ROBERTS CREEK
WATER DISTRICT

ROBERTS CREEK WATER DISTRICT
ROSEBURG, OREGON

Financial Report and Supplementary Information

JUNE 30, 2016

ROBERTS CREEK WATER DISTRICT

June 30, 2016

BOARD OF COMMISSIONERS

		Term Expires	Position
Tracey Parker 2110 Freeman Ave. Roseburg, OR 97471-4704	President	July 2017	4
Tom Fullbright 5267 Grange Rd Roseburg, OR 97471	Secretary	July 2017	5
Carolyn White 631 Roberts Mountain Rd Roseburg, OR 97471	Treasurer	July 2017	1
Phillip Bigler 310 Jamie Loop Roseburg, OR 97471	Commissioner	July 2019	2
Stephen Lusch 182 Summerwood Roseburg, OR 97471	Vice-President	July 2019	3

OFFICE MANAGER
David Campos
1858 NE Sunset St
Roseburg, OR 97470

SUPERINTENDENT
Alan Paulson
4751 Happy Valley Rd.
Roseburg, OR 97471

REGISTERED AGENT
David Campos

ROBERTS CREEK WATER DISTRICT

June 30, 2016

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION & ANALYSIS	3-9
BASIC FINANCIAL STATEMENTS	
Statement of Position	10-11
Statement of Revenues, Expenses, and Changes in Net Position	12
Comparative Statement of Cash Flows	13-14
Notes to the Financial Statements	15-23
SUPPLEMENTARY INFORMATION	
Balance Sheet – Fund Financial Statement – Budget Basis	24
Reconciliation of the Budget Basis Funds Equity to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Fund Financial Statement – Budget Basis	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to Change in Net Position	27
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget – Enterprise Funds (Budget Basis)	28-31
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget – Capitol Project Funds (Budget Basis)	32
OTHER SUPPLEMENTAL DATA	
Schedule of Insurance Coverage	33
AUDITOR'S COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS	34-35

NEUNER, DAVIDSON, COOLEY & RAPP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

Dear Board Members:

We have audited the accompanying basic financial statements of Roberts Creek Water District as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Roberts Creek Water District as of June 30, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on Roberts Creek Water District's basic financial statements. The supplementary information and other supplemental data listed in the table of contents is presented for purposes of additional analysis and are not a part of the basic financial statements.

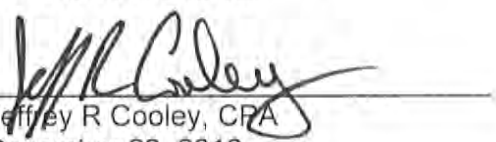
The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial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

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

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2016 on our consideration of the District's compliance with certain provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-100 to 162-10-320. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Neuner, Davidson, Cooley & Rapp, LLC
Certified Public Accountants

By: 
Jeffrey R Cooley, CPA
December 22, 2016

Management's Discussion and Analysis

The following discussion and analysis of Roberts Creek Water District's (the District) financial performance presents management's overview of the District's financial activities for the fiscal year ended June 30, 2016. The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Please read it in conjunction with the District's basic financial statements, which begin immediately following this analysis.

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements presented herein include all of the activities of the District as prescribed by GASB Statement No. 34. The basic financial statements are comprised of three components: (1) government-wide financial statements beginning on Page 10 of this report, (2) notes to financial statements beginning on Page 15 of this report, and (3) supplementary information beginning on Page 24 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting.

- The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in the net position may serve as a useful indicator showing if the financial position of the District is improving or deteriorating. The net position section is displayed in three categories: 1) Investment in Capital Assets, 2) Restricted, and 3) Unrestricted. The Statement of Net Position can be found on pages 10 and 11.

- The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. This statement measures the success of the District's operations during the year and can be used to determine whether the District has recovered its costs through user fees and charges. The *Statement of Revenues, Expenses and Changes in Net Position* can be found on page 12.

- The *Statement of Cash Flows* presents a summary of the cash flows from operations and investments during the reporting period. The *Statement of Cash Flows* also reconciles the reasons why cash from operating activities differs from operating income. The *Statement of Cash Flows* can be found on pages 13 and 14.

PROPRIETARY FUNDS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to those found in the private sector where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis be financed or recovered primarily through fees and user charges.

The District reports a single proprietary fund in the basic financial statements, however, uses two funds for budgetary purposes - The Enterprise Fund and the Capital Projects Fund. Information is presented separately in the proprietary fund Balance Sheet and Statement of Revenues and Expenditures and Changes in Fund Balances for the Enterprise Fund and Capital Projects, which are considered major funds.

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

The District adopts an annual operating budget for all funds. A budgetary comparison statement to demonstrate compliance with this budget is provided for these funds beginning on Page 28. The proprietary fund financial statements can be found on Pages 24 through 27 of this report.

INTERNAL SERVICE FUNDS

The District does not maintain any Internal Service Funds.

FIDUCIARY FUNDS

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

The District does not maintain any Fiduciary Funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS

These notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the basic financial statements can be found on Pages 15 through 23 of this report.

OVERALL FINANCIAL ANALYSIS OF THE DISTRICT

(Government-Wide Financial Statements)

Net Position – The District's net position decreased by $145,598 (from $8,493,437 to $8,347,839) during the fiscal year 2015-16. Net position invested in capital assets decreased by $214,364. Restricted Net Position increased by $80,188. Unrestricted net position decreased by $11,422.

Change in Net Position – The District's program revenues decreased by $42,935 from $1,906,778 in 2014-15 to $1,863,843 in 2015-16, due to a decrease in water and meter sales.

Operating Expenses -- Program expenses increased from $1,974,592 to $2,011,982 (an increase of $37,390) primarily due to an increase in personal services, such as salaries, employment taxes, and benefits. This increase included $10,573 in state unemployment catch-up payments from previous years' unemployment claims.

The District's non-operating revenues decreased by $2,627 as a result of depreciable asset sales in the prior year.

There were no lines installed by contractors during the 2015-16 fiscal year, which is a direct reflection of the continuing state of economy in our District and lack of new construction.

FINANCIAL HIGHLIGHTS – PROPRIETARY FUND FINANCIAL STATEMENTS

The most significant source of operating revenue for the District is water sales. Revenue in the General Fund (Enterprise Fund) decreased by $18,383.

	2013-2014	2014-2015	2015-2016	2016 vs 2015 Increase/ (Decrease)
Water Sales	1,764,920	1,777,782	1,787,897	10,115
Meter Sales	4,900	7,250	21,392	14,142
Standby Charges	18,881	18,534	18,558	24
Special Surcharge (Lines)	-	-	4,993	4,993
Backflow Test Receipts	1,780	2,550	4,425	1,875
Miscellaneous	38,468	38,833	47,019	8,186
Interest	673	532	2,541	2,009
	$ 1,829,622	$ 1,845,481	$ 1,886,825	$ 41,344

Expenses in the General Fund (Enterprise Fund) decreased by $98,474, but the operating transfers to the Capital Projects Fund increased by $90,000.

BUDGETARY COMPARISONS

Enterprise Fund

Revenues:

Water consumption was up slightly this year.

Meter sales decreased by $6,750, due to a decline in new home construction.

Interest income was down from $632 for 2014-15 to $572 for 2015-16. Interest has been on a steady decline over recent years due to the reduction in interest rates.

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

Miscellaneous Income increased by $8,186, primarily due to meter re-installs, which are charged to miscellaneous income. Only new meter sales are charged to the meter sales account.

Expenditures:

Removing the amount under Special System Development Surcharge Tank & Lines yields a difference of $276,029 between actual and budget. The budget included lines replacement of $50,000 and an operating contingency of $75,000 but there were no expenditures for those line items in the fiscal year.

Capital Projects

Revenues:

Revenues included a decrease in meter sales, due to a decline in new home construction.

Expenditures:

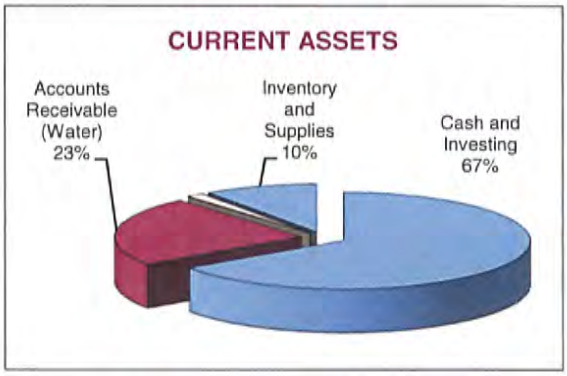
The District completed a line-replacement project on Old Highway 99S in 2015-16. The current-year expenditures totaled $127,021.

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

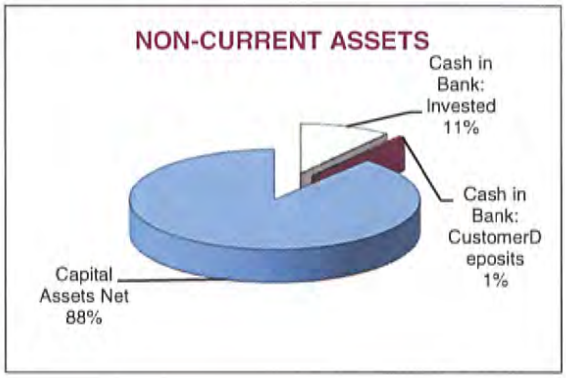
Roberts Creek Water District Board of Commissioners and staff are continually faced with the challenge of replacing aging infrastructure, complying with new requirements in the water purveyor's industry, and maintaining a stable source, quantity and delivery of water for our existing and future customers. In the upcoming fiscal year, the District will perform a rate analysis to establish a new rate structure in order to keep up with rising operations costs as well as finance future capital improvements.

ROBERTS CREEK WATER DISTRICT

	2013-14	2014-15	2015-16
TOTAL CURRENT ASSETS	657,740	618,799	596,716
Cash and Investing	431,596	395,036	390,036
Accounts Receivable (Water)	153,749	159,866	139,425
Prepaid Expenses	7,262	7,232	8,504
Standby Charges	948	-	-
Inventory and Supplies	64,185	56,665	58,751



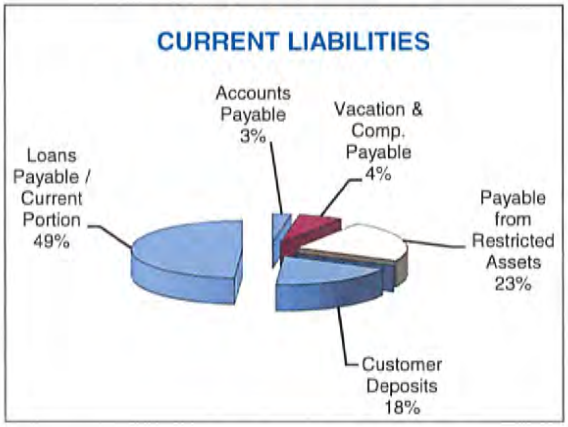
	2013-14	2014-15	2015-16
NON-CURRENT ASSETS	14,338,782	14,032,470	13,652,750
Cash in Bank: Invested	1,703,215	1,324,140	1,402,708
Cash in Bank: Customers' Deposits	95,866	97,316	98,936
Capital Assets Net	12,539,701	12,611,014	12,151,106



	2013-14	2014-15	2015-16
Total Assets	14,996,522	14,651,269	14,249,466
Total Non-Current Assets	14,338,782	14,032,470	13,652,750
TOTAL CURRENT ASSETS	657,740	618,799	596,716

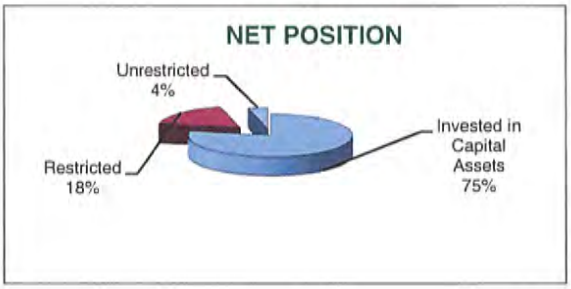
	2013-14	2014-15	2015-16
Total Current Liabilities	563,272	526,209	527,327
Accounts Payable	8,923	23,813	14,482
Vacation and Comp. Time Payable	30,112	32,177	34,223
Payable from Restricted Assets	135,040	127,359	122,119
Unclaimed Property Liability			
Customer Deposits	95,866	97,316	98,936
Loans Payable / Current Portion	293,331	245,544	257,567

	2013-14	2014-15	2014-15
Loans Payable/Non Current	5,877,167	5,877,167	5,374,300
TOTAL LIABILITIES	6,440,439	6,403,376	5,901,627



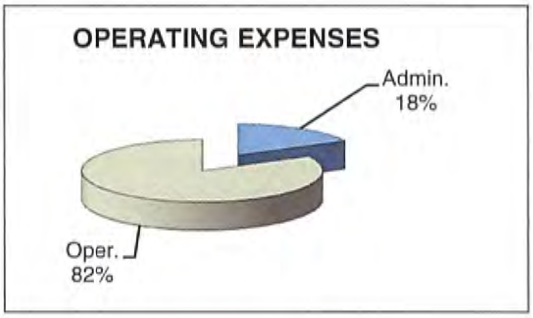
NET POSITION	2013-14	2014-15	2015-16
Invested in Capital Assets	6,369,203	6,733,847	6,519,483
Restricted	1,799,081	1,421,456	1,501,644
Unrestricted	387,799	338,134	326,712

	2012-13	2013-14	2015-16
TOTAL NET POSITION	8,556,083	8,493,437	8,347,839

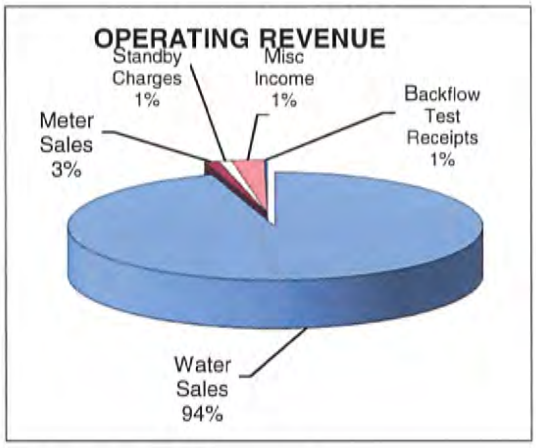


ROBERTS CREEK WATER DISTRICT

	2013-14	2014-15	2015-16
OPERATING EXPENSES	**1,911,656**	**1,974,592**	**2,011,982**
Administrative Department	361,548	347,888	349,655
Operating Department	1,550,108	1,626,704	1,662,327



	2013-14	2014-15	2015-16
OPERATING REVENUES	**1,853,158**	**1,906,778**	**1,858,850**
Water Sales	1,752,501	1,783,899	1,767,456
Meter Sales	41,461	62,962	21,392
Standby Charges	18,881	18,534	18,558
Special Surcharge (Lines)			
Special Surcharge (Tanks)			
Miscellaneous	38,535	38,833	47,019
Backflow Test Receipts	1,780	2,550	4,425



	2013-14	2014-15	2015-16
NON-OPERATING REVENUES	**3,260**	**5,168**	**2,541**
Gain on Asset Sales	0	2,160	0
Interest	3,260	3,008	2,541

	2013-14	2014-15	2015-16
CAPITAL CONTRIBUTION			
Developer Contributions	none	none	none

Basic Financial Statements

ROBERTS CREEK WATER DISTRICT

Statement of Net Position
June 30, 2016 and 2015

	Business - Type Activities	
	2016	2015
Assets		
Current Assets:		
Cash and Cash Equivalents	$390,036	$395,036
Accounts Receivable:		
Water	139,425	159,866
Inventory and Supplies	58,751	56,665
Prepaid Expenses	8,504	7,232
Total Current Assets	596,716	618,799
Noncurrent Assets:		
Restricted Assets		
Cash in Bank-Capital Projects	1,402,708	1,324,140
Cash in Bank-Customer's Deposits	98,936	97,316
Capital Assets Net	12,151,106	12,611,014
Total Noncurrent Assets	13,652,750	14,032,470
Total Assets	14,249,466	14,651,269

	Business - Type Activities	
	2016	2015
Liabilities and Net Position		
Liabilities:		
Current Liabilities:		
Accounts Payable	14,482	23,813
Vacation and Comp. Time Payable	34,223	32,177
Payable from Restricted Assets:		
Accrued Interest	122,119	127,359
Customer Deposits	98,936	97,316
Loans Payable-Current Portion	257,567	245,544
Total Current Liabilities	527,327	526,209
Non Current Liabilities:		
Uncashed Funds Outstanding	244	-
Loan Payable - SPWF - Less Current Portion Above	(178,767)	78,800
Loan Payable - Douglas County	434,361	434,361
Loan Payable - SDWRLF	5,118,462	5,118,462
Total Non Current Liabilities	5,374,300	5,631,623
Total Liabilities	5,901,627	6,157,832
Net Position:		
Invested in Capital Assets	6,519,483	6,733,847
Restricted	1,501,644	1,421,456
Unrestricted	326,712	338,134
Total Net Position	$8,347,839	$8,493,437

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

ROBERTS CREEK WATER DISTRICT

Statement of Revenues, Expenses and Changes in Net Position
For The Fiscal Years Ended June 30, 2016 and 2015

	2016	2015
Operating Revenues:		
Water Sales	$1,767,456	$1,783,899
Meter Sales	21,392	62,962
Standby Charges	18,558	18,534
Special Surcharge (Lines)	4,993	-
Backflow Test Reciepts	4,425	2,550
Miscellaneous	47,019	38,833
Total Operating Revenues	1,863,843	1,906,778
Operating Expenses:		
Administrative Department:		
Personal Services	229,395	219,571
Material and Services	120,260	128,317
Operating Department:		
Personal Services	574,957	533,564
Material and Services	272,035	270,787
Inventory Change	(2,086)	7,520
Meter, Line Replacement, Misc. Improvements	1,687	478
Depreciation Expense	601,289	589,209
Interest Expense	214,445	225,146
Total Operating Expenses	2,011,982	1,974,592
Net Operating Income	(148,139)	(67,814)
Non Operating Revenues:		
Gain on Sale of Assets	-	2,160
Interest	2,541	3,008
Total Non Operating Revenues	2,541	5,168
Capital Contribution - Developer Contributions	-	-
Change in Net Position	(145,598)	(62,646)
NET POSITION - BEGINNING	8,493,437	8,556,083
NET POSITION - ENDING	$8,347,839	$8,493,437

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

ROBERTS CREEK WATER DISTRICT

Comparative Statement of Cash Flows
For The Fiscal Years Ended June 30, 2016 and 2015

	2016	2015
Cash Flow From Operating Activities:		
Receipts from customers	$1,838,885	$1,863,278
Other operating cash receipts	47,263	39,781
Payments to suppliers	(404,585)	(384,662)
Payments to employees	(802,306)	(751,070)
Interest on Bonds and Loans	(219,685)	(232,827)
Net Cash Provided by Operating Activities	459,572	534,500
Cash Flows From Capital and Related Financing Activities:		
Purchase of Depreciable Assets	(141,381)	(660,522)
Sale of Depreciable Assets	-	2,160
SPWF Loan Repaid	(19,858)	(76,326)
SDWRLF Loan Repaid	(225,686)	(217,005)
Net Cash Used by Capital and Related Financing Activities	(386,925)	(951,693)
Cash Flows From Investing Activities:		
Interest Received	2,541	3,008
Net Cash Provided by Investing Activities	2,541	3,008
Net Increase in Cash	75,188	(414,185)
CASH, Beginning	1,816,492	2,230,677
CASH, Ending	$1,891,680	$1,816,492
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed Capital from Contractor Paid Line Improvements	$ -	$ -
Cash & Cash Equivalents	390,036	395,036
Cash in Bank - Capital Projects	1,402,708	1,324,140
Cash in Bank - Customer's Deposit	98,936	97,316
	$1,891,680	$1,816,492

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

ROBERTS CREEK WATER DISTRICT

Comparative Statement of Cash Flows (Continued)
For The Fiscal Years Ended June 30, 2016 and 2015

	2016	2015
Reconciliation of Operating Income (Loss) to net cash provided (Used) by operating activities:		
Operating Income	$ (148,139)	$ (67,814)
Adjustments to Reconcile Net Income to Net Cash Provided by Operations:		
(Gain) Loss on Disposition of Assets		-
Depreciation	601,289	313,665
(Increase) Decrease in Accounts Receivable:		
Water	20,441	(40,382)
Stand By Charges	-	(693)
(Increase) Decrease in Inventory	(2,086)	(9,326)
(Increase) in Prepaid Expenses	(1,272)	30
Increase (Decrease) in Accounts Payable	(9,331)	(91,366)
Increase (Decrease) in Vacation and Comp Payable	2,046	5,653
Increase (Decrease) in Accrued Interest	(5,240)	(7,681)
Increase (Decrease) in Customer Deposits	1,620	1,513
Increase (Decrease) in Unclaimed Property	244	-
Net Cash Provided by Operating Activities	$ 459,572	$ 103,599

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

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Organization and Fund Structure

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

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

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

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

Major Business-Type Funds Reported by the District Include -

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

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

B. Proprietary Fund and Fund Financial Statements

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

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

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

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

B. Proprietary Fund and Fund Financial Statements (Cont'd)

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

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

Proprietary Fund Financial Statements - The Proprietary Fund financial statements are reported using the economic resource management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

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

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

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

C. Basis of Accounting-Budget Purposes

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

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

D. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investments other than U.S. Government agency securities and investment in the Oregon Local Government Investment Pool are carried at fair market value. Investments in U.S. Government agency securities with a maturity of three months or more, when purchased, are carried at amortized cost which approximates fair value. Fair value is based on current market prices. Changes in the fair value of investments are recognized as revenue. The District had no investments at June 30, 2016.

E. Receivables

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

F. Inventory

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

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

G. Restricted Assets

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

Capital Projects
Customer Deposits

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

H. Fixed Assets

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

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

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

I. Net Position

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

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

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

J. Interfund Transactions

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

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

K. Comparative Data

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

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

L. Use of Estimates

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

2. CASH AND INVESTMENTS

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

A. Cash and Cash Equivalents

	2016	2015
Cash balances consist of the following:		
Cash on Hand	$ 550	$ 550
Checking/Savings	123,766	123,766
Money Market Accounts	1,692,176	1,692,176
Total Cash and Cash Equivalents	$ 1,816,492	$ 1,816,492

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

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

Deposits with financial institutions include bank demand deposits. The total per the bank statements is $1,946,833 and $1,870,303 at June 30, 2016 and 2015, respectively. These deposits were adequately covered.

3. WATER SALES AND OTHER RECEIVABLES

Receivables for water sales are $146,763 at June 30, 2016 and $168,280 at June 30, 2015. The Reserve for Bad Debt is $7,338 at June 30, 2016 and $8,414 at June 30, 2015.

4. FIXED ASSETS

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

	Balance July 01, 2015	Increase	Decrease	Balance June 30, 2016
Land	$ 341,036			$ 341,036
Office Equipment	112,296			112,296
Office Building & Improvements	151,591	6,270		157,861
Vehicles	145,896			145,896
Water Plant & Equipment	11,777,551	2,090		11,779,641
Reservoir Tank & Road	1,011,735	6,000		1,017,735
Distribution Lines & Reservoir	6,793,269	127,021		6,920,290
Total	$ 20,333,374	$ 141,381	$ -	$ 20,474,755

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

	Balance July 01, 2015	Increase	Decrease	Balance June 30, 2016
Office Equipment	$ 108,354	$ 2,534		$ 110,888
Office Building & Improvements	91,679	3,439		95,118
Vehicles	88,183	17,686		105,869
Water Plant & Equipment	3,886,445	341,483		4,227,928
Reservoir Tank & Road	385,282	29,196		414,478
Distribution Lines & Reservoir	3,162,417	206,951		3,369,368
Total	$ 7,722,360	$ 601,289		$ 8,323,649
Fixed Assets - Net	$ 12,611,014	$ (459,908)	$ -	$ 12,151,106

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

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

4. FIXED ASSETS (Cont'd)

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

	Balance July 1, 2014	Increase	Decrease	Balance June 30, 2015
Office Equipment	$ 104,549	$ 3,805		$ 108,354
Office Building & Improvements	88,440	3,239		91,679
Vehicles	102,354	19,794	33,965	88,183
Water Plant & Equipment	3,539,543	346,902		3,886,445
Reservoir Tank & Road	356,086	29,196		385,282
Distribution Lines & Reservoir	2,976,144	186,273		3,162,417
Total	$ 7,167,116			$ 7,722,359
Fixed Assets - Net	$ 12,539,701	$ 660,522	$ 33,965	$ 12,611,014

5. DEFINED CONTRIBUTION PLAN

The District established a Simplified Employee Pension (SEP) retirement plan for their employees effective July 1, 1994. Edward D. Jones & Co. administers the defined contribution plan. For the 2015-2016 and 2014-2015 fiscal years, the District contributed 12% for eligible employees. The amount of contribution is to be determined annually. The length of employment to be eligible for retirement benefits is six months. The employer contribution for the fiscal years ending June 30, 2016 and 2015 is $56,840 and $55,065, respectively.

6. COMPENSATED ABSENCES

The commitments to employee sick leave at June 30, 2016 and 2015 are:

	2016	2015
Administration	$ 18,668	$ 15,975
Operations	30,679	31,575
Total Sick Leave	$ 49,347	$ 47,550

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

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

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

7. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 consisted of the following:

The Enterprise Fund transferred $640,000 to the Capital Projects Fund for future capital projects and asset acquisitions.

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

8. LOANS AND REVENUE BONDS PAYABLE

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

The remaining $175,000 was a deferred loan, payable in 25 years at 6.0% interest. Annual principal and interest payments began December 1, 1997. Total annual payments began at $7,627 in 1997 and balloon to $31,578 by the year 2018. The balance of the deferred loan at June 30, 2016 is $78,800. Five year maturities are as follows:

Fiscal Year Ending June 30,	Outstanding June 30, 2015	Redeemed	Outstanding June 30, 2016	Interest
2016	$ 19,858	$ 19,858	$ -	$ 5,920
2017	22,853	-	22,853	4,728
2018	26,156		26,156	3,357
2019	29,791	-	29,791	1,787
Total	$ 98,658	$ 19,858	$ 78,800	$ 15,792

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

Fiscal Year Ending June 30,	Outstanding June 30, 2015	Redeemed	Outstanding June 30, 2016	Interest
2016	$ 225,686	$ 225,686	$ -	$ 213,766
2017	234,713		234,713	204,738
2018	244,102		244,102	195,350
2019	253,866		253,866	185,586
2020	264,020		264,020	175,431
2021	274,581		274,581	164,870
Thereafter	3,847,180		3,847,180	982,747
Total	$ 5,344,148	$ 225,686	$ 5,118,462	$ 2,122,488

9. INTERGOVERNMENTAL AGREEMENT - RESERVOIR TANK LOAN PAYABLE

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

The loan interest is 4% per annum, which at this time has been waived by the County. The District budgets annually a payment to the County based on the special System Development Charges (SDC's) collected in the prior fiscal year. If annual collections exceed $100,000, the District shall enact a supplemental budget. Payments to the County will be made within 30 days of the beginning of the fiscal year or 30 days from enactment of a supplemental budget. Payments are first applied to interest and then to principal. The District is not responsible for any repayment of the loan or interest thereon in lieu of or in addition to special SDC's and is not a general obligation of the District. The amount payable in the next twelve months is undeterminable; therefore, no amount is included in current liabilities. There were no payments in the 2015-2016 fiscal year. The balance at June 30, 2016 is $434,361.

10. RESERVATION FEE

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

11. CONTRIBUTED CAPITAL

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

	2016	2015
Beginning Balance	$ 3,124,254	$ 3,124,254
Contractor Line Improvements	-	-
Ending Balance	$ 3,124,254	$ 3,124,254

12. COMMITMENTS

The District has a cancelable contract with Meter readers to read all water meters in the District. The contract will expire June 30, 2017.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events as of December 22, 2016, the date the financial statements were made available to be issued. No subsequent events were noted.

Supplementary Information

Budget Basis

ROBERTS CREEK WATER DISTRICT

Balance Sheet - Fund Financial Statements - Budget Basis
June 30, 2016

	Enterprise Fund	Capital Projects Fund	Total
Assets			
Cash and Cash Equivalents	$ 488,972	$ 1,402,708	$1,891,680
Accounts Receivable:			
Water	146,763		146,763
Prepaid Expenses	8,504		8,504
Inventory and Supplies	58,751		58,751
Office Equipment, Net	1,408		1,408
Operating Equipment-Vehicle, Net	40,027		40,027
Office and Building Site, Net	62,743		62,743
Water Plant, Net	8,496,006		8,496,006
Distribution Lines and Reservoir, Net	3,550,922		3,550,922
Amount to be Provided for			
Retirement of Revenue Bonds	78,800		78,800
Reservoir Tank Loan	434,361		434,361
Treatment Plant Upgrade Loan	5,118,462		5,118,462
Total Assets	$18,485,719	$1,402,708	$19,888,427
Liabilities and Fund Equity			
Liabilities:			
Accounts Payable and Accrued Expenses	14,482		14,482
Vacation and Comp. Time Payable	34,223		34,223
Service Deposits Payable	98,936		98,936
Unclaimed Property	244		244
Revenue Bond Payable-SPWF	78,800		78,800
Reservoir Tank Note Payable-Douglas County	434,361		434,361
Safe Drinking Water Revolving Loan Fund Payable	5,118,462		5,118,462
Deferred Revenue	146,763		146,763
Total Liabilities	5,926,271	-	5,926,271
Fund Equity:			
Fund Balance Reserved for:			
Inventory	58,751		58,751
Fixed Assets	12,151,106		12,151,106
Unreserved	349,591	1,402,708	1,752,299
Total Fund Equity	12,559,448	1,402,708	13,962,156
Total Liabilities and Fund Equity	$18,485,719	$1,402,708	$19,888,428

ROBERTS CREEK
WATER DISTRICT

Reconciliation of the Budget Basis Fund Equity
to the Statement of Net Position
at
June 30, 2016

Total fund equity - Balance Sheet	$13,962,156
Amounts reported for Enterprise Fund activities in the statement of net position are different because:	
Allowance for Bad Debt	(7,338)
Amount to be provided for bond retirement is not reported in the government-wide statements	(5,631,623)
Deferred revenues reported in the fund financial statements are recognized as revenues for the government-wide statements	146,763
Accrued interest payable is not reported in the fund financial statements, but is reported in the government-wide statements	(122,119)
Net Position	$8,347,840

ROBERTS CREEK WATER DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Fund Financial Statements - Budget Basis
For The Fiscal Year Ended June 30, 2016

	Enterprise Fund	Capital Projects Fund	Total
Operating Revenues:			
Water Sales	$1,787,897	-	$1,787,897
Meter Sales	500	$ 20,892	21,392
Standby Charges	18,558	-	18,558
Miscellaneous	47,019	-	47,019
Special Surcharge (Lines)	4,993	-	4,993
Backflow Test Receipts	4,425	-	4,425
Interest	572	1,969	2,541
Total Revenues	1,863,964	22,861	1,886,825
Operating Expenditures:			
Administrative Department	355,924	-	355,924
Operating Department	856,769	-	856,769
Debt Service	25,778	439,452	465,230
Capital Outlay	-	127,021	127,021
Total Expenditures	1,238,471	566,473	1,804,944
Excess of Revenues Over (Under) Expenditures	625,493	(543,612)	81,881
Other Financing Sources (Uses):			
Operating Transfer In	-	640,000	640,000
Operating Tranfer Out	(640,000)	-	(640,000)
Total Other Financing Sources (Uses)	(640,000)	640,000	-
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,507)	96,388	81,881
Fund Balance, Unreserved, Beginning	364,098	1,306,320	1,670,418
Fund Balance, Unreserved, Ending	$349,591	$1,402,708	$1,752,299

ROBERTS CREEK WATER DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to Change in Net Position for the period ended June 30, 2016

Net Change in fund balances - Proprietary Funds - Budget	$81,881
Amounts reported for proprietary funds and the statement of activities are different because:	
Depreciation Expense on capital assets is reported in the government-wide statement of activities and changes in net position, and not reported as expenditure in the proprietary funds	(601,289)
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in proprietary funds.	2,086
Proprietary funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	141,381
Accrued Interest expense is not reported in the fund financial statements, but is in the government-wide statements	5,240
The payment of long-term debt uses current financial resources in the budget basis financial statement of revenues, expenditures, and changes in fund balances, but they do not require the use of current financial resources in the proprietary fund.	245,544
Some revenues will not be collected for several months after the districts year end, they are not considered "available" revenues in the proprietary funds.	(20,441)
Change in net position	($145,598)

ROBERTS CREEK WATER DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2016

	Actual	Original & Final Budget	Over (Under) Budget
Revenues:			
Water Sales	$1,347,897	$1,400,000	$ (52,103)
Water Sales Plant Upgrade	440,000	440,000	-
Meter Sales	500	20,000	(19,500)
Standby Charges	18,558	19,000	(442)
Miscellaneous	47,019	50,000	(2,981)
Special Surcharge (Lines)	4,993	50,000	(45,007)
Special Surcharge (Tanks)	-	50,000	(50,000)
Backflow Test Receipts	4,425	3,500	925
Interest	572	1,000	(428)
Total Revenues	1,863,964	2,033,500	(169,536)
Expenditures:			
Administrative Department			
Personal Services:			
Office Manager	73,076	72,000	1,076
Office Assistant	68,073	77,000	(8,927)
Administrative Assistant	-	2,000	(2,000)
Social Security	10,798	12,000	(1,202)
Worker's Compensation	108	800	(692)
Insurance	50,732	58,000	(7,268)
Unemployment Compensation	7,548	5,000	2,548
Retirement	16,935	18,000	(1,065)
Vacation and Compensation Time	2,124	2,000	124
Total Personal Services	229,394	246,800	(17,406)

ROBERTS CREEK WATER DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2016

	Actual	Original & Final Budget	Over (Under) Budget
Administrative Department (Con't)			
Materials and Services:			
Audit	11,450	12,000	(550)
Elections	-	1,500	(1,500)
Supplies	7,131	8,000	(869)
Telephone	2,430	5,000	(2,570)
Electricity	2,588	4,000	(1,412)
Legal Fees	-	5,000	(5,000)
Property Insurance	30,980	35,000	(4,020)
Liability and Auto Insurance	9,640	10,000	(360)
Repair and Maintenance	2,525	6,000	(3,475)
Administrative Services	3,100	3,000	100
Bank Charges	-	2,000	(2,000)
Budgeting	263	500	(237)
Education	-	4,000	(4,000)
Miscellaneous	4,045	3,000	1,045
Advertising	310	500	(190)
Postage	15,340	17,000	(1,660)
Contract Services	25,703	27,000	(1,297)
Merchant Service Fees	4,755	4,000	755
Total Materials and Services	120,260	147,500	(27,240)
Capital Outlay:			
Office Equipment	-	2,000	(2,000)
Office Improvements	6,270	6,000	270
Total Capital Outlay	6,270	8,000	(1,730)
Total Administrative Department Expenditures	355,924	402,300	(46,376)
Operating Department			
Personal Services:			
Plant Superintendent	76,347	77,500	(1,153)
Service Crew	267,261	276,000	(8,739)
Social Security	26,078	27,500	(1,422)
Worker's Compensation	6,800	9,200	(2,400)
Insurance	140,634	152,000	(11,366)
Unemployment Compensation	18,011	11,000	7,011
Retirement	39,905	41,000	(1,095)
Vacation and Compensation Time	(79)	1,000	(1,079)
Total Personal Services	574,957	595,200	(20,243)

ROBERTS CREEK WATER DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2016

	Actual	Original & Final Budget	Over (Under) Budget
Operating Department (Con't)			
Materials and Services:			
Freight	1,682	3,000	(1,318)
Tools	1,572	3,000	(1,428)
Supplies and Safety Items	4,821	3,000	1,821
Telephone and Communications	6,060	8,500	(2,440)
Electricity	112,488	119,000	(6,512)
Fees and Dues	7,484	13,000	(5,516)
Fuel	6,716	15,000	(8,284)
Equipment Maintenance	4,824	10,000	(5,176)
Repair and Maintenance-Field	21,484	25,000	(3,516)
Repair and Maintenance-Plant	35,014	35,000	14
Chemicals	35,956	65,000	(29,044)
Miscellaneous	1,744	2,000	(256)
Education	4,015	5,000	(985)
Reservoir Maintenance	6,000	4,000	2,000
Miox System	2,779	5,000	(2,221)
Summer Stored Water	5,036	12,320	(7,284)
Emergency Inter-tie	-	1,500	(1,500)
Engineering	-	5,000	(5,000)
New Connections-Materials	212	2,000	(1,788)
Inventory Adjustment	9,894	-	9,894
Water Samples	8,424	8,000	424
Compliance Fees	1,250	1,300	(50)
Backflow Testing	2,670	1,600	1,070
Total Materials and Services	280,125	347,220	(67,095)
Capital Outlay:			
Meter Installations	114	3,000	(2,886)
Replace Lines	-	50,000	(50,000)
Equipment Purchases	-	3,000	(3,000)
Vehicle Purchases	-	-	-
Safety Equipment	230	3,000	(2,770)
Repair River Intake	1,343	4,000	
Replace Filter Media	-	6,000	(6,000)
Total Capital Outlay	1,687	69,000	(64,656)
Total Operating Department Expenditures	856,769	1,011,420	(151,994)

ROBERTS CREEK WATER DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Enterprise Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2016

	Actual	Original & Final Budget	Over (Under) Budget
Operating Contengincies	-	75,000	(75,000)
Debt Service			
Deferred Loan Interest	5,920	5,920	-
Deferred Loan Principal	19,858	19,860	(2)
Reserve for Payment	-	50,000	(50,000)
Intergovernmental Agreement Payment	-	50,000	(50,000)
Total Debt Service	25,778	125,780	(100,002)
Total Expenditures	1,238,471	1,614,500	(373,372)
Excess of Revenues Over (Under) Expenditures	625,493	419,000	203,836
Other Financing Sources (Uses):			
Operating Transfer Out	(640,000)	(640,000)	-
Total Other Financing Sources (Uses)	(640,000)	(640,000)	-
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,507)	(221,000)	203,836
FUND BALANCE, Beginning	364,098	365,000	(902)
FUND BALANCE, Ending	$349,591	$144,000	$202,934

ROBERTS CREEK WATER DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget - Capital Project Fund (Budget Basis)
For The Fiscal Year Ended June 30, 2016

	Actual	Original & Final Budget	Over (Under) Budget
Revenues:			
Meter Sales	$20,892	$139,500	($118,608)
Interest	1,969	3,500	(1,531)
Miscellaneous	-	1,000	(1,000)
Total Revenues	22,861	144,000	(121,139)
Expenditures:			
Capital Outlay	127,021	1,235,000	(1,107,979)
Reservoir Maintenance	-	40,000	(40,000)
Miscellaneous	-	1,000	(1,000)
Debt Service - Plant Upgrade	439,452	440,000	(548)
Total Expenditures	566,473	1,716,000	(1,149,527)
Excess of Revenues Over (Under) Expenditures	(543,612)	(1,572,000)	1,028,388
Other Financing Sources (Uses):			
Operating Transfer In	640,000	640,000	-
Total Other Financing Sources (Uses)	640,000	640,000	-
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	96,388	(932,000)	1,028,388
FUND BALANCE, Beginning	1,306,320	1,200,000	106,320
FUND BALANCE, Ending	$1,402,708	$268,000	$1,134,708

Other Supplemental Data

ROBERTS CREEK WATER DISTRICT

Schedule of Insurance Coverage
As of June 30, 2016

Company	Policy Number	Agency	Expires	Coverage	Amount
Special Districts Association of Oregon	23P54183-1219	Umpqua Insurance Agency	1/1/17	Property Coverage:	
				Buildings	$16,697,911
				Contents	3,595,261
				Equipment	210,750
				Electronic Data Processing Equip	100,000
				Business Income	100,000
				Extra Expense	1,000,000
				Accounts Receivable	250,000
				Other Property Liability	250,000
				Earthquake	10,000,000
				Public Entity Liability Coverage	500,000
				Unisured Motorist	500,000
				BOLI Defense	50,000
				Pollution Coverage	100,000
				Crime:	
				Public Employee Dishonesty	50,000
				Forgery	50,000
				Theft, Disappearance or Destruction	
				Inside/Outside Premises	50,000
				Computer Fraud	50,000
				Excess Liability	4,500,000
				Boiler & Machinery	20,909,786

Auditor's Comments and Disclosures Required by State Law

NEUNER, DAVIDSON, COOLEY & RAPP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Jeffrey R. Cooley, C.P.A.
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INDPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Roberts Creek Water District
Roseburg, OR 97471

We have audited the basic financial statements of the Roberts Creek Water District as of and for the year ended June 30, 2016, and have issued our report thereon dated December 22, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Roberts Creek Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

OAR 162-10-0230 Internal Control

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

Restrictions on Use

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

Jeffrey R. Cooley, CPA
Roseburg, Oregon