner.

Reimbursable Expenses

Customary reimbursable expenses are the actual expense incurred in direct connection with the project plus 10% (including, but not limited to: copy and reproduction services, travel expenses and express postage). Vehicle mileage is reimbursed at a rate of \$0.580 per mile for project related travel in excess of 100 miles.

Due Dates and Past Due Balances

Balances are due within 30 days of the date shown on the invoice. If balance is not paid within 45 days of the date shown on the invoice, the balance is considered "Past Due" and a 18% APR will be applied to the remaining balance until paid in full. If balances are not paid in full within 50-60 days of the date shown on the invoice, SWLS will contact their attorney and/or the balance will be sent to a collection agency.

Attorney Fees

SWLS assumes that if an attorney is required, to collect fees, for arbitration and/or for a court of law, all fees accumulated by SWLS shall be paid by the client.



Acknowledgement

Total Hydrographic Survey Iron Gate:	\$7,056.00
Total Hydrographic Survey Copco:	\$7,056.00
Total Reimbursable Expenses Iron gate:	\$906.00
Total Reimbursable Expenses Copco:	\$906.00
Total Survey Equipment Iron Gate:	\$2,830.00
Total Survey Equipment Copco:	\$2,830.00
Total Estimated Project Cost*:	\$21,584.00

*Project stages will be billed as they are completed. Additional rates apply to work not addressed in this estimate. Cancellation fees apply.

This professional service agreement is entered into Tuesday, February 16, 2021 by and
 between Statewide Land Surveying, Inc. (SWLS) and Siskiyou Water Users Assoc. (Client)
 for the provisions of professional land services at Siskiyou Co. Iron Gate and Copco Lake (location).

Greg Engelgau

Greg Engelgau Project Manager
 Statewide Land Surveying, Inc.

Siskiyou Water Users Assoc.
 Client / Representative

2/16/2021

Date Signed

Date Signed



LAKE SHASTINA POLICE DEPARTMENT

William N. Bullington

Chief of Police

16309 Everhart Dr., Weed, CA 96094

(530) 938-2226

May 11, 2021

TO: CSD Board

FROM: Will Bullington, Chief of Police

RE: Request to Increase Pay Rate for CSO

In the past, the LSPD has had a Community Service Officer (CSO) that conducts certain law enforcement support duties as a civilian (non-sworn). The CSO can do records, evidence, animal control and other duties. The current pay rate is \$13.00 an hour or minimum wage.

Walmart and McDonald's have supposedly raised their pay to \$18.00, as have other employers in order to get quality workers. An \$18.00 per hour full-time position would cost CSD over \$58.00 an hour when you add in all benefits. I propose the CSO position be part-time, under 20 hours a week, with the pay rate of \$20.00 an hour. The hourly cost to the PD would be approximately \$32.00. This pay rate is consistent with the part-time police dispatcher at Mt. Shasta P.D.

OPTIONS:

- A. Approve the part-time CSO position at \$20.00 an hour.
- B. Deny the above
- C. Any alterations to the above.



LAKE SHASTINA POLICE DEPARTMENT

William N. Bullington

Chief of Police

16309 Everhart Dr., Weed, CA 96094

(530) 938-2226

May 11, 2021

TO: CSD Board

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Walmart and McDonald's have supposedly raised their pay to \$18.00, as have other employers in order to get quality workers. An \$18.00 per hour full-time position would cost CSD over \$58.00 an hour when you add in all benefits. I propose the CSO position be part-time, under 20 hours a week, with the pay rate of \$20.00 an hour. The hourly cost to the PD would be approximately \$32.00. This pay rate is consistent with the part-time police dispatcher at Mt. Shasta P.D.

OPTIONS:

- A. Approve the part-time CSO position at \$20.00 an hour.
- B. Deny the above
- C. Any alterations to the above.



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

TO: LSCSD BOARD OF DIRECTORS
MEETING DATE: May 19, 2021
FROM: Robert Moser, General Manager
SUBJECT: Caselle Financial Software Purchase

BACKGROUND:

As discussed and outlined at the Special Board meeting last week on the 6th we showed significant deficiencies in our current software. This is leading to issues with our audits, staff time, and many other areas that were mentioned at the last meeting. Our CPA was present to discuss all the issues she has encountered as well with trying to use and manipulate what we are currently using. After an extensive search of several softwares that are available and demonstrations that were done, we ended up with what we and our CPA has determined as the best possible solution. This software not only addresses the financial issues, but it has some components to help streamline our processes and will help the district save money in the long run.

Currently we are spending over \$6,000.00 a year on the current software fees and an estimated \$60,000.00 in employee time in dealing with the issues. This is a huge drain on our staff and wastes a lot of time that could be used in a much more productive way. We believe that with the new software, once fully implemented, the office can run with a staff of 3.5 as compared to 5.5 as in the past.

RECOMMENDATION:

The decision before the board today would be to either:

- A. Direct the General Manager to enter into contract with Caselle and move the District into a stronger financial direction.**
- B. Stay with the current software we already have.**

Caselle reference:

My District is currently going through a software conversion with Caselle Government Accounting Software. We go live in May. So far, the process has been relatively easy to manage (I handle all the bookkeeping, HR....etc.) and I am thoroughly impressed with the software. We bought the payroll/time management, accounts payable, and GL/Budgeting modules as well as Document Management. The Caselle staff has been wonderful. They are patient, knowledgeable, and super responsive every time I have a question or concern. I would highly recommend Caselle to any local government office looking to convert to better software.

Jacinda Franusich
Board Secretary/Clerk
Lake County Vector Control District
Lakeport CA
(707) 263-4770

The following were sent RFPs:

AccuFund Government Accounting Suite - No response.

Springbrook - No response.

Cogsdale - Reference from South Tahoe Public Utilities District, they are TOO expensive – no direct response.



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

TO: LSCSD BOARD OF DIRECTORS
MEETING DATE: May 19, 2021
FROM: Robert Moser, General Manager
SUBJECT: Sewer Pond Loan payoff

BACKGROUND:

As outlined in the last meeting we discussed the possible payoff of the Sewer Pond loan with City National Bank. Currently there will be a payoff of \$253,505.14 due by 10/21/21 if the board so chooses. We make 2 payments a year of \$30,512.72 each until the loan is paid in full which has a final date of 10/21/25. If the Board so chooses, we could save an estimated \$30,000.00 in interest charges.

Some of the benefits to paying this off early include no more interest charges, possible grant consideration that we may miss out on, and a stronger financial standing in the sewer department.

Currently we have \$482,856.70 in LAIF and estimate another \$868.41 in interest from the 1st of the year until October of 2021 giving us a total of \$483,725.11. We also estimate being able to add an additional \$140,000.00 to LAIF from billing for the first 3 quarters of the year. That would bring our total to an estimated \$623,725.11 by October. This leaves us in a good financial condition to absorb the cost of paying off this loan early.

RECOMMENDATION:

The decision before the board today would be to either:

- A. Direct the General Manager to pay off the loan early. Timing to be left at the discretion of the General Manger.**
- B. Continue to pay the payments in the contract.**

INSTALLMENT SALE AGREEMENT #10-011

THIS INSTALLMENT SALE AGREEMENT, (this "Installment Sale Agreement"), dated for convenience as of August 18, 2010, is by and between Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California (the "Corporation"), and the Lake Shastina Community Services District, a community services district duly organized and existing under the Constitution and laws of the State of California (the "District");

WITNESSETH:

WHEREAS, the District presently owns and operates certain facilities and property for the collection, treatment and disposal of wastewater and the supply of water to residents within the service area of the District (the "Enterprise"), and the District wishes at this time to finance the expansion of a sewer pond (the "Project"); and

WHEREAS, the Corporation has agreed to sell the Project to the District, and the District has agreed to purchase the Project from the Corporation pursuant to the terms of this Installment Sale Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. All capitalized terms used in this Section 1.1 shall for all purposes of this Installment Sale Agreement have the meanings herein specified or as hereinafter defined.

"Additional Revenues" means, with respect to the issuance of any Parity Obligations, any or all of the following amounts:

(1) An allowance for Net Revenues from any additions or improvements to or extensions of the Enterprise to be made with the proceeds of such Parity Obligations and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of the latest Fiscal Year or such twelve (12) month period, were not in service, all in an amount equal to ninety percent (90%) of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first thirty-six (36) month period in which each addition, improvement or extension is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer (which may but need not be

the outside firm providing engineering services) retained by the District.

(ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such Parity Obligations but which, during all or any part of the latest Fiscal Year or such twelve (12) month period, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or twelve (12) month period, all as shown by the certificate or opinion of an independent certified public accountant (which may but need not be the outside firm providing auditing services) retained by the District.

"Assignee" means (a) initially, City National Bank, as assignee of certain rights of the Corporation hereunder, and (b) any other entity to whom the rights of the Corporation shall be assigned hereunder.

"Bond Counsel" means any attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

"Closing Date" means the date the Corporation deposits the Installment Sale proceeds with the District pursuant to Section 3.2.

"Corporation" means Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California. Whenever in this Installment Sale Agreement any reference is made to the Corporation and such reference concerns rights which the Corporation has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

"District" means Lake Shastina Community Services District, a community services district duly organized and existing under the Constitution and laws of the State of California.

"Enterprise" means the existing facilities and property owned by the District in connection with the collection, treatment and disposal of wastewater and the water supply services of the District, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the District.

"Event of Default" means any of the events of default as defined in Section 5.1.

"Federal Securities" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely

payment of principal of and interest on which are directly guaranteed by the United States of America.

"Fiscal Year" means each twelve-month period during the Term of this Installment Sale Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

"Gross Revenues" means all gross charges received for, and all other gross income and receipts derived by the District from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to connection charges and earnings on the investment of any funds held by the District; but excluding (a) the proceeds of any ad valorem property taxes levied for the purpose of paying bonded indebtedness of the District and (b) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the District for the purpose of paying special assessment bonds or special tax obligations of the District.

"Installment Sale Agreement" means this Installment Sale Agreement, dated as of August 18, 2010, between the Corporation and the District.

"Installment Payment Date" means the date on which each Installment Payment is due and payable, commencing ___ months after the Closing Date and continuing to and including the date on which the Installment Payments have been paid in full.

"Installment Payments" means all payments required to be paid by the District on any date pursuant to Section 3.4, including any prepayment thereof pursuant to Section 6.2 or 6.3.

"Maintenance and Operation Costs" means the reasonable and necessary costs and expenses paid by the District for maintaining and operating the Enterprise, including but not limited to the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including but not limited to administrative costs of the District attributable to the Enterprise and the financing thereof, but in all cases excluding depreciation, replacement and obsolescence charges or reserves therefor and excluding amortization of intangibles or other bookkeeping entries of a similar nature.

"Maximum Annual Debt Service" means, as of the date of any calculation, the maximum sum obtained for the current or any future Fiscal Year during the Term of this Installment Sale Agreement by totaling the aggregate amount of (i) the Installment Payments coming due in such Fiscal Year, and (ii) the principal and interest coming due

and payable in such Fiscal Year on any Parity Obligations, including the principal amount coming due and payable by operation of mandatory sinking fund redemption. There shall be excluded from such calculation any principal of and interest on the Installment Payments and any Parity Obligations which have been defeased or discharged, or for the payment of which a security deposit has been posted. With respect to any Parity Obligations which then bear interest at a variable rate, such interest shall be calculated at an assumed rate equal to the average rate of interest per annum for each of the 5 previous whole calendar years as shown by the J. J. Kenny Index (or at any time in the event and to the extent such index is not maintained for all or any portion of such period, any similar index of variable rate interest for tax-exempt obligations as may be selected by the District in its sole discretion).

"Net Revenues" means, for any period, an amount equal to all of the Gross Revenues received during such period, minus the amount required to pay all Maintenance and Operation Costs becoming payable during such period.

"Parity Obligations" means any bonds, notes or other obligations of the District payable from and secured by a pledge of and lien upon any of the Net Revenues on a parity with the Installment Payments.

"Project" means all of the facilities and improvements to be acquired, constructed and installed by the District from the proceeds of the Installment Sale and constituting part of the Enterprise. Such facilities and improvements are originally described in Exhibit B attached hereto and by this reference incorporated herein, subject to the right of the District in its sole discretion to amend such description from time to time.

"Project Fund" means the fund established for the acquisition and construction of the Project, as such fund is described in Section 3.2.

"Revenue Fund" means the fund by that name established by the District and referenced in Section 3.8(b).

"Tax Code" means the Internal Revenue Code of 1986. Any reference herein to a provision of the Tax Code shall include all applicable temporary and permanent regulations promulgated under the Tax Code.

"Term of this Installment Sale Agreement" or "Term" means the time during which this Installment Sale Agreement is in effect, as provided in Section 3.3.

SECTION 1.2. Exhibits. The following Exhibits are attached to, and by reference made a part of this Installment Sale Agreement:

Exhibit A: Schedule of Installment Payments to be paid by the District hereunder, showing the date and amount of each such Installment Payment.

Exhibit B: The original description of the Project.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Corporation as follows:

(a) Due Organization and Existence. The District is a community services district duly organized and existing under the Constitution and laws of the State of California.

(b) Authorization. The laws of the State of California authorize the District to enter into this Installment Sale Agreement and to enter into the transactions contemplated hereby and thereby, and to carry out its obligations under this Installment Sale Agreement and the Board of Directors of the District has duly authorized the execution and delivery of this Installment Sale Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Sale Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the District, other than as set forth herein.

(d) No Prior Indebtedness. The District has not issued or incurred any obligations which are currently outstanding having any priority in payment out of the Gross Revenues or the Net Revenues over the payment of the Installment Payments as provided herein.

SECTION 2.2. Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants to the District as follows:

(a) Due Organization and Existence. The Corporation is a corporation duly organized and existing under the laws of the State of California.

(b) Authorization. The laws of the State of California authorize the Corporation to enter into this Installment Sale Agreement and to enter into the transactions contemplated hereby and thereby, and to carry out its obligations under this Installment Sale Agreement and the Board of Directors of the Corporation has duly authorized the execution and delivery of this Installment Sale Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Sale Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation.

(d) No Assignments. Except as provided herein, the Corporation will not assign this Installment Sale Agreement, its right to receive Installment Payments from the District, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

ARTICLE III

TERMS OF INSTALLMENT SALE

SECTION 3.1. Sale. The Corporation hereby sells the Project to the District, and the District hereby purchases the Project from the Corporation, upon the terms and conditions set forth in this Installment Sale Agreement. As consideration for this Installment Sale Agreement, the Corporation shall cause the financing of the Project and make available to the District the aggregate principal amount of \$600,000.00 in immediately available funds on the Closing Date.

SECTION 3.2. Acquisition and Construction of the Project; Deposit of Moneys. On the Closing Date the Corporation shall deposit the sum of \$600,000.00 to a special account established by the District (the "Project Fund"), which the District shall expend for the purpose of financing the acquisition, construction and installation of the Project. The District shall invest proceeds in the Project Fund in investments authorized by California law and the District's investment policy. Any unexpended proceeds in the Project Fund upon the completion of the Project shall be applied by the District towards the payment of Installment Payments.

The Corporation hereby appoints the District as its agent to carry out all phases of the acquisition, construction and installation of the

Project and the District hereby accepts such appointment. District shall enter into contracts and provide for, as agent for Corporation, the complete construction, acquisition and installation of the Project. District hereby agrees that it will cause the construction, acquisition and installation of the Project to be diligently performed. It is hereby expressly understood and agreed that Corporation shall be under no liability of any kind or character whatsoever for the payment of any cost of the Project and that all such costs and expenses shall be paid by District, regardless of whether the funds deposited with District are sufficient to cover all such costs and expenses.

SECTION 3.3. Term. The Term of this Installment Sale Agreement shall commence on the Closing Date, and shall end on the date on which the District shall have paid all of the Installment Payments and all other amounts due and payable hereunder or provision for such payment shall be made as provided herein.

SECTION 3.4. Title. Title to the Project, and each component thereof, shall be deemed conveyed to and vested in the District upon the acquisition and construction thereof. The Corporation shall, execute deliver and cause to be recorded and any all documents reasonably requested by the District to consummate such transfer of title.

SECTION 3.5. Disclaimer of Warranties. THE CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OF THE PROJECT OR ANY PART THEREOF, OR AS TO THE FITNESS FOR ANY PARTICULAR USE OF THE PROJECT OR ANY PART THEREOF OR AS TO THE FITNESS OF THE PROJECT FOR THE USE CONTEMPLATED BY DISTRICT OR ANY PART THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT THERETO. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION IS NOT A CONTRACTOR OF THE PROJECT, THAT THE DISTRICT PURCHASES THE PROJECT "AS-IS", IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. IN NO EVENT SHALL CORPORATION BE LIABLE FOR AN INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE ACQUISITION, CONSTRUCTION, EXISTENCE, FURNISHING, FUNCTIONING OR DISTRICT'S USE OF ANY ITEM OR PRODUCTS OR SERVICES PROVIDED FOR IN THIS AGREEMENT. DISTRICT ACKNOWLEDGES THAT IT IS SOLELY RESPONSIBLE FOR DETERMINING THE SUITABILITY OF THE PROJECT FOR ITS INTENDED USE.

SECTION 3.6. Installment Payments.

(a) Obligation to Pay. The District hereby agrees to pay to the Corporation, as the purchase price of the Project hereunder, the aggregate principal amount of \$600,000.00 together with interest (calculated at the rate of 5.95% on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable

in Installment Payments in the respective amounts and on the respective Installment Payment Dates specified in Exhibit A attached hereto.

As a result of the assignment by the Corporation to the Assignee of the right of the Corporation to receive the Installment Payments, the District shall pay all Installment Payments when due directly to the Assignee.

(b) Effect of Prepayment. In the event that the District prepays the Installment Payments in full pursuant to Article VI, the District's obligations under this Installment Sale Agreement shall thereupon cease and terminate, including but not limited to the District's obligation to pay Installment Payments under this Section 3.6; subject however, to the provisions of Section 6.1 in the case of prepayment by application of a security deposit. In the event that the District prepays the Installment Sale in part but not in whole pursuant to Section 6.3, the principal components of the remaining Installment Payments shall be reduced on a pro rata basis so as to produce equal Installment Payments over the remaining Term of this Installment Sale Agreement.

(c) Rate on Overdue Payments. In the event the District should fail to make any of the payments required in this Section 3.4, the payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate of eight percent (8%) per annum.

SECTION 3.7. Nature of District's Obligations.

(a) Special Obligation. The District's obligation to pay the Installment Payments is a special obligation of the District limited solely to the Net Revenues. Under no circumstances is the District required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments, and no other funds or property of the District are liable for the payment of the Installment Payments. Notwithstanding the foregoing provisions of this Section, however, nothing herein prohibits the District voluntarily from making any payment hereunder from any source of available funds of the District.

(b) Obligations Absolute. The obligations of the District to pay the Installment Payments from the Net Revenues and to perform and observe the other agreements contained herein are absolute and unconditional and are not subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the District or the Corporation of any obligation to the District or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the

District by the Corporation. Until such time as all of the Installment Payments have been fully paid or prepaid, the District:

(i) will not suspend or discontinue payment of any Installment Payments,

(ii) will perform and observe all other agreements contained in this Installment Sale Agreement, and

(iii) will not terminate this Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, sale of the Enterprise, the taking by eminent domain of title to or temporary use of any component of the Enterprise, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Sale Agreement.

(c) Protection of Rights. If the Corporation fails to perform any such agreements on its part, the District may institute such action against the Corporation as the District deems necessary to compel performance so long as such action does not abrogate the obligations of the District contained in the preceding subsection (b). The District may, however, at the District's own cost and expense and in the District's own name or in the name of the Corporation prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's rights hereunder, and in such event the Corporation will cooperate fully with the District and take such action necessary to effect the substitution of the District for the Corporation in such action or proceeding if the District shall so request.

SECTION 3.8. Pledge and Application of Net Revenues.

(a) Pledge. All of the Net Revenues are hereby irrevocably pledged to the punctual payment of the Installment Payments and any Parity Obligations. The Net Revenues and such other funds may not be used for any other purpose so long as any of the Installment Payments and any Parity Obligations remain unpaid; except that out of the Net Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by this Section 3.7. Such pledge constitutes a first and exclusive lien on the Net Revenues and such other moneys for the payment of the Installment Payments and any Parity Obligations in accordance with the terms hereof and the terms of the instruments authorizing the issuance of any Parity Obligations.

(b) Deposit of Gross Revenues; Transfers to Make Installment Payments. The District has heretofore established the Revenue Fund, which the District agrees to continue to hold and maintain for the purposes and uses set forth herein. The District shall deposit all Gross Revenues in the Revenue Fund promptly upon the receipt thereof.

All Net Revenues will be held by the District in the Revenue Fund in trust for the benefit of the Corporation and for the benefit of the owners of any Parity Obligations. The District shall withdraw from such fund or funds and transfer to the Corporation an amount of Net Revenues equal to the aggregate amount of the Installment Payment when and as the same becomes due and payable. In addition, the District shall withdraw from such fund or funds such amounts of Net Revenues at such times as required to pay the principal of and interest on any Parity Obligations and otherwise comply with the provisions of the instruments authorizing the issuance of any Parity Obligations.

(c) Other Uses Permitted. The District shall manage, conserve and apply the Net Revenues in such a manner that all deposits required to be made under the preceding paragraph will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default has occurred and is continuing hereunder, the District may at any time and from time to time use and apply Net Revenues for (i) the acquisition and construction of improvements to the Enterprise; (ii) the prepayment of the Installment Sale and any Parity Obligations, or (iii) any other lawful purpose of the District.

(d) Budget and Appropriation of Installment Payments. During the Term of this Installment Sale Agreement, the District shall adopt all necessary budgets and make all necessary appropriations of the Installment Payments from the Net Revenues. In the event any Installment Payment requires the adoption by the District of any supplemental budget or appropriation, the District shall promptly adopt the same. The covenants on the part of the District contained in this subsection (d) shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the District to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out the perform the covenants and agreements in this subsection (d).

ARTICLE IV

COVENANTS OF THE DISTRICT

Section 4.1. Release and Indemnification Covenants. The District shall indemnify the Corporation and its officers, agents, successors and assigns and hold them harmless from and against all claims, losses

and damages, including legal fees and expenses, arising out of the following:

(a) the use, maintenance, condition or management of, or from any work or thing done on or about the Enterprise by the District,

(b) any breach or default on the part of the District in the performance of any of its obligations under this Installment Sale Agreement,

(c) any intentional misconduct or negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Enterprise, and

(d) any intentional misconduct or negligence of any lessee of the District with respect to the Enterprise.

No indemnification is made under this Section 4.1 or elsewhere in this Installment Sale Agreement for willful misconduct, gross negligence, or breach of duty under this Installment Sale Agreement by the Corporation, its officers, agents, employees, successors or assigns.

Section 4.2. Sale or Eminent Domain of Enterprise. Except as provided herein, the District covenants that the Enterprise will not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole if such encumbrance, sale, lease, pledge, charge or other disposition would materially impair the ability of the District to pay the Installment Payments or the principal of or interest on any Parity Obligations, or would materially adversely affect its ability to comply with the terms of this Installment Sale Agreement or the instruments authorizing the issuance of any Parity Obligations. The District shall not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Net Revenues to pay the Installment Payments and any Parity Obligations, or which otherwise would impair the rights of the Corporation with respect to the Net Revenues. If any substantial part of the Enterprise is sold, the payment therefor must either (a) be used for the acquisition or construction of improvements and extensions or replacement facilities or (b) be applied to prepay or redeem the Installment Sale and any Parity Obligations, on a pro rata basis, in the manner provided herein and in the instruments authorizing such Parity Obligations.

Any amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain, if and to the extent that such right can be exercised against such property of the District, shall either (a) be used for the acquisition or construction of improvements and extension or replacement facilities of the Enterprise, or (b) be applied to prepay or redeem the

Installment Sale and any Parity Obligations, on a pro rata basis, in the manner provided herein and in the instruments authorizing such Parity Obligations.

Section 4.3. Insurance. The District shall at all times maintain with responsible insurers all such insurance on the Enterprise as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the Enterprise. If any useful part of the Enterprise is damaged or destroyed, such part shall be restored to usable condition. All amounts collected from insurance against accident to or destruction of any portion of the Enterprise shall be used to repair or rebuild such damaged or destroyed portion of the Enterprise or if determined not to repair or rebuild such portion and in any event to the extent not so applied, must either (a) be used for the acquisition or construction or improvements and extensions or replacement facilities or (b) be applied on a pro rata basis to prepay or redeem the Installment Sale and any Parity Obligations in the manner provided in this Installment Sale Agreement and in the instruments authorizing such Parity Obligations. The District shall also maintain, with responsible insurers, worker's compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the District, the Corporation and the Assignee. Any insurance required to be maintained hereunder may be maintained under and in accordance with a joint exercise of powers agreement, and may be maintained by the District in the form of self-insurance or in the form of participation by the District in a program of pooled insurance.

Section 4.4. Records and Accounts. The District shall keep proper books of records and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall, upon prior request, be subject to the reasonable inspection of the Corporation.

The District shall cause the books and accounts of the Enterprise to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than 180 days after the close of each Fiscal Year, and shall furnish a copy of such report to the Corporation or the Assignee. The audit of the accounts of the Enterprise may be included as part of a general District-wide audit.

The District shall cause to be published annually, not more than 180 days after the close of each Fiscal Year, a summary statement showing the amount of Gross Revenues and the disbursements from Gross Revenues and from other funds of the District in reasonable detail. The District shall furnish a copy of the statement, upon reasonable written request, to the Corporation and the Assignee.

Section 4.5. Rates and Charges.

(a) Covenant Regarding Gross Revenues. The District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which (together with existing unencumbered cash and cash-equivalent balances which are lawfully available to the District for payment of any of the following amounts during such Fiscal Year) are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts in the following order:

(i) All Maintenance and Operation Costs estimated by the District to become due and payable with respect to such Fiscal Year;

(ii) The Installment Payments and all principal of and interest and premium (if any) on any Parity Obligations as they become due and payable with respect to such Fiscal Year, without preference or priority;

(iii) All payments coming due and payable with respect to such Fiscal Year and required for compliance with this Installment Sale Agreement and the instruments authorizing any Parity Obligations; and

(iv) All payments required to meet any other obligations of the District which are charges, liens, encumbrances upon or payable from the Gross Revenues with respect to such Fiscal Year.

(b) Covenant Regarding Net Revenues. In addition to the covenant set forth in the preceding clause (a) of this Section, the District shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are sufficient to yield Net Revenues which, together with existing unencumbered cash and cash-equivalent balances which are lawfully available to the District with respect to such Fiscal Year, are at least equal to 115% of the aggregate amount of Installment Payments and principal of and interest on any Parity Obligations coming due and payable with respect to such Fiscal Year. If the amount of such existing unencumbered cash and cash-equivalent balances, excluding Net Revenues, falls below the amount of Maximum Annual Debt Service with respect to such Fiscal Year, the District shall thereupon fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise with respect to such Fiscal Year which are sufficient to yield Net Revenues with respect to such Fiscal Year (excluding connection charges) at least equal to 100% of the aggregate amount of Installment Payments and principal of and interest on any Parity Obligations coming due and payable with respect to such Fiscal Year.

Section 4.6. No Priority for Additional Obligations. The District may not issue or incur any bonds or other obligations having

any priority in payment of principal or interest out of the Net Revenues over the Installment Payments.

Section 4.7. Issuance of Parity Obligations. Except for obligations incurred to prepay or post a security deposit for the Installment Sale in whole, the District may not issue or incur any Parity Obligations unless:

(a) The District is not then in default under the terms of this Installment Sale Agreement.

(b) The Net Revenues (excluding connection charges), calculated in accordance with sound accounting principles, as shown by the books of the District for the latest Fiscal Year or as shown by the books of the District for any more recent 12 month period selected by the District, in either case verified by a certificate or opinion of an independent certified public accountant (which may be, but not need be, the outside firm providing auditing services) employed by the District, plus (at the option of the District) the Additional Revenues, at least equal 115% of the amount of Maximum Annual Debt Service; *provided, however, that this subsection (b) does not apply to any issue of Parity Obligations the net proceeds of which are applied to refund the Installment Sale or any Parity Obligations in whole or in part, so long as (i) the final maturity of such Parity Obligations does not exceed the final maturity of the obligations being refunded, and (ii) the aggregate amount of debt service on such Parity Obligations in each Fiscal Year does not exceed the amount of debt service which would otherwise come due and payable in such Fiscal Year on the obligations being refunded.*

For purposes of the foregoing calculation of Net Revenues under this subsection (b), the District may add to such Net Revenues any Additional Revenues.

(c) Notwithstanding the above, the District may incur debt payable from Net Revenues (i) to cause a defeasance of this Installment Sale Agreement or (ii) which is payable on a basis which is junior to the payment of the Installment Payments.

Section 4.9. Assignment by the Corporation. The Corporation's rights under this Installment Sale Agreement, including the right to receive and enforce payment of the Installment Payments to be made by the District under this Installment Sale Agreement, have been assigned to the Assignee pursuant to an Assignment of Installment Sale Agreement. Whenever in this Installment Sale Agreement any reference is made to the Corporation and such reference concerns rights which the Corporation has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

The Corporation or the Assignee has the right to make additional assignments of its rights and obligations under this Installment Sale Agreement, but the District shall not be required to pay more than a single payee, regardless of the number of Assignees, and no such assignment will be effective as against the District unless and until the Corporation or the Assignee files with the District a copy of such assignment or written notice thereof. The District shall pay all Installment Payments hereunder under the written direction of the Corporation or the Assignee named in the most recent assignment or notice of assignment filed with the District. During the Term of this Installment Sale Agreement, the District shall keep a complete and accurate record of all such assignments or notices of assignment.

Section 4.10. Assignment by the District. This Installment Sale Agreement may not be assigned by the District, other than to a public agency which shall succeed to the interests of the District in and to the Enterprise and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof.

Section 4.11. Amendment of this Installment Sale Agreement. This Installment Sale Agreement may be amended by the District and the Corporation, but only with the prior written consent of the Assignee (which consent may not be unreasonably withheld).

Section 4.12. Tax Covenants.

(a) Generally. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Installment Payments to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The District shall assure that the proceeds of the Installment Sale are not so used as to cause the Installment Sale to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The District shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Installment Payments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Installment Payments to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(e) Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates this Installment Sale Agreement for purposes of paragraph (3) of Section 265(b) of the Tax Code and represents that not more than \$30,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in Section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including this Installment Sale Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2010.

(f) Arbitrage Rebate. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Installment Sale.

(g) Acquisition, Disposition and Valuation of Investments. Except as otherwise provided in the following sentence, the District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Installment Sale Agreement, or otherwise containing gross proceeds of the Installment Sale (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Installment Sale Agreement or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at their present value (within the meaning of section 148 of the Tax Code).

For purposes of this subsection (g), the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax

Code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.1. Events of Default Defined. The following shall be Events of Default under this Installment Sale Agreement.

(a) Failure by the District to pay the Corporation any Installment Payment or to pay other amounts required to be paid hereunder within fifteen (15) days of the time specified herein, and such failure is not cured within ten (10) days after written notice thereof by the Corporation.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder other than as referred to in the preceding clause (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation provided, however, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such thirty (30) day period, the Corporation shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within such thirty (30) day period and diligently pursued until the default is corrected.

(c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(d) An event of default as defined under any contracts or agreements relating to any Parity Obligations.

SECTION 5.2 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Corporation shall have the rights, at its option and without any further demand or notice to:

(a) declare all principal components of the unpaid Installment Payments, together with accrued interest thereon at the rate of interest per annum represented by the Installment Sale from the immediately preceding Installment Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable; and,

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Installment Sale Agreement.

The provisions of the preceding clause (a) are subject to the condition that if, at any time after the principal components of the unpaid Installment Payments shall have been so declared due and payable pursuant to the preceding clause (a), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Corporation a sum sufficient to pay all principal components of the Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Installment Payments, with interest on such overdue principal and interest components calculated at the rate set forth in Section 3.4(c) and the reasonable expenses of the Corporation (including any fees and expenses of its attorneys), and any and all other defaults known to the Corporation (other than in the payment of the principal and interest components of the Installment Payments due and payable solely by reason of such declaration) shall have been made good, then, and in every such case, the Corporation may, by written notice to the District rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 5.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article V it shall not be necessary to give any notice, other than such notice as may be required in this Article V or by law.

SECTION 5.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party of this Installment Sale Agreement should default

under any of the provisions hereof and the nondefaulting party should employ attorneys (including in-house counsel) or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys (including the allocable cost of in-house counsel) and such other expenses so incurred by the nondefaulting party.

SECTION 5.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 5.6. Assignee to Exercise Rights Such rights and remedies as are given to the Corporation under this Article V have been assigned by the Corporation to the Assignee and shall be exercised solely by the Assignee.

ARTICLE VI

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 6.1. Security Deposit. Notwithstanding any other provision of this Installment Sale Agreement, the District may on any date secure the payment of Installment Payments, in whole, by irrevocably depositing with a fiduciary an amount of cash which, together with other available amounts, is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due pursuant to Section 3.4(a), or (b) invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due pursuant to Section 3.4(a) or when due on any optional prepayment date pursuant to Section 6.2, as the District shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section for the payment of all remaining Installment Payments, all obligations of the District under this Installment Sale Agreement, and the pledge of Net Revenues and all other security provided by this Installment Sale Agreement for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of Installment Payments from such security deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of such Installment Payments in accordance with the provisions of this Installment Sale Agreement.

SECTION 6.2. Optional Prepayment. The District shall have the option to prepay the principal component of the Installment Payments in whole, on any Installment Payment Date, commencing on the sixth Installment Payment Date, by paying the Installment Payment required to be paid on such date plus the prepayment option amount designated on Exhibit A. The District shall give the Corporation written notice of its intention to exercise its option not less than thirty (30) days in advance of the date of exercise.

SECTION 6.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The District shall prepay the unpaid principal component of the Installment Payments in whole on any date or in part, on any Installment Payment Date, from and to the extent the District determines to apply any Net Proceeds of insurance award or condemnation award with respect to the Enterprise for such purpose pursuant to Sections 4.2 or 4.3 at a price equal to the principal amount to be prepaid plus a prepayment premium equal to the amount which would apply to such prepayment if the District prepaid its obligations under Section 6.2 on such date. The District and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Installment Payments, shall be credited towards the District's obligations under this Section 6.3.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Notices. All written notices to be given under this Installment Sale Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District or the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District: Lake Shastina Community Services District
 16320 Everhart Drive
 Weed, CA 96094
 Attention: General Manager

If to the Corporation: Municipal Finance Corporation
 23945 Calabasas Road, Suite 103
 Calabasas, California 91302
 Attention: President

If to the Assignee: City National Bank
555 South Flower Street, 24th Floor
Los Angeles, CA 90071
Attention: Credit Management

SECTION 7.2. Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns.

SECTION 7.3. Severability. In the event any provision of this Installment Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.4. Net-net-net Contract. This Installment Sale Agreement shall be deemed and construed to be a "net-net-net" contract, and the District hereby agrees that the Installment Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.5. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Installment Sale Agreement.

SECTION 7.6. Execution in Counterparts. This Installment Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.7. Applicable Law. This Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 7.8. Captions. The captions or headings in this Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Installment Sale Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Installment Sale Agreement to be executed in its corporate name by its duly authorized officer, and the District has caused this Installment Sale Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

BY Carol J. Ayer
President of the Board

Attest:

Her. M. C. [Signature]
Secretary of the Board

MUNICIPAL FINANCE CORPORATION

BY William [Signature]
President

EXHIBIT A

SCHEDULE OF INSTALLMENT PAYMENTS

PMT #	Due Date	Installment Payment	To Principal	To Interest	Prepayment Option
1	4/21/11	\$30,512.72	\$12,662.72	17,850.00	
2	10/21/11	30,512.72	13,039.44	17,473.28	
3	4/21/12	30,512.72	13,427.36	17,085.36	
4	10/21/12	30,512.72	13,826.82	16,685.90	
5	4/21/13	30,512.72	14,238.17	16,274.55	
6	10/21/13	30,512.72	14,661.76	15,850.96	538,869.48
7	4/21/14	30,512.72	15,097.94	15,414.78	523,167.62
8	10/21/14	30,512.72	15,547.11	14,965.61	506,998.63
9	4/21/15	30,512.72	16,009.63	14,503.09	490,348.61
10	10/21/15	30,512.72	16,485.92	14,026.80	473,203.26
11	4/21/16	30,512.72	16,976.38	13,536.34	455,547.82
12	10/21/16	30,512.72	17,481.42	13,031.30	437,367.14
13	4/21/17	30,512.72	18,001.50	12,511.22	418,645.58
14	10/21/17	30,512.72	18,537.04	11,975.68	399,367.06
15	4/21/18	30,512.72	19,088.52	11,424.20	379,515.00
16	10/21/18	30,512.72	19,656.40	10,856.32	359,072.34
17	4/21/19	30,512.72	20,241.18	10,271.54	338,021.52
18	10/21/19	30,512.72	20,843.35	9,669.37	316,344.43
19	4/21/20	30,512.72	21,463.44	9,049.28	294,022.46
20	10/21/20	30,512.72	22,101.98	8,410.74	271,036.40
21	4/21/21	30,512.72	22,759.52	7,753.20	247,366.50
22	10/21/21	30,512.72	23,436.61	7,076.11	222,992.42
23	4/21/22	30,512.72	24,133.85	6,378.87	197,893.22
24	10/21/22	30,512.72	24,851.83	5,660.89	172,047.31
25	4/21/23	30,512.72	25,591.17	4,921.55	145,432.50
26	10/21/23	30,512.72	26,352.51	4,160.21	118,025.89
27	4/21/24	30,512.72	27,136.50	3,376.22	89,803.93
28	10/21/24	30,512.72	27,943.81	2,568.91	60,742.36
29	4/21/25	30,512.72	28,775.14	1,737.58	30,816.22
30	10/21/25	30,512.72	29,630.98	881.74	0.00

TOTALS: \$915,381.60 \$600,000.00 \$315,381.60

EXHIBIT B

DESCRIPTION OF THE PROJECT

Expansion of sewer pond

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VERBAL ONLY