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April 4, 2017

To the Board of Directors  
Crestline Village Water District  
Crestline, California

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This letter is provided in connection with our engagement to audit the financial statements of Crestline Village Water District (the District) as of and for the years ended April 30, 2017 and 2016. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit.

**Our Responsibilities**

As stated in our engagement letter dated April 4, 2017 we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts* for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the California State Controller's office and State regulations governing special districts. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Management's Discussion and Analysis, Schedule of Proportionate Share of Net Pension Liability and Related Ratios as of the Measurement Date, Schedule of Plan Contributions and Schedule of Funding Progress - OPEB, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

Our responsibility as it relates to the supplementary information, is to evaluate its presentation for the purpose of forming and expressing an opinion as to whether the information is fairly stated in all material respects in relation to the financial statements as a whole.

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

## **Planned Scope of the Audit**

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the District and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures. Our audit is not designed to express an opinion or provide assurance on internal control over financial reporting. However, we will communicate to you at the conclusion of our audit, significant matters that are relevant to your responsibilities in overseeing the financial reporting process, including any material weaknesses, significant deficiencies, and violation of laws or regulations that come to our attention.

We expect to begin our audit on approximately June 10, 2017. Scott Manno, CPA, CGMA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

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

Respectfully,

*Rogers, Anderson, Malody & Scott, LLP*

San Bernardino, California