



McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640

McCloud, California 96057

Phone (530) 964-2017 Fax (530) 964-3175 e-mail mcsd@ci.mccloudcsd.ca.us

REGULAR MEETING OF THE BOARD OF DIRECTORS

SCOUT HALL - 405 E. COLOMBERO DRIVE

May 10, 2021 at 6:00 PM

AGENDA

The McCloud Community Services District welcomes you to this meeting. This agenda contains brief general descriptions of each item to be considered at this meeting by the Board of Directors. If you wish to speak on an item on the agenda, you will be provided the opportunity to do so prior to consideration of the item by the Board. If you wish to speak on an item that is not on the agenda, you are welcome to do so during the Public Comment portion of the meeting. Persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. When addressing the Board, please state your name for the record prior to providing your comments. Please address the board as a whole through the President. Comments to individual Board members or staff are not permitted.

All documentation supporting the items on this agenda are available for public review in the District office, 220 W. Minnesota Avenue, McCloud CA 96057, during normal business hours of 9:00 a.m. to 12noon and 1:00 pm to 4:00 p.m. Monday through Friday.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the District office 48 hours prior to the meeting at (530) 964-2017.

1. Call to Order

2. Pledge of Allegiance

3. Approval of Minutes:

A. Discussion/action regarding approval of the minutes of the Regular Meeting of April 26, 2021

B. Discussion/possible action regarding the approval of the minutes of the Regular Meeting of the Board on April 12, 2021 (this was mis-labeled as Special Meeting and mis-spoken at the last meeting approval)

4. Announcement of Events:

5. Communications:

6. Reports:

A. General Manager

B. Finance Officer

C. Fire Chief

D. Public Works Superintendent- verbal report

E. Directors

F. Committees

7. Consent Agenda:

A. Approval of Expenses in the amount of \$11,694.47

B. Second and final reading of MCSD Policy 2420 Unlawful Harassment Including Sexual Harassment

8. Old Business:

A. **Discussion/possible action** regarding the Second reading of MCSD Policy 3025-District Financial Reserves

9. New Business:

A. **Presentation/discussion** by Leslie Hopper-Keeping the Stars Bright

B. **Discussion/possible action** of the 2018-19 MCSD Audit

C. **Discussion/possible action** regarding the additional cost in the amount of \$2,750.00 to have James Marta personally present the 2018-19 audit at a MCSD Board meeting.

D. **Discussion/possible action** regarding the first reading of MCSD Policy 1060 Attachment A, Dumpster Rental Agreement

E. **Discussion/possible action** regarding Resolution No. 2, 2021 Salary Schedule

F. **Discussion/possible action** regarding removal of the cottonwood trees at the old McCloud Courthouse, and using district equipment for the trees and stumps removal.

G. **Discussion /possible action** regarding hiring land surveyor to create a master map with our water line and road easements to and from the towns water tanks. And physically mark our water line easements leaving the water tanks.

H. **Discussion /possible action** receive guidance from our water attorney regarding use of our water line easements for the towns water supply maintenance needs.

I. **Discussion/ possible action** regarding purchasing materials for water tank cleaning maintenance.

10. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

11 Adjourn

MCSD Mission Statement

McCloud Community Services District will strive to provide the full range of municipal services, at a reasonable cost applied consistently to all customers, while maintaining a healthy infrastructure and environmental integrity.

**MINUTES OF A
REGULAR MEETING OF THE BOARD OF DIRECTORS
April 26, 2021**

A Regular meeting of the Board of Directors of the McCloud Community Services District was called to order at 6:00 p.m. at the Scout Hall. Four Directors (Richey, Hanson, Rorke, Zanni) were present. President C. Young was absent. General Manager Amos McAbier, Public Works Superintendent Richie Fesler, Finance Officer Michael Quinn were present as well as Fire Chief Darrel Miller and Board Secretary Andrea Mills.

1. Pledge of Allegiance

2. Approval of Minutes:

A. Discussion/possible action regarding approval of the minutes of the Regular Meeting of the Board on March 22, 2021

R. Zanni made a motion to approve the minutes of the Regular Meeting of the Board on March 22, 2021 seconded by M. Hanson. Motion passed with 3 Ayes (Zanni, Hanson, Richey), one Abstain (Rorke, went outside) and one Absent, Young.

B. Discussion/possible action regarding the approval of the minutes of the Special Meeting of the Board on March 29, 2021

R. Zanni made a motion to approve the minutes of the Regular Meeting of the Board on March 29, 2021 subject to change with recovery of audio; seconded by C. Richey. Motion passed with 4 Ayes (Zanni, Hanson, Richey, Rorke), and one Absent, Young.

C. Discussion/possible action regarding the approval of the minutes of the Special Meeting of the Board on April 12, 2021

Motion passed however, this meeting was listed and approved as a Special Meeting but was a Regular Meeting. This will appear on the May 10, 2021 agenda for a corrected approval.

Public comment was made during discussion of minutes regarding the validity of the minutes of the meetings because of the lost audio. Comment was also made regarding Board members giving reasoning behind Aye or Nay votes in the future.

3. Announcement of Events: None

4. Communications:

A. Letter from Diane Lowe-Issues from this letter could have been addressed by phoning the office. C. Richey mentioned AB339 being possibly approved which would require Districts to have remote meetings. This Bill has been amended and excludes Special Districts.

B. Letter from Angelina Cook-Items were addressed by M. Rorke. A Water Committee has not met or negotiated with this company. No hidden meetings. County has authority regarding zoning not this District. MCSD did not spend public funds on MASWC. Funds came from an account MASWC had for such purposes.

Public comment was made regarding minutes of committee meetings, caution in dealing with water companies and dissatisfaction with the Board not including the Public in decision making and MCSD's decision on hiring an attorney.

5. Reports:

A. Finance Officer, *Mike Quinn reported on the insurance costs vs. replacement cost of MCSD assets per chart.*

B. Directors, *Rorke, Hanson and Zanni, nothing to report. Richey reported that they had a Special meeting on the Fire ordinance.*

C. Committees- *Fire Department meeting next Thursday. Safety, Policy, Finance and Audit meeting as scheduled. See web site or posted agendas for all committee meetings.*

6. Consent Agenda:

A. Approval of expenses in the amount of \$3,285.30

B. Approval of expenses in the amount of \$19,360.72

M. Rorke made a motion to approve the expenses in the amount of \$3,285.30 and expenses in the amount of \$19,360.72; Seconded by C. Richey. Motion passed with 4 Ayes (Zanni, Hanson, Richey, Rorke), and one Absent, Young.

C. Second and final reading of MCSD Policy 2420 Unlawful Harassment Including Sexual Harassment

Separated from Consent Agenda by M. Hanson. C. Richey made a motion to approve the Second and final reading of MCSD Policy 2420 Unlawful Harassment Including Sexual Harassment; seconded by M. Rorke. Motion failed with 2 Ayes (Richey, Rorke) and 2 Nays (Hanson, Zanni). One Absent, Young.

8. Old Business:

A. Discussion/possible action regarding the Shift Firefighter Program Proposal.

Tabled pending more information. This will return to the Board once complete.

B. Community letters and emails in support of Z.I.B./CSA4 Contract

During this meeting there were more than two hours of discussion and public comment in support of the Z.I.B Contract and the McCloud Fire Department. Numerous members of the public, MCVFD, Fire Warden Phil Anzo, Supervisor Brandon Criss spoke in support of the contract. None against. Board members who previously voted nay were reassured that the MCVFD is fully equipped, trained and certified to respond to these calls and that this community will be covered by a Mutual Aide Agreement, which is already in place, if there were to be a local call while any volunteers are responding to these outside calls. MCVFD meets or exceeds industry standards of training to accomplish this successfully and the payment will provide much needed funds for the Fire Department.

C. Discussion/possible action regarding Z.I.B./ CSA4 (Zone of Increased Benefits/California Service Area 4) Program, and possible contract for service.

R. Zanni made a motion to approve the contract for service for the Z.I.B./ CSA4 (Zone of Increased Benefits/California Service Area 4) Program.; seconded by M. Hanson. Motion passed with 4 Ayes (Zanni, Hanson, Richey, Rorke). One absent, Young.

9. New Business:

A. Discussion of MCSD Policy 2093-District Cellular Phones

Amos McAbier spoke about the changes to MCSD Cellular phone policies(2093 and 2094). Some changes may need to be made but not to the extent of not allowing employees to carry personal cell phones while at work.

B. Discussion of MCSD Policy 2094-Personal Cellular Phone and PDA Policy

C. Discussion/possible action regarding the first reading of MCSD Ordinance No. 2 Collection of Service Charges

R. Zanni made a motion to approve the First reading of MCSD Ordinance No. 2 Collection of Service Charges; seconded by M. Rorke. Motion passed with 4 Ayes (Zanni, Rorke, Hanson, Richey). One Absent, Young.

D. Discussion/possible action regarding the first reading of MCSD Policy 3025-District Financial Reserves

C. Richey made a motion to approve the first reading of MCSD Policy 3025-District Financial Reserves; seconded by M. Rorke. Motion passed with 4 Ayes (Richey, Rorke, Hanson, Zanni). One absent, Young.

E. Discussion of the 2018-19 MCSD Audit

Tabled pending further discussion at the Finance and Audit Committee meeting. Bring back to Board next meeting.

F. Discussion/possible action regarding approval of additional cost in the amount of \$2,750.00 to have James Marta personally present the 2018-19 audit at a MCSD Board meeting.

Tabled pending further discussion at the Finance and Audit Committee meeting. Bring back to Board next meeting.

G. Discussion/possible action of interest in renting the Old McCloud courthouse.

Tabled pending discussion at the next Old McCloud Courthouse Committee Meeting, a rental agreement and plan for securing a rental area.

H. Discussion regarding the rental of the Scout Hall and re-opening the District Office with current Covid-19 restrictions.

Tabled pending the next Safety Committee Meeting and amending of Policy 1060 Misc. Fee Schedule to add a cleaning fee.

I. Discussion/possible action regarding interest in the purchase of boulders located at the sewer pond property.

M. Rorke made a motion to approve the sale of the boulders at the sewer pond; seconded by M. Hanson. Motion passed with 3 Ayes (Rorke, Hanson, Richey) 1 Abstain, Zanni. One absent, Young.

8. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and

will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

M. Hanson thanked the Public and MCFD in their diligence in reassuring Board members in order to approve the Z.I.B. Contract.

Comment was made regarding current rules regarding the Fire vehicles not using sirens though town. She believes that should be allowed.

9. Adjourn at 9:30 p.m.

Catherine Young/President of the Board

Andrea Mills/Secretary of the Board

DRAFT

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS April 12, 2021

A regular meeting of the Board of Directors of the McCloud Community Services District was called to order at 6:00 p.m. at the Scout Hall. All five Directors (Richey, Hanson, Rorke Young, Zanni) were present, as were General Manager Amos McAbier, Public Works Superintendent Richie Fessler, Fire Chief Charlie Miller, and District Secretary Andrea Mills. Finance Officer Mike Quinn was absent.

1. Call to Order

2. Pledge of Allegiance.

3. Approval of Minutes: Discussion/action regarding approval of the corrected minutes of the Regular Board Meeting of March 8, 2021

*M. Rorke made a motion to approve the corrected minutes of Regular Meeting of March 8, 2021.
C. Richey seconded; motion passed with 5 Ayes (Richey, Hanson, Rorke, Young, Zanni)*

4. Announcement of Events: None

5. Communications:

A. Email from Mary Lingsch

Comment was made that the issues within the letter are under Siskiyou County Jurisdiction.

6. Reports:

A. General Manager-*No report, discussion items are within the agenda*

B. Finance Officer- *Tabled as Finance Officer Mike Quinn was absent*

C. Fire Chief- *Chief Miller added to his report stating that he and Cindy Miller are working diligently to collect funds due from our billing contractor Wittman. In the past, funds were not collected in a timely manner and many were lost due to lack of follow through. Concern with staffing of the Volunteer Fire Department was expressed as well as praise for our Fire Chief for his job well done.*

D. Public Works Superintendent- *See written report with comment regarding non-residents illegally dumping at our green waste site.*

E. Directors-*None*

F. Committees-*Finance and Audit committee met and discussed Budget, alleys, and streetlights. Public Works committee did not meet. Will discuss Courthouse project later in Agenda. Nothing to report from other committees.*

7. Consent Agenda:

A. Approval of Expenses in the amount of \$12,079.29

B. Second and Final Reading of MCSD Policy 7100 Fire Department Explorer Program.

R. Zanni made a motion to approve the Consent Agenda. C. Richey seconded; motion passed with 4 Ayes(Zanni, Hanson, Rorke, Richey) one Nay (Young)

8. Old Business:

A. Discussion from Cal Fire representative concerning Vegetation issues in McCloud including MCSD Ordinance 28.

Discussion of Ordinance 28 and the responsibility to enforce it. Cal Fire goes by their policy and form 4291-Defensible Space regarding inspection of properties within the District. Cal Fire will inspect properties within the 30- or 100-foot distance to a dwelling, or the property line if closer. Cal Fire will not inspect vacant lots or larger properties that have met the 100-foot defensible space guidelines but have other combustibles that are further away from the dwellings. Cal Fire will rarely issue fines however if Ordinance 28 is enforced by MCSD in the future, a lien may be placed on the property for non-compliance if MCSD must abate the property.

B. Discussion/possible action regarding Z.I.B./ CSA4 (Zone of Increased Benefits/California Service Area 4) Program, and possible contract for service.

Chief Miller renegotiated with Cal Fire and made changes requested previously by the Board as well as increased the payment to \$30,000.00 annually. He also reassured the Board that MCSD is already responding to these calls and will continue if in an agreement or not. R. Zanni made a motion to enter the service area 4, Z.I.B. (Zone of Increased Benefits) agreement, M. Hanson seconded; motion failed with 2 Ayes (Hanson, Zanni) and three Nays(Young, Rorke, Richey)

C. Discussion/possible action regarding the floor plan at the Old McCloud Court House including power, sewer, and water and general discussion of the Courthouse project.

R. Zanni made a motion to approve the ADA bathroom in cell #3 and the electrical panel not to exceed \$1,000.00 for the electrical panel. M. Rorke seconded; motion passed with 5 Ayes (Zanni, Hanson, Richey, Young, Rorke)

9. New Business:

A. Discussion/possible action regarding the first reading of MCSD Policy 3280 Door Yard Burns.

Tabled until further discussion in Committee and corrected Policy wording.

B. Discussion/possible action regarding the first reading of MCSD Policy 2420 Unlawful Harassment Including Sexual Harassment

C. Young mad a motion to approve the first reading of MCSD Policy 2420 Unlawful Harassment Including Sexual Harassment. C. Richey seconded; motion passed with 4 Ayes (Zanni, Rorke, Young, Richey) one Nay (Hanson).

C. Discussion/possible action regarding the purchase of phones and phone plans for District employees

C. Richey made a motion to approve the purchase of cell phones and phone plans for some MCSD staff. R. Zanni seconded; motion passed with 5 Ayes(Zanni, Hanson, Young, Richey, Rorke)

D. Discussion regarding the Safer Grant for the MCSD Fire Department-

Discussion by Chief Miller regarding the purpose and benefit of the Safer Grant.

E. Discussion/possible action regarding the receipt of a 2006 Chevy Tahoe staff vehicle donated from the Southern Marin Fire District

C. Young expressed dissatisfaction with the process of receiving this donation stating that MCSD Policy indicates this should have come to the Board for prior approval. If this donation were to be rejected, Weed Fire Department would accept this truck.

R. Zanni made a motion to accept the donation of the 2006 Chevy Tahoe staff vehicle and send letter of thanks to Marin Fire Department. With a one year test of expenses and income from this vehicle. M. Hanson seconded; motion passed with 5 Ayes (Zanni, Hanson, Young, Richey, Rorke)

F. Discussion/possible action regarding the need for a Shift Firefighter Program at MCFD to provide fire and EMS services during the daytime when volunteers are at work.

Discussion of starting a shift Firefighter Program which would allow non-residents to work and receive training at MCFD if committing to regular shifts which would benefit our community. Topic was tabled pending changes to the contract and further discussion of MCSD Policy regarding Classification of Personnel.

G. Discussion/possible action regarding GIS system Mapping program opportunity for water and sewer through RCAC (Rural Community Assistance Corporation)

General Manager, Amos McAbier discussed the opportunity to participate in a trial for a new pipe mapping device. This would allow MCSD staff to accurately locate the old pipe system easily. This item was Tabled pending further information.

H. Discussion/possible action regarding the retrieval of lost MCSD board meeting recordings.

Discussion of the failure of the recording device used to record Board meetings. One full meeting and half of another were possibly deleted during upload and have been unretrievable. Mount Shasta IT services states there is a company that may be able to retrieve the data from the recorder but will cost between \$1,500-\$2,500. Tabled pending more information.

10. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

11. Adjourn open session at 8:57 PM

12. Convene a Closed Session: Pursuant to California Government Code §54957.8- Gain direction from the Board pertaining to Union Negotiations

13. Reconvene. at 9:08 PM.

The Board has agreed to the Union Negotiations which is a two-year contract at 2% each year effective July 1, 2021. Sick leave will now be fiscal year, not calendar year. Wording will now state will abide by FMLA rules regarding sick leave.

14. Adjourn 9:09PM

Catherine Young/President of the Board

Andrea Mills/Secretary of the Board

DRAFT

MCSO BOARD OF DIRECTORS

May 10, 2021

AGENDA SUPPORTING DOCUMENT

Agenda Item No. 6A

General Manager's Report

Lower elk Springhouse Replacement project. - We have received confirmation that the final grant agreement has officially been signed. This means that the MCSO has been awarded the full amount of \$509,950.00 for the Lower Elk Springs Project and we can start working on the project immediately. The expenses incurred during the project typically are reimbursed by the state grant administration department in areas.

This means when we complete a portion of the project, we will need to send documentation and expenses incurred to be reimbursed this can take a couple of months or up to a year to get the reimbursement cost.

For this grant we are eligible for up to 50% of the grant funding up front. We are in the process of applying for \$254,975.00. If we receive this amount, we will need to have this in a separate non-interest-bearing account that will also allow us to track and report expenses easily.

There is a chance that we will not be granted the 50% upfront funding and we will need to cover the project in full and apply for the reimbursement of expenses throughout the project. In this case we have some options. One option is to secure a short-term bank loan to cover the costs until the grant money is reimbursed to the MCSO. Another option is to cover the expenses in house with reserves and possibly having to loan from ourselves, which is possible, but we have been told it can be tricky with the tracking and reporting process.

The application for this grant was started in 2018 and has taken this long to be finalized with the State Water Board, during the application process we adjusted the prices according to costs of construction and services known at the time in late 2019. Since then, we have seen the prices in construction materials and other supplies increase quite a bit.

There is concern that the grant amount will not cover the entire projects costs due to the unforeseen increase in these prices. The grant amount did take into consideration the typical costs of inflation and the grant also contains a contingency for the unknown occurrences. We revisited the current prices and situation with the engineers who have helped us with the project, and we have found that in the worst-case scenario we might be over the amount by roughly \$36,000.00 with the current 2021 prices. In this case the MCSO would need to cover the additional cost with its water reserves. We have that amount in the fund and it could be approved for these situations.

Our engineers have also stated that the materials prices are expected to stabilize, which means we will probably fall within the granted amount. There are also some ways we can be creative with our ability to offset some prices that were projected in the project. One being – The grant allows us to charge for staff time spent on the project. Another is the demo of the existing wooden structure. If this were not billed for within the grant amount, we could make it work. I have posed this question to constituents who have said they have seen stranger things happen to see much needed projects be successful. This will need to be verified as permissive with the DWR.

MCCLLOUD COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 09, 2019

**APPROVING THE AUTHORIZATION OF THE GENERAL
MANAGER OF THE MCCLLOUD COMMUNITY SERVICES DISTRICT
TO EXECUTE A GRANT AGREEMENT WITH CALIFORNIA
DEPARTMENT OF WATER RESOURCES**

RESOLVED by the Board of Directors of the McCloud Community Services District, that proposal be made to the California Department of Water Resources to obtain a Round 1 Integrated Regional Water Management Implementation Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code § 79700 et seq.), and to enter into an agreement to receive a grant for the: Spring House Replacement Project. The General Manager, Amos McAbier of the McCloud Community Services District, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such proposal, and execute a grant agreement with California Department of Water Resources.

Passed and adopted at a meeting of the Board of Directors of the McCloud Community Services District on November 25, 2019.

AYES: *Richey, Rorke, Young, Zanni*

NOES:

ABSENT: *Hanson*

ABSTAIN:

Catherine Young
Catherine Young, Board President

ATTEST:

Teryl Smith

Teryl Smith, District Secretary



MCSO BOARD OF DIRECTORS
May 10, 2021

AGENDA SUPPORTING DOCUMENT
Agenda Item No. 6B
Finance Officer's Report

1. 3rd Quarter 2020/21 Financial Report
2. Discussion of new Actuarial Contract

McCloud Community Services District
Statement of Revenue, Expenditures and Changes in Fund Balances

Unaudited Actuals

March 31, 2021

	Month			YTD	YTD	YTD	R E M A I N I N G B U D G E T		
	Actual	Budget	Difference Over(Under)				Annual Budget TOTAL	Remaining Funding (\$)	Remaining Funding (%)
ADMINISTRATION									
GENERAL (1010)									
Revenue	\$ 73	\$ -	\$ 73	\$ 51,566	\$ 43,000	\$ 8,566	\$ 78,000	\$ 26,434	34%
Net Operating Income	\$ 73	\$ -	\$ 73	\$ 51,566	\$ 43,000	\$ 8,566	\$ 78,000	\$ 26,434	34%
Net Expenditures to be Allocated									
Expenditures - Administration (1010)	\$ 24,964	\$ -	\$ 24,964	\$ 281,381	\$ 335,523	\$ (54,142)	\$ 432,291	\$ 150,910	35%
Expenditures - Directors (1020)	\$ 140	\$ -	\$ 140	\$ 910	\$ 9,743	\$ (8,833)	\$ 3,200	\$ 2,290	72%
Total Administration Expenditures	\$ 25,104	\$ -	\$ 25,104	\$ 282,291	\$ 345,266	\$ (62,975)	\$ 435,491	\$ 153,200	
<i>All General Operating Expenses (including Directors) are allocated to our Benefit Assessment District, Special Tax and Enterprise Funds.</i>									
BENEFIT ASSESSMENT									
ALLEYS (1050)									
Revenue	\$ 3,435	\$ 3,162	\$ 273	\$ 30,901	\$ 28,458	\$ 2,443	\$ 37,944	\$ 7,043	19%
Expenditures	\$ 4,525	\$ 2,910	\$ 1,615	\$ 29,442	\$ 30,469	\$ (1,027)	\$ 38,682	\$ 9,240	24%
Net Operating Income	\$ (1,090)	\$ 252	\$ (1,342)	\$ 1,459	\$ (2,011)	\$ 3,470	\$ (738)	\$ (2,197)	
STREET LIGHTS (1060)									
Revenue	\$ 1,731	\$ 1,720	\$ 11	\$ 16,903	\$ 15,480	\$ 1,423	\$ 20,635	\$ 3,732	18%
Expenditures	\$ 1,550	\$ 1,701	\$ (151)	\$ 12,464	\$ 15,304	\$ (2,840)	\$ 20,400	\$ 7,936	39%
Net Operating Income	\$ 181	\$ 19	\$ 162	\$ 4,439	\$ 176	\$ 4,263	\$ 235	\$ (4,204)	
FIRE (1040)									
Revenue	\$ 45,294	\$ 3,500	\$ 41,794	\$ 132,316	\$ 103,500	\$ 28,816	\$ 159,378	\$ 27,062	17%
Expenditures	\$ 14,870	\$ 13,293	\$ 1,577	\$ 155,526	\$ 133,620	\$ 21,906	\$ 209,664	\$ 54,138	26%
FSLA Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FSLA Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Operating Income	\$ 30,424	\$ (9,793)	\$ 40,217	\$ (23,210)	\$ (30,120)	\$ 6,910	\$ (50,286)	\$ 27,076	
PARKS (1070 & 1075)									
Revenue	\$ 110	\$ -	\$ 110	\$ 27,242	\$ 28,000	\$ (758)	\$ 46,586	\$ 19,344	42%
Expenditures	\$ 2,735	\$ 2,970	\$ (235)	\$ 33,625	\$ 38,168	\$ (4,543)	\$ 64,954	\$ 31,329	48%
Net Operating Income	\$ (2,625)	\$ (2,970)	\$ 345	\$ (6,383)	\$ (10,168)	\$ 3,785	\$ (18,368)	\$ (11,985)	
LIBRARY (1080)									
Revenue	\$ -	\$ -	\$ -	\$ 3,815	\$ 4,000	\$ (185)	\$ 8,506	\$ 4,691	55%
Expenditures	\$ 904	\$ 1,073	\$ (169)	\$ 8,712	\$ 9,465	\$ (753)	\$ 16,168	\$ 7,456	46%
Net Operating Income	\$ (904)	\$ (1,073)	\$ 169	\$ (4,897)	\$ (5,465)	\$ 568	\$ (7,662)	\$ -	
REFUSE (1090)									
Revenue	\$ 32,003	\$ 30,495	\$ 1,508	\$ 286,670	\$ 250,455	\$ 36,215	\$ 341,943	\$ 55,273	16%
Expenditures	\$ 23,604	\$ 24,883	\$ (1,279)	\$ 228,024	\$ -	\$ 228,024	\$ 338,271	\$ 110,247	33%
Net Operating Income	\$ 8,399	\$ 5,612	\$ 2,787	\$ 58,646	\$ 250,455	\$ (191,809)	\$ 3,672	\$ -	
SEWER (2000)									
Revenue	\$ 42,747	\$ 39,650	\$ 3,097	\$ 366,401	\$ 356,850	\$ 9,551	\$ 475,794	\$ 109,393	23%
Expenditures	\$ 18,512	\$ 26,333	\$ (7,821)	\$ 300,626	\$ 348,314	\$ (47,688)	\$ 464,243	\$ 163,617	35%
Net Operating Income	\$ 24,235	\$ 13,317	\$ 10,918	\$ 65,775	\$ 8,536	\$ 57,239	\$ 11,551	\$ (54,224)	
WATER (3000)									
Revenue	\$ 49,143	\$ 48,770	\$ 373	\$ 438,122	\$ 420,930	\$ 17,192	\$ 570,237	\$ 132,115	23%

Expenditures	\$ 23,757	\$ 29,711	\$ (5,954)	\$ 246,254	\$ 293,927	\$ (47,673)	\$ 370,111	\$ 123,857	33%
Net Operating Income	\$ 25,386	\$ 19,059	\$ 6,327	\$ 191,868	\$ 127,003	\$ 64,865	\$ 200,126	\$ 8,258	\$ (0)
SUBTOTAL OF ALL OPERATING FUNDS									
Revenue	\$ 174,536	\$ 127,297	\$ 47,239	\$ 1,353,936	\$ 1,250,673	\$ 103,263	\$ 1,739,023	\$ 488,350	28%
Expenditures (Including Admin)	\$ 90,457	\$ 102,874	\$ (12,417)	\$ 1,014,673	\$ 869,267	\$ 145,406	\$ 1,522,492	\$ 653,225	43%
Net Operating Income	\$ 84,006	\$ 24,423	\$ 59,583	\$ 339,263	\$ 338,406	\$ (50,709)	\$ 216,531	\$ (121,875)	
Non Operating Revenue/Expense									
LAIIF Interest Income	\$ -	\$ -	\$ -	\$ 17,464	\$ 22,061	\$ (4,597)	\$ 44,122	\$ 22,061	
CERBT Earnings	\$ -	\$ -	\$ -	\$ 28,002	\$ -	\$ 28,002	\$ -	\$ -	
NET INCOME/LOSS				\$ 360,467	\$ 23,405	\$ 260,653	\$ (99,814)		

SET ASIDES/CAPITAL OUTLAYS									
Administrative Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	100%
Administrative Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Administrative Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ 18,000	100%
Alley Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,292	\$ 3,292	100%
Alley Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Alley Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Lights Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 977	\$ 977	100%
Lights Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Lights Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Park Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,897	\$ 1,897	100%
Park Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Park Capital Outlays	\$ -	\$ -	\$ -	\$ 20,764	\$ 21,000	\$ (236)	\$ 21,000	\$ 236	1%
Fire Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fire Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fire Capital Outlays	\$ -	\$ -	\$ -	\$ 7,400	\$ 15,000	\$ (7,600)	\$ 15,000	\$ 7,600	51%
Library Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47	\$ 47	100%
Library Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Library Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Refuse Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,912	\$ 10,912	100%
Refuse Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Refuse Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sewer Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,927	\$ 28,927	100%
Sewer Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sewer Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Water Restricted Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,500	100%
Water Set Asides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,287	\$ 128,287	100%
Water Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Set Asides/Capital Outlays	\$ -	\$ 24,423	\$ 59,583	\$ 311,099	\$ 302,406	\$ (42,873)	\$ (90,308)	\$ (400,550)	
SUBTOTAL OF ALL SET ASIDES AND CAPITAL OUTLAYS									

NET CHANGE IN FUNDS CASH POSITION	\$ 84,006	\$ 24,423	\$ 59,583	\$ 311,099	\$ 302,406	\$ (42,873)	\$ (90,308)	\$ (400,550)	
--	-----------	-----------	-----------	------------	------------	-------------	-------------	--------------	--

Special Projects												
Old McCloud Courthouse Project												
Revenue	\$	-	\$	-	\$	-	\$	500	\$	-	\$	500
Carryover		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Expenditures		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Net Operating Income	\$	-	\$	-	\$	-	\$	500	\$	-	\$	500
MASWC District EIR Deposit Account												
Deposit	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Billing		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Reimbursement		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Balance Due	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
MASWC Reimbursable Account												
Revenue	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Expenditures		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Net Operating Income	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

-- UNAUDITED ACTUALS ~ DOES NOT INCLUDE DEPRECIATION AND OTHER ANNUAL TRANSACTIONS --

McCloud Community Services District

Statement of Revenue, Expenditures and Changes in Fund Balance

Unaudited Actuals

March 31, 2021

	Fiscal Year Budget Revenue	1st, 2nd and 3rd Quarter Expense	Remaining Fund Total	Remaining Fund %
General (1010)	\$ 78,000	-	\$ 78,000	100%
ALLEYS (1050)				
	\$ 37,944	\$ 29,442	\$ 8,502	22%
STREET LIGHTS (1060)				
	\$ 20,635	\$ 12,464	\$ 8,171	40%
FIRE (1040)				
	\$ 159,378	\$ 155,526	\$ 3,852	2%
PARKS (1070 & 1075)				
	\$ 46,586	\$ 33,625	\$ 12,961	28%
LIBRARY (1080)				
	\$ 8,506	\$ 8,712	\$ (206)	-2%
REFUSE (1090)				
	\$ 341,943	\$ 228,024	\$ 113,919	33%
SEWER (2000)				
	\$ 475,794	\$ 300,626	\$ 175,168	37%
WATER (3000)				
	\$ 570,237	\$ 246,254	\$ 323,983	57%
SUBTOTAL OF ALL OPERATING FUNDS				
	\$ 1,739,023	\$ 1,014,673	\$ 724,350	42%
LAIF Balance			\$ 2,310,191	
Operating Bank Account			\$ 776,867	
CERBT Account			\$ 360,615	

McCloud Community Services District

Statement of Revenue, Expenditures and Changes in Fund Balance

Unaudited Actuals

March 31, 2021

	Fiscal Year Budget	1st, 2nd and 3rd Quarter Expense	Remaining Fund Total	Remaining Fund %
General (1010)				
Revenue	\$ 78,000	\$ 51,566	\$ 26,434	34%
ALLEYS (1050)				
Revenue	\$ 37,944	\$ 30,901	\$ 7,043	19%
Expenses	\$ 38,682	\$ 29,442	\$ 9,240	24%
STREET LIGHTS (1060)				
Revenue	\$ 20,635	\$ 16,903	\$ 3,732	18%
Expenses	\$ 20,400	\$ 12,464	\$ 7,936	39%
FIRE (1040)				
Revenue	\$ 159,378	\$ 132,316	\$ 27,062	17%
Expenses	\$ 209,664	\$ 155,526	\$ 54,138	26%
PARKS (1070 & 1075)				
Revenue	\$ 46,586	\$ 27,242	\$ 19,344	42%
Expenses	\$ 64,954	\$ 33,625	\$ 31,329	48%
LIBRARY (1080)				
Revenue	\$ 8,506	\$ 3,815	\$ 4,691	55%
Expenses	\$ 16,168	\$ 8,712	\$ 7,456	46%
REFUSE (1090)				
Revenue	\$ 341,943	\$ 286,670	\$ 55,273	16%
Expenses	\$ 338,271	\$ 228,024	\$ 110,247	33%
SEWER (2000)				
Revenue	\$ 475,794	\$ 366,401	\$ 109,393	23%
Expenses	\$ 464,243	\$ 300,626	\$ 163,617	35%
WATER (3000)				
Revenue	\$ 570,237	\$ 438,122	\$ 132,115	23%
Expenses	\$ 370,111	\$ 246,254	\$ 123,857	33%

	FUNDS REVENUE	\$ 1,739,023	\$ 1,353,936	\$ 385,087	22%
	FUNDS EXPENSE	\$ 1,522,493	\$ 1,014,673	\$ 507,820	33%

Mike Quinn

From: Cathy MacLeod <cmacleod@macleodwatts.com>
Sent: Thursday, April 22, 2021 10:49 PM
To: Mike Quinn
Cc: Lori Watts
Subject: MW 2021 Proposal for OPEB actuarial services
Attachments: McCloud CSD MW 2021 Proposal for OPEB Actuarial Services.pdf

Let me try that again.

From: Cathy MacLeod
Sent: Thursday, April 22, 2021 5:31 PM
To: Mike Quinn <cfo@ci.mccloudcsd.ca.us>
Cc: Lori Watts (lwatts@macleodwatts.com) <lwatts@macleodwatts.com>
Subject: MW 2021 Proposal for OPEB actuarial services

Good evening, Mike.

As I mentioned in my earlier email, completion of our GASB 75 report for the District's FYE 2020 concluded the services under our existing engagement letter.

We've put together a proposal for this new OPEB actuarial valuation and related reports. This covers the following:

1. Completion of the 2020 actuarial valuation (updated projection of liabilities) and analysis of changes
2. Funding information (ADCs) through June 30, 2023.
3. GASB 75 reports for 2 years (FYE 6/30/2021 & 6/30/2022)
4. Preparation of the CERBT renewal forms
5. Review and consulting relating to the reports and the audits.

If you have any questions or concerns about the proposal, please let me know. If not, you can just email back a signed, dated copy.

Cathy

Catherine MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary



MacLeod Watts, Inc. 11300 SE Main Street, Portland, OR 97222.
Direct: (503) 419-0462
[e-mail](#) | [website](#)

Confidentiality Notice: The information in this email, including any attachments, is intended only for the person or entity to which it is addressed, and it may contain confidential material. Any use of this material except by the intended recipient is prohibited, and all liability arising therefrom is disclaimed. If you received this email in error, please notify the sender and delete the material.

MacLeod Watts

April 22, 2021

Mr. Michael Quinn
Finance Officer
McCloud Community Services District
P.O. Box 640
McCloud, CA 96057

Re: Engagement Letter for OPEB Actuarial Valuation Services

Dear Mike:

We are sending this letter to serve as MacLeod Watts' proposal to prepare an updated actuarial valuation of other postemployment benefits (OPEB) liabilities for McCloud Community Services District. This valuation and related reports are intended to assist the District with ongoing compliance with GASB Statement 75.

Although GASB 75 requires that updated calculations be prepared after the close of *every* fiscal year end, each valuation may typically be used for two years in the development of your plan accounting under GASB 75. We propose the following projects be completed to assist the District:

1. *New biennial actuarial valuation as of June 30, 2020.* This valuation will: (a) remeasure plan liabilities; (b) be applied to develop Actuarially Determined Contributions (ADCs) for plan funding; and (c) serve as the foundation of the GASB 75 reporting described below.
2. *FYE 2021 GASB 75 report* (measurement date June 30, 2020; uses June 30, 2020 valuation)
3. *FYE 2022 GASB 75 report* (measurement date June 30, 2021; uses June 30, 2020 valuation)

The **data request** for the June 30, 2020 valuation will include file(s) for gathering employee data, a questionnaire about benefit eligibility and amounts, recent benefits paid, trust information and other documentation. **Benefits to be valued** will be based on current plan provisions. If there have been benefit changes since June 2018, please let us know.

Timing and fees: This proposal covers more than one project. We anticipate providing the draft 2020 valuation report and preliminary GASB 75 results 30-45 days following receipt of all data; the GASB 75 reports should be completed within 15-20 days after receiving the minimal data each year. The fees we propose are shown on the next page.

If you are comfortable with the project as outlined and the fees quoted, please return a signed copy back to us by email. We appreciate the opportunity to work with the District on this assignment.

Cordially,



Catherine L. MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary



Professional Service Fees for This Project

June 30, 2020 Actuarial Valuation, ADCs and GASB 75 Report for FYE June 30, 2021 **\$5,200**
(Measurement Date: 6/30/2020; Val Date 6/30/2020)

A new biennial valuation will be performed, and liabilities reconciled to the prior valuation. A single report will include the GASB 75 accounting information for fiscal year end June 30, 2021 and Actuarially Determined Contribution levels (ADCs) will be developed through the District's FYE June 30, 2023. This fee includes preparation of the CERBT renewal forms packet and conference calls, as needed, to review the valuation results. Fees assume no change in plan benefits and full ADC funding. See out-of-scope services below if separate results are needed for sub-groups or funds.

FYE June 30, 2022 GASB 75 Report **\$1,650**
(Measurement Date: 6/30/2021; Val Date 6/30/2020)

The report will be issued after June 30, 2022 when all needed information will be available. If there are material changes in plan population, benefits, or a reduction in OPEB funding, then a new valuation may be required in lieu of a roll forward of results from the 2020 valuation.

Out-of-Scope Services: Examples of work beyond scope of the projects described above that will, if needed, result in additional fees:

- 1) required data analysis in excess of 5 hours; 2) alternate illustrations for prefunding; 3) consulting on PEMHCA-related compliance in excess of 1 hour; 4) in person meetings; 5) auditor assistance in excess of 2 hours; 6) any crossover tests if the District contribution levels fall below the Actuarially Determined Contribution level; 7) consulting or actuarial projections relating to possible plan redesign, experience studies or long-term forecasting.

Should out-of-scope services be needed, our hourly rates are:

Consultant	2021 Rate per Hour
Senior Actuarial Consultants	\$370
Actuarial Consultants	290-340
Actuarial Analysts	155 - 260
Administrative Staff	105 - 130

If the District approves the fees and terms described above, please sign and date below.

Accepted: _____ Date: _____

Printed Name: _____ Title: _____

Why Prefund Pension Contributions via 115 Trust?

- CalPERS pension costs are increasing faster than your budget is growing
- CalPERS pension investments are volatile making future contributions volatile and challenging to plan for
- LAF and County Treasury have been earning historically low yields for at least a decade
- By planning ahead and increasing yields you can save money while making pension costs more manageable

Pension Contribution Prefunding 115 Trust Purpose

- Grow assets for future pension contributions
- Invest over shorter time horizon than CalPERS
- Invest less risky than CalPERS
- Earn higher yields than LAIF and County Treasury
- Retain liquidity on your assets
- Stabilize future budgets
- Create a contingency reserve for difficult times ahead

Advantages of the CEPPT & CERBT

- Investment policy and management services by CalPERS
- Lowest total participation cost
- Excellent customer service
- Simple administration
- GASB compliance

Employer Controls the Funding Policy

- Chooses appropriate investment strategy
 - Based on investment time horizon and risk tolerance
- Decides if, when, and how much to contribute
 - Voluntary and never required
- Decides if and when to seek reimbursement
 - Expenses incurred in current fiscal year
 - CERBT: OPEB Pay-Go costs; implicit rate subsidies
 - CEPPT: Pension contributions
- Chooses outside consulting OPEB actuary

Member Information

Active Firefighters:	11	Inactive Firefighters:	3
Active Paramedics:	1	Inactive Paramedics:	1
Active EMT 1's:	3	Inactive EMT 1's:	0
Active Auxiliary:	0	Inactive Auxiliary:	9
Members Resigned:	0	Members Terminated:	0
New Members:	1		
Members on Leave of Absence:	2		

PERSONNEL	COUNT	PERCENTAGE
<u>Borden, Jack</u>	7	53.85 %
<u>Dewitt, Joe</u>	1	7.69 %
<u>Fay, Dan P</u>	4	30.77 %
<u>Girard, Nate</u>	1	7.69 %
<u>Gray, Jessie</u>	5	38.46 %
<u>Masciola, Bob</u>	5	38.46 %
<u>Memmer, Jettus</u>	7	53.85 %
<u>Miller, Cindy Ann</u>	4	30.77 %
<u>Miller, Darrell "Charlie"</u>	12	92.31 %
<u>Richardson, Stephen</u>	2	15.38 %
<u>Vogus, Trenton</u>	4	30.77 %
Sum of Individual Responses	52	
Total Incidents for Date Range	13	

Volunteer notes: Nothing to note

Explorers: Added one member (Jaden Quiring) to the rolls for a total of 3 Members. 1 Auxiliary & 1 responds to calls as per department/CSD policies.

PERSONNEL	COUNT	PERCENTAGE
<u>Girard, Parker</u>	2	15.38 %
Sum of Individual Responses	2	
Total Incidents for Date Range	13	

Explorer notes: Jaden Quiring joined the Explorers. He is thinking the fire service may be a career for him.

CHIEF 1700

Darrell “Charlie” Miller (EMT-P)

ASST. CHIEF/OPERATIONS 1701

Trenton Vogus (Firefighter/EMT 1)

ASST. CHIEF/EMS DIRECTOR 1702

Kirk Thomsen (Firefighter/EMT -P)

FIRE CAPTAIN 1705 (Training Officer)

Nate Girard (Firefighter/EMT)

FIRE CAPTAIN 1704

Stephen Richardson (EMR Student)

FIRE LIEUTENANT 1708

Ben Garcia (Auxiliary/Engine Driver)

RESCUE/EMS LIEUTENANT 1709

Terry Borden (Auxiliary/EMR)

FIRE FIGHTER’S / EMT’S

Jack Borden (Firefighter/EMT)

Mike Worthington (Firefighter/EMT-P)

Auxiliary/Non-Firefighters, Drivers & Support Staff

**Peter Tolosano
(Battalion Chief 1710)**

**Donna Sager
(Battalion Chief 1711)**

**Amos McAbier
(Engine Driver)**

**Bryce Estes
(EMT-P)**

**Jessie Gray (Dept. Secretary)
(Ambulance Driver)**

**Illa Garcia
(Engine Driver)**

**Dan Fay
(Ambulance Driver)**

**Jeff Gray
(Engine Driver)**

**Bobby Martin
(Engine Driver)**

**Cindy Miller
(EMT 1)**

**Bob Masciola
(Ambulance Driver)**

**Richie Fesler
(Engine Driver)**

**Elizabeth Buckley
(EMT Trainee)**

**Sandy Borden
(EMT 1)**

**Jerry Glynn
(Engine Driver)**

Pending (In process to become volunteers)

**Joe Dewitt
(EMR Student)**

David Wolfe

**Matt Dalleske
(EMT Student)**

**Jettus Memmer
(EMR Student)**

**Ulianna Roseberry
(EMR Student)**

Explorers

Parker Girard

Jaden Quiring

Merlin Huddleston

Highlighted personnel are trained and currently qualified for interior structural firefighting.

Total Calls for Service: 13

Fire Calls

Total Fires: 0 Structure: 0 Vegetation: 0 Vehicle Fires: 0 Nuisance: 0

In Town: 0 Mutual Aid/Auto Aid: 2

Fire Notes: None

Medical Calls

Total Medical Calls: 12 (includes traffic collisions) Traffic Collisions: 0 Non Injury: 0

Transported by Medic 17: 11 Paramedic Intercept: 0

Transported by MSAS: 1 Non-Transport: 0 BLS: 2 ALS: 11

In Town: 9 Mutual Aid/Auto Aid: 2

Miscellaneous Calls

Total Miscellaneous Calls: 1

HAZMAT: 0 Lift Assist: 0 Public Assist (other): 0

Rescue Calls: 0 Smoke Check: 1 Alarm Sounding: 0

In Town: 1 Mutual Aid/Auto Aid: 0

Call notes: No calls were missed this month, but Medic 17 was not staffed several times requiring us to utilize Mount Shasta ambulance for 1 transports that we could have provided if Medic 17 staffing was available.

INCIDENT TYPE	# INCIDENTS
311 - Medical assist, assist EMS crew	1
321 - EMS call, excluding vehicle accident with injury	10
322 - Motor vehicle accident with injuries	1
531 - Smoke or odor removal	1
Total Incidents	13

Station/Apparatus

Station 17-Fire Hall: Good condition, nothing to report

Unit 1700: Unit still needs a full tune up. Richie & James to schedule.

Squad 1740: Some rearranging of gear.

Medic 17: Good condition, nothing to report.

Engine 1712: Investigating possibility of changing typing from Type 1 Engine to Type 3 Engine. This would allow us to rent this engine or to cover CalFire when they request.

Engine 1715: Taken out of service in late April due to a leak at the tank to pump connection. Repairs have begun in house. Several members worked on access to the pipe and Joe Dewitt has a plan to have it repaired by end of the 1st week of May. This in house repair potentially saved the department \$2000.00

Fire Department Drills

#1 Fire: (Thursday 6-10 pm)

Date: 4/01/2021 Topic: Hose drills with 2-1/2" hose.

#2 Fire: (Thursday 6-10 pm)

Date: 4/8/2021 Topic: Radio use.

Bus. Mtg: (Thursday 6-10 pm)

Date: 2/18/2021 Business Covered: Training for upcoming classes etc.

#3 Fire: (Saturday 9 am to 4 pm)

Date: 2/11/2021 Topic: Hazmat Incident Command class.

Training Notes: COS Hazardous Materials Incident Command class (HAZMAT IC) class (16 Hours) was attended by several department members and members of other fire departments. This class is mandatory for all firefighters who could potentially be an IC on a hazardous materials call to meet NFPA and OSHA rules. COS will pay us for hosting this class.

Chief Miller and Chief Vogus took 3 new members of the department to a CSFA Live Fire Trailer in Susanville. The training consisted of multiple interior fire attacks, forcible entry and vertical ventilation.

COS Emergency Medical Responder (EMR) class concluded in April. 5 members became qualified to respond to medical calls. COS will pay for the use of our training room. We are also due payment from COS for the Fall EMT class.

Community Involvement: Challenge coin fund raiser in conjunction with the MCFA is underway and has already brought in over \$1000.00

Ordinance 28 Issues: Chief Miller and Richie Fessler are planning to do inspections of open lots ASAP.

Billing: Wittman billing continues to be an issue. They provided us with a report at the end of the month that will allow us to identify non-resident and insurance non-payment calls that should be sent to collections or written off. Wittman owner met with Cindy Miller to ask us to stay with the company and that he will resolve our issues ASAP.

Medical:

Wittman's Monthly statement was not furnished this month.

EF Recovery Billing: No bills sent in this month.

2521		<u>Closed</u>	Darrell Miller	09/15/2020	100%	\$173.98
2553		<u>Closed</u>	Darrell Miller	09/18/2020	100%	\$275.89
2556		<u>Billing Step 2</u>	Darrell Miller	09/18/2020	100%	\$89.54
2601		<u>Information</u>	Darrell Miller	09/23/2020	100%	\$123.98
2674		<u>Billing Step 4</u>	Darrell Miller	09/29/2020	100%	\$365.77
2675		<u>Billing Step 3</u>	Darrell Miller	09/29/2020	100%	\$310.12
3907		<u>Billing Step 2</u>	Darrell Miller	12/23/2020	100%	\$215.31
3909		<u>Closed</u>	Darrell Miller	12/23/2020	100%	\$827.73
4511		<u>Billing Step 2</u>	Josh Strey	02/08/2021	100%	\$127.15
4632		<u>Billing Step 2</u>	Darrell Miller	02/21/2021	100%	\$203.64
4970		<u>Incomplete</u>	Darrell Miller	03/26/2021	100%	\$149.32

Billed (FY 20/21): \$2862.07

Received (FY 20/21): \$1277.60

EF Recovery Accounts Receivable: \$1584.47 as of 4/30/2021

General Message: This was a VERY BUSY month focused on training and ZIB/CSA 4 meetings and preparation. Volunteers are working hard to get trained for interior attack as well as EMS and hazmat response. May will focus specifically on wildland firefighter basic training.

Morale continues to be high, and everyone has a shared vision of where the department is headed.

Chief Miller met with the California State Firefighters Association President Chief Jeff Meston at the Susanville live fire training. Chief Meston offered the department a free years membership to the CSFA which will allow us to apply for the Jenny Jones Foundation grant. Chief Miller applied to ask for \$15,000.00 to buy and install a PPE Extractor/washer. The CSFA also has several other programs that will help us improve our gear and training over the year.

Submitted By: *Darrell Miller* Darrell "Charlie" Miller

Date: 5/4/2021

05/06/21
13:21:59

MCCLOUD COMMUNITY SERVICES DISTRICT
Claim Approval List
For the Accounting Period: 5/21

Page: 1 of 5
Report ID: AP100V

* Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
		*** Claim from another period (4/21) ****						
10043		9 BASIC LABORATORY	76.80					
		April Drinking Water Monitoring						
		2104187 04/28/21 April Drinking Water Monitori	76.80			3000 402000	392	101000
		Total for Vendor:	76.80					
		*** Claim from another period (4/21) ****						
10051		11 BLACK BUTTE TRANSFER STATION	4,000.85					
		APRIL DUMP FEES						
		APR2021 05/02/21 APRIL DUMP FEES	4,000.85			1090 405000	710	101000
		Total for Vendor:	4,000.85					
		*** Claim from another period (4/21) ****						
10041		15 BROOKS COMPLETE AUTO REPAIR INC.	187.31					
		Backhoe Tire Repair						
		93416 04/27/21 Backhoe Tire Repair	187.31		724986	1010 403000	520	101000
		Total for Vendor:	187.31					
		*** Claim from another period (4/21) ****						
10046		277 CROSS PETROLEUM	693.31					
		Vehicle Fuel 4/16-4/30/21						
		CL07834 04/30/21 Rear Loader 4/21/21 14,447 mi	129.47			1090 403000	420	101000
		CL07834 04/30/21 Rear Loader 4/30/21 14,541 mi	86.94			1090 403000	420	101000
		CL07834 04/30/21 Side Loader 4/20/21 17,447 mi	98.21			1090 403000	420	101000
		CL07834 04/30/21 Side Loader 4/27/21 17,535 mi	72.41			1090 403000	420	101000
		CL07834 04/30/21 Fire Command 1700 4/16/21	25.81*			1040 403000	430	101000
		CL07834 04/30/21 Fire Command 1700 4/24/21	36.06*			1040 403000	430	101000
		CL07834 04/30/21 Fire Command 1700 4/28/21	70.77*			1040 403000	430	101000
		CL07834 04/30/21 Medic 17 4/17/21	21.61*			1040 403000	420	101000
		CL07834 04/30/21 Medic 17 4/17/21	24.37*			1040 403000	420	101000
		CL07834 04/30/21 Medic 17 4/17/21	40.20*			1040 403000	420	101000
		CL07834 04/30/21 Engine 1712 4/17/21	87.46*			1040 403000	420	101000
		Total for Vendor:	693.31					
		*** Claim from another period (4/21) ****						
10038		1147 Dunsmuir Tire Shop	120.00					
		Studded (winter) Tires Removed and replaced with Non-Studded						
		19046 04/06/21 Summer Tire Changeover	120.00		724687	1040 403000	530	101000
		Total for Vendor:	120.00					

MCCLLOUD COMMUNITY SERVICES DISTRICT
Claim Approval List
For the Accounting Period: 5/21

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
*** Claim from another period (4/21) ****								
10039		1172 MEMMER, JETTUS	25.58					
Reimburse: DMV Ambulance License Fee								
		ca dmv 04/13/21 DMV Ambulance License Fee	25.58		724695	1040 402000	394	101000
Total for Vendor:			25.58					
10045		416 MT SHASTA IT SERVICES	800.00					
May IT Services								
		INV-0136 05/01/21 MAY IT SERVICES	800.00*			1010 402000	396	101000
Total for Vendor:			800.00					
*** Claim from another period (4/21) ****								
10050		120 PACIFIC POWER - 001 7 FIRE	496.20					
April Power								
		0017 04/16/21 SHOP	71.88			1010 403000	450	101000
		0017 04/16/21 LIBRARY	74.41			1080 403000	450	101000
		0017 04/16/21 DISTRICT OFFICE	112.16			1010 403000	450	101000
		0017 04/16/21 FIRE	237.75			1040 403000	450	101000
Total for Vendor:			496.20					
*** Claim from another period (4/21) ****								
10049		124 PACIFIC POWER - 005 8 PARK	110.61					
April Power								
		0058 04/16/21 Scout Hall-Area	14.46			1070 403000	450	101000
		0058 04/16/21 Scout Hall-Area	3.62			1010 403000	450	101000
		0058 04/16/21 Hoo Hoo Field Lights	25.20			1070 403000	450	101000
		0058 04/16/21 Hoo Hoo Gazebo	18.34			1070 403000	450	101000
		0058 04/16/21 Scout Hall	39.19			1070 403000	450	101000
		0058 04/16/21 Scout Hall	9.80			1010 403000	450	101000
Total for Vendor:			110.61					
*** Claim from another period (4/21) ****								
10052		1116 Peter Talasano	3,547.71					
North Complex and Bobcat Fires reimbursements								
		04/30/21 North and Bobcat Fire reimburs	3,547.71*			1041 402000	340	101000
Total for Vendor:			3,547.71					

* Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
		*** Claim from another period (4/21) ****						
10044		399 POWERPLAN - OIB	169.32					
		Repair Fuel Injector on John Deere Backhoe						
		12684154 04/27/21 Repair Backhoe Fuel Injector	169.32		724385	1010 403000	520	101000
		Total for Vendor:	169.32					
		*** Claim from another period (4/21) ****						
10053		1044 Robert C. Shoff, D.D.S.	980.00					
		Dependent dental						
		Dependent Dental	980.00			1010 401300	270	101000
		Total for Vendor:	980.00					
		*** Claim from another period (4/21) ****						
10042		169 SOLANOS HOME IMPROVEMENT CNTR	114.66					
		Repair Work @ 544 Siskiyou from Alley Snow Plow; Spray Foam Sealant for Lower Elk Spring House						
		242007 04/13/21 Rebar Repair @ 544 Siskiyou	59.53		724983	1050 403000	400	101000
		276030 04/23/21 Sealant for Lwer Elk Spring Ho	55.13		724983	3000 403000	400	101000
		Total for Vendor:	114.66					
		*** Claim from another period (4/21) ****						
10047		156 STAPLES	244.56					
		Copy Paper, Office chair mat, misc. office supplies						
		2622048451 04/15/21 Office Supplies	244.56			1010 403000	410	101000
		*** Claim from another period (3/21) ****						
10048		156 STAPLES	127.56					
		Office Supplies						
		2799915441 03/16/21 Canon Ink Cartridge	85.79			1010 403000	410	101000
		2799960831 03/16/21 Office Supplies	41.77			1010 403000	410	101000
		Total for Vendor:	372.12					
		# of Claims	15	Total:				11,694.47

MCCLOUD COMMUNITY SERVICES DISTRICT
Fund Summary for Claims
For the Accounting Period: 5/21

Fund/Account	Amount
1010 GENERAL	
101000 Operating Cash	\$2,706.21
1040 FIRE	
101000 Operating Cash	\$689.61
1041 FIRE - FSLA	
101000 Operating Cash	\$3,547.71
1050 ALLEYS	
101000 Operating Cash	\$59.53
1070 PARKS	
101000 Operating Cash	\$97.19
1080 LIBRARY	
101000 Operating Cash	\$74.41
1090 REFUSE	
101000 Operating Cash	\$4,387.88
3000 WATER	
101000 Operating Cash	\$131.93
Total:	\$11,694.47

McCLOUD COMMUNITY SERVICES DISTRICT
Policy and Procedure Manual

POLICY TITLE: Unlawful Harassment Including Sexual Harassment
POLICY NUMBER: 2420
ADOPTED: May 8, 2017
REVIEWED: April 11, 2017
AMENDED:

2420.10 Policy Statement

2420.11 The District strictly prohibits unlawful harassment. All employees, applicants, and independent contractors (“workers”) working with the District are to be treated with respect and dignity. The District is committed to providing an atmosphere free of harassment and discrimination. This includes harassment on the basis of sex, sexual orientation, race, color, ancestry, religious creed, disability, pregnancy or related medical condition, medical condition, age, genetic characteristic, national origin or ancestry, military or veteran status, marital status, gender, gender identity, gender expression, or any other protected class under applicable law.

2420.20 Application

2420.21 This policy applies to all phases of the employment relationship, including recruitment, testing, hiring, upgrading, promotion/demotion, transfer, layoff, termination, rates of pay, benefits, and selection for training.

2420.22 This policy applies to all officers and employees of the District, including, but not limited to, full- and part-time employees, per diem employees, temporary employees, *un-paid Interns, volunteers* and persons working under contract for the District. It prohibits co- workers, third parties, supervisors, and managers from engaging in discrimination, harassment, or retaliatory conduct toward workers.

2420.30 Harassment Defined

2420.31 Harassment may consist of offensive verbal, physical, or visual conduct when such conduct is based on or related to an individual’s sex and/or membership in one of the above-described protected classifications, and:

2420.311 Submission to the offensive conduct is an explicit or implicit term or condition of employment;

2420.312 Submission to or rejection of the offensive conduct forms the basis for an employment decision affecting the employee; or

2420.313 The offensive conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

2420.40 Examples

2420.41 Examples of what may constitute prohibited harassment include, but are not limited to the following:

2420.411 Kidding or joking about sex or membership in one of the protected classifications;

2420.412 Hugs, pats, and similar physical contact;

2420.413 Assault, impeding or blocking movement, or any physical interference with normal work or movement;

2420.414 Cartoons, posters, e-mails and other materials referring to sex or membership in one of the protected classifications;

2420.415 Threats intended to induce sexual favors;

2420.416 Continued suggestions or invitations to social events outside the workplace after being told such suggestions are unwelcome;

2420.417 Degrading words or offensive terms of a sexual nature or based on the individual's membership in one of the protected classifications;

2420.418 Prolonged staring or leering at a person;

2420.419 Similar conduct directed at an individual on the basis of race, color, ancestry, religious creed, disability, medical condition, age (over 40), marital status, sexual orientation, gender identity, *gender expression, transgender and sexual stereotyping* or any other protected classification under applicable law.

2420.50 Procedure

2420.51 Internal Reporting Procedure

2420.511 Any employee who believes that he or she or any co-worker has been the victim of sexual or other prohibited harassment by coworkers, supervisors, clients or customers, visitors, vendors, or others must immediately notify his or her supervisor or, in the alternative, the General Manager, depending on which individual the employee feels most comfortable in contacting.

2420.512 Additionally, supervisors who observe or otherwise become aware of harassment that violates this policy have a duty to take steps to investigate and remedy such harassment and prevent its recurrence.

2420.60 Investigation

2420.61 Upon the filing of a complaint with the District, the complainant will be provided with a copy of this policy. The General Manager is the person designated by the District to investigate complaints of harassment. The General Manager may, however, delegate the investigation at his/her discretion. In the event the harassment complaint is against the General Manager, an investigator shall be appointed by the Board of Directors and the Board will assume the role of the General Manager throughout the process. The District will ensure that a prompt and thorough investigation is undertaken and will track progress to ensure timely closure.

2420.70 Internal Documentation Procedure

2420.71 When an allegation of harassment is made by an employee, the person to whom the complaint is made shall immediately prepare a report of the complaint according to the preceding section and submit it to the General Manager.

2420.711 The investigator shall make and keep a written record of the investigation, including notes of verbal responses made to the investigator by the person complaining of harassment, witnesses interviewed during the investigation, the person against whom the complaint of harassment was made, and any other person contacted by the investigator in connection with the investigation. The investigator's notes shall be made at the time the verbal interview is in progress. Any other documentary evidence shall be retained as part of the record of the investigation. Upon completion of the investigation, the results (i.e., the finding only) shall be given to the complainant, the alleged harasser, and the General Manager. All information obtained in connection with the investigation shall remain confidential to the extent possible.

2420.712 Based on the report and any other relevant information, the General Manager shall, within a reasonable period of time, determine whether the conduct of the person against whom a complaint has been made constitutes harassment. In making that determination, the General Manager shall look at the record as a whole and at the totality of circumstances, including the nature of the conduct in question; the context in which the conduct, if any, occurred; and the conduct of the person complaining of harassment. The determination of whether harassment occurred will be made on a case-by-case basis by the General Manager.

2420.80 Remedies

2420.81 Disciplinary Action:

2420.811 If the General Manager determines that the complaint of harassment is founded, the General Manager, in connection with appropriate management, shall take immediate and appropriate disciplinary action consistent with the requirements of law and any personnel rules or regulations pertaining to employee discipline. Other steps may be taken to the extent reasonably necessary to prevent recurrence of the harassment.

2420.812 Disciplinary action shall be consistent with the nature and severity of the offense, the rank of the harasser, and any other factors relating to the fair and efficient administration of the District's operations.

2420.90 Confidentiality

2170.91 All records and information relating to the investigation of any alleged harassment and resulting disciplinary action shall be confidential, except to the extent disclosure is required by law, as part of the investigatory or disciplinary process, or as otherwise reasonably necessary.

2420.100 Reports to DFEH

2420.110 In addition to this policy, the State of California Department of Fair Employment and Housing ("DFEH") provides additional information regarding the legal remedies and complaint process available through government agencies. If a worker thinks he or she has been harassed, discriminated against, or that he or she has been retaliated against for complaining, that person may file a complaint or obtain additional information from DFEH at (800) 884-1684. Charges filed with the DFEH are investigated by the DFEH.

2420.110 Retaliation

2420.111 Retaliation against anyone for opposing conduct prohibited by this policy or for filing a complaint with or otherwise participating in an investigation, proceeding or hearing conducted by the District, DFEH, or FEHC is strictly prohibited by the District and state regulations. It may subject the offending person to, among other things, disciplinary action, up to and including, termination of employment.

2420.120 Employee Obligation

2420.121 Employees are not only encouraged to report instances of harassment; they are obligated to report instances of harassment.

2420.122 Employees are obligated to cooperate in every investigation of harassment, including, but not necessarily limited to:

2420.123 Coming forward with evidence, both favorable and unfavorable to a person accused of harassment; and

2420.124 Fully and truthfully making a written report or verbally answering questions when required to do so during the course of a District investigation of alleged harassment.

2420.125 Knowingly, falsely accusing someone of harassment or otherwise knowingly giving false or misleading information in an investigation of harassment shall be grounds for disciplinary action, up to and including, termination of employment.

McCLOUD COMMUNITY SERVICES DISTRICT

Policy and Procedure Manual

POLICY TITLE: District Financial Reserves
POLICY NUMBER: 3025
ADOPTED: April 14, 2003
COMMITTEE REVIEW: March 10, 2015, October 13, 2015, May 9, 2017
AMENDED: June 12, 2017

3025.10 The goal of this policy is to increase public awareness of the reserve funding requirements of the District and to limit the use of such reserve funds to only those purposes for which they are intended and approved. The Board of Directors of the District believe that the public is more likely to support development of, understand the need for, and appropriate usage of such reserve funds if the District reserve accounts, approval requirements and limitations are clearly detailed in policy.

3025.20 The objective of this policy is to develop budgeted reserve categories and acceptable expenditures for each and to set into policy reserve funds and amounts that, once adopted, can only be modified through action of the board in public session. The reserve categories detailed herein will be established for every service delivered by the District and for the District administrative office and equipment maintenance facility. The development of fully funded reserve categories will ultimately provide for rate stabilization, District funded capital improvement projects and equipment purchases, and funding for unplanned events and emergencies.

3025.30 Expenditure of reserve funds for purposes not specifically contained within the annual budget shall require approval of the Board of Directors.

3025.31 Amendment or adoption of the annual budget which effects the Capital Reserve and/or Contingency Reserve funding levels as detailed herein shall require amendment of this policy, conducted in accordance with McCloud Community Services District Policy 1010.

3025.32 The District's Finance and Audit Committee shall review any proposed amendment to the financial provisions of this policy prior to review by the Policy Review Committee and/or Board of Directors.

3025.33 For the purposes of this policy, operating expenses such as salaries and other

employee related costs, insurances, supplies, vehicle maintenance, training, publications, fuel, electrical power and similar costs shall **not** be considered eligible expenses for Capital Outlay or Capital Reserve funds. Contingency Reserves may be used to fund operating expenses on a short term basis, not to exceed one Fiscal year and only following exhausting all available operating cost reducing measures.

3025.40 The following standard terminology shall be used when listing reserve accounts in all budgets, reports, financial statements and audits. Reserve account terminology and definitions:

3025.41 Reserve Fund Types: GASB 54 adopted a rule establishing five subcategories of fund balance: Nonspendable, Restricted, Committed, Assigned and Unassigned Fund Balances. Of the five, four apply to our reserve fund balances. The fifth fund type, Nonspendable, does not apply to reserve fund balances. All five are defined below:

3025.411 Nonspendable fund balances are fund balances that are associated with inventories and does not apply to our reserve balances.

3025.412 Restricted Reserves have restrictions imposed by an outside source, such as bond covenants, contractual obligations, loan requirements, etc.

3025.413 Committed Reserves are set aside for a specific purpose as determined by the Board of Directors. The Board of Directors has the authority to redirect the use of these reserves as the needs of the District change. The Capital Outlay and Capital Reserve funds are Committed Reserves.

3025.414 Assigned Reserves are set aside with the intention to use them for a specific purpose; intent can be expressed by the Board of Directors or by an official designated to do so. Contingency Reserves for a specific service category are considered Assigned reserves.

3025.415 Unrestricted Reserves are available for any purpose and reported as Contingency Reserves in the General Fund.

3025.42 Capital Outlay: Board Designated Funding budgeted for expenditure in each service category and for the District administrative office, facility and equipment maintenance within the fiscal year for tools, equipment, facilities or infrastructure. As a guideline for the purposes of this policy, Capital Outlay expenditures shall be those which have a value in excess of five hundred dollars (\$500) and a life expectancy of greater than 3 years.

3025.43 Capital Reserves: Board Designated Funding budgeted in each service category and for the District administrative office, facility and equipment maintenance for accumulation from fiscal year to fiscal year, over a set period of years, for the sole

purpose of funding future tool and equipment purchases, facilities and infrastructure replacement, improvement or expansion. The purposes for which the Capital Reserves are established shall be referenced separately in the budget during each fiscal year that the Capital Reserve fund is maintained. All Capital Reserve funds established shall be substantiated by reference to Master Plans, Capital Improvement Plans or specific funding agency requirements.

3025.431 Capital Reserve funding accumulation shall be limited to the amount set upon its establishment or as amended by the Board of Directors and shall include up to 100% of the value of the depreciated fixed assets related to such service, including a proportionate share of fixed assets relative to the District administrative office and equipment maintenance.

3025.432 For the purposes of this policy, budgeted amounts for repayment of debt service shall not be considered Capital Reserves. Such debt service payment amounts shall be listed separately in each Fiscal year budget during which the payments are applicable.

3025.433 Once the total funding required, as established or amended in any Capital Reserve Account is attained, funding agency requirements met or term limit reached, the Capital Reserve accumulation in that account shall cease unless the term or funding limit is amended by action of the Board of Directors. The total approved amount of that Capital Reserve amount shall be transferred to Capital Outlay budget line in the fiscal year during which the capital purchase or project is to be implemented.

3025.434 The amount of the Capital Reserve funding approved in any fiscal year budget shall be the amount planned for additional accumulation in that account for that year. The total amount of accumulated Capital Reserves for each service category and account shall be publicly reported pursuant to section 3025.53 of this policy.

3025.44 Contingency Reserves: Funding budgeted in each service category and for the District administrative office, facility and equipment maintenance for accumulation from fiscal year to fiscal year, with no specific term of such accumulation, for the sole purpose of funding Capital Outlay projects in future years and funding unbudgeted items on an emergency or unplanned basis. Contingency Reserves may also be used for expenditures related to short term revenue shortages as detailed in 3025.32 above, rate stabilization or to fund cost overruns from previous fiscal years.

3025.441 A General Provision Contingency Reserve account was established upon the passage and implementation of Propositions 218 in 1996, which modified Article XIID of the California Constitution. Upon its establishment,

the General Contingency Reserve reflected the total amount of reserve funding in all service accounts. The General Contingency Reserve account shall continue to be maintained and reported by the District.

3025.4411 Other than interest on the investment of the General Contingency Reserve fund, no additional funding shall be budgeted to accumulate in this account.

3025.4412 The General Contingency Reserve shall be available for expenditure in any service delivered by the District and as approved for expenditure in accordance with the provisions of this section.

3025.442 The amount of the Contingency Reserve funding approved in any Fiscal year budget shall be the amount planned for additional accumulation in that account for that year. The total amount of accumulated Contingency Reserves for each service category and account shall be publicly reported pursuant to section 3025.53 of this policy.

3025.443 Contingency Reserve total funding accumulation shall be limited to one year's operating budget for the service.

3025.444 Purchases from Contingency Reserves, other than purchases for emergencies declared by the General Manager pursuant to Board Policy 3080, shall require approval of the Board of Directors.

3025.445 Capital Outlay funding approved but not expended during the fiscal year shall be accumulated in a Capital Reserve fund for that service, in the amount of and for the specific purpose previously established.

3025.446 Operating Budget carry over funding (revenue over expenditures) shall be accumulated in the Contingency Reserve fund for that service.

3025.447 Contingency Reserve funding approved for expenditure during any fiscal year shall be detailed in the budget as follows:

3025.448 The budget line item to which the Contingency Reserve funding is transferred shall detail the amount of transfer from Contingency Reserve and the duration of the transfer.

3025.449 The Contingency Reserve fund for that year shall reflect the total fund upon establishment less the amount transferred. A description of the amount transferred and its

duration shall be detailed in the fiscal year budget for each year during which the transfer occurs.

3025.50 The Capital Reserve and Contingency Reserve funding levels listed ~~below in Appendix A~~ shall be contained in the annual budget for each service department and for the District administrative office, facility and equipment maintenance. Amendment of this policy is required for the establishment of a new reserve fund, modification or termination of previously established reserve funds. The fiscal year budget shall clearly identify the expenditure of reserve funds.

3025.501 APPENDIX A- Capital Reserve Accounts. Living document. This will be revised as needed by District staff. Please request the latest version from the District Finance Officer.

3025.51 Capital Reserve Accounts

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
General	Administrative Office, Equipment, Facility and Maintenance	\$0.00	Rev.2015-16	3	Replacement of office computers and related equipment on a 3-4 year rotating basis. No term was adopted for this fund.
Fire/Ambulance	Ambulance Equipment Repair and Replacement	\$6,667.00	Rev.2015-16	15	Replacement and repair of ambulance and related equipment. Replacement is estimated to be on a 15 year basis.
Alleys	-	\$0.00	-	-	-
Street Lights	-	\$0.00	-	-	-
Park	Lawnmower	\$6,000.00	Rev.2015-16	20	Future Purchase of a new Lawnmower
Library	Building Maintenance	\$50.00	Rev.2015-16	3	Building Maintenance on a 3-4 year rotating basis. No term was adopted for this fund.
Refuse	-	\$0.00	Rev.2015-16	-	-
Sewer	Future Camera	\$0.00	Rev.2015-16	-	Future Purchase of a State Required Sewer Camera
Water	Equipment Replacement	\$0.00	Est.1997-98 Rev. 2015-16	5	Begin building reserves to replace water system equipment
Water	Equipment Replacement	\$0.00	Est.1998-99 Rev. 2002-03	1	Water Reserve Funding at a faster rate due to failing water system tools, fire hydrants, equipment and service connections, main valves, etc.
Water	Water Main Replacements	\$0.00	Est.1998-99 Rev. 2002-03	1	Water Reserve Funding at a faster rate due to failing water mains, possible upcoming major replacement projects.

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Loader Payment	\$66.00	Est. 2014-15 Rev. 2015-16	5	Set Aside at 1% allocation of purchase option at lease end for John Deere Loader
Alleys	Future Loader Payment	\$825.00	Est. 2014-15 Rev. 2015-16	5	Set Aside at 12.5% allocation of purchase option at lease end for John Deere Loader
Park	Future Loader Payment	\$165.00	Est. 2014-15 Rev. 2015-16	5	Set Aside at 2.5% allocation of purchase option at lease end for John Deere Loader
Refuse	Future Loader Payment	\$264.00	Est. 2014-15 Rev. 2015-16	5	Set Aside at 4% allocation of purchase option at lease end for John Deere Loader
Sewer	Future Loader Payment	\$1,980.00	Est. 2014-15 Rev. 2015-16	5	Set Aside at 30% allocation of purchase option at lease end for John Deere Loader
Water	Future Loader Payment	\$3,300.00	Est. 2014-15 Rev. 2015-16	5	Set Aside at 50% allocation of purchase option at lease end for John Deere Loader

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Dump Truck	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Alleys	Future Dump Truck	\$2,250.00	Est. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Park	Future Dump Truck	\$1,500.00	Est. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Library	Future Dump Truck	\$25.00	Est. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Refuse	Future Dump Truck	\$1,500.00	Est. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Sewer	Future Dump Truck	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Water	Future Dump Truck	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Alleys	Future Trucks	\$2,250.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks

Park	Future Trucks	\$1,500.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Library	Future Trucks	\$25.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Refuse	Future Trucks	\$1,500.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Sewer	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Water	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks

~~3025.52~~ Contingency Reserve Accounts

Service	Account Title	Annual Amount	Year Established or Revised	Purpose
General	-	\$36,150.00	Revised 2015-16	Budgeted funding level of all general revenue, rate stabilization at current level
General	OPEB	\$25,000.00	Revised 2015-16	Budgeted set aside to fund future Other Post-Employment Benefits
Fire/Ambulance	Revenue Over Expenses	\$1,435.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Alleys	Revenue Over Expenses	\$217.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Street Lights	Revenue Over Expenses	\$977.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Park	Revenue Over Expenses	\$232.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Library	Revenue Over Expenses	\$47.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Refuse	Revenue Over Expenses	\$4,174.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Sewer	Revenue Over Expenses	\$0.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Water	Revenue Over Expenses	\$3.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level

~~3025.53~~ Restricted Reserve Accounts

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Loader	\$66.00	Est. 2014-15	5	Set Aside at 1% allocation of purchase

	Payment		-Rev. 2015-16		option at lease end for John Deere Loader
Alleys	Future Loader Payment	\$825.0 0	Est.. 2014-15 -Rev. 2015-16	5	Set Aside at 12.5% allocation of purchase option at lease end for John Deere Loader
Park	Future Loader Payment	\$165.0 0	Est.. 2014-15 -Rev. 2015-16	5	Set Aside at 2.5% allocation of purchase option at lease end for John Deere Loader
Refuse	Future Loader Payment	\$264.0 0	Est.. 2014-15 -Rev. 2015-16	5	Set Aside at 4% allocation of purchase option at lease end for John Deere Loader
Sewer	Future Loader Payment	\$1,980 -00	Est.. 2014-15 -Rev. 2015-16	5	Set Aside at 30% allocation of purchase option at lease end for John Deere Loader
Water	Future Loader Payment	\$3,300 -00	Est.. 2014-15 -Rev. 2015-16	5	Set Aside at 50% allocation of purchase option at lease end for John Deere Loader

3025.5451 Reserve Account Reporting

3025.541511 This policy shall be considered annually by the Board of Directors in conjunction with the adoption of the annual budget.

3025.542512 The Capital Reserve and Contingency Reserve Fund balances and Capital Expenditures shall be reported with the quarterly Financial Statements and contained within an Annual Reserve Report delivered to the Board of Directors and available for public review following the close of each fiscal year.

3025.543513 The Annual Reserve Report shall list each service provided by the District and the District administrative office, facility and equipment maintenance separately by Account Title. The report shall be prepared in a manner easily understood by the layperson, available free of charge to the public and posted on the District's website and distributed in the District's newsletter.



APPENDIX A

CAPITAL RESERVE ACCOUNTS-Living Document- Revised

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
General	Administrative Office, Equipment, Facility and Maintenance	\$0.00	Rev.2015-16	3	Replacement of office computers and related equipment on a 3-4 year rotating basis. No term was adopted for this fund.
Fire/Ambulance	Ambulance Equipment Repair and Replacement	\$6,667.00	Rev.2015-16	15	Replacement and repair of ambulance and related equipment. Replacement is estimated to be on a 15 year basis.
Alleys		\$0.00			
Street Lights		\$0.00			
Park	Lawnmower	\$6,000.00	Rev.2015-16	20	Future Purchase of a new Lawnmower
Library	Building Maintenance	\$50.00	Rev.2015-16	3	Building Maintenance on a 3-4 year rotating basis. No term was adopted for this fund.
Refuse		\$0.00	Rev.2015-16		
Sewer	Future Camera	\$0.00	Rev.2015-16		Future Purchase of a State Required Sewer Camera
Water	Equipment Replacement	\$0.00	Est.1997-98 Rev. 2015-16	5	Begin building reserves to replace water system equipment
Water	Equipment Replacement	\$0.00	Est.1998-99 Rev. 2002-03	1	Water Reserve Funding at a faster rate due to failing water system tools, fire hydrants, equipment and service connections, main valves, etc.
Water	Water Main Replacements	\$0.00	Est.1998-99 Rev. 2002-03	1	Water Reserve Funding at a faster rate due to failing water mains, possible upcoming major replacement projects.

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Loader Payment	\$66.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 1% allocation of purchase option at lease end for John Deere Loader
Alleys	Future Loader Payment	\$825.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 12.5% allocation of purchase option at lease end for John Deere Loader
Park	Future Loader Payment	\$165.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 2.5% allocation of purchase option at lease end for John Deere Loader
Refuse	Future Loader Payment	\$264.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 4% allocation of purchase option at lease end for John Deere Loader
Sewer	Future Loader Payment	\$1,980.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 30% allocation of purchase option at lease end for John Deere Loader
Water	Future Loader Payment	\$3,300.00	Est.. 2014-15 Rev. 2015-16	5	Set Aside at 50% allocation of purchase option at lease end for John Deere Loader

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Dump Truck	\$0.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Alleys	Future Dump Truck	\$2,250.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Park	Future Dump Truck	\$1,500.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Library	Future Dump Truck	\$25.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Refuse	Future Dump Truck	\$1,500.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Sewer	Future Dump Truck	\$0.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck
Water	Future Dump Truck	\$0.00	Est.. 2014-15 Rev. 2015-16	5	For the future purchase of a District Dump Truck

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Fire/Ambulance	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Alleys	Future Trucks	\$2,250.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Park	Future Trucks	\$1,500.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Library	Future Trucks	\$25.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Refuse	Future Trucks	\$1,500.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Sewer	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks
Water	Future Trucks	\$0.00	Est. 2014-15 Rev. 2015-16	5	For the purchase of District Trucks

Contingency Reserve Accounts

Service	Account Title	Annual Amount	Year Established or Revised	Purpose
General		\$36,150.00	Revised 2015-16	Budgeted funding level of all general revenue, rate stabilization at current level
General	OPEB	\$25,000.00	Revised 2015-16	Budgeted set aside to fund future Other Post-Employment Benefits
Fire/Ambulance	Revenue Over Expenses	\$1,435.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Alleys	Revenue Over Expenses	\$217.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Street Lights	Revenue Over Expenses	\$977.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Park	Revenue Over Expenses	\$232.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Library	Revenue Over Expenses	\$47.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Refuse	Revenue Over Expenses	\$4,174.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Sewer	Revenue Over Expenses	\$0.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level
Water	Revenue Over Expenses	\$3.00	Revised 2015-16	Budgeted revenue over expenses, rate stabilization at current level

Restricted Reserve Accounts

Service	Account Title	Annual Amount	Year Established or Revised	Term Years	Purpose
Sewer	USDA RD Debt Service Reserve Account	\$4,345.45	Est. 2002-03 Rev. 2016-17	40	Deposits made annually years 1-10 to ensure cash available for loan payments. Years 11-40 funds may be used for emergency maintenance, extensions, replacement of short lived components. Required by March 2002 RD Letter of Conditions. 2003-2042
Sewer	SWRCB WW Cap Reserve Fund	\$4,057.50	Est. 2002-03 Rev. 2016-17	20	Deposits made annually as a loan condition by SWRCB 2002-2023
Sewer	CDBG Grant Req	\$5,583.00	Est. 1998-99 Rev. 2016-17	40	Deposits made annually as Grant Req from user charge of \$1.17/user (.64 water & .53 sewer) 07/01/98 - 06/30/38 for depreciation for replacement or repair costs
Water	CDBG Grant Req	\$6,917.00	Est. 1998-99 Rev. 2016-17	40	Deposits made annually as Grant Req from user charge of \$1.17/user (.64 water & .53 sewer) 07/01/98 - 06/30/38 for depreciation for replacement or repair costs

*KEEPING THE STARS BIG AND
BRIGHT OVER THE BIG BEND*



Since the beginning of time, the night sky has inspired science, art, astronomy, navigation, exploration, literature, and philosophy.

It is a place we go to reflect and gain perspective.



ORION

Many constellation names come from Greek mythology. Orion, one of the most recognizable constellations, is a hunter in Greek mythology.

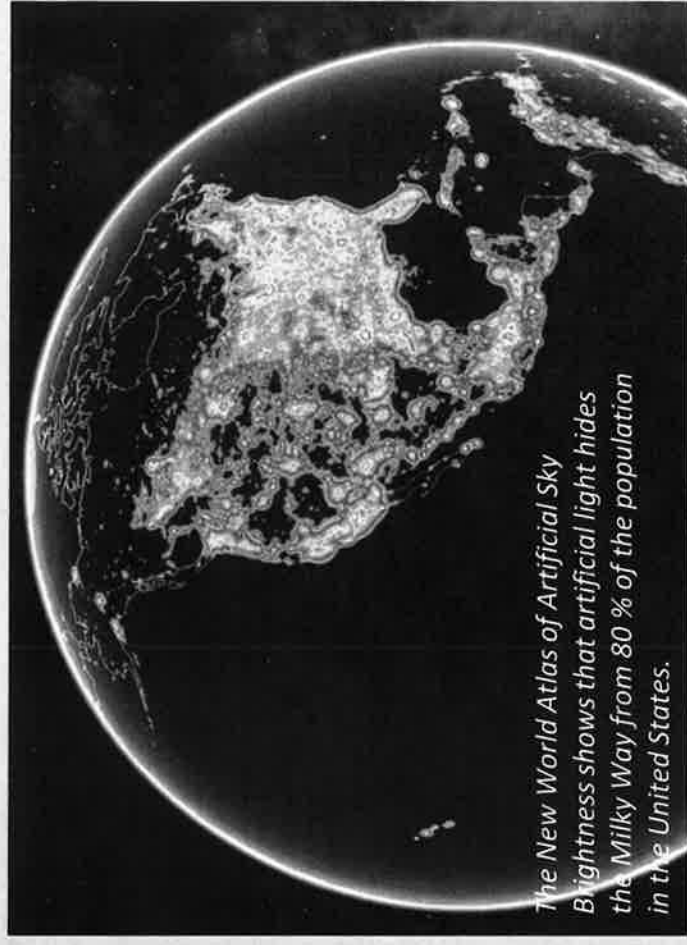
DID YOU KNOW...

The Big Bend has some of the darkest skies in North America but light pollution is threatening the quality of the night sky in our region and around the world.

Scientific studies show that light pollution negatively affects the health and wellbeing of humans and wildlife and drastically limits our ability to see astronomical phenomena only visible at night.

*“Astronomy compels
the soul to look
upwards and leads us
from this world to
another”*

– Plato



*The New World Atlas of Artificial Sky
Brightness shows that artificial light hides
the Milky Way from 80 % of the population
in the United States.*

Source: Greenfieldboyce, Nell. “Light Pollution Hides Milky Way From 80 Percent of North Americans, Atlas Shows. June 10, 2016. www.npr.org

Night sky image taken at the Hoodoos at Big Bend Ranch State Park
Photo by Jennifer Pena

What is light pollution?

Light Pollution is the introduction by humans, directly or indirectly, of artificial light into the environment. Like other types of pollution, it has a serious negative affect on our health and the environment.

This is an image of Chicago in 2002.

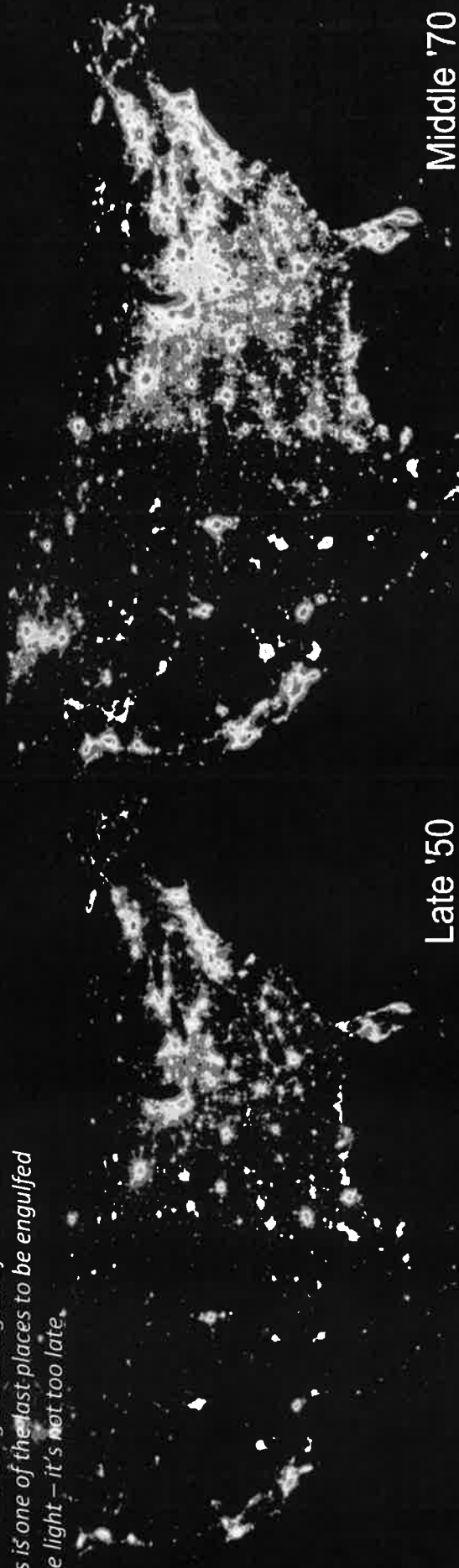
Jupiter is barely visible above this cityscape of Chicago in 2002.

Jupiter

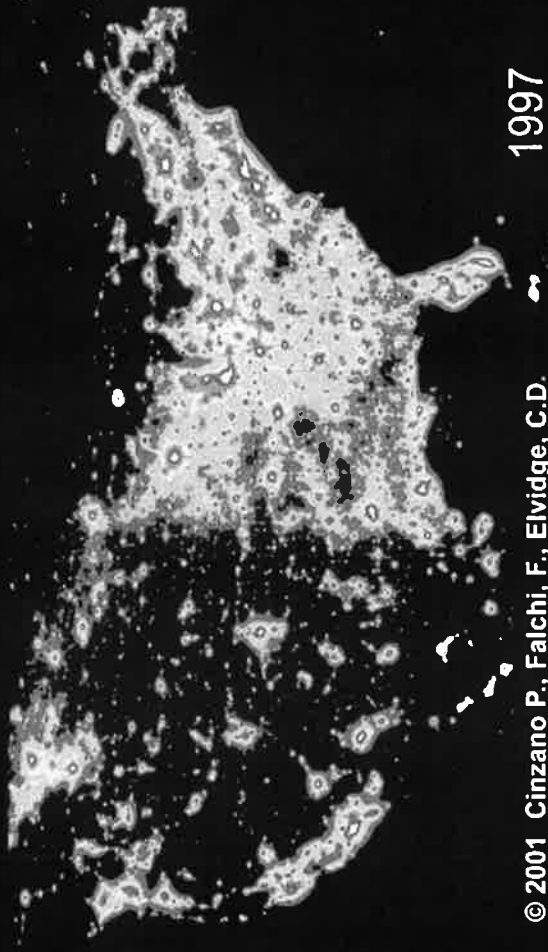


These maps illustrate the evolution of light pollution over time and forecasts what we are expected to look like by 2025.

Notice that the Big Bend Region of Far West Texas is one of the last places to be engulfed by the light – it's not too late.



Late '50



© 2001 Cinzano P., Falchi, F., Elvidge, C.D.

1997

2025

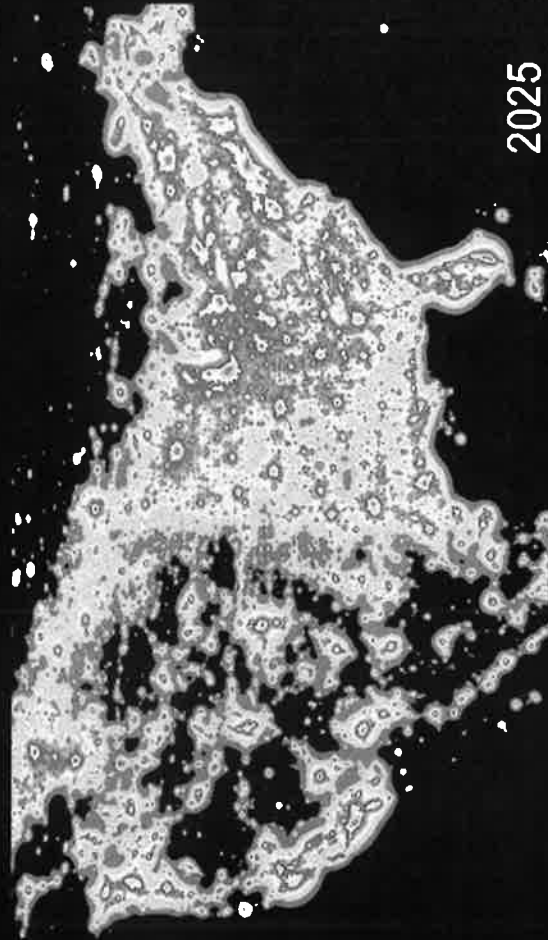


Image Source: Cinzano, P., Falchi, F. (University of Padova), Elvidge, C. D. (NOAA National Geophysical Data Center, Boulder). From: www.nps.gov

The Big Bend is home to the McDonald Observatory, a world class astronomical research and education facility located in the Davis Mountains, less than 100 miles north of the State and National Parks.

The facility was established in 1933 because of the exceptionally dark skies of the Big Bend region. It is a “bucket list” destination for dark sky tourists and astronomers from around the world.

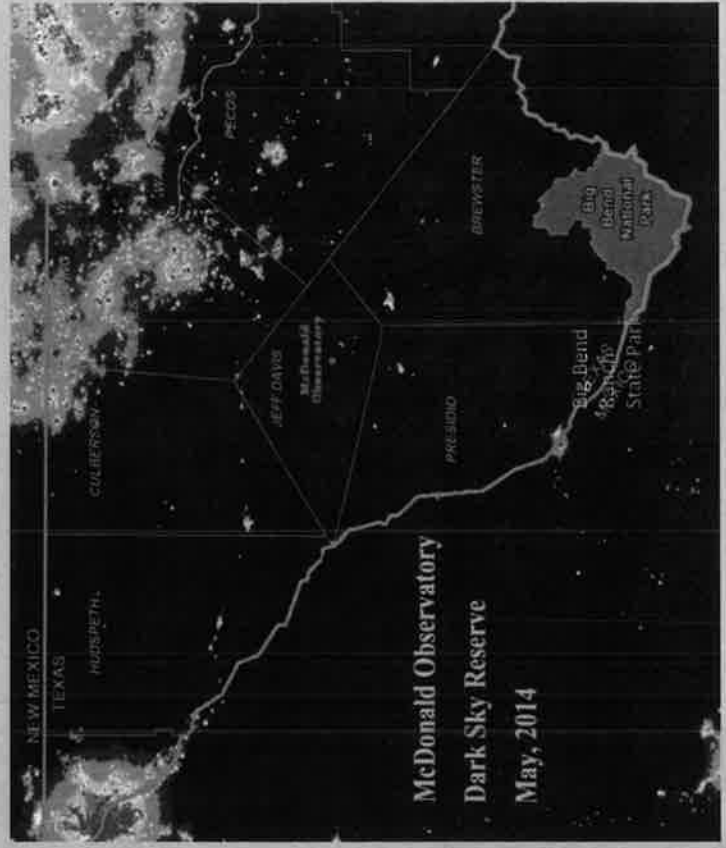
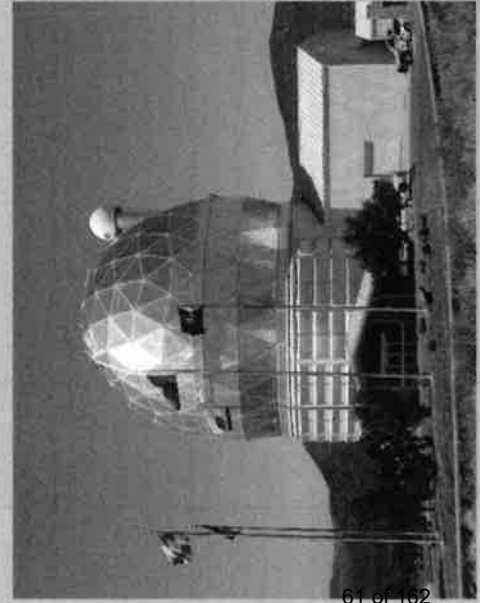
The McDonald Observatory is located on Mt. Fowlkes (left) and Mt. Locke (right) off of Highway 118.

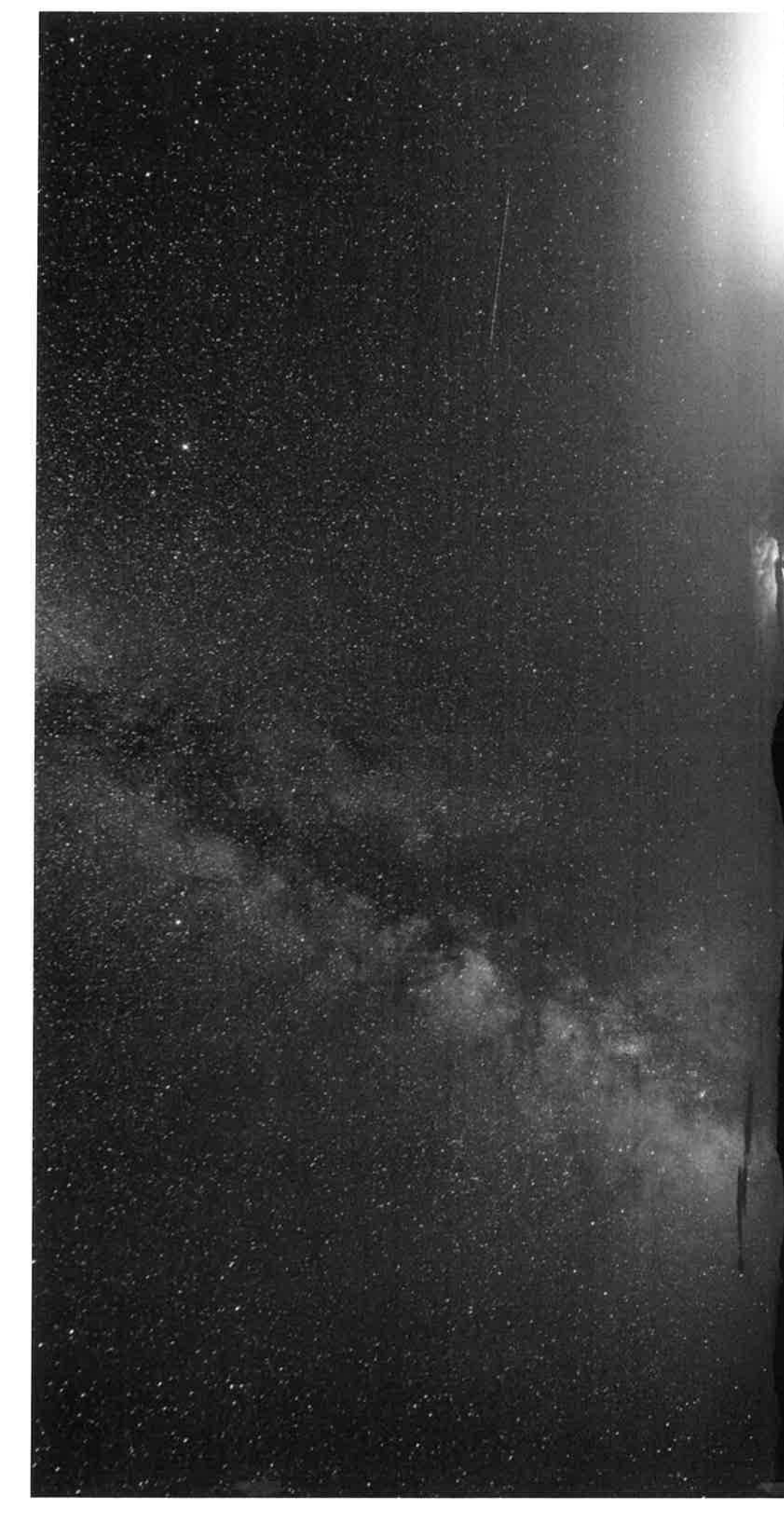


Left: The Observatory is home to the Hobby-Eberly Telescope – the largest optical telescope in the world.

Right: Rapid development in the region is beginning to impact the quality of the night sky in the vicinity of the Observatory and in the whole Big Bend region.

These images show encroachment of light pollution on the Observatory and surrounding communities.





Today, light pollution in the Big Bend is fairly limited and we still remain one of the darkest places in North America, however rapid growth is threatening the quality of our dark skies.

This enhanced image shows the distant [sky glow](#) from Ojinaga (OJ) Mexico from the Hoodoos at Big Bend Ranch State Park. OJ is located approximately 30 miles to the west. The population in OJ in 2010 was 22,744 people.

Sky glow at this location on FM 170 is barely visible with the naked eye. The Milky Way is visible on clear nights.

Photo by Morteza Safataj

Sky glow from the famous Hollywood sign.

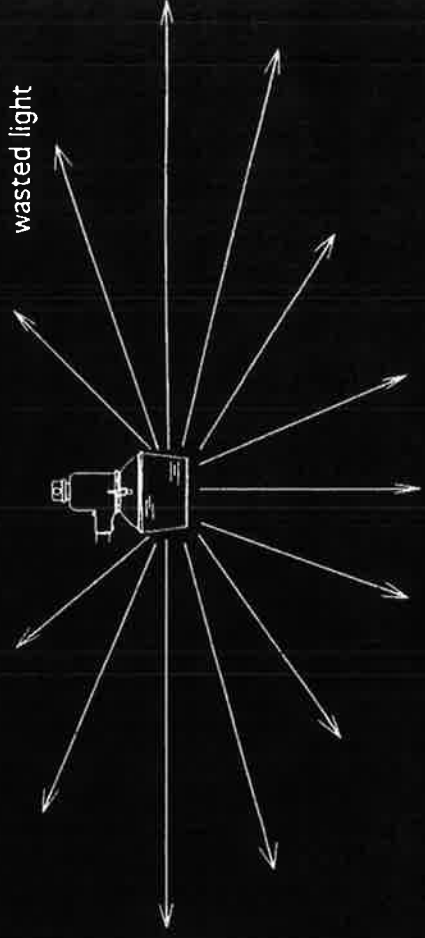
Sky glow is the result of excessive light. While it is an impressive sight, light projected into the night sky limits our ability to see astronomical phenomena. Extraneous lighting can be obtrusive and expensive and negatively impacts humans and wildlife.

Unshielded fixtures send excess light into the atmosphere, creates glare and washes out the night sky. Glare limits visibility, rendering lighting ineffective. Dense areas of unshielded lights (such as street lights lining city blocks) create sky glow on the horizon.

Even the glare from this image makes this text harder to read!

Unshielded Fixture

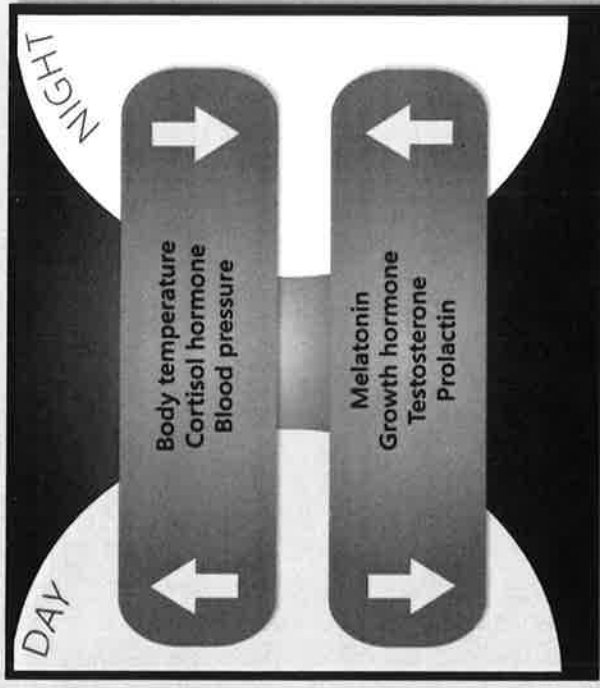
wasted light



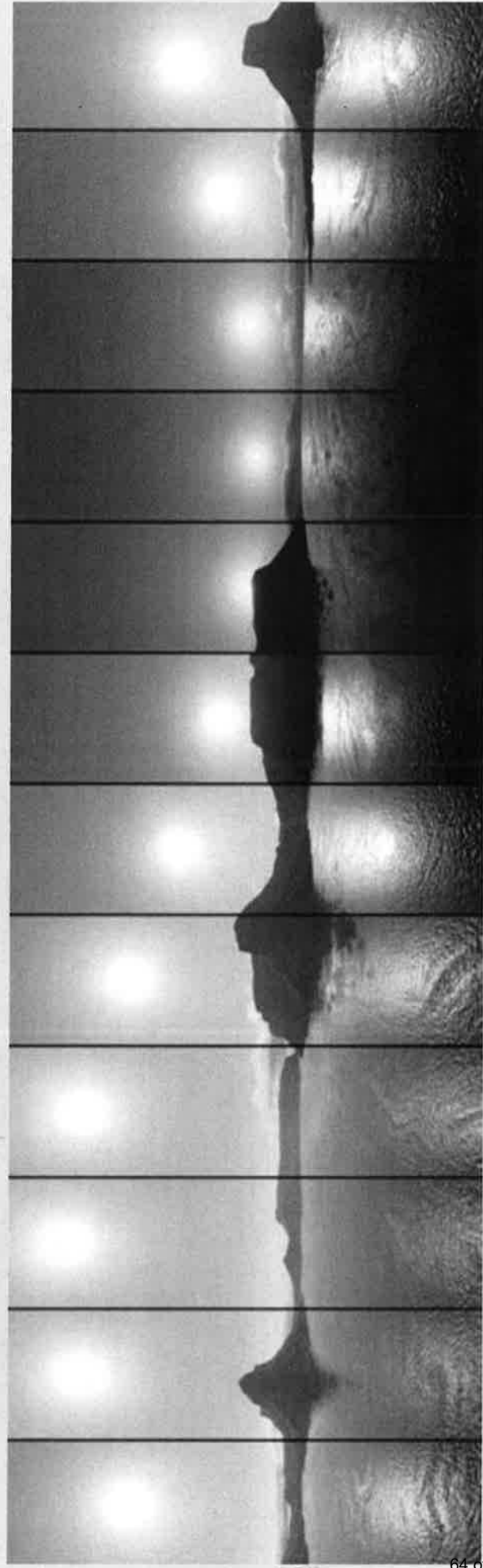
Scientists have found that exposure to artificial light at night alters hormone levels and changes metabolism, putting us at risk for disease.

Circadian Rhythm is a roughly 24 hour cycle in the physiological processes of living beings, including plants, animals, fungi and cyanobacteria.

“The daily cycle of bright light and darkness present on earth for billions of years has programmed almost all living things with strong biologic responses to light,” said Dr. Diamond. *“But this cycle — our circadian rhythm — is disrupted in today’s industrialized society, where we’re exposed to artificial indoor lighting both during the day and at night.”*



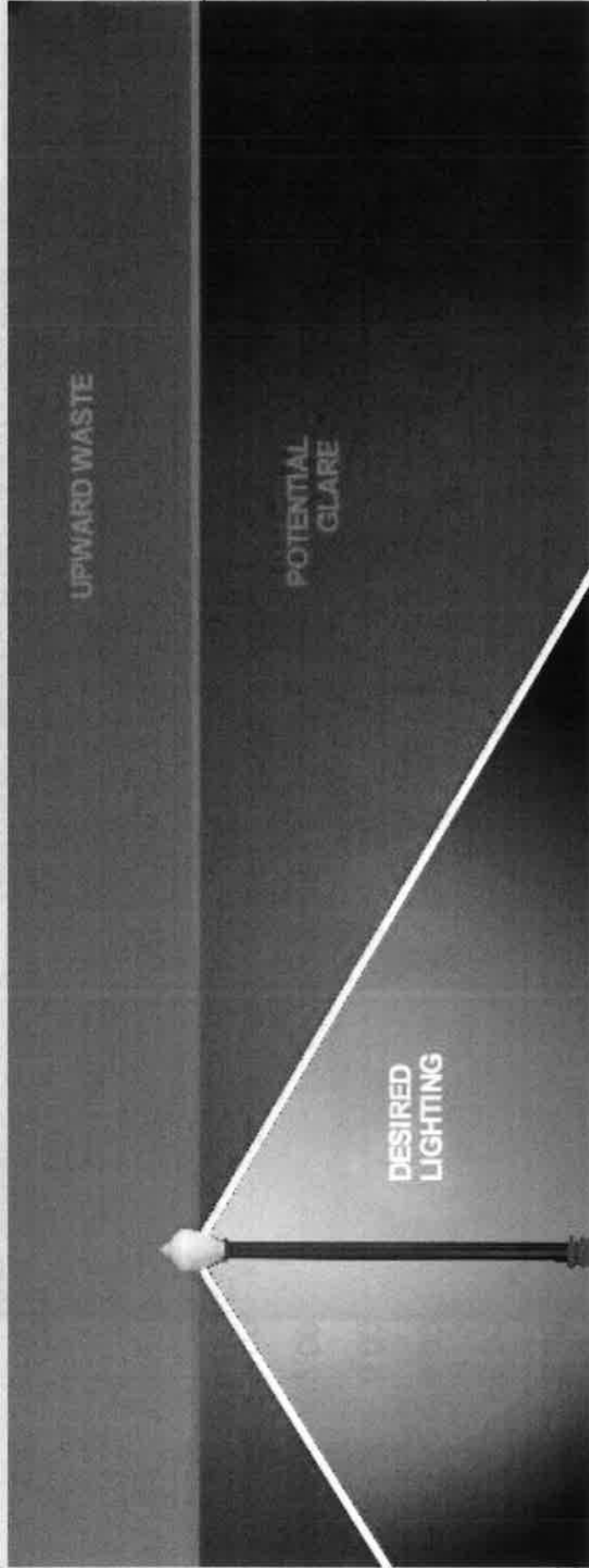
From: The Dark Side of Artificial Light at Night,
<http://blog.misfit.com/?p=1622>



Nocturnal animals are dependent on an environment with a certain amount of hours of uninterrupted daytime and nighttime.



What's Good Lighting?



Things to consider:

Direction –

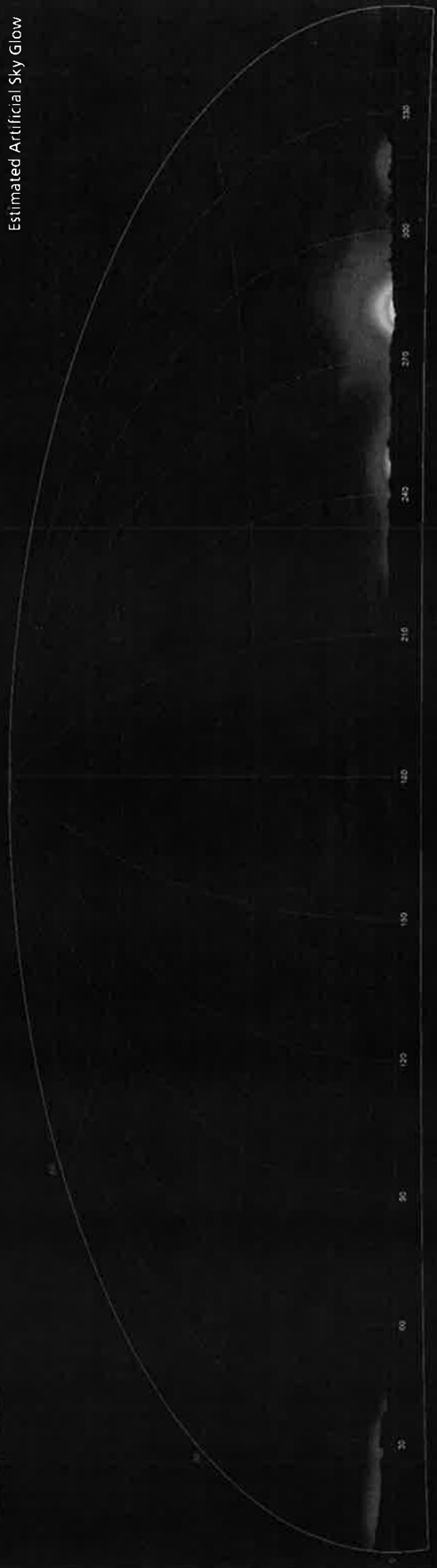
Glare

Color (temperature)

Big Bend Ranch SP Airstrip January 22, 2017 21.3 hours LMT

Estimated Artificial Sky Glow

Visual Magnitudes per square arc second



U.S. National Park Service
Night Sky Program

Data collected by: H. Wron
Data processed by: S. Meadows

Hammer-Aloff Equal Area Projection

SAFETY:

Glare distorts vision and darkens the shadows



Over-lighting/glare makes it harder to see on the roadway



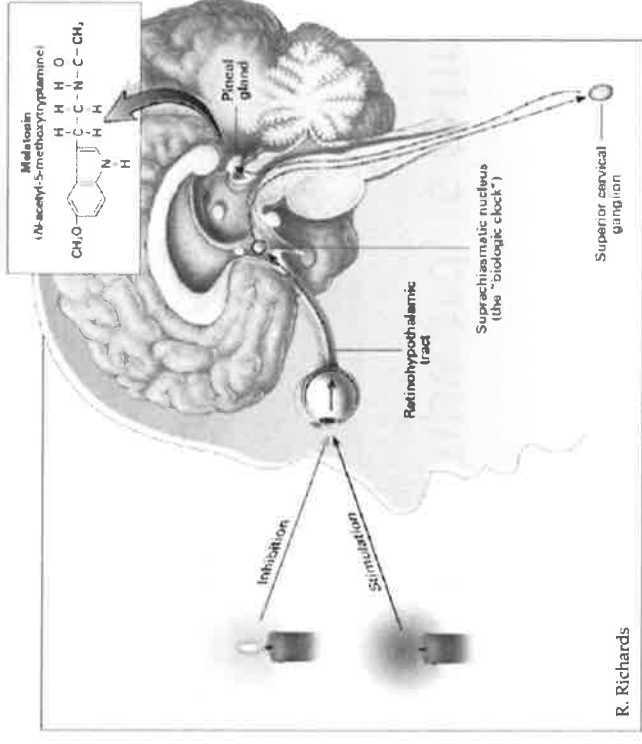
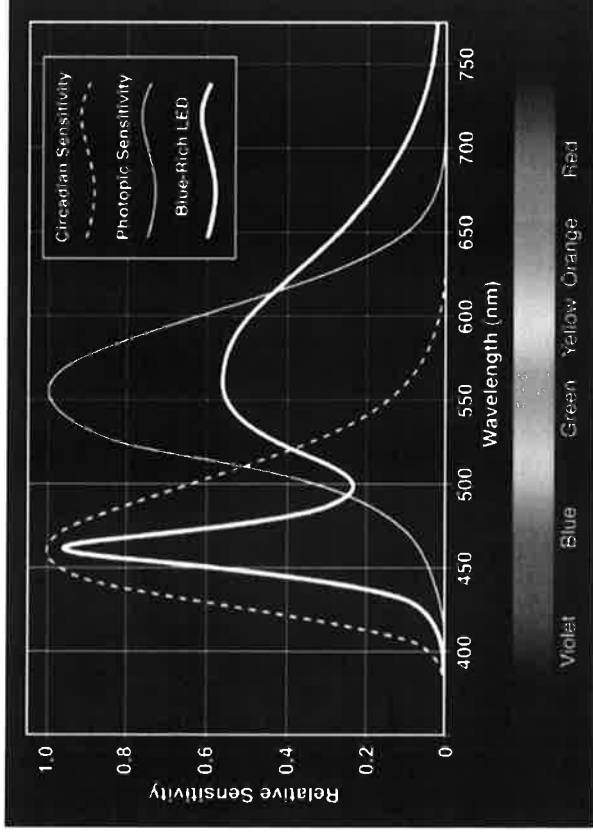
More light=safes is a common misconception

“If more lighting meant safer cities, our large metropolitan areas would be the safest places on Earth”



HEALTH

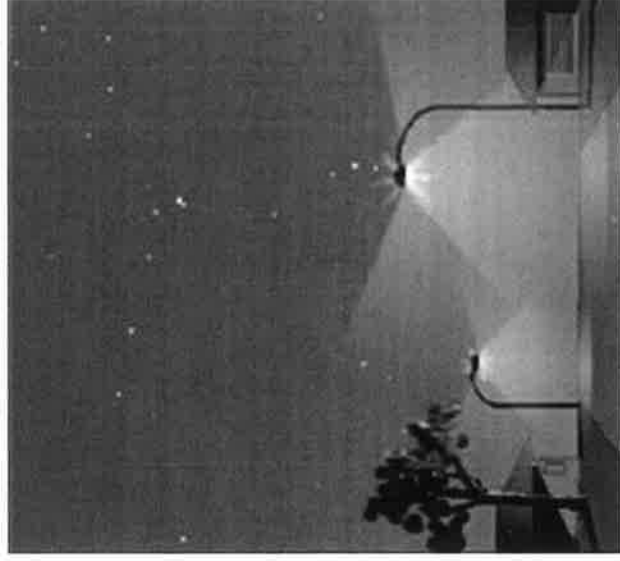
- Production of melatonin (the hormone that regulates sleep) is VERY effected by blueish light at night
- LED lighting uses a lot of blue light to make the “cool” white light



- A great deal of research is linking the effects from this to major health issues and even disease (obesity, diabetes, cancer)

ECONOMICS: ENERGY USE

- Better directed light means less wattage needed
- Wasted outdoor lighting, that shines directly upward, is estimated at 17,400 gigawatt-hours a year.
- At an average of \$.10 per kilo watt-hour the cost of that wasted energy is \$1.74 billion a year.



VS.



ECONOMICS: TOURISM

Google dark sky tourism big bend

All Maps Images News Shopping More Search tools

About 253,000 results (0.71 seconds)

Dark Skies Program - TPWD
tpwd.texas.gov/spdest/programs/dark_skies/ Texas
Night skies are fading and natural darkness is disappearing. For example, Big Bend Ranch State Park has a Bortle Scale rating of 1, while Cedar Hill State ...

10 great places to stargaze - USA Today
www.usatoday.com/story/travel/destinations/.../dark-sky.../1627639/ USA Today
Oct 11, 2012 - Big Bend National Park in remote west Texas is one of the darkest parks in ... that dark skies are a natural resource that can increase tourism.

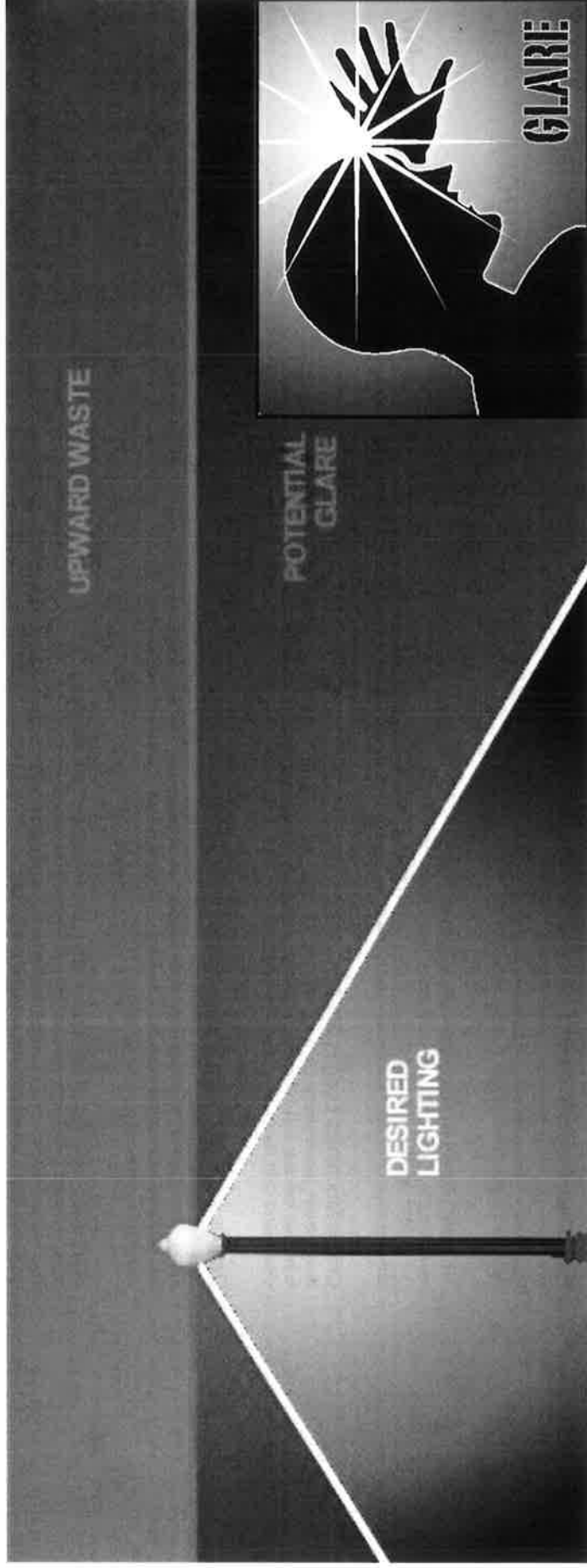
Chisos Mountains Lodge | Big Bend National Park
www.chisosmountainslodge.com/ in addition, the clear west Texas skies provide an unforgettable stargazing experience like no other. As a designated Gold Tier Dark Sky park, Big Bend is the ...

Deep in the heart of Big Bend National Park - The Washington Post
https://www.washingtonpost.com/.../big-bend.../b66ae4e1e-e468-1... The Washington Post
Apr 30, 2015 - The Milky Way rises in Big Bend National Park during sunrise ... in 2012, it received gold-tier certification from the International Dark-Sky Association, based ... national chili-cooking contests, which turn out to be the big tourist ...

Stargazing - Big Bend National Park (U.S. National Park Service)
https://www.nps.gov/bibe/planyourvisit/stargazing.htm National Park Service
Big Bend is known as one of the outstanding places in North America for star ... The dark night sky has always been a visual impression in the Big Bend, with ...

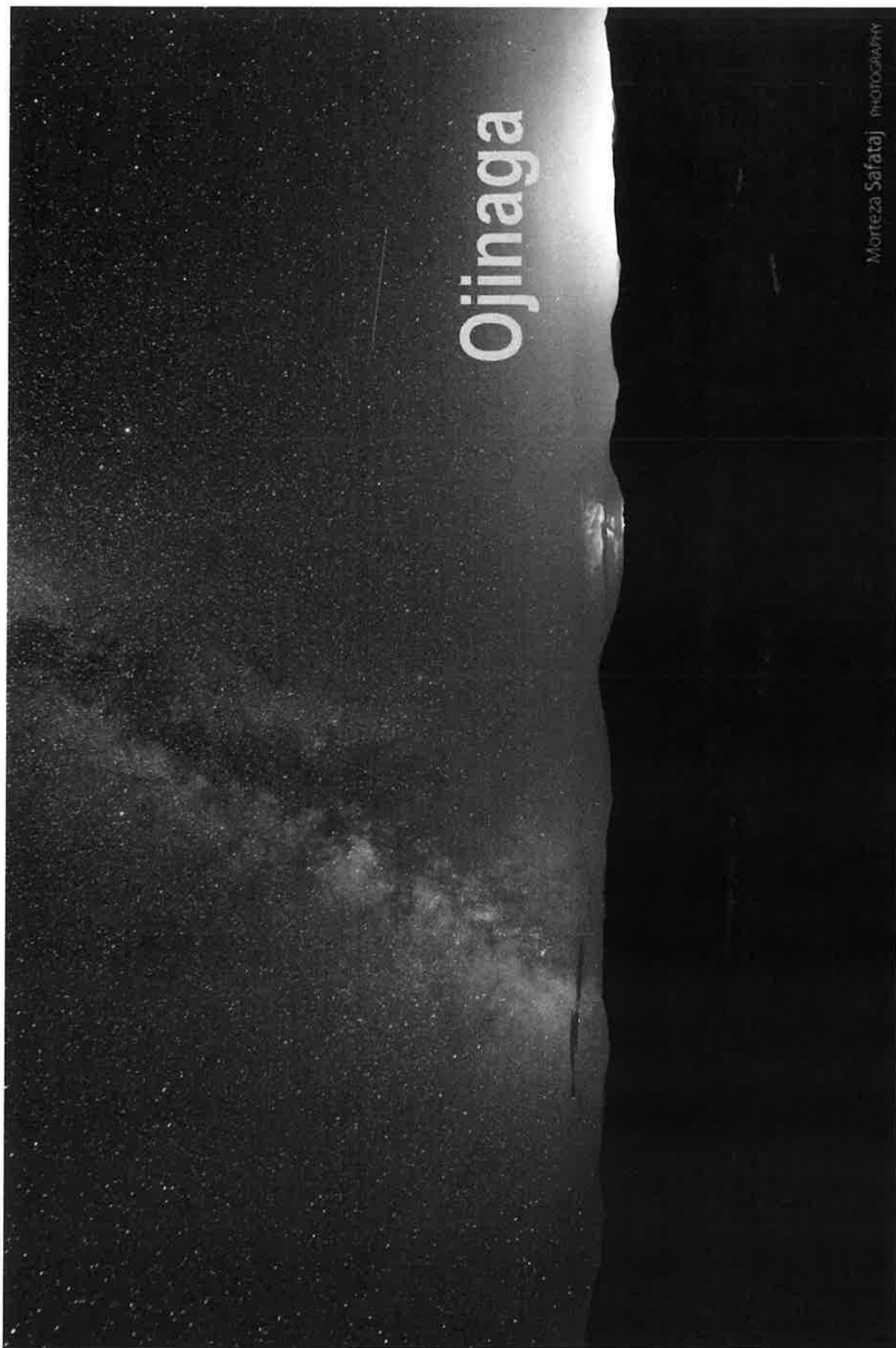
- Camping
- Astronomy
- Astrophotography

WHAT IS “GOOD” LIGHTING?



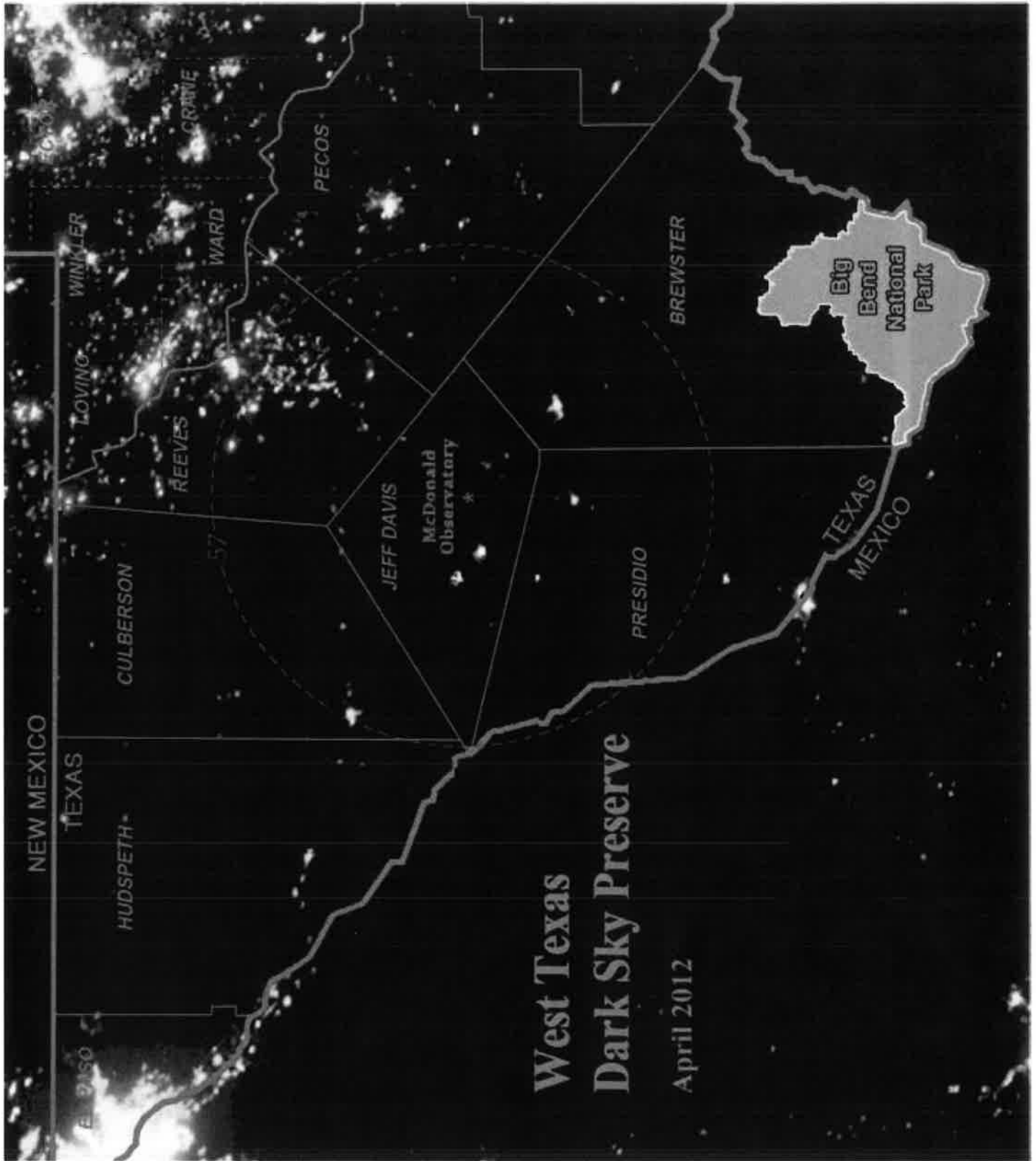
- Sky glow, glare, and light trespass are the three major issues of good vs. bad lighting
- “Color temperature” is very important: Warmer (2700K) light has much less blue, less impact on the night sky, lower glare, less impact on sleep and simply looks better

SKYGLOW



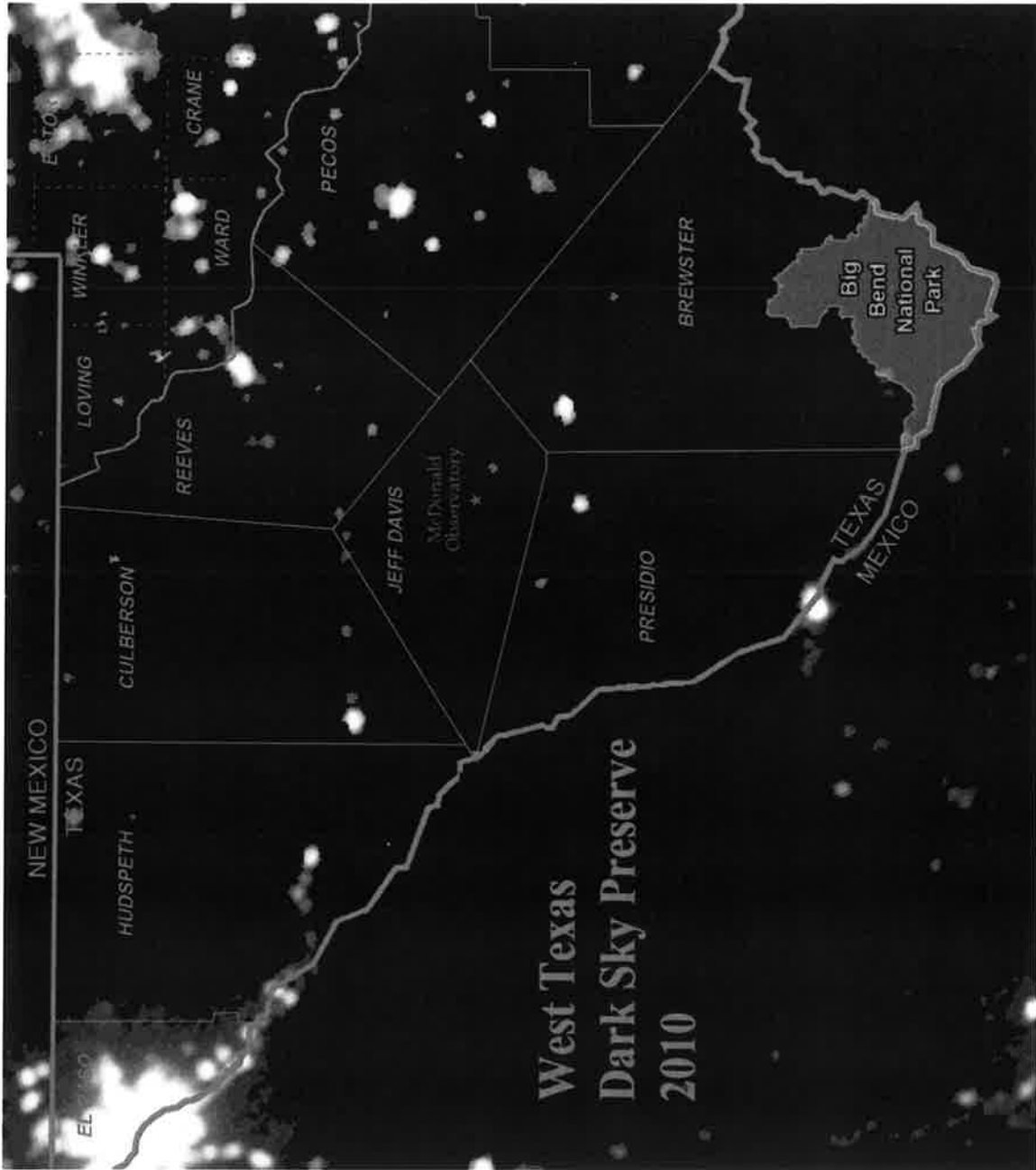
Morteza Safataj | morozawhy

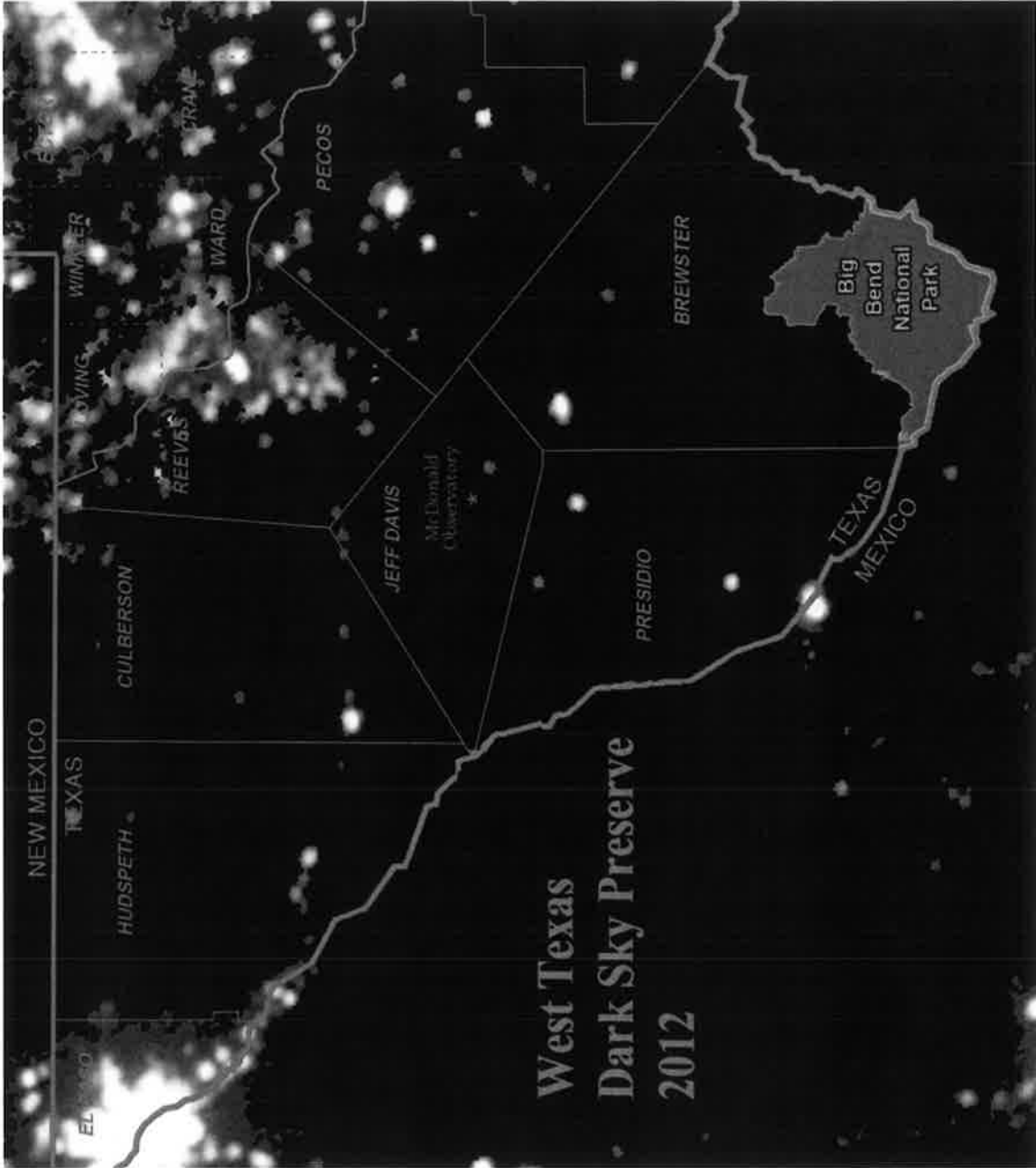
Picture enhanced to demonstrate skyglow



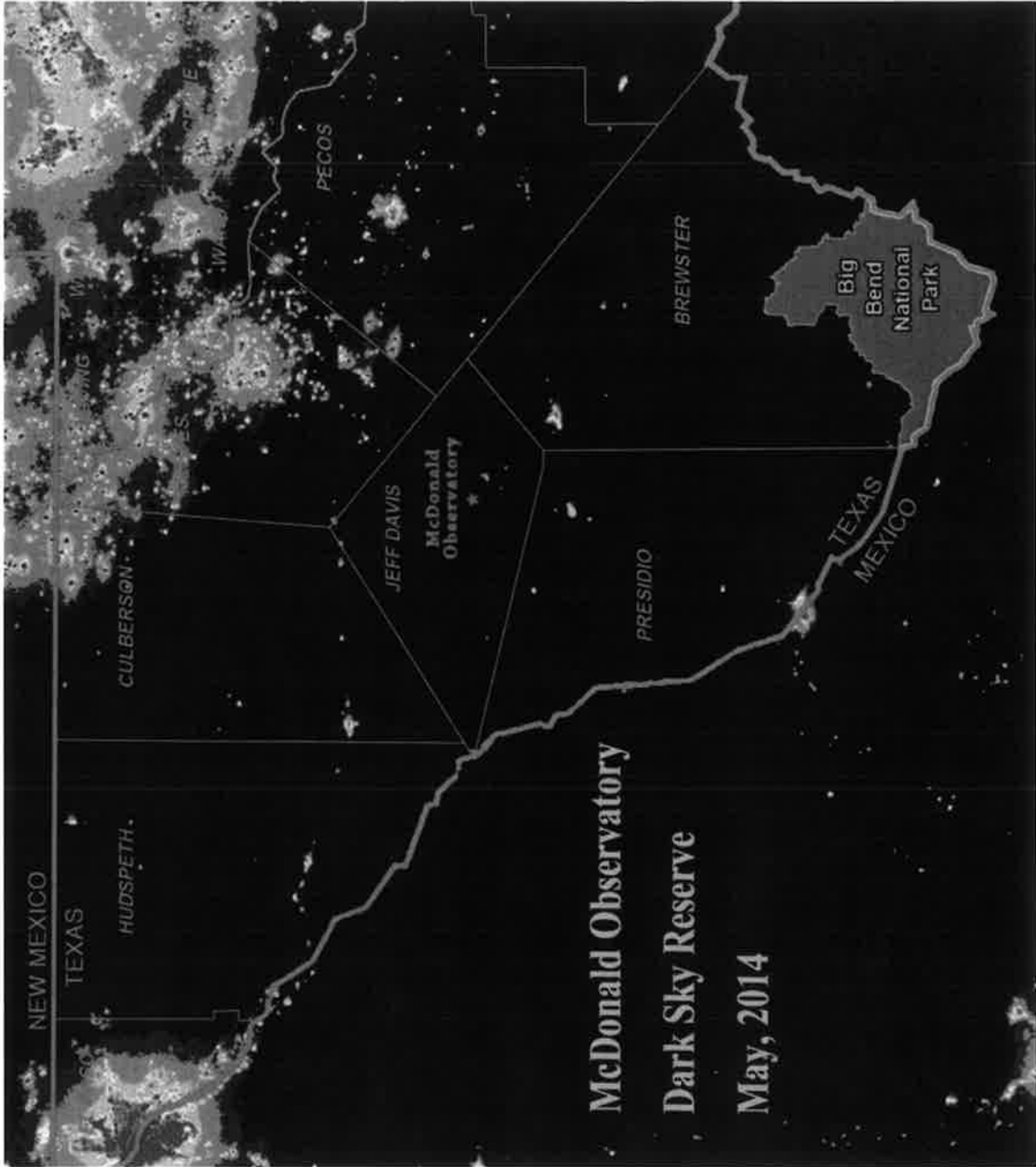
West Texas Dark Sky Preserve

April 2012

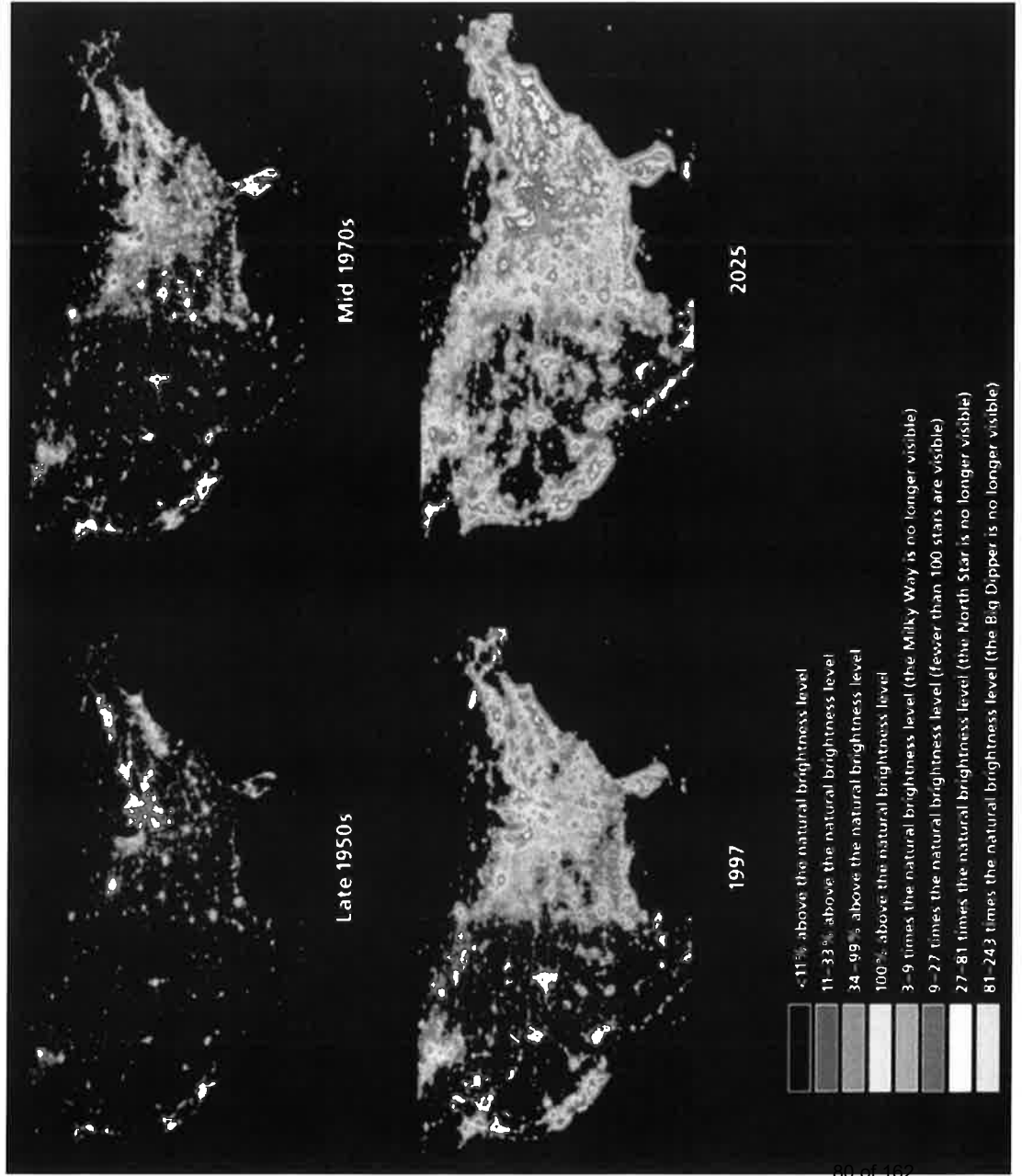






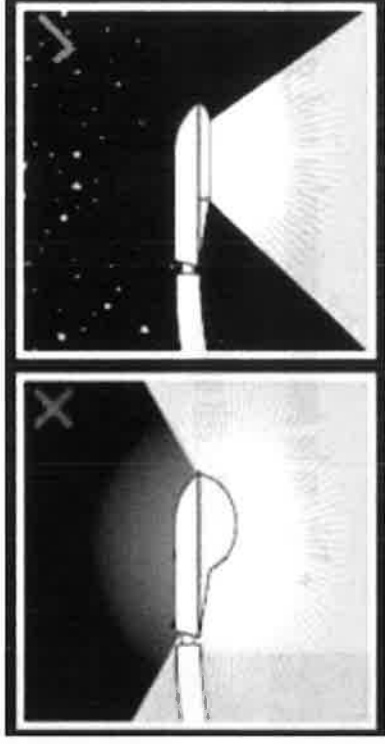


The Good News: Light pollution is *VERY* reversible!



- Water, air, and soil pollution can take generations and massive changes in our culture to reverse.
- With a handful of basic strategies we could turn the picture to the left in reverse.
- This can be done while maintaining good, safe, and functional levels of light.

HOW DO WE FIX IT?



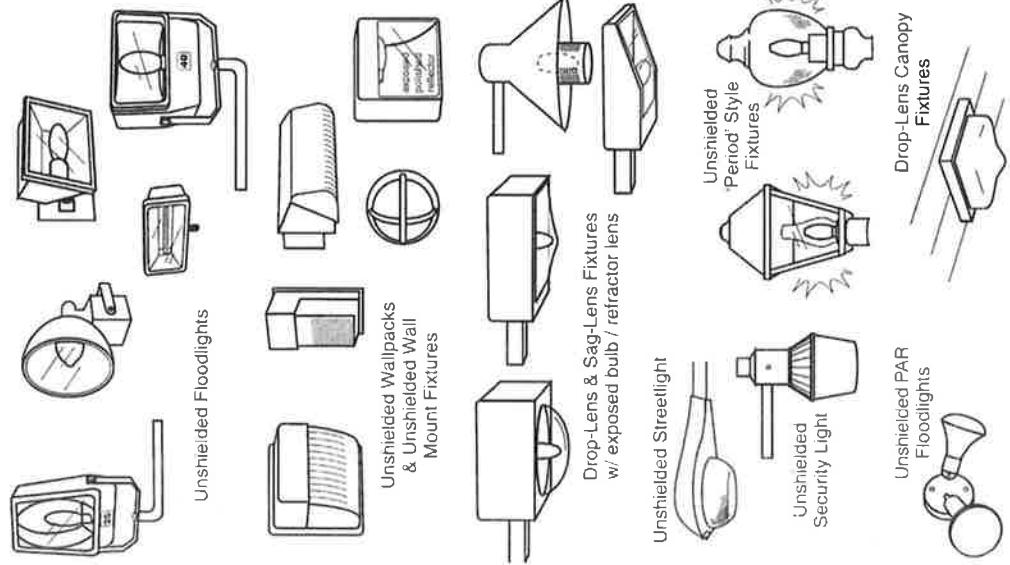
- Retrofit existing lighting
- Only light where needed
- Point light down
- When you upgrade, choose the right lights (We'd be glad to help!)

GOOD LIGHTING VS. BAD LIGHTING

Examples of Acceptable / Unacceptable Lighting Fixtures

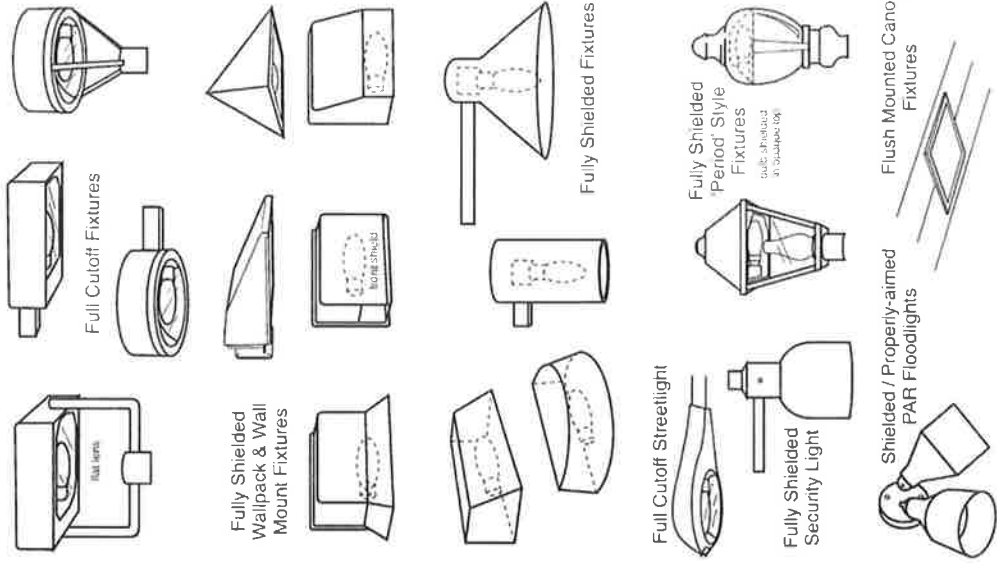
Unacceptable / Discouraged

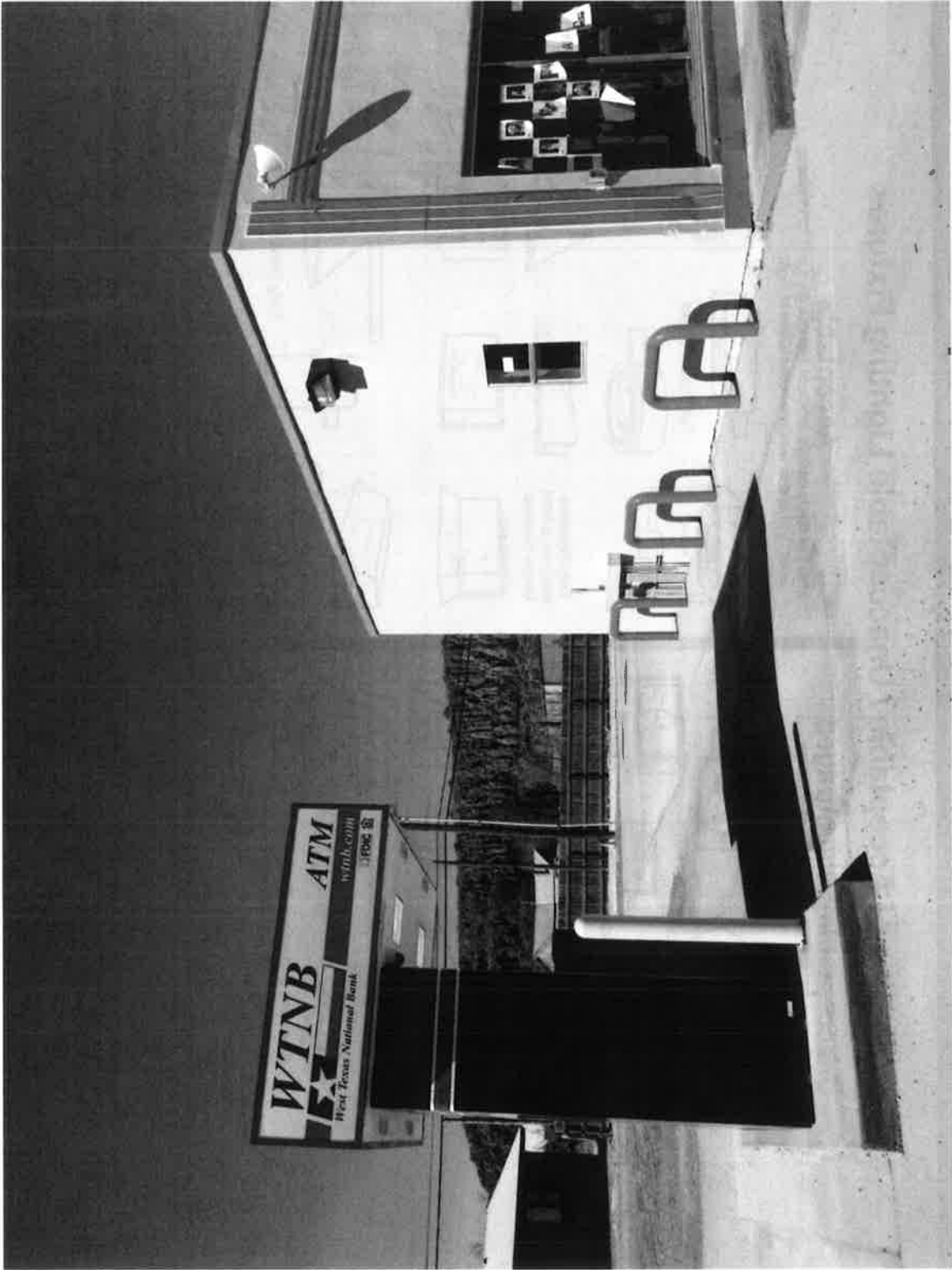
Fixtures that produce glare and light trespass

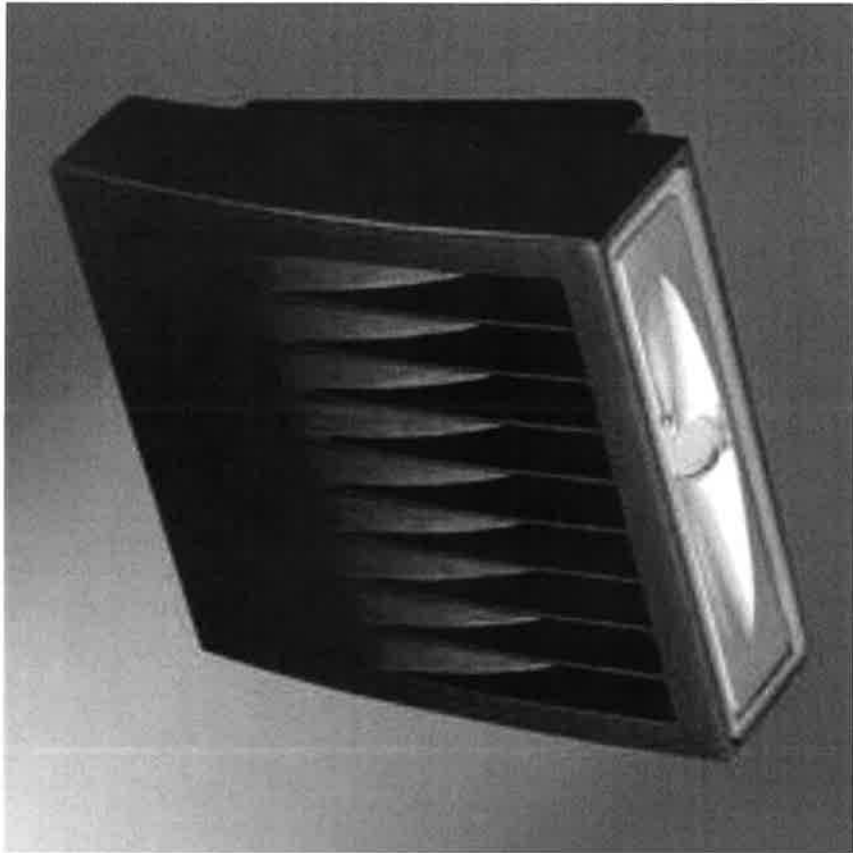


Acceptable

Fixtures that shield the light source to minimize glare and light trespass and to facilitate better vision at night

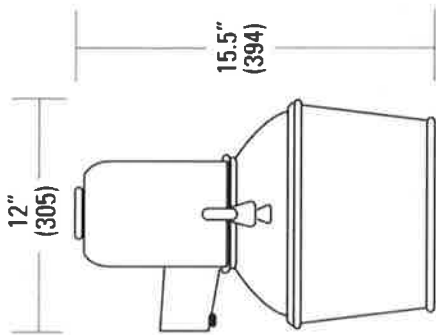




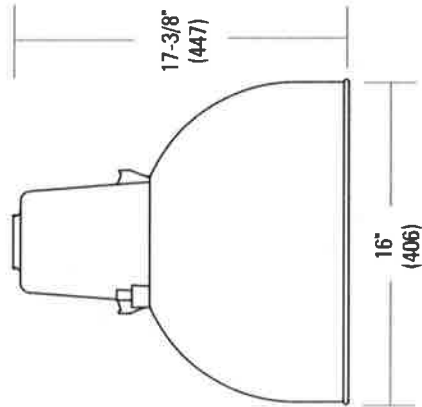




DIMENSIONS



Approx. Wt. = 16 lbs.



Approx. Wt. = 16 lbs.

PREFERRED SELECTION CATALOG NUMBERS

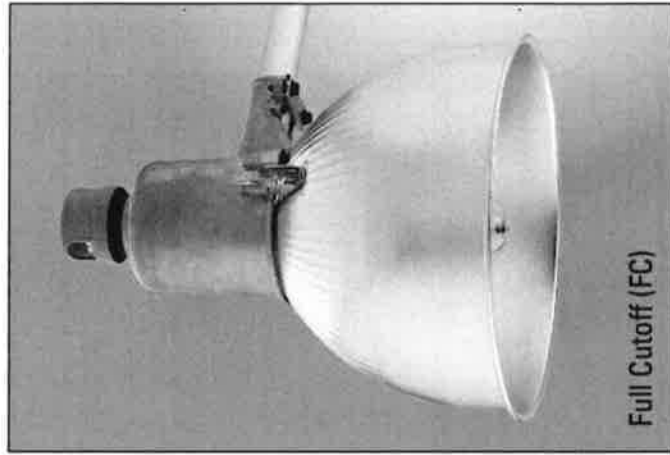
11 10S RN 120 R5 BA SW5

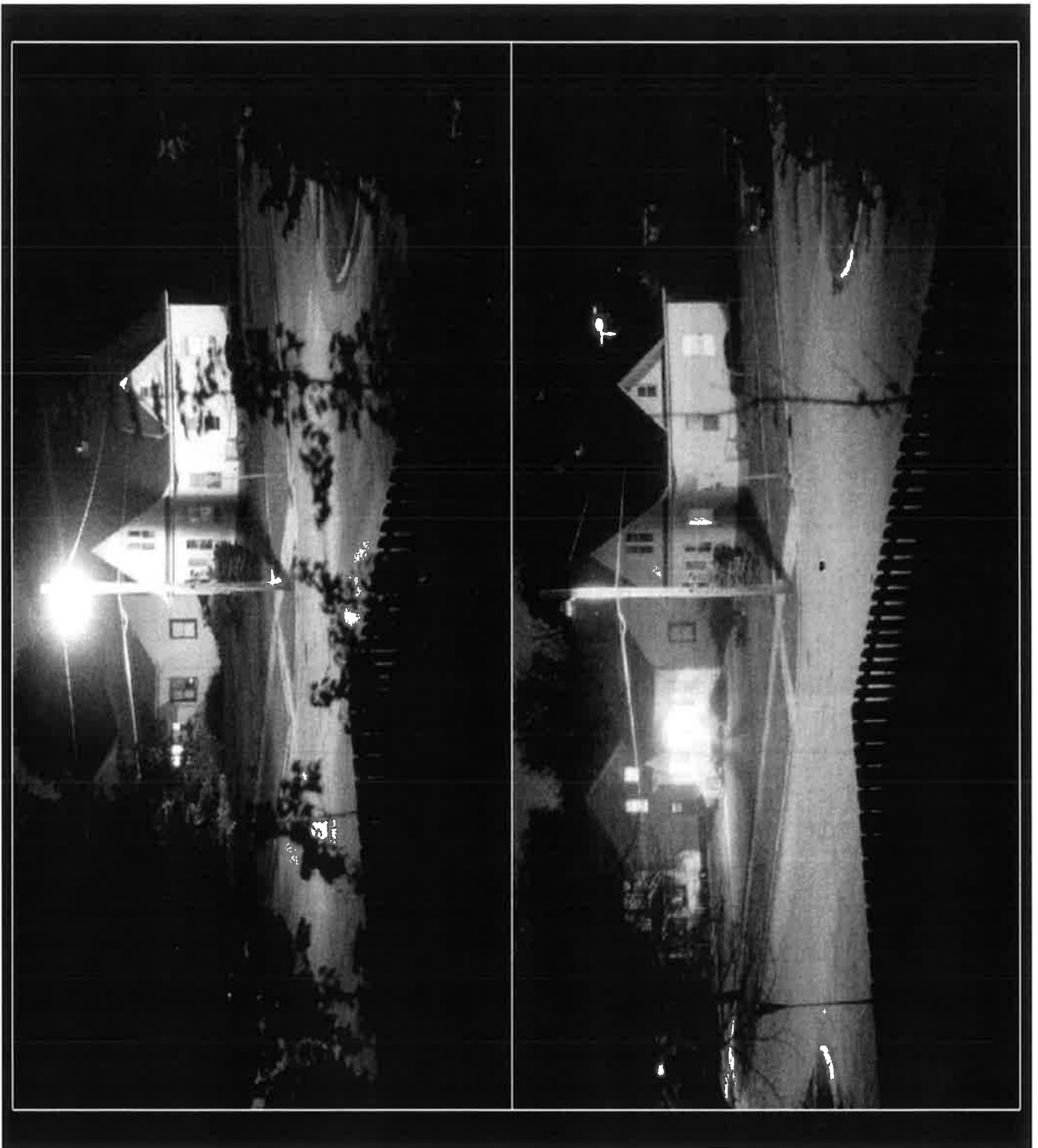
11 10S RN 120 R0 L0

11 15S RN 120 R5 BA SW5

11 15S RN 120 R0 L0

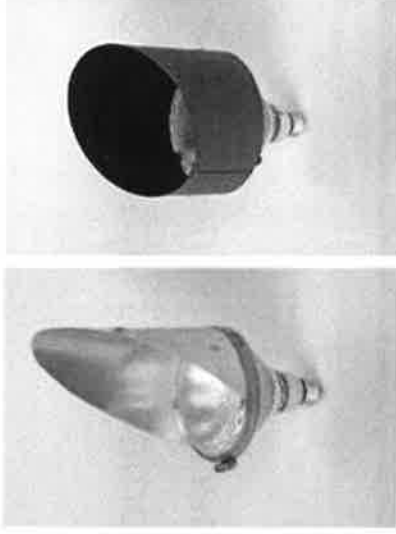
11 10M XN 120 R5 BA MDO





IN CONCLUSION

- Timers and motion detectors can be used to limit the total time a light is on



- Shields can be added to existing fixtures



- Lights can be pointed down



+



=



- The type of bulb can be changed

IN CONCLUSION



- It's about being a good neighbor: *Private property rights include the freedom to enjoy the stars at night, or at least not have some else's light shining in your bedroom window*
- Part of the Big Bend region's heritage is it's starry night sky
- This is an easy to fix issue, but right now is a critical time to act

WANT TO LEARN MORE???

- Visit the International Dark Sky Association website for more information.....<http://darksky.org/>
- Head to the McDonald Observatory in Fort Davis to get expert tours and view the dark sky with the pros
- Talk to rangers and staff at Big Bend National Park. BBNP was designated a Dark Sky Park in 2012 by the International Dark Sky Association
- Visit Big Bend Ranch State Park for interpretive and educational programs; as well as astrophotography and get information about stargazing in the area.



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

April 16, 2021

To the Board of Directors
McCloud Community Services District
McCloud, California

We have audited the financial statements of McCloud Community Services District as of and for the year ended June 30, 2019 and have issued our report thereon dated April 16, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 26, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of McCloud Community Services District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope we previously communicated to you. The timing of the audit was delayed due to delays in receiving requested audit documentation and difficulties reconciling certain account balances.

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by McCloud Community Services District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the collectability of accounts receivable, other postemployment benefit liabilities, the net pension liability and related deferred inflows and outflows.

Management's estimate of the collectability of accounts receivable is based on a historical analysis of collections and bad debt. Management's estimate of other postemployment benefits liabilities, the net pension liability and related deferred inflows and outflows are based on actuarial studies performed by independent third parties. We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements are those related to the net pension and net OPEB liability.

Significant Difficulties Encountered during the Audit

We encountered numerous delays in completing the audit due to accounts not being fully reconciled. There were also numerous delays in receiving information requested for the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached (See attachment B) schedule of audit adjustments were identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to McCloud Community Services District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 16, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

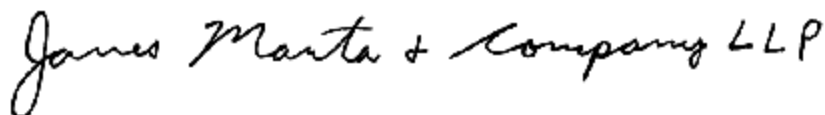
Other Significant Matters, Findings, or Issues

In the normal course of our professional association with McCloud Community Services District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as McCloud Community Services District's auditors.

New Accounting Standards

See Attachment A

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



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 16, 2021

Attachment A – New and Upcoming Changes in Accounting Standards

GASB Statement No. 84, Fiduciary Activities

Effective for the fiscal year ending June 30, 2020

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 87, Leases

Effective for the fiscal year ending June 30, 2021

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period

Effective for the fiscal year beginning after December 15, 2019.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61

Effective for the fiscal year beginning after December 15, 2018.

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

GASB Statement No. 91, Conduit Debt Obligations

Effective for the fiscal year beginning after December 15, 2020.

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

Attachment B – Journal Entry Report

Adjusting Journal Entries

Adjusting Journal Entries JE # 1			
To adjust beginning net position to match prior year report			
1010.209000	Fund Balance - Unreserved	1,691.00	
1040.209000	Fund Balance - Unreserved	1,074.00	
1050.209000	Fund Balance - Unreserved	717.00	
1090.209000	Fund Balance - Unreserved	293.00	
2000.299999	Conversion Balancing Account	15,000.00	
1010.405000.700	Miscellaneous		1,691.00
1040.405000.700	Miscellaneous		1,074.00
1050.406000.830	Equipment		717.00
1090.403000.400	Supplies		293.00
2000.201220	Debt - LT		15,000.00
Total		18,775.00	18,775.00
Adjusting Journal Entries JE # 2			
To adjust net pension liability and related inflows/outflows			
1090.104001	Deferred Outflows - NPL	6,505.00	
1090.401100.230	PERS	19,582.00	
2000.104001	Deferred Outflows - NPL	2,655.00	
2000.204000	OPEB Liability	103,418.00	
2000.214001	Deferred Inflows - NPL	2,815.00	
3000.214000	Net Pension Liability	19,547.00	
3000.214001	Deferred Inflows - NPL	10,570.00	
1090.214000	Net Pension Liability		22,076.00
1090.214001	Deferred Inflows - NPL		4,011.00
2000.214000	Net Pension Liability		3,825.00
2000.214000	Net Pension Liability		103,418.00
2000.401100.210	Social Security		1,645.00
3000.104001	Deferred Outflows - NPL		2,703.00
3000.401100.230	PERS		27,414.00
Total		165,092.00	165,092.00
Adjusting Journal Entries JE # 3			
To adjust OPEB liability and related inflows/outflows			
1090.104000	Deferred Outflows OPEB	11,291.00	
1090.401100.230	PERS	97,723.00	
2000.104000	Deferred Outflows OPEB	9,842.00	
2000.204000	OPEB Liability	118,343.00	
3000.204000	OPEB Liability	302,548.00	
3000.401100.230	PERS	52,161.00	
1090.204000	OPEB Liability		53,503.00
1090.204001	Deferred Inflows - OPEB		55,512.00
2000.204001	Deferred Inflows - OPEB		106,155.00
2000.401100.230	PERS		22,030.00
3000.104000	Deferred Outflows OPEB		22,191.00
3000.204001	Deferred Inflows - OPEB		143,880.00
3000.401100.230	PERS		188,637.00
3000.104000	Deferred Outflows OPEB		
Total		591,908.00	591,908.00
Adjusting Journal Entries JE # 5			
To record entry to net out cost allocation between funds			
1040.405000.799	General Fund/Directors Allocation	334.00	
1050.405000.799	General Fund/Directors Allocation	69.00	
1060.405000.799	General Fund/Directors Allocation	51.00	
1070.405000.799	General Fund/Directors Allocation	92.00	
1080.405000.799	General Fund/Directors Allocation	24.00	
1090.405000.799	General Fund/Directors Allocation	531.00	
2000.405000.799	General Fund/Directors Allocation	786.00	
3000.405000.799	General Fund/Directors Allocation	847.00	
1040.101000	Operating Cash		334.00
1050.101000	Operating Cash		69.00
1060.101000	Operating Cash		51.00
1070.101000	Operating Cash		92.00
1080.101000	Operating Cash		24.00
1090.101000	Operating Cash		531.00
2000.101000	Operating Cash		786.00
3000.101000	Operating Cash		847.00
Total		2,734.00	2,734.00

Reclassifying Journal Entries

Reclassifying Journal Entries JE # 4			
To true up AP balances			
1010.101000	Operating Cash	2,772.00	
1040.101000	Operating Cash	13,094.00	
1050.201000	Accounts Payable	2,055.00	
1070.201000	Accounts Payable	1,716.00	
1080.101000	Operating Cash	4.00	
1090.201000	Accounts Payable	10,012.00	
2000.201000	Accounts Payable	96.00	
3000.201000	Accounts Payable	1,991.00	
1010.201000	Accounts Payable		2,772.00
1040.201000	Accounts Payable		13,094.00
1050.101000	Operating Cash		2,055.00
1070.101000	Operating Cash		1,716.00
1080.201000	Accounts Payable		4.00
1090.101000	Operating Cash		10,012.00
2000.101000	Operating Cash		96.00
3000.101000	Operating Cash		1,991.00
Total		31,740.00	31,740.00



MCCLLOUD COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

701 HOWE AVENUE, E3
SACRAMENTO, CA

(916) 993-9494
(916) 993-9489 FAX
WWW.JMCPA.COM

MCCLLOUD COMMUNITY SERVICES DISTRICT

JUNE 30, 2019

BOARD OF DIRECTORS

Catherine Young - President

Mick Hanson – Vice President

Raymond Zanni - Director

Michael Rorke – Director

Christine Richey – Director

* * * *

Amos McAbier – General Manager

Michael Quinn – Finance Officer

MCCLLOUD COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

JUNE 30, 2019

	<u>PAGE</u>
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	15
Statement of Net Position – Proprietary – Enterprise Funds	16
Statement of Revenues, Expenses and Changes in Net Position – Proprietary – Enterprise Funds	17
Statement of Cash Flows – Proprietary – Enterprise Funds	18
Notes to the Basic Financial Statements	19
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	40
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Fire Fund	41
Schedule of the District’s Proportionate Share of the Net Pension Liability	42

MCCLLOUD COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

JUNE 30, 2019

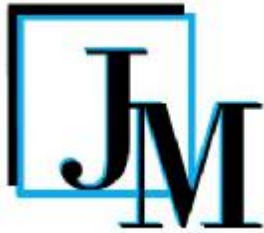
REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Pension Contributions	43
Schedule of Changes in the Net OPEB Liability and Related Ratios	44
Notes to Required Supplementary Information	45

Other Independent Auditor's Report

Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards	46
--	----

Schedule of Findings and Recommendations	48
---	-----------



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
McCloud Community Services District
McCloud, California

Report on the Financial Statements

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 McCloud Community Services District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Emphasis of Matter

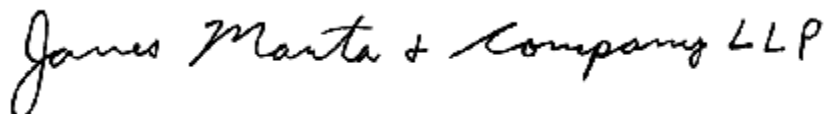
As discussed in Note 10 to the financial statement, the prior year fund balance and net position have been restated to reflect assets that were not appropriately presented in the June 30, 2018 financial statement. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund and Fire Fund, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of Pension Contributions and Schedule of Changes in the Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 16, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

MCCLOUD COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

This discussion and analysis section of the McCloud Community Services District's (District or MCSD) Financial Statements provides a narrative overview of the basic financial activities of the District as of and for the year ended June 30, 2019.

It is important to note that this Audit was performed for the Y/E of June 30, 2019 based on the audit of June 30, 2018 which was finalized without the prior audits of 2012/13 through 2016/17 being completed. It was at the recommendation of the Finance Officer and General Manager with approval of the Board of Directors that the consecutive audit pattern be passed over with the intent that the Audit of 2017/18 and subsequent years be completed allowing the District to continue operations with knowledge of an accurate financial position and allow audited information for the grant processes. This does not represent an abandonment of the requirements of those prior years to be audited.

LIABILITIES

The 2017/18 Audit introduced the liabilities of GASB Statement No. 75 and GASB Statement No. 68 to the financial position of the MCSD. These liabilities were addressed in the 2018/19 year with the establishment of a California Employers' Retiree Benefit Trust (CERBT) account for GASB 75.

GASB Statement No. 75, which recognizes the Postemployment Benefits Other Than Pensions (OPEB), as actuarially accounted for was prepared and posted to the liabilities of the District. This represents a significant future outflow to the District funds which was addressed through investment of prior set aside funds to a new CERBT account in the 2018/19 year with the approval of the Board. It is important to note that the current portion of the OPEB liability has been a part of the MCSD annual budget and has been paid in full every year.

The District opened their CERBT account with the actuarial calculated amount of \$109,827 on June 26, 2019.

GASB Statement No. 68, which recognizes the District's Net Pension Liability, was posted to the liabilities of the District in the 2017/18 Audit, addressing the previously unstated future liability for retirement benefits of the MCSD. The required annual minimum payment for the 2018/19 year was budgeted and paid. The ability for the District to establish a CEPPT account to reduce that liability was enacted by law in the 2019/20 fiscal year but the District lacked the funds needed to depend on additional sources of revenue that will be addressed in future budgets. Again, the District has handled the current portion of this liability within the annual MCSD budgets.

ASSETS

The Asset and Depreciation Schedule added the assets of the Refuse Fund's initial purchase of two collection trucks and dumpsters and cans necessary for the District's transition to its internal servicing of accounts.

The John Deere loader purchased in 2014 and originally recorded as a leased vehicle was converted to an asset with the purchase of the lease with the full purchase price and accumulated depreciation booked.

MCCLLOUD COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements present an overview of the MCSD's finances with the funds categorized and reported as governmental or business-type activities. This government-wide statement is presented in a business style to provide a comparative overview of the District.

The Statement of Activities presents a view of the revenue, whether from tax based sources or activity based sources, and expenses to determine the degree that the funds are self-supporting or requiring of general revenue support.

Statement of Activities

	Current Year		Prior Year
Total Net Position Restated at June 30, 2018	\$12,731,172	June 30, 2017	\$15,065,533
Prior Period Restatement	218,465		-2,103,670
Total Revenue	1,710,885		1,543,498
Total Expense	1,168,124		1,328,221
Total Depreciation Expense	495,488		445,968
 Total Net Position at June 30, 2019	 \$12,996,910	 June 30, 2018	 \$12,731,172

Business Type Activities

	Current Year		Prior Year
Net Position at June 30, 2018	\$12,178,615	June 30, 2017	\$13,875,421
 Prior Period Restatement	 129,220		 -1,370,479
	\$12,307,835		\$12,504,942
 Water			
Total Revenue	445,156		442,908
 Total Operating Expense	 138,252		 229,351
Total Depreciation Expense	174,206		168,287
Total Cost Allocations and Misc.	81,632		125,061
 Sewer			
Total Revenue	403,723		420,902
Total Operating Expense	250,232		207,146
Total Depreciation Expense	298,407		277,681
Total Cost Allocations and Misc.	58,000		83,223
 Refuse			
Total Revenue	260,088		257,892
Total Operating Expense	267,827		342,406
Total Depreciation Expense	22,875		0
 Total Cost Allocations and Misc.	 50,403		 14,874
 Net Position at June 30, 2019	 \$12,074,968	 Note 1 June 30, 2018	 \$12,178,615

MCCLOUD COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Governmental Activities

Net Position at June 30, 2018	\$552,557	June 30, 2017	\$1,190,112
Prior Period Restatement	89,245		-733,191
Total Revenue	565,599	Note 2	421,796
Total Operating Expense	511,813	Note 3	549,318
Total Cost Allocations and Misc	226,964		223,158
Net Position at June 30, 2019	\$921,942	June 30, 2018	\$552,557

Note 1 The District has entered into an agreement with RCAC to perform a Rate Study beginning in February, 2019 which was substantiated by the decrease in Net Position of \$103,647 in the Business Activities.

Note 2 Amount includes nonbudgeted onetime revenues of \$87,458 from services provided to the Hirtz/Delta Fire Camp and \$90,730 for FLSA Fire Revenue.

Note 3 Amount includes \$83,452 for FLSA Fire Payouts for wages and related expenses.

Statement of Net Position

The Statement of Net Position places total assets over total liabilities to compute the net difference which is then categorized into net investment in capital assets, restricted assets, committed assets and unrestricted assets.

Statement of Net Position						
6/30/2019						
	Government Activities		Business-type Activities		Totals	
	2018	2019	2018	2019	2018	2019
ASSETS						
Current Assets	\$ 1,325,359	\$ 1,495,961	\$ 1,396,316	\$ 1,405,246	\$ 2,721,675	\$ 2,901,207
Capital Assets	619,744	682,204	13,833,204	13,676,775	14,452,948	14,358,979
Total Assets	<u>1,945,103</u>	<u>2,178,165</u>	<u>15,229,520</u>	<u>15,082,021</u>	<u>17,174,623</u>	<u>17,260,186</u>
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflows	104,141	151,752	149,104	226,015	253,245	377,767
LIABILITIES						
Current Liabilities	22,174	34,274	47,189	42,107	69,363	76,381
Noncurrent Liabilities	1,335,238	1,040,954	2,953,412	2,695,380	4,288,650	3,736,334
Total liabilities	<u>1,357,412</u>	<u>1,075,228</u>	<u>3,000,601</u>	<u>2,737,487</u>	<u>4,358,013</u>	<u>3,812,715</u>
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows	139,275	332,747	199,408	495,581	338,683	828,328
NET POSITION						
Investment in capital assets, net of related debt	619,744	682,204	12,773,017	12,513,586	13,392,761	13,195,790
Restricted for capital replacement				383,521		383,521
Committed		966,227	372,647			966,227
Unrestricted	(67,187)	(726,489)	(967,049)	(822,139)	(1,034,236)	(1,548,628)
Total net position	<u>\$ 552,557</u>	<u>\$ 921,942</u>	<u>\$ 12,178,615</u>	<u>\$ 12,074,968</u>	<u>\$ 12,731,172</u>	<u>\$ 12,996,910</u>

MCCLOUD COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2019

The Statement of Activities analyzes and provides the base for Net Position at Year End from a cash flow from services perspective while the Statement of Net Position provides the same analysis by looking at asset and liability values. The Net Position of the MCSD increased \$265,738 from year end 2018 to year end 2019, however it was the Government activities that accounted for an increase of \$369,385 while the Business activities declined \$103,647. This decline and the lack of proper setasides for future replacement costs in the Government funds instituted the need for a rate study by the Rural Community Assistance Corporation. This study began in February of 2019 and will establish a five year plan to address the shortages while considering future cost increases and rate base growth.

Budget Comparison Highlights

This year a Budget Comparison report was chosen to detail in the MD&A as there were numerous changes in reporting and extraordinary events that affected the financial statements.

Each year the District Board of Directors adopts an annual operating and capital budget. The operating budget includes proposed expenses and the means of financing them. The budget remains in effect the entire year but may be revised by the Board of Directors as required. Budget vs. actual reports are provided to the Board of Directors and management on a quarterly basis.

The MCSD Budget was amended and reapproved by the Board June 17, 2019 for the reason of adding the CERBT required additional contribution of \$38,115 to Budget.,

The change to inhouse collection and disposal for the Refuse Fund necessitated a Budget revaluation of the General Expense allocation percent for all funds.

	% Before Revaluation	% After Revaluation
Fire	4	13
Alleys	4	3
Streetlights	0	0
Park	3	3
Library	0	1
Refuse	6	20
Sewer	33	29
Water	50	31

MCCLLOUD COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Analysis of Budget vs Actual for Total Revenue - Total Operating Expenses
07/2018 - 06/2019

Fund		Budget	Actual	Difference	Actual Variances
General	Revenue	\$ 73,000	\$ 174,287	\$ 101,287	\$ 87,458 Unbudgeted Fire Camp Revenue
	Expense	\$ 343,463	\$ 285,065	\$ (58,398)	
Fire	Revenue	\$ 180,330	\$ 264,439	\$ 84,109	\$ 90,730 FLSA Fire Revenue
	Expense	\$ 171,142	\$ 239,289	\$ 68,147	\$ 83,452 FLSA Fire Expense
		\$ 9,188	\$ 25,150	\$ 15,962	
Alleys	Revenue	\$ 41,631	\$ 42,788	\$ 1,157	
	Expense	\$ 35,580	\$ 32,917	\$ (2,663)	
		\$ 6,051	\$ 9,871	\$ 3,820	
Lights	Revenue	\$ 20,668	\$ 20,656	\$ (12)	
	Expense	\$ 26,087	\$ 26,368	\$ 281	
		\$ (5,419)	\$ (5,712)	\$ (293)	
Park	Revenue	\$ 49,050	\$ 53,135	\$ 4,085	
	Expense	\$ 47,111	\$ 48,651	\$ 1,540	
		\$ 1,939	\$ 4,484	\$ 2,545	
Library	Revenue	\$ 8,422	\$ 7,023	\$ (1,399)	
	Expense	\$ 12,444	\$ 10,242	\$ (2,202)	
		\$ (4,022)	\$ (3,219)	\$ 803	
Refuse	Revenue	\$ 256,600	\$ 263,204	\$ 6,604	
	Expense	\$ 272,058	\$ 271,583	\$ (475)	
		\$ (15,458)	\$ (8,379)	\$ 7,079	
Sewer	Revenue	\$ 417,299	\$ 428,962	\$ 11,663	
	Expense	\$ 410,303	\$ 333,470	\$ (76,833)	
		\$ 6,996	\$ 95,492	\$ 88,496	
Water	Revenue	\$ 434,120	\$ 453,121	\$ 19,001	
	Expense	\$ 433,667	\$ 227,848	\$ (205,819)	
		\$ 453	\$ 225,273	\$ 224,820	

The General/Directors Allocation to Government and Enterprise Funds was under budget resulting in combined reduced fund expenses of \$57,999.

The Actual Expenses do not include the unbudgeted Depreciation (Enterprise) and Capital Outlay expenses (Government).

MCCLLOUD COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

INVESTMENTS

The McCloud Community Service District has invested its nonoperating cash assets in the Local Agency Investment Fund (LAIF) and receives a variable rate of return. In June 2019, the MCSDD started an OPEB CERBT account that had no value change.

Account Summaries

LAIF

Beginning Balance July 1, 2018	\$2,020,043
Deposits	\$400,000
Withdrawals	\$38,000
Interest earned	\$54,196
Ending Balance June 30, 2019	\$2,436,238

CERBT

Beginning Balance July 1, 2018	\$0.00
Deposits	\$109,827
Withdrawals	\$0.00
Interest earned	\$0.00
Ending Balance June 30, 2019	\$109,827

MCCLOUD COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

REFUSE FUND RESTRUCTURE

Following a proposal, discussion and final approval of the Board, it was decided to return the collection activities of the Refuse fund back to the District. This was effected on July 1, 2019 and included the purchase of two collection vehicles and enough bins and dumpsters to fulfill the account requirements within the District. At the same time, the Green Waste program changed its policy of allowing residents to bring their green waste to the District Office for transfer to the Waste site. This elimination of the retransfer by District employees saved payroll, fuel and maintenance of equipment costs.

Due to the change to inhouse collection, there was no anticipated increase in the revenue of the fund. The following comparison of 2017/18 and 2018/19 identifies only the expenses that were affected by the change of service. With the change in Expenses and Capital Cash outlays, there was a \$44,325 decrease in cash but a \$75,499 increase in Asset Value.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District will continue to budget conservatively for the Governmental and Proprietary Funds revenues with the anticipation that growth will be at a minimum and the rate and tax structures for the assessed properties within the District will not increase in the upcoming year.

The RCAC Rate Study will provide a synopsis of the Refuse, Sewer and Water Funds future needs and provide essential information about the rate structure and how it will address those needs.

The District will continue to be mindful of expenditures and look for ways to capitalize on trends that will allow for economies of scale and the more efficient use of resources.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Michael Quinn, Finance Officer, PO Box 640, McCloud, CA 96057.

BASIC FINANCIAL STATEMENTS

MCCLOUD COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,426,799	\$ 1,230,076	\$ 2,656,875
Accounts receivable	67,368	111,427	178,795
Prepaid expenses	1,794	6,422	8,216
Inventory	-	57,321	57,321
Total current assets	1,495,961	1,405,246	2,901,207
Non-current assets:			
Restricted cash and cash equivalents			
Capital assets, net	682,204	13,676,775	14,358,979
Total assets	2,178,165	15,082,021	17,260,186
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	94,083	140,125	234,208
Related to Pension	57,669	85,890	143,559
Total deferred outflows of resources	151,752	226,015	377,767
LIABILITIES			
Accounts payable	10,871	11,711	22,582
Accrued liabilities	23,403	1,908	25,311
Interest payable	-	8,234	8,234
Unearned revenue	-	20,254	20,254
Long-Term Liabilities:			
Due within one year	12,200	115,577	127,777
Due in longer than one year	1,028,754	2,579,803	3,608,557
Total liabilities	1,075,228	2,737,487	3,812,715
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	286,195	426,248	712,443
Related to Pension	46,552	69,333	115,885
Total deferred inflows of resources	332,747	495,581	828,328
NET POSITION			
Net investment in capital assets	682,204	12,513,586	13,195,790
Restricted	-	383,521	383,521
Committed	966,227	-	966,227
Unrestricted	(726,489)	(822,139)	(1,548,628)
Total net position	\$ 921,942	\$ 12,074,968	\$ 12,996,910

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

MCCLOUD COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:						
General government	\$ 201,540	\$ -	\$ -	\$ (201,540)	\$ -	\$ (201,540)
Ambulance and fire	217,109	27,844	-	(189,265)	-	(189,265)
Non-major funds	93,164	63,593	-	(29,571)	-	(29,571)
Total governmental activities	<u>\$ 511,813</u>	<u>\$ 91,437</u>	<u>\$ -</u>	<u>(420,376)</u>	<u>-</u>	<u>(420,376)</u>
Business-type activities:						
Water	\$ 312,458	\$ 445,156	\$ -		132,698	132,698
Sewer	548,639	403,723	-		(144,916)	(144,916)
Waste	290,702	260,088	-		(30,614)	(30,614)
Total business-type activities	<u>\$ 1,151,799</u>	<u>\$ 1,108,967</u>	<u>\$ -</u>		<u>(42,832)</u>	<u>(42,832)</u>
General revenues:						
Property taxes				258,480	-	258,480
Use of money and property				20,498	33,707	54,205
Miscellaneous revenue				195,184	2,612	197,796
Total general revenue				<u>474,162</u>	<u>36,319</u>	<u>510,481</u>
Cost Allocation				<u>226,354</u>	<u>(226,354)</u>	<u>-</u>
Change in net position				<u>280,140</u>	<u>(232,867)</u>	<u>47,273</u>
Net position - beginning of year, original				552,557	12,178,615	12,731,172
Prior period restatement				89,245	129,220	218,465
Net position - beginning of year, restated				<u>641,802</u>	<u>12,307,835</u>	<u>12,949,637</u>
Net position - end of year				<u>\$ 921,942</u>	<u>\$ 12,074,968</u>	<u>\$ 12,996,910</u>

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

MCCLOUD COMMUNITY SERVICES DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2019

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Assets				
Cash and cash equivalents	\$ 720,742	\$ 374,874	\$ 331,183	\$ 1,426,799
Accounts receivables	4,488	41,417	21,463	67,368
Due from other funds	65,206	-	-	65,206
Prepaid expenses	1,794	-	-	1,794
Total Assets	<u>\$ 792,230</u>	<u>\$ 416,291</u>	<u>\$ 352,646</u>	<u>\$ 1,561,167</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 4,686	\$ 5,848	\$ 337	\$ 10,871
Accrued expenses	4,582	18,434	387	23,403
Due to other funds	-	53,000	12,206	65,206
Total Liabilities	<u>9,268</u>	<u>77,282</u>	<u>12,930</u>	<u>99,480</u>
Fund Balance				
Committed	591,578	292,956	81,693	966,227
Unassigned	191,384	46,053	258,023	495,460
Total Fund Balance	<u>782,962</u>	<u>339,009</u>	<u>339,716</u>	<u>1,461,687</u>
Total Liabilities and Fund Balance	<u>\$ 792,230</u>	<u>\$ 416,291</u>	<u>\$ 352,646</u>	<u>\$ 1,561,167</u>

MCCLOUD COMMUNITY SERVICES DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2019

Total Fund Balance - Governmental Funds	\$	1,461,687
---	----	-----------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets: in governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at cost	\$ 2,290,419	
Accumulated depreciation	<u>(1,608,215)</u>	
Capital assets, net		682,204

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated Absences	(12,200)
Net Pension Liability	(208,527)
Other Postemployment Benefits	(820,227)

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.

Deferred outflows of resources relating to pensions	57,669
Deferred outflows of resources relating to OPEB	94,083
Deferred inflows of resources relating to pensions	(46,552)
Deferred inflows of resources relating to OPEB	<u>(286,195)</u>

Total net position - Governmental Activities:	\$	<u>921,942</u>
---	----	----------------

MCCLOUD COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS

JUNE 30, 2019

	General Fund	Fire Fund	Non-Major Funds	Total
REVENUE				
Property taxes and assessments	\$ 74,077	\$ 129,134	\$ 55,269	\$ 258,480
Charges for services	-	27,844	63,593	91,437
Intergovernmental revenues	1,035	-	-	1,035
Use of money and property	8,427	7,929	4,142	20,498
Other income	90,748	99,532	3,869	194,149
Total revenue	<u>174,287</u>	<u>264,439</u>	<u>126,873</u>	<u>565,599</u>
EXPENDITURES				
Wages and benefits	151,081	154,734	58,385	364,200
Professional services	41,111	1,923	57	43,091
Fuel and supplies	21,588	14,934	3,214	39,736
Insurance	37,918	-	-	37,918
Utilities	10,817	7,824	22,732	41,373
Repairs and maintenance	7,129	17,569	1,026	25,724
Office supplies	8,251	28	365	8,644
Dues and subscriptions	2,777	110	-	2,887
Travel and training	5,826	4,572	-	10,398
General and administrative	36,680	2,203	7,385	46,268
Capital Outlay	-	13,212	-	13,212
Total expenditures	<u>323,178</u>	<u>217,109</u>	<u>93,164</u>	<u>633,451</u>
Excess (deficiency) of revenue over expenditures	<u>(148,891)</u>	<u>47,330</u>	<u>33,709</u>	<u>(67,852)</u>
OTHER FINANCING SOURCES (USES)				
Cost allocation	<u>286,756</u>	<u>(35,390)</u>	<u>(25,012)</u>	<u>226,354</u>
Total other financing sources (uses)	<u>286,756</u>	<u>(35,390)</u>	<u>(25,012)</u>	<u>226,354</u>
Net change in fund balances	137,865	11,940	8,697	158,502
FUND BALANCE, beginning of year	<u>645,097</u>	<u>327,069</u>	<u>331,019</u>	<u>1,303,185</u>
FUND BALANCE, end of year	<u>\$ 782,962</u>	<u>\$ 339,009</u>	<u>\$ 339,716</u>	<u>\$ 1,461,687</u>

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

MCCLOUD COMMUNITY SERVICES DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES**

JUNE 30, 2019

Net Change in Fund Balances - Governmental Funds	\$	158,502
--	----	---------

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay	129,896
Depreciation expense	(61,459)

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and earned was:

722

Pensions: In government funds, pension costs are recognized when employer contributions are made, in the statement of activities pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

10,185

Postemployment benefits other than pensions (OPEB): In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. The difference between OPEB costs paid and earned was:

42,294

Changes in net position of governmental activities:	\$	<u><u>280,140</u></u>
---	----	-----------------------

MCCLOUD COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

<u>ASSETS</u>	Water	Sewer	Waste	Total
Current assets:				
Cash and cash equivalents	\$ 254,937	\$ 966,310	\$ 8,829	\$ 1,230,076
Accounts receivable	44,335	40,467	26,625	111,427
Inventory	54,063	3,258	-	57,321
Prepaid expenses	292	6,130	-	6,422
Total current assets	<u>353,627</u>	<u>1,016,165</u>	<u>35,454</u>	<u>1,405,246</u>
Noncurrent assets:				
Capital assets, net	4,279,922	8,981,359	415,494	13,676,775
Total noncurrent assets	<u>4,279,922</u>	<u>8,981,359</u>	<u>415,494</u>	<u>13,676,775</u>
Total assets	<u>4,633,549</u>	<u>9,997,524</u>	<u>450,948</u>	<u>15,082,021</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	70,119	48,386	21,620	140,125
Related to Pension	42,980	29,658	13,252	85,890
Total deferred outflows of resou	<u>113,099</u>	<u>78,044</u>	<u>34,872</u>	<u>226,015</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	1,234	6,418	4,059	11,711
Accrued expenses	769	641	498	1,908
Accrued interest payable	-	8,234	-	8,234
Unearned revenue	20,254	-	-	20,254
Current portion of long-term liabilities	-	62,849	52,728	115,577
Total current liabilities	<u>22,257</u>	<u>78,142</u>	<u>57,285</u>	<u>157,684</u>
Noncurrent liabilities:				
Notes and bonds payable	-	764,387	283,225	1,047,612
Other postemployment benefits liabilities	611,302	421,834	188,482	1,221,618
Net pension liability	155,412	107,243	47,918	310,573
Total noncurrent liabilities	<u>766,714</u>	<u>1,293,464</u>	<u>519,625</u>	<u>2,579,803</u>
Total liabilities	<u>788,971</u>	<u>1,371,606</u>	<u>576,910</u>	<u>2,737,487</u>
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	213,296	147,187	65,765	426,248
Related to Pension	34,695	23,941	10,697	69,333
Total deferred inflows of resourc	<u>247,991</u>	<u>171,128</u>	<u>76,462</u>	<u>495,581</u>
<u>NET POSITION</u>				
Net investment in capital assets	4,279,922	8,154,123	79,541	12,513,586
Restricted	137,114	246,407	-	383,521
Unrestricted	(707,350)	132,304	(247,093)	(822,139)
Total net position	<u>\$ 3,709,686</u>	<u>\$ 8,532,834</u>	<u>\$ (167,552)</u>	<u>\$ 12,074,968</u>

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

MCCLOUD COMMUNITY SERVICES DISTRICT

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Waste</u>	<u>Total</u>
OPERATING REVENUE				
Service charges	\$ 445,156	\$ 403,723	\$ 260,088	\$ 1,108,967
OPERATING EXPENSES				
Wages and benefits	79,136	144,027	192,237	415,400
Service contracts	7,335	-	7,865	15,200
General operating expenses	10,345	7,415	52,666	70,426
Miscellaneous	41,436	31,081	-	72,517
Depreciation	174,206	298,407	22,875	495,488
Debt service	-	67,709	15,059	82,768
Total operating expenses	<u>312,458</u>	<u>548,639</u>	<u>290,702</u>	<u>1,151,799</u>
Operating income (loss)	<u>132,698</u>	<u>(144,916)</u>	<u>(30,614)</u>	<u>(42,832)</u>
NONOPERATING REVENUE (EXPENSE)				
Use of money and property	6,888	25,239	1,580	33,707
Miscellaneous	1,077	-	1,535	2,612
Cost allocation	<u>(89,597)</u>	<u>(83,239)</u>	<u>(53,518)</u>	<u>(226,354)</u>
Total nonoperating revenue (expense)	<u>(81,632)</u>	<u>(58,000)</u>	<u>(50,403)</u>	<u>(190,035)</u>
CHANGE IN NET POSITION	<u>51,066</u>	<u>(202,916)</u>	<u>(81,017)</u>	<u>(232,867)</u>
NET POSITION, beginning of year, original	3,595,654	8,669,496	(86,535)	12,178,615
Prior Period Restatement	<u>62,966</u>	<u>66,254</u>	<u>-</u>	<u>129,220</u>
NET POSITION, beginning of year, as restated	<u>3,658,620</u>	<u>8,735,750</u>	<u>(86,535)</u>	<u>12,307,835</u>
NET POSITION, end of year	<u>\$ 3,709,686</u>	<u>\$ 8,532,834</u>	<u>\$ (167,552)</u>	<u>\$ 12,074,968</u>

MCCLOUD COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY – ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	Water	Sewer	Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 460,189	\$ 414,403	\$ 265,853	\$ 1,140,445
Payments for services and supplies	(62,019)	(40,640)	(83,058)	(185,717)
Payments related to employee services	(232,559)	(151,338)	(10,706)	(394,603)
Net cash provided (used) by operating activities	165,611	222,425	172,089	560,125
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(60,186)	(7,969)	(1,475)	(69,630)
Debt service payments	-	(147,980)	(109,146)	(257,126)
Net cash provided (used) by capital and related financing activities	(60,186)	(155,949)	(110,621)	(326,756)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous revenues	7,965	25,239	3,115	36,319
Transfers out	(88,750)	(82,453)	(52,987)	(224,190)
Net cash provided (used) by capital and related financing activities	(80,785)	(57,214)	(49,872)	(187,871)
NET INCREASE (DECREASE) IN CASH	24,640	9,262	11,596	45,498
CASH AND CASH EQUIVALENTS, beginning of year	231,144	957,834	(2,236)	1,186,742
CASH AND CASH EQUIVALENTS, end of year	\$ 255,784	\$ 967,096	\$ 9,360	\$ 1,232,240
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 132,698	\$ (144,916)	\$ (30,614)	\$ (42,832)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	174,206	298,408	22,875	495,489
(Increase) decrease in:				
Accounts receivable	14,663	10,680	5,765	31,108
Prepaid expenses	(292)	(6,130)	-	(6,422)
Deferred outflows of resources	(27,347)	(39,397)	(30,527)	(97,271)
Increase (decrease) in:				
Accounts payable	(3,380)	4,623	(7,966)	(6,723)
Accrued wages	769	(637)	498	630
Deferred revenue	370	-	-	370
Net pension liability	(19,547)	19,744	38,081	38,278
Net OPEB liability	(239,839)	(62,483)	100,730	(201,592)
Deferred inflows of resources	133,310	142,533	73,247	349,090
Net cash provided (used) by operating activities	\$ 165,611	\$ 222,425	\$ 172,089	\$ 560,125
Non-cash transactions: Financed a new refuse truck	\$ -	\$ -	\$ 214,148	\$ 214,148

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

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

McCloud Community Services District (the “District”) was formed on August 24, 1965 to provide water, sewer, waste, fire and other necessary services to the community of McCloud. A Board of Directors consisting of five members, including a president who is selected by the Board of Directors, governs the District's operations. An appointed District Manager manages the administrative functions of the District, a designated Finance Officer administers the financial functions, and a designated Public Works Superintendent administers the District's water, sewer and alleys. Non-management employees are members of a union (Operating Engineers, Local No.3).

The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities display financial information about the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position presents information on all of the District's assets and liabilities, with the difference between the two presented as net position. Net position is reported as three categories as applicable: net investment in capital assets, restricted and unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

B. BASIS OF PRESENTATION (CONTINUED)

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is not allocated by function. Interest on long-term liabilities is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when 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 are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e. balance sheet and statement of revenues, expenditures and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District funds are as follows:

Governmental Funds:

Major Governmental Funds:

General Fund is the general operating fund of the District. It is used to account for all transactions except those required or permitted by law to be accounted for in another fund.

Fire Fund is used to account for most of the public safety operations of the District, including Ambulance.

Non-major Governmental Funds:

Alleys Fund is used to account for the maintenance of alleys within the District, which includes snow plowing.

Lights Fund is used to account for the utility expenses of street lights within the District.

Park Fund is used to account for the maintenance and upkeep of the District's park.

Library Fund is used to account for the building used by the county for the library.

Proprietary – Enterprise Funds:

Water Fund is used to account for the delivery of water services.

Sewer Fund is used to account for the delivery of sewer services.

Waste Fund is used to account for the delivery of solid waste services.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

E. CASH AND CASH EQUIVALENTS

For purposes of the statement of net position/balance sheet, the District considers all short-term highly liquid investments, including restricted assets to be cash and cash equivalents.

F. INVESTMENTS

The District records its investments at fair market value. Changes in fair market value are reported as revenue in the Statement of Revenues, Expenses, and Changes in Net Position. The effect of recording investments at fair market value is reflected as a net increase in the fair value of investments on the Statement of Revenues, Expenses, and Changes in Net Position and on the Statement of Net Position. Fair market values of investments have been determined based on quoted market prices.

G. ACCOUNTS RECEIVABLE

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of June 30, 2019, the total accounts receivable portfolio was considered collectible. Interest on investments is recorded in the year the interest is earned.

H. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the following estimated useful lives:

Buildings and Improvements	20 – 50	Years
Sewer System	10 – 50	Years
Water Transmission System	5 – 50	Years
Subsurface Lines	3 – 50	Years
Machinery and Equipment	3 – 15	Years

I. COMPENSATED ABSENCES

District employees are entitled to certain compensated absences based on the length of their employment, which will be paid to them upon separation from the District. Compensated absences accumulate and are accrued when they are earned and reported as a liability in the government-wide financial statements.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

J. INVENTORY

Inventory consists of items purchased for future projects.

K. FUND BALANCE

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Directors. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors. At June 30, 2019, the District has committed funds that are to be used for expenditures related to future projects or equipment.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Directors is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

L. USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on managements' informed estimates and judgments, with consideration given to materiality. Actual results could differ from those amounts.

MCCLOUD COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

M. PROPERTY TAX

The County of Siskiyou assesses, bills, and collects property taxes for the District. Assessed values are determined annually by the Siskiyou County Assessor as of January 1, and become a lien on such property January 1. Taxes are due November 1 and February 1 (secured), and July 1 (unsecured) and are delinquent if not paid by December 10 and April 10 (secured), and August 31 (unsecured). The County is permitted by the State Constitution (Article XIII A) to levy taxes at 1% of the full market value of the property (at the time of Purchase) and can increase a property's assessed valuation by reappraisal due to new construction, change in ownership, or by increase in fair market value not to exceed 2% each year. The District receives a small portion of the County's 1% property tax each year. Property taxes collected by the County on behalf of the District but not remitted to the District by June 30 are accrued in revenue and included in accounts receivable.

2. CASH AND INVESTMENTS

The District's cash balances at June 30, 2019 are:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deposits:			
Banner Bank	\$ 299,848	\$ (76,477)	\$ 223,371
Pooled Funds:			
Local Agency Investment Fund	<u>1,127,521</u>	<u>1,308,717</u>	<u>2,436,238</u>
Total Cash and Equivalents	<u>\$ 1,427,369</u>	<u>\$ 1,232,240</u>	<u>\$ 2,659,609</u>

Pooled Funds:

The District is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in this pool, which approximates cost, is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hours' notice. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by Federal Agencies, government-sponsored enterprises and corporations. The monies held in the LAIF are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

LAIF is administered by the State Treasurer and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

Deposits - Custodial Credit Risk

The carrying amount of the District's bank account was \$223,371 and the bank balance was \$262,022 at June 30, 2019. Deposits held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. This collateral must be in the form of government-backed securities. All cash held by financial institutions at June 30, 2019 was fully insured or collateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The mutual funds are considered short term.

Credit Risk

The District's investment philosophy sets the tone for its policies, practices, procedures and objectives that control the investment function. The investment of funds will be guided by the primary goals of safety, liquidity, diversification, and reasonable market rate of return. The investment function will have additional goals of: assuring ongoing compliance with Federal, State, and local laws governing the investment of funds kept by the District, maintaining reserves for long term projects and contingencies, and establishing quality standards and limits to the type of investments made and with which institutions investments are placed. Goals will be carried out in the context of the "Prudent Investment Rule" which states that "investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Concentration of Credit Risk

The District places limits on the amount it may invest in anyone issuer. At June 30, 2019, the District had no concentration of credit risk.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Balance June 30, 2018	Adjustments*	Additions	Deletions	Balance June 30, 2019
Not subject to depreciation					
Land	\$ 228,244	\$ -	\$ -	\$ -	\$ 228,244
Total Not subject to Depreciation	228,244	-	-	-	228,244
Subject to Depreciation					
Buildings and Improvements	933,297	-	-	(48,157)	885,140
Equipment	1,094,654	108,573	21,323	(47,515)	1,177,035
Total depreciable	2,027,951	108,573	21,323	(95,672)	2,062,175
Less accumulated depreciation	(1,636,451)	(16,286)	(45,173)	89,695	(1,608,215)
Total capital assets, net	<u>\$ 619,744</u>	<u>\$ 92,287</u>	<u>\$ (23,850)</u>	<u>\$ (5,977.00)</u>	<u>\$ 682,204</u>

Business-Type Activities:

	Balance June 30, 2018	Adjustments*	Additions	Deletions	Balance June 30, 2019
Not subject to depreciation					
Land	\$ 8,350	\$ -	\$ -	\$ -	\$ 8,350
Total Not subject to Depreciation	8,350	-	-	-	8,350
Subject to Depreciation					
Land Improvements	6,568,240	-	-	-	6,568,240
Buildings and Improvements	13,242,265	-	-	-	13,242,265
Equipment	821,033	195,112	228,496	-	1,244,641
Total depreciable	20,631,538	195,112	228,496	-	21,055,146
Less accumulated depreciation	(6,806,684)	(84,548)	(495,489)	-	(7,386,721)
Total capital assets, net	<u>\$ 13,833,204</u>	<u>\$ 110,564</u>	<u>\$ (266,993)</u>	<u>\$ -</u>	<u>\$ 13,676,775</u>

*These assets were purchased in prior years and added to the current year schedule. These are included as prior period adjustments on the financial statements.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

4. INTERFUND TRANSACTIONS

As of June 30, 2019, the interfund receivable and payable balances were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 65,206	\$ -
Fire Fund	-	53,000
Lights Fund	-	12,206
Total	\$ 65,206	\$ 65,206

These amounts are eliminated on the Statement of Net Position as they all relate to Governmental Activities

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. There were no interfund transfers made during the year.

5. GENERAL LONG-TERM DEBT

A schedule of changes in long-term liabilities for the year ended June 30, 2019 is shown below:

Governmental Activities

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
Net OPEB Liability	\$ 1,109,835	\$ -	\$ 289,608	\$ 820,227	\$ -
Net Pension Liability	212,481	-	3,954	208,527	-
Compensated Absences	12,922	-	722	12,200	12,200
	\$ 1,335,238	\$ -	\$ 294,284	\$ 1,040,954	\$ 12,200

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

5. GENERAL LONG-TERM DEBT (CONTINUED)

Business Activities

	Balance			Balance	Due
	July 1, 2018	Additions	Deductions	June 30, 2019	Within
					One Year
Net OPEB Liability	\$ 1,589,006	\$ -	\$ 367,388	\$ 1,221,618	\$ -
Net Pension Liability	304,219	6,354	-	310,573	-
Notes Payable	1,060,187	204,148	101,146	1,163,189	115,577
	<u>\$ 2,953,412</u>	<u>\$ 210,502</u>	<u>\$ 468,534</u>	<u>\$ 2,695,380</u>	<u>\$ 115,577</u>

Notes Payable

In 2003, the District received a loan from the USDA for \$800,000 for the purpose of funding the sewer replacement project phase I. The current interest and yield is 4.5%. The loans are scheduled to be repaid through 2043.

In 2012, the District received a loan from the State Water Resource Control Board (SWRCB) for \$811,499 for the purpose of sewer replacement project phase II. The current interest and yield is 4.5%. The loans are scheduled to be repaid through 2023.

In 2018, the District purchased a refuse truck for \$182,316 of which \$172,316 was financed. The current interest and yield is 4.65%. The loans are schedule to be repaid through 2025.

In 2019, the District purchased a refuse truck for \$214,148 of which \$204,148 was financed. The current interest and yield is 4.65%. The loans are schedule to be repaid through 2026.

The District's outstanding notes payable as of June 30, 2019 are as follows:

Description	Amount of Original Issue	Outstanding July 1, 2018	Issued	Redeemed Current Year	Outstanding June 30, 2019	Due Within One Year
Sewer:						
USDA	\$ 800,000	\$ 644,000	\$ -	\$ 14,000	\$ 630,000	\$ 15,000
SWRCB	811,499	243,871	-	46,635	197,236	47,848
Waste:						
Equipment purchase	172,316	172,316	-	19,494	152,822	24,163
Equipment purchase	204,148	-	204,148	21,017	183,131	28,566
	<u>\$1,987,963</u>	<u>\$ 1,060,187</u>	<u>\$ 204,148</u>	<u>\$101,146</u>	<u>\$ 1,163,189</u>	<u>\$ 115,577</u>

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

5. GENERAL LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the current notes payable, outstanding as of June 30, 2019, are as follows:

Year Ended June 30	Principal	Interest	Total
2020	\$ 115,577	\$ 31,740	\$ 147,316
2021	116,174	28,320	144,494
2022	120,877	24,748	145,625
2023	122,977	21,018	143,995
2024	76,713	17,174	93,887
2025-2029	166,870	58,741	225,612
2030-2034	129,000	44,415	173,415
2035-2039	160,000	28,553	188,553
2040-2043	155,000	8,910	163,910
	<u>\$ 1,163,189</u>	<u>\$ 263,618</u>	<u>\$ 1,426,807</u>

6. EMPLOYEE RETIREMENT PLAN

A. PLAN DESCRIPTION

McCloud Community Services District participates in the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.70%	2.00%
Required employee contribution rates	6.912%	6.250%
Required employer contribution rates	7.634%	6.842%

Deferred Outflows/Inflows of Resources

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. McCloud Community Services District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were \$21,433.

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

As of June 30, 2019, McCloud Community Services District reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 514,244
Saftey	4,856
Total Net Pension Liability	\$ 519,100

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

McCloud Community Services District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. McCloud Community Services 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 plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2018 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2018	0.013000%	0.000071%
Proportion - June 30, 2019	0.013645%	0.000083%
Change - Increase (Decrease)	0.00065%	0.00001%

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

For the year ended June 30, 2019, the District recognized pension credit of \$2,608 for Miscellaneous and Safety. At June 30, 2019, 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
Pension contributions subsequent to measurement date	\$ 21,433	\$ -
Difference between expected and actual experience	19,835	6,713
Proportionate share of contributions	151	81,716
Change in employer's proportion	40,463	13,024
Changes in assumptions	59,102	14,432
Net differences between projected and actual earnings on plan investments	2,575	-
Total	\$ 143,559	\$ 115,885

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

The amounts 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended	Miscellaneous	Safety	Total
June 30			
2020	\$ 21,450	\$ (178)	\$ 21,272
2021	8,273	263	8,536
2022	(18,752)	(156)	(18,908)
2023	(4,625)	(34)	(4,659)
2024	-	-	-
Thereafter	-	-	-
	\$ 6,346	\$ (105)	\$ 6,241

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions for both plans:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods recently adopted by the Board were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the rate plans, the tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) 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. 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.

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

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.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

<u>Asset Class</u>	<u>Current Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.48%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

(c) 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 Authority's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Authority'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>
Safety	\$ 848,293	\$ 514,244	\$ 238,490
Miscellaneous	4,856	4,856	4,856
Total	<u>\$ 853,149</u>	<u>\$ 519,100</u>	<u>\$ 243,346</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS Miscellaneous and Safety financial reports.

Payable to the Pension Plan

As of June 30, 2019, the District had no outstanding required contributions to the pension plans.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

7. OTHER POSTEMPLOYMENT BENEFITS

A. PLAN DESCRIPTION

McCloud Community Services District administers a single-employer defined benefit healthcare plan (the "Retiree Benefit Plan"). The plan provides postemployment healthcare benefits through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through district policy as approved by the Board of Directors. The Retiree Benefit Plan does not issue a publicly available financial report.

The eligibility requirements are:

- Must be a current, full-time employee at the point of retirement;
- Must meet the eligibility requirements of the California Municipal Retirement System (CMRS) and retire from the District; and
- Must be on the District's health plan at the time of retirement, and for dependents to be carried on the health plan, they must also be on the plan at that time.

B. FUNDING POLICY

The District established and made its first contributions to the OPEB trust at the end of fiscal year 2019. Because the measurement date is the last day of the prior fiscal year end (in this case, June 30, 2018), there were no assets invested as of the measurement date. The contributions made subsequent to the measurement date are included as deferred outflows.

Employees covered by benefit terms. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Inactive employees entitles to but not yet receiving benefit payments	-
Active employees	7
	20

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation	2.75% per year
Healthcare cost trend rates	7.0% in 2020 to 5.0% by 2024
Salary increases	3.25%
Discount rate	6.10%
Retirement age	50 to 75
Mortality	CalPERS 2017 experience Study
Mortality improvement	MW Scale 2018

Discount rate. The discount rate used to measure the total OPEB liability was 6.10 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2018	\$ 2,698,841	\$ -	\$ 2,698,841
Changes for the year:			
Service cost	102,897	-	102,897
Interest	96,813	-	96,813
Differences between expected and actual experience	-	-	-
Contributions - employer	-	118,332	(118,332)
Net investment income	-	-	-
Benefit payments	(118,332)	(118,332)	-
Assumption changes	(738,374)	-	(738,374)
Net changes	(656,996)	-	(656,996)
Balances at June 30, 2019	<u>\$ 2,041,845</u>	<u>\$ -</u>	<u>\$ 2,041,845</u>

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.10%) or 1-percentage-point higher (7.10%) than the current discount rate:

	1% Decrease (5.10%)	Discount Rate (6.10%)	1% Increase (7.10%)
Net OPEB liability (asset)	\$ 2,284,168	\$ 2,041,845	\$ 1,841,525

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates (Current Rate)	1% Increase
Net OPEB liability (asset)	\$ 1,838,681	\$ 2,041,845	\$ 2,299,226

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of (\$31,226). At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 712,443
Deferred contributions	234,208	
Total	\$ 234,208	\$ 712,443

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	Total Deferred Outflows/(Inflows) of Resources
2020	\$ (230,936)
2021	(230,936)
2022	(191,161)
2023	(59,410)
2024	-
Thereafter	-
Total	\$ (712,443)

8. RESTRICTED NET POSITION

The following is a schedule of restricted position as of June 30, 2019:

Purpose:	Fund	
	Water	Sewer
USDA RD 2003-2042 Payment Reserve	\$ -	\$ 45,336
USDA RD 2003-2042 Renewal & Extension	-	22,668
CDBG 1999 (\$5583/yr thru 06/2038)	-	110,671
SWRCB Capital Reserve 2000-2023	-	67,731
CDBG 1999 (\$6,917/yr thru 06/2038)	137,114	-
Total	\$ 137,114	\$ 246,407

MCCLOUD COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019

9. RISK MANAGEMENT

The District is a member of a jointly governed organization, which provides coverage for various potential losses. For workers' compensation losses, property, general and auto liability and auto physical damage the District is a member of Special Districts Risk Management Authority (SDRMA).

SDRMA is governed by Boards consisting of representatives from member agencies. The Board controls the operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint powers authority. Full financial statements are available separately from the respective agencies. Condensed information for SDRMA as of June 30, 2020 is as follows:

Total Assets	\$ 130,676,871
Deferred Outflows of Resources	\$ 595,599
Total Liabilities	\$ 70,083,643
Deferred Inflows of Resources	\$ 246,193
Net Position	\$ 60,942,634
Total Revenues	\$ 82,459,850
Total Expenses	\$ 77,881,779
Change in Net Position	\$ 4,578,071

10. PRIOR PERIOD ADJUSTMENT

A John Deere loader purchased in 2014 and originally recorded as a leased vehicle was converted to an asset with the purchase of the lease with the full purchase price and accumulated depreciation booked. This caused a prior period adjustment of \$129,220 between the water and sewer funds.

A SCBA Breathing Apparatus that was originally purchased in 2016 was also added to fixed assets in the current year net of accumulated depreciation causing a prior period adjustment in the general fund of \$89,245.

11. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2019 through April 16, 2021, the date the financial statements were issued. Management is not aware of any subsequent events other than the issuance of refunding bonds described below that would require recognition or disclosure in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

MCCLOUD COMMUNITY SERVICES DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUE				
Property taxes and assessments	\$ 70,000	\$ 70,000	\$ 74,077	\$ 4,077
Intergovernmental revenues	-	-	1,035	1,035
Use of money and property	3,000	3,000	8,427	5,427
Other income	-	-	90,748	90,748
Total revenue	73,000	73,000	174,287	101,287
EXPENDITURES				
Wages and benefits	134,888	173,003	151,081	21,922
Professional services	55,960	55,960	41,111	14,849
Fuel and supplies	26,400	26,400	21,588	4,812
Insurance	39,170	39,170	37,918	1,252
Utilities	13,100	13,100	10,817	2,283
Repairs and maintenance	7,500	7,500	7,129	371
Office supplies	5,500	7,400	8,251	(851)
Dues and subscriptions	2,700	2,700	2,777	(77)
Travel and training	10,000	10,000	5,826	4,174
General and administrative	8,230	8,230	36,680	(28,450)
Total expenditures	303,448	343,463	323,178	20,285
Excess (deficiency) of revenues over (under) expenditures	(230,448)	(270,463)	(148,891)	121,572
OTHER FINANCING USES				
Cost allocation	303,448	343,463	286,756	(56,707)
Total other financing sources (uses)	303,448	343,463	286,756	(56,707)
NET CHANGES IN FUND BALANCE	73,000	73,000	137,865	64,865
FUND BALANCE, beginning of year	645,097	645,097	645,097	-
FUND BALANCE, end of year	\$718,097	\$718,097	\$782,962	\$ 64,865

MCCLOUD COMMUNITY SERVICES DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – FIRE FUND**

FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUE				
Property taxes and assessments	\$ 123,000	\$ 123,000	\$ 129,134	\$ 6,134
Charges for services	-	-	27,844	27,844
Use of money and property	57,330	57,330	7,929	(49,401)
Other income	-	-	99,532	99,532
Total revenue	180,330	180,330	264,439	84,109
EXPENDITURES				
Wages and benefits	65,196	65,196	154,734	(89,538)
Professional services	13,860	13,860	1,923	11,937
Fuel and supplies	15,500	15,500	14,934	566
Utilities	7,000	7,000	7,824	(824)
Repairs and maintenance	14,000	14,000	17,569	(3,569)
Office supplies	500	500	28	472
Dues and subscriptions	600	600	110	490
Travel and training	9,500	9,500	4,572	4,928
General and administrative	2,820	2,820	2,203	617
Capital Outlay	31,598	31,598	13,212	18,386
Total expenditures	160,574	160,574	217,109	(56,535)
Excess (deficiency) of revenues over (under) expenditures	19,756	19,756	47,330	27,574
OTHER FINANCING USES				
Cost allocation	(19,708)	(22,325)	(35,390)	(13,065)
Total other financing sources (uses)	(19,708)	(22,325)	(35,390)	(13,065)
NET CHANGES IN FUND BALANCE	48	(2,569)	11,940	14,509
FUND BALANCE, beginning of year	327,069	327,069	327,069	-
FUND BALANCE, end of year	<u>\$327,117</u>	<u>\$324,500</u>	<u>\$339,009</u>	<u>\$ 14,509</u>

Note: The District sponsors a former fire chief who is contracted by other agencies to work wild fires. The District pays the former fire chief at an overtime rate then bills the contracting agencies this rate plus 10%. This resulted in significant overages for wages and benefits which are offset by the increased revenues

MCCLOUD COMMUNITY SERVICES DISTRICT

**SCHEDULE OF DISTRICT'S PROPORTIONARE SHARE
OF THE NET PENSION LIABILITY**

FOR THE YEAR ENDED JUNE 30, 2019

<u>Miscellaneous</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u> ⁽¹⁾
Proportion of the net pension liability	0.013000%	0.013645%
Proportionate share of the net pension liability	\$ 512,471	\$ 514,244
Covered payroll ⁽²⁾	\$ 268,233	\$ 287,916
Proportionate share of the net pension liability as percentage of covered payroll	191.05%	178.61%
Plans fiduciary net position as a percentage of the total pension liability	75.39%	75.39%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 24,087	\$ 26,959
<u>Safety</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u> ⁽¹⁾
Proportion of the net pension liability	0.000007%	0.000007%
Proportionate share of the net pension liability	\$ 4,229	\$ 4,856
Covered-employee payroll ⁽²⁾	\$ -	\$ -
Proportionate share of the net pension liability as percentage of covered payroll	0.00%	0.00%
Plans fiduciary net position as a percentage of the total pension liability	71.74%	71.74%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ -	\$ -

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable.

⁽²⁾ Covered payroll represented above is based on pensionable earnings provided by the employer.

⁽³⁾ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

MCCLOUD COMMUNITY SERVICES DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2019

<u>Miscellaneous</u>	<u>2017-2018</u>	<u>2018-2019</u> ⁽¹⁾
Actuarially Determined Contribution ⁽²⁾	\$ 25,146	\$ 26,959
Contributions in relation to the actuarially determined contributions ⁽²⁾	<u>(24,087)</u>	<u>(21,433)</u>
Contribution deficiency (excess)	<u>\$ 1,059</u>	<u>\$ 5,526</u>
Covered payroll ^(3,4)	\$ 268,233	\$ 287,916
Contributions as a percentage of covered payroll ⁽³⁾	9.37%	9.36%
<u>Safety</u>	<u>2017-2018</u>	<u>2018-2019</u> ⁽¹⁾
Actuarially Determined Contribution ⁽²⁾	\$ -	\$ -
Contributions in relation to the actuarially determined contributions ⁽²⁾	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ^(3,4)	\$ -	\$ -
Contributions as a percentage of covered payroll ⁽³⁾	0.00%	0.00%

- ⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable.
- ⁽²⁾ Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.
- ⁽³⁾ Covered payroll represented above is based on pensionable earnings provided by the employer.
- ⁽⁴⁾ Payroll from prior year was assumed to increase by the 3.00 percent payroll

MCCLOUD COMMUNITY SERVICES DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED JUNE 30, 2019

	2018	2019
Total OPEB liability		
Service cost	\$ 116,926	\$ 102,897
Interest	84,000	96,813
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(266,200)	(738,374)
Benefit payments, including refunds of member contributions	(132,660)	(118,332)
Net change in total OPEB liability	(197,934)	(656,996)
Total OPEB liability - beginning	2,896,775	2,698,841
Total OPEB liability - ending (a)	\$ 2,698,841	\$ 2,041,845
 Plan fiduciary net position		
Contributions - employer	\$ 132,660	\$ 118,332
Net investment income	-	-
Benefit payments, including refunds of member contributions	(132,660)	(118,332)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -
District's net OPEB liability - ending (a) - (b)	\$ 2,698,841	\$ 2,041,845
 Covered-employee payroll	 \$ 268,233	 \$ 287,916
District's net OPEB liability as a percentage of covered-employee payroll	1006.2%	709.2%

MCCLOUD COMMUNITY SERVICES DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PURPOSE OF SCHEDULES

A - Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

The District employs budget control by account codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Directors to provide for revised priorities. Expenditures cannot legally exceed appropriations by object level, which is a category of account codes such as salaries and benefits or charges for services. The originally adopted and final revised budget for the General Fund is presented as Required Supplementary Information. The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2019:

General Fund:	
Office supplies	\$ 851
Dues and subscriptions	77
General and administrative	28,450
Fire Fund:	
Wages and benefits	89,538
Utilities	824
Repairs and maintenance	3,569

Note: The District sponsors a former fire chief who is contracted by other agencies to work wild fires. The District pays the former fire chief at an overtime rate then bills the contracting agencies this rate plus 10%. This resulted in significant overages for wages and benefits which are offset by the increased revenues

B - Schedule of Changes in the Net OPEB Liability and Related Ratios

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since this is the 2nd year of implementation, only two years is currently available.

C - Schedule of Proportionate Share of the Net Pension Liability

Changes in assumptions, in 2017, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

Fiscal year 2017 was the 1st year of implementation, therefore only two years is shown.

D - Schedule of Pension Contributions

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

Independent Auditor's Report

Board of Directors
McCloud Community Services District
McCloud, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of McCloud Community Services District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise McCloud Community Services District's basic financial statements, and have issued our report thereon dated April 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered McCloud Community Services 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 the McCloud Community Services District's internal control. Accordingly, we do not express an opinion on the effectiveness of McCloud Community Services District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness: 2019-1 and 2019-2.

Compliance and Other Matters

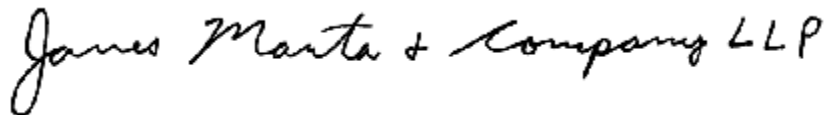
As part of obtaining reasonable assurance about whether McCloud Community Services District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and are described in the accompanying schedule of Findings and Responses as item 2019-3.

Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 16, 2021

MCCLOUD COMMUNITY SERVICES DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2019

2019-1 Preparation of Financial Statements – Material Weakness (Carryover from prior year)

Finding:

Management required the assistance of the auditors in identifying the calculation and accrual of the net pension and net OPEB liability and preparation of the government-wide and fund financial statements and footnotes. It is management’s responsibility for the accuracy of the financial statements and any related footnotes and disclosures.

Recommendation:

Management should create a monthly and annual closing checklist to assist in the preparation of financial statements, which includes the accrual adjustments necessary to comply with generally accepted accounting principles such as the calculation and accrual of the net pension and net OPEB liability.

Corrective Action Plan:

Management has already implemented a month end check list and will create an annual closing checklist and will be able to accurately create the year end statements and footnotes necessary for the auditors to review.

Status:

Though most accounts were reconciled, management still needed assistance preparing the adjusting journal entries regarding net pension and OPEB liability. The audit was delayed approximately five months due to the difficulty in obtaining supporting documentation in a timely manner. A part of this can be attributed to the reporting capabilities of the current accounting software, as management has a tough time running reports that are required for the audit.

2019-2 Inter-fund Balances (Carryover from prior year)

Finding:

There is an outstanding inter-fund payable due to the general fund for \$65,206 from the fire fund (\$53,000) and the lights fund (\$12,206) that has been outstanding for more than one year. Inter-fund loans should be considered temporary with the intent to be repaid within one year. Borrowing should occur only when the fund receiving the money will earn sufficient income during the current fiscal year to repay the amount borrowed.

Recommendation:

The District should have a policy governing inter-fund borrowings stating the reasons inter-fund loans can be made, the maximum length of time for repayment and repayment terms that may include interest.

Corrective Action Plan:

The Finance and Audit Committee and Policy and Procedures Committee will work in tandem to create and implement a policy to address the inter-fund borrowing parameters to include length of loan, possible interest, repayment terms and authorized use of such funds. Also to be included is recognition of the guidelines as to when such a transfer would constitute a nonpayback condition.

MCCLOUD COMMUNITY SERVICES DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2019

2019-3 Annual Audit – Non-compliance

Finding:

Per California government code section 26909(a)(2)(B): A report of the audit required pursuant to subparagraph (A) shall be filed within 12 months of the end of the fiscal year or years under examination as follows:

- (i) For a special district defined in [paragraph \(2\) of subdivision \(d\) of Section 12463](#) , with the Controller.
- (ii) For a special district defined in [Section 56036](#) ,with the Controller and with the local agency formation commission of the county in which the special district is located, unless the special district is located in two or more counties, then with each local agency formation commission within each county in which the district is located.

The last audit completed by the District was for the fiscal year ended June 30, 2018, but was not filed timely. This audit for the year ended June 30, 2019 was not filed timely. The fiscal years ended June 30, 2014, 2015, 2016 and 2017 have not been completed and filed.

The incomplete filings were the result of incomplete documentation and financial information.

Recommendation:

While the District needs to get up to date on its required filings, it is equally important to establish the policies, procedures and internal controls that will allow the District to compile and prepare complete and accurate financial information on a timely basis. Timelines and processes should be developed and monitored by management and the board on a periodic basis throughout the year.

Corrective Action Plan:

Management will work on templates that allow for the timely and accurate reporting to the Board and to track variable expenses as to identify controllable costs.

There is a plan to complete the 19-20 audit upon finalization of the 18-19 audit in hopes that it filed within the 12 month timeline.

MCCLOUD COMMUNITY SERVICES DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2019

Status of prior year findings

<u>Findings and Recommendation</u>	<u>Current Status</u>	<u>Explanation If Not Implemented</u>
<i>Internal Controls</i>		
2019-1 Preparation of Financial Statements Management required the assistance of the auditors in identifying year-end accrual adjustments and preparation of the government-wide and fund financial statements and footnotes. It is management's responsibility for the accuracy of the financial statements and any related footnotes and disclosures.	Partially Implemented (See current year Finding)	
2019-2 Inter-fund Balances The District should have a policy governing inter-fund borrowings stating the reasons inter-fund loans can be made, the maximum length of time for repayment and repayment terms that may include interest.	Not Implemented (see current year finding)	
2019-3 Annual Audit The last audit completed by the District was for the fiscal year ended June 30, 2018, but was not filed timely. This audit for the year ended June 30, 2019 was not filed timely. The fiscal years ended June 30, 2014, 2015, 2016 and 2017 have not been completed and filed.	Not Implemented (see current year finding)	

MCSO BOARD OF DIRECTORS
(April 26th, 2021)

AGENDA SUPPORTING DOCUMENT

Agenda Item No. 9 G

James Marta Estimated travel expense.

Background: James Marta has completed our 2018-19 fiscal audit.

It has been requested that we get a price quote to have them present this audit in person at an MCSO board meeting to answer any questions pertaining to the audit.

This additional cost is broken down as follows.

Milage from James Marta office in Sacramento to McCloud \$ 263.00
(470 miles round trip @ \$0.56 per mile)

Time estimated at 9 hours @ \$275/hour round trip = \$2,475.00

Total would be around \$2,750.00 to present audit in person.

ATTACHMENT A

DUMPSTER RENTAL AGREEMENT

Temporary dumpster rentals are available at the rate established in Policy 1060 - Miscellaneous Fee Schedule. Prepayment is required. Additional collections are established by Policy 1060 - Miscellaneous Fee Schedule.

DUMPSTERS ARE AVAILABLE FOR RENT FOR A MAXIMUM OF TWO WEEKS INCLUDING ADDITIONAL COLLECTIONS

If dumpsters are kept longer than the two-week period allowed you will become subject to the monthly dumpster rate.

ITEMS NOT ALLOWED IN DUMPSTERS

Appliances – Refrigerators, stoves (ovens and ranges), microwave ovens, etc. (including all household appliances), hot water heaters, televisions, radios, stereos or computers (including monitors).

Construction Materials – waste lumber, roofing material, shingles, sinks, tubs, showers, toilets, faucets, doors, etc.

Green Waste - grass, brush, shrub trimmings, tree trimmings, apples - all vegetation.

Hazardous Waste – any waste material or mixture of material which is toxic, corrosive, flammable, or an irritant (including paint, paint thinner, motor oil, fuel, or pesticides).

Motor Vehicle Parts – tires, rims, batteries, seats, engine or vehicle parts.

Other – Bed frames or box springs, bicycles, pipes, bars or any item not normally placed in household trash cans.

I have read the above information and understand and agree to the terms.

Signature _____ Date: _____

Address _____ Phone # _____

Dumpster will be scheduled for final pick-up by date: _____ unless otherwise requested.

Size Dumpster _____ Additional pick up is available Tuesdays and Fridays(only) for \$ _____

**MCCLLOUD COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2, 2021**

**APPROVING A PUBLICLY AVAILABLE PAY SCHEDULE AS REQUIRED BY
CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 570.5**

WHEREAS, The California Code of Regulations (CCR), Title 2, Section 570.5 requires CalPERS member agencies to have a duly approved and adopted publicly available pay schedule; and

WHEREAS, the pay schedule must meet the following criteria: position title for every employee position, pay rate for each position, and time base for each pay rate position; and

WHEREAS, this regulation requires this criteria be contained in a single board approved document; and

WHEREAS, the attached pay schedule meets the above requirements.

THEREFORE, IT IS HEREBY RESOLVED that the Board of Directors of the McCloud Community Services District hereby adopts the attached Pay Schedule.

BE IT FURTHERED RESOLVED AND ORDERED that the attached Exhibit 1 is part of this resolution.

ADOPTED on May 10, 2021 by the following votes:

AYES:

NOES:

ABSENT:

Catherine Young, President of the Board

ATTEST:

Andrea Mills, District Secretary



MCCLOUD COMMUNITY SERVICES DISTRICT
2020-21 SALARY SCHEDULE

Effective July 1, 2021
 New 2 year MOU agreement effective July 1, 2021 with 2% wage increase

POSITION	TIME	07/01/19 - AM	05/15/18-06/30/18 KD	07/01/17 - 05/31/18 KP	STEP										
		07/01/19 - AM	05/15/18-06/30/18 KD	07/01/17 - 05/31/18 KP	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8			
GENERAL MANAGER FSLA OT Exempt	ANNUALLY	\$ 75,000.00	\$ 68,000.00	\$ 70,000.00	\$ 75,000.00	\$ 77,000.00	\$ 79,000.00	\$ 81,000.00	\$ 83,000.00	\$ 85,000.00	\$ 87,000.00	\$ 89,000.00	\$ 91,000.00	\$ 93,000.00	\$ 95,000.00
	MONTHLY	\$ 6,250.00	\$ 5,666.67	\$ 5,833.33	\$ 6,250.00	\$ 6,416.67	\$ 6,583.33	\$ 6,750.00	\$ 6,916.67	\$ 7,083.33	\$ 7,250.00	\$ 7,416.67	\$ 7,583.33	\$ 7,750.00	\$ 7,916.67
	BI-WEEKLY	\$ 2,884.62	\$ 2,615.38	\$ 2,692.31	\$ 2,884.62	\$ 2,967.69	\$ 3,050.76	\$ 3,133.83	\$ 3,216.90	\$ 3,299.97	\$ 3,383.04	\$ 3,466.11	\$ 3,549.18	\$ 3,632.25	\$ 3,715.32
	HOURLY	\$ 36.06	\$ 32.69	\$ 33.65	\$ 36.06	\$ 37.02	\$ 37.98	\$ 38.94	\$ 39.90	\$ 40.86	\$ 41.82	\$ 42.78	\$ 43.74	\$ 44.70	\$ 45.66
FIRE CHIEF / PT FSLA OT Exempt	ANNUALLY	\$ 25,000.00													
	MONTHLY	\$ 2,083.33													
	BI-WEEKLY	\$ 961.54													
	QUARTERLY	\$ 292.90													
ASSISTANT FIRE CHIEF VOLUNTEER	POINTS	\$ 10.00													
	POINTS	\$ 20.00													
	POINTS	\$ 30.00													
	POINTS	\$ 40.00													
FIREFIGHTER VOLUNTEERS EMT/PARAMEDIC	POINTS	\$ 10.00													
	POINTS	\$ 20.00													
	POINTS	\$ 30.00													
	POINTS	\$ 40.00													
FINANCE OFFICER FSLA OT Exempt	ANNUALLY	\$ 49,420.36	\$ 51,894.34	\$ 54,482.69	\$ 57,219.55	\$ 60,062.50	\$ 63,075.17	\$ 66,147.84	\$ 69,270.51	\$ 72,443.18	\$ 75,665.85	\$ 78,938.52	\$ 82,261.19	\$ 85,633.86	\$ 89,056.53
	MONTHLY	\$ 4,118.36	\$ 4,324.53	\$ 4,540.22	\$ 4,768.30	\$ 5,005.21	\$ 5,256.26	\$ 5,517.31	\$ 5,782.36	\$ 6,052.41	\$ 6,327.46	\$ 6,602.51	\$ 6,877.56	\$ 7,152.61	\$ 7,427.66
	BI-WEEKLY	\$ 1,900.78	\$ 1,995.94	\$ 2,095.49	\$ 2,200.75	\$ 2,310.10	\$ 2,424.51	\$ 2,538.92	\$ 2,653.33	\$ 2,767.74	\$ 2,882.15	\$ 2,996.56	\$ 3,110.97	\$ 3,225.38	\$ 3,339.79
	HOURLY	\$ 23.76	\$ 24.95	\$ 26.19	\$ 27.51	\$ 28.88	\$ 30.32	\$ 31.81	\$ 33.35	\$ 34.93	\$ 36.56	\$ 38.24	\$ 39.97	\$ 41.75	\$ 43.58
PW SUPERINTENDANT FSLA OT Exempt	ANNUALLY	\$ 50,430.43	\$ 53,061.22	\$ 55,692.00	\$ 58,322.78	\$ 60,953.57	\$ 63,584.35	\$ 66,215.14	\$ 68,845.92	\$ 71,476.71	\$ 74,107.50	\$ 76,738.28	\$ 79,369.07	\$ 81,999.85	\$ 84,630.64
	MONTHLY	\$ 4,202.54	\$ 4,421.77	\$ 4,641.00	\$ 4,860.23	\$ 5,079.46	\$ 5,298.70	\$ 5,517.93	\$ 5,737.16	\$ 5,956.39	\$ 6,175.62	\$ 6,394.85	\$ 6,614.08	\$ 6,833.31	\$ 7,052.54
	BI-WEEKLY	\$ 1,939.63	\$ 2,040.82	\$ 2,142.00	\$ 2,243.18	\$ 2,344.37	\$ 2,445.55	\$ 2,546.74	\$ 2,647.92	\$ 2,749.11	\$ 2,850.30	\$ 2,951.48	\$ 3,052.67	\$ 3,153.85	\$ 3,255.04
	HOURLY	\$ 24.25	\$ 25.51	\$ 26.78	\$ 28.04	\$ 29.30	\$ 30.57	\$ 31.83	\$ 33.10	\$ 34.36	\$ 35.63	\$ 36.89	\$ 38.16	\$ 39.42	\$ 40.69
DISTRICT SECRETARY	ANNUALLY	\$ 34,666.94	\$ 35,918.69	\$ 37,170.43	\$ 38,422.18	\$ 39,673.92	\$ 40,925.67	\$ 42,177.41	\$ 43,429.16	\$ 44,680.90	\$ 45,932.65	\$ 47,184.39	\$ 48,436.14	\$ 49,687.88	\$ 50,939.63
	MONTHLY	\$ 2,888.91	\$ 2,993.22	\$ 3,095.10	\$ 3,204.18	\$ 3,310.32	\$ 3,414.46	\$ 3,516.60	\$ 3,616.74	\$ 3,714.88	\$ 3,811.02	\$ 3,906.16	\$ 3,999.30	\$ 4,090.44	\$ 4,180.58
	BI-WEEKLY	\$ 1,333.34	\$ 1,381.49	\$ 1,410.05	\$ 1,451.66	\$ 1,490.83	\$ 1,528.50	\$ 1,564.75	\$ 1,600.00	\$ 1,634.75	\$ 1,669.00	\$ 1,702.75	\$ 1,736.00	\$ 1,768.75	\$ 1,801.00
	HOURLY	\$ 16.67	\$ 17.27	\$ 17.63	\$ 18.15	\$ 18.64	\$ 19.24	\$ 19.81	\$ 20.37	\$ 20.92	\$ 21.47	\$ 22.02	\$ 22.57	\$ 23.12	\$ 23.67
REFUSE OPERATOR	ANNUALLY	\$ 33,521.28	\$ 35,706.53	\$ 37,891.78	\$ 40,077.02	\$ 42,262.27	\$ 44,447.52	\$ 46,632.77	\$ 48,818.02	\$ 50,999.27	\$ 53,180.52	\$ 55,361.77	\$ 57,543.02	\$ 59,724.27	\$ 61,905.52
	MONTHLY	\$ 2,793.44	\$ 2,975.54	\$ 3,157.65	\$ 3,339.75	\$ 3,521.86	\$ 3,703.96	\$ 3,886.06	\$ 4,068.17	\$ 4,250.27	\$ 4,432.37	\$ 4,614.47	\$ 4,796.57	\$ 4,978.67	\$ 5,160.77
	BI-WEEKLY	\$ 1,289.28	\$ 1,373.33	\$ 1,457.38	\$ 1,541.42	\$ 1,625.47	\$ 1,709.52	\$ 1,793.57	\$ 1,877.62	\$ 1,961.67	\$ 2,045.72	\$ 2,129.77	\$ 2,213.82	\$ 2,297.87	\$ 2,381.92
	HOURLY	\$ 16.12	\$ 17.17	\$ 18.22	\$ 19.27	\$ 20.32	\$ 21.37	\$ 22.42	\$ 23.47	\$ 24.52	\$ 25.57	\$ 26.62	\$ 27.67	\$ 28.72	\$ 29.77
UTILITY WORKER I	ANNUALLY	\$ 36,364.22	\$ 37,997.86	\$ 39,631.50	\$ 41,265.14	\$ 42,898.78	\$ 44,532.42	\$ 46,166.06	\$ 47,799.70	\$ 49,433.34	\$ 51,066.98	\$ 52,700.62	\$ 54,334.26	\$ 55,967.90	\$ 57,601.54
	MONTHLY	\$ 3,030.35	\$ 3,166.49	\$ 3,302.62	\$ 3,438.76	\$ 3,574.90	\$ 3,711.04	\$ 3,847.18	\$ 3,983.32	\$ 4,119.46	\$ 4,255.60	\$ 4,391.74	\$ 4,527.88	\$ 4,664.02	\$ 4,800.16
	BI-WEEKLY	\$ 1,398.62	\$ 1,461.46	\$ 1,525.10	\$ 1,588.75	\$ 1,652.40	\$ 1,716.04	\$ 1,779.69	\$ 1,843.33	\$ 1,906.98	\$ 1,970.62	\$ 2,034.27	\$ 2,097.91	\$ 2,161.56	\$ 2,225.20
	HOURLY	\$ 17.48	\$ 18.27	\$ 19.06	\$ 19.86	\$ 20.64	\$ 21.43	\$ 22.22	\$ 23.01	\$ 23.80	\$ 24.59	\$ 25.38	\$ 26.17	\$ 26.96	\$ 27.75
UTILITY WORKER II	ANNUALLY	\$ 39,546.62	\$ 40,692.29	\$ 41,837.96	\$ 42,983.63	\$ 44,129.30	\$ 45,274.97	\$ 46,420.64	\$ 47,566.31	\$ 48,711.98	\$ 49,857.65	\$ 51,003.32	\$ 52,148.99	\$ 53,294.66	\$ 54,440.33
	MONTHLY	\$ 3,295.55	\$ 3,391.02	\$ 3,486.49	\$ 3,581.96	\$ 3,677.43	\$ 3,772.90	\$ 3,868.37	\$ 3,963.84	\$ 4,059.31	\$ 4,154.78	\$ 4,250.25	\$ 4,345.72	\$ 4,441.19	\$ 4,536.66
	BI-WEEKLY	\$ 1,521.02	\$ 1,565.09	\$ 1,609.16	\$ 1,653.23	\$ 1,697.30	\$ 1,741.37	\$ 1,785.44	\$ 1,829.51	\$ 1,873.58	\$ 1,917.65	\$ 1,961.72	\$ 2,005.79	\$ 2,049.86	\$ 2,093.93
	HOURLY	\$ 19.01	\$ 19.56	\$ 20.54	\$ 21.57	\$ 22.64	\$ 23.78	\$ 24.92	\$ 26.11	\$ 27.30	\$ 28.49	\$ 29.68	\$ 30.87	\$ 32.06	\$ 33.25
WASTE WATER GRADE I CERT.	HOURLY	\$ 70.00													
	HOURLY	\$ 15.65													
CHIEF PLANT OPERATOR / PT INTERIM UTILITY WORKER / PT	HOURLY	\$ 13.00	\$ 13.39	\$ 13.79	\$ 14.21	\$ 14.63	\$ 15.07	\$ 15.52	\$ 15.99	\$ 16.46	\$ 16.94	\$ 17.43	\$ 17.93	\$ 18.44	\$ 18.96
	HOURLY	\$ 13.00	\$ 13.33	\$ 13.66	\$ 14.00	\$ 14.35	\$ 14.71	\$ 15.08	\$ 15.46	\$ 15.84	\$ 16.23	\$ 16.63	\$ 17.04	\$ 17.46	\$ 17.89
ACCOUNTING CLERK / PT JANITOR / PT	HOURLY	\$ 13.00	\$ 13.46	\$ 13.93	\$ 14.41	\$ 14.92	\$ 15.44	\$ 15.98	\$ 16.53	\$ 17.09	\$ 17.66	\$ 18.24	\$ 18.83	\$ 19.43	\$ 20.04
	HOURLY	\$ 13.00	\$ 13.59	\$ 14.20	\$ 14.84	\$ 15.50	\$ 16.20	\$ 16.92	\$ 17.64	\$ 18.38	\$ 19.14	\$ 19.91	\$ 20.69	\$ 21.48	\$ 22.28

Work hours limited to what is necessary to effectively administer the testing of the sewer lagoons

Work hours limited to what is necessary to effectively administer the testing of the sewer lagoons



**MCCLOUD COMMUNITY SERVICES DISTRICT
2020-21 SALARY SCHEDULE**

Effective July 1, 2022

New 2 year MOU agreement effective July 1, 2022 with 2% wage increase

POSITION	TIME	07/01/19-AM	05/15/18-06/30/18 KD	07/01/17 - 05/31/18 KP	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8
		\$	\$	\$								
GENERAL MANAGER	ANNUALLY	\$ 75,000.00	\$ 68,000.00	\$ 70,000.00	\$ 75,000.00							
	MONTHLY	\$ 6,250.00	\$ 5,666.67	\$ 5,833.33	\$ 6,250.00							
	BI-WEEKLY	\$ 2,884.62	\$ 2,615.38	\$ 2,692.31	\$ 2,884.62							
	HOURLY	\$ 36.06	\$ 32.69	\$ 33.65	\$ 36.06							
FIRE CHIEF / PT FSLA OT Exempt	ANNUALLY	\$ 25,000.00										
	MONTHLY	\$ 2,083.33										
	BI-WEEKLY	\$ 961.54										
	QUARTERLY	\$ 1,171.60										
ASSISTANT FIRE CHIEF VOLUNTEER	POINTS	\$ 10.00										
	POINTS	\$ 20.00										
FIREFIGHTER VOLUNTEERS EMT/PARAMEDIC	POINTS	\$ 10.00										
	POINTS	\$ 20.00										
FINANCE OFFICER FSLA OT Exempt	ANNUALLY	\$ 50,408.77	\$ 52,932.22	\$ 55,572.34	\$ 58,363.94	\$ 61,263.75	\$ 64,336.67	\$ 67,544.87	\$ 70,945.39	\$ 74,594.38	\$ 78,447.82	\$ 82,561.74
	MONTHLY	\$ 4,200.73	\$ 4,411.02	\$ 4,631.03	\$ 4,863.66	\$ 5,105.31	\$ 5,361.39	\$ 5,645.41	\$ 5,945.45	\$ 6,254.53	\$ 6,578.98	\$ 6,917.65
PW SUPERINTENDANT FSLA OT Exempt	ANNUALLY	\$ 24,230.00	\$ 25,450.00	\$ 26,720.00	\$ 28,060.00	\$ 29,450.00	\$ 30,930.00	\$ 32,500.00	\$ 34,160.00	\$ 35,910.00	\$ 37,750.00	\$ 39,680.00
	MONTHLY	\$ 2,019.17	\$ 2,120.83	\$ 2,226.67	\$ 2,338.33	\$ 2,454.17	\$ 2,575.00	\$ 2,700.83	\$ 2,830.00	\$ 2,963.33	\$ 3,100.83	\$ 3,241.67
	BI-WEEKLY	\$ 908.58	\$ 959.42	\$ 1,011.67	\$ 1,069.17	\$ 1,132.50	\$ 1,191.67	\$ 1,251.67	\$ 1,312.50	\$ 1,374.17	\$ 1,437.50	\$ 1,502.50
	HOURLY	\$ 113.57	\$ 119.93	\$ 126.46	\$ 133.15	\$ 140.00	\$ 147.00	\$ 154.17	\$ 161.50	\$ 169.00	\$ 176.67	\$ 184.50
DISTRICT SECRETARY	ANNUALLY	\$ 35,360.28	\$ 36,637.06	\$ 37,994.47	\$ 39,438.13	\$ 40,972.64	\$ 42,592.64	\$ 44,293.64	\$ 46,071.28	\$ 47,931.99	\$ 49,872.39	\$ 51,889.99
	MONTHLY	\$ 2,946.69	\$ 3,053.09	\$ 3,166.21	\$ 3,286.18	\$ 3,412.72	\$ 3,545.22	\$ 3,683.87	\$ 3,827.61	\$ 3,976.83	\$ 4,131.03	\$ 4,290.83
	BI-WEEKLY	\$ 1,360.01	\$ 1,409.12	\$ 1,438.25	\$ 1,480.70	\$ 1,520.65	\$ 1,569.76	\$ 1,617.34	\$ 1,663.61	\$ 1,708.87	\$ 1,753.15	\$ 1,796.54
	HOURLY	\$ 17.00	\$ 17.61	\$ 17.98	\$ 18.51	\$ 19.01	\$ 19.62	\$ 20.25	\$ 20.88	\$ 21.52	\$ 22.17	\$ 22.82
REFUSE OPERATOR	ANNUALLY	\$ 34,191.71	\$ 36,420.66	\$ 38,649.61	\$ 40,878.56	\$ 43,107.52	\$ 45,336.47	\$ 47,565.42	\$ 49,794.38	\$ 52,023.33	\$ 54,252.28	\$ 56,481.23
	MONTHLY	\$ 2,849.31	\$ 3,035.05	\$ 3,220.80	\$ 3,406.55	\$ 3,592.29	\$ 3,778.04	\$ 3,963.79	\$ 4,149.53	\$ 4,335.28	\$ 4,521.03	\$ 4,706.78
	BI-WEEKLY	\$ 1,315.07	\$ 1,400.79	\$ 1,486.52	\$ 1,572.25	\$ 1,657.98	\$ 1,743.71	\$ 1,829.44	\$ 1,915.17	\$ 1,999.90	\$ 2,084.63	\$ 2,169.36
	HOURLY	\$ 16.44	\$ 17.51	\$ 18.58	\$ 19.65	\$ 20.72	\$ 21.80	\$ 22.87	\$ 23.94	\$ 25.01	\$ 26.08	\$ 27.15
UTILITY WORKER I	ANNUALLY	\$ 37,091.51	\$ 38,757.81	\$ 40,445.76	\$ 42,133.70	\$ 43,863.60	\$ 45,643.50	\$ 47,473.40	\$ 49,353.30	\$ 51,283.20	\$ 53,263.10	\$ 55,293.00
	MONTHLY	\$ 3,090.96	\$ 3,229.82	\$ 3,370.48	\$ 3,511.14	\$ 3,651.80	\$ 3,792.46	\$ 3,933.12	\$ 4,073.78	\$ 4,214.44	\$ 4,355.10	\$ 4,495.76
	BI-WEEKLY	\$ 1,426.60	\$ 1,490.69	\$ 1,555.61	\$ 1,620.53	\$ 1,676.29	\$ 1,752.52	\$ 1,808.28	\$ 1,884.51	\$ 1,940.27	\$ 2,016.50	\$ 2,092.73
	HOURLY	\$ 17.83	\$ 18.63	\$ 19.45	\$ 20.26	\$ 20.95	\$ 21.99	\$ 22.92	\$ 23.96	\$ 24.99	\$ 26.02	\$ 27.05
UTILITY WORKER II	ANNUALLY	\$ 40,337.56	\$ 41,506.13	\$ 43,583.60	\$ 45,769.28	\$ 48,041.51	\$ 50,443.59	\$ 52,966.61	\$ 55,623.68	\$ 58,419.76	\$ 61,359.84	\$ 64,447.92
	MONTHLY	\$ 3,361.46	\$ 3,458.84	\$ 3,631.97	\$ 3,814.11	\$ 4,003.46	\$ 4,203.63	\$ 4,414.71	\$ 4,636.81	\$ 4,869.97	\$ 5,114.15	\$ 5,368.33
	BI-WEEKLY	\$ 1,551.44	\$ 1,596.39	\$ 1,676.29	\$ 1,760.36	\$ 1,847.75	\$ 1,940.14	\$ 2,002.56	\$ 2,094.95	\$ 2,207.34	\$ 2,329.73	\$ 2,462.12
	HOURLY	\$ 19.39	\$ 19.95	\$ 20.95	\$ 22.00	\$ 23.10	\$ 24.25	\$ 25.03	\$ 26.20	\$ 27.40	\$ 28.60	\$ 29.80
WASTE WATER GRADE I CERT.	HOURLY	\$ 70.00										
	HOURLY	\$ 15.65										
CHIEF PLANT OPERATOR / PT INTERIM UTILITY WORKER / PT	HOURLY	\$ 14.00	\$ 14.42	\$ 14.85	\$ 15.30	\$ 15.76	\$ 16.23	\$ 16.72	\$ 17.22	\$ 17.72	\$ 18.22	\$ 18.72
	HOURLY	\$ 14.00	\$ 14.35	\$ 14.71	\$ 15.08	\$ 15.45	\$ 15.84	\$ 16.23	\$ 16.63	\$ 17.03	\$ 17.43	\$ 17.83
ACCOUNTING CLERK / PT JANITOR / PT	HOURLY	\$ 14.00	\$ 14.49	\$ 15.00	\$ 15.52	\$ 16.07	\$ 16.63	\$ 17.22	\$ 17.83	\$ 18.44	\$ 19.05	\$ 19.66
	HOURLY	\$ 14.00	\$ 14.63	\$ 15.29	\$ 15.98	\$ 16.70	\$ 17.45	\$ 18.22	\$ 19.03	\$ 19.84	\$ 20.65	\$ 21.46

MOU description: 06/03/2020 06:00:00 AM. The incentive pay allows for a 1% increase in base wage for those employees who obtain job related licenses or certifications which are beyond those required for their assigned classification. The stipends of which licenses are earned shall be paid to the employee on a quarterly basis. The stipend shall be paid to the employee on an annual basis at minimum. All recommendations shall be submitted to the Board of Directors for their review. The employee's performance on an annual basis shall be reviewed and recommended advancement if warranted.

