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HELENDALE COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2008

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Helendale Community Services District
Helendale, California

We have audited the accompanying basic financial statements of Helendale Community Services District (the District) as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Helendale Community Services District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

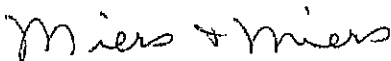
We conducted our audit in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Helendale Community Services District as of June 30, 2008 and the changes in its financial position and its cash flows for the year then ended, in conformity with United States generally accepted accounting principles.

Management's discussion and analysis on pages 2 through 7 is not a required part of the basic financial statements but is supplementary information required by United States generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

May 28, 2009





Helendale Community Services District

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Helendale Community Services District financial report presents a narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2008. The District provides water and sewer utility services, and street lighting within the Silver Lakes community and refuse collection, graffiti removal, parks and recreation services district-wide. Please read this discussion and analysis in conjunction with the accompanying District's transmittal letter, financial statements and notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Helendale Community Services District's basic financial statements. This overview provides data for the financial activities during the fiscal year ended June 30, 2008. The District assumed full responsibility and authority for CSA Zones 70 B & C on April 1, 2007, and without further San Bernardino County Special Districts oversight or involvement. The District uses enterprise accounting methods similar to those used by private industry. The financial statements offer information about the District's activities for the fiscal year ended June 30, 2008. The District's fiscal year starts July 1 of each year and ends on June 30 of the following year, encompassing a twelve-month period of operation.

The *Statement of Net Assets* includes all of the District's assets and liabilities and provides information about the nature of the components and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure, liquidity and overall financial integrity of the District.

The *Statement of Revenues, Expenses and Changes in Net Assets* displays the revenues, expenses and changes in net assets. This statement measures the success of operations for the last quarter of the fiscal year. It can be used to determine profitability, credit worthiness and whether all costs were successfully recovered through service charges, user fees, other revenue, and taxes.

The final financial statement is the *Statement of Cash Flows*. The primary purpose of this statement is to provide information about cash receipts and cash payments. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investing. It accounts for the cash and cash equivalents balance available from July 1, 2007, through its year end at June 30, 2008. It displays cash received, cash spent, and the net change

HELENDALE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2008

in the amount of cash and cash equivalents. The beginning balances assumed on July 1, 2007, reflect the ending balances from the fiscal year ended June 30, 2007.

HIGHLIGHTS

- The District's net assets decreased by \$473,457 or 4.07% as a result of audited period of July 1, 2007, through June 30, 2008.
- The District's cash and cash equivalents at June 30, 2008, inclusive of operating and non-operating net revenue is \$3,645,892 as compared to \$4,976,829 at June 30, 2007.
- Non-current capital assets at June 30, 2008, net of accumulated depreciation and amortization, are \$ 7,551,583 as compared to \$6,343,866 for June 30, 2007. This is a net increase in Non-current assets of \$1,207,717. Noncurrent assets are the District plant, property and equipment transferred from San Bernardino County Special Districts, CSA Zones 70 B & C and improvements made during the fiscal year, such as service line replacement.
- Operations resulted in a net loss of \$473,457. The loss is a result of using contract service to provide operations support for half of 2007-08, and an increase in leased water rights purchases to meet demand.
- Non-Operating Income totaled \$537,318 resulting from Investment Income, Connection Fees, Property Taxes, Franchise Fees and Other Income.
- The District invested in capital projects to counter the deferred maintenance when the District assumed responsibility. Improvements include the service line replace program, the permanent patch repair program, water well development and wastewater treatment improvement planning.

FINANCIAL ANALYSIS OF HELENDALE COMMUNITY SERVICES DISTRICT

One of the most important questions asked "Is the District better off or worse off as a result of its activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets provide information about the District's activities to help answer this question. These two statements report the net assets of the District. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. However, other local, regional, national and global non-financial factors must also be considered.

HELENDALE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2008

NET ASSETS

A summary comparison of the District's Statement of Net Assets as presented in Table A-1.

Table A-1
Condensed Statement of Net Assets

<u>Assets</u>	<u>2006-07</u>	<u>2007-08</u>
Current Assets	\$ 5,488,597	\$ 4,128,764
Capital Assets	\$ 6,343,866	\$ 7,551,583
Total Assets	\$ 11,832,463	\$ 11,680,347
<u>Liabilities</u>		
Current Liabilities	\$ 196,412	\$ 517,753
Long-Term Liabilities	\$ -	\$ -
Total Liabilities	\$ 196,412	\$ 517,753
<u>Net Assets</u>		
Capital Assets - Net of related debt	\$ 6,343,866	\$ 7,551,583
Unrestricted	\$ 5,292,185	\$ 3,611,011
Restricted	\$ -	\$ -
Total Net Assets	\$ 11,636,051	\$ 11,162,594

<p>Table A-1 shows the net assets as a result of operations for the fiscal year ended June 30, 2008 and for the previous fiscal year, 2006-07, for comparison. Net assets are inclusive of actual fixed plant, equipment, reservoirs and distribution and collection systems within the District and the amount of unrestricted reserves.</p>

HELENDALE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2008

REVENUES, EXPENSES AND CHANGES IN NET ASSETS

While the statement of Net Assets shows the change in financial position of net assets, the statement of Revenues, Expenses and Changes In Net Assets provides the answers as to the nature and source of these changes.

As shown below on Table A-2, District operations resulted in a loss of \$473,457. Non-Operating revenues from Investment Income, Connection fees, Property Taxes, Franchise fees and Other Income totaled \$537,318. The result of Operations and Non-Operating Income for the period ending June 30, 2008 decreased net assets by \$473,457.

Table A-2
Condensed Statement of Revenues, Expenses and Changes in Net Assets

	<u>2006-07</u>	<u>2007-08</u>
Operating Revenue	\$ 973,541	\$ 2,356,280
Less Operating Expense	\$ (918,498)	\$ (2,948,963)
Less Depreciation	\$ (104,552)	\$ (418,092)
Operating Income (Loss)	\$ (49,509)	\$ (1,010,775)
Non-Operating Revenue	\$ 71,241	\$ 537,318
Non-Operating Expenses	\$ -	\$ -
Non-Operating Income	\$ 71,241	\$ 537,318
Changes in Net Assets	\$ 21,732	\$ (473,457)
Assets at July 1, 2007	\$ 11,614,319	\$ 11,636,051
Assets at June 30, 2008	\$ 11,636,051	\$ 11,162,594

**HELENDALE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2008**

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the June 30, 2008, the District had \$14,740,755 invested in infrastructure including land, land improvements, plant and buildings, office equipment, trucks and autos, and construction in progress as shown in Table A-3 below. Accumulated depreciation on these assets totals \$7,189,172, resulting in a net asset investment of \$7,551,583.

**Table A-3
Capital Assets**

	<u>7/1/2007</u>	<u>6/30/2008</u>	Dollar <u>Changes</u>	% <u>Changes</u>
Land	\$ 160,000	\$ 160,000	\$ -	0.0%
Land Improvements	\$ 12,489,736	\$ 12,489,736	\$ -	0.0%
Plant and Buildings	\$ 51,334	\$ 112,322	\$ 60,988	118.8%
Office Equipment	\$ 49,643	\$ 101,332	\$ 51,689	104.1%
Trucks and Autos	\$ 343,143	\$ 403,646	\$ 60,503	17.6%
Construction in Progress	\$ 21,089	\$ 1,473,719	\$ 1,452,630	6,888.1%
Less:				
Accumulated Depreciation	\$ (6,771,080)	\$ (7,189,172)	\$ (418,092)	6.2%
Net Property, Plant and Equipment	\$ 6,343,865	\$ 7,551,583	\$ 1,207,718	19.0%

The capital assets shown above were transferred from San Bernardino County Special Districts Zones 70 B & C during the audit period. Additions included service vehicles, computer equipment and software, and improvements to District Plant and Buildings. Construction in Progress consists of the Service Line Replacement Program, Permanent Patch Repair, Wastewater Treatment Plant Headworks and Sludge Bed projects, Well #10 test hole, and Water Well Improvements.

DEBT

The District assumed water and sewer bond commitments on April 1, 2007, totaling \$10,000 in bonds that were not yet redeemed. Accrued interest from the bonds amounted to \$5,213. Additional details regarding the bonds are located in the notes to the attached Financial Statements.

HELENDALE COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2008

LIABILITIES

Current Liabilities, amounts owed in the short term, total \$517,753 and are shown in Table A-4. These liabilities consist of accounts payable which are the payments due to vendors and customers at June 30, 2008; CalPERS payable which is the District liability for employee retirement for the fiscal year; accrued payroll which is the amount of unpaid payroll at year end; deposits which are customer deposits on water and sewer accounts and deposits taken for sewer and water feasibility studies; and bonds as mentioned in the Debt Section above.

Table A-4
Condensed Statement of Current Liabilities

	<u>2007-08</u>
CURRENT LIABILITIES	
Accounts payable	\$ 318,876
CalPERS payable	\$ 99,589
Accrued payable	\$ 2,225
Deposits	\$ 81,850
Bonds and accrued interest	\$ <u>15,213</u>
TOTAL CURRENT LIABILITIES	\$ <u>517,753</u>

NET ASSETS

Net assets are represented by the value of capital assets of the District and unrestricted retained earnings represented by net cash and cash equivalents. Total net assets are \$11,162,594.

CONTACTING THE DISTRICT

This financial report is designed to provide the citizens within the Helendale Community Services District and its customers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kimberly Cox, General Manager at:

Helendale Community Services District
26719 Vista Road, Suite 3
P.O. Box 359
Helendale, CA 92342

(760) 951-0006
kcox@helendalecsd.org

FINANCIAL STATEMENTS

HELENDALE COMMUNITY SERVICES DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	3,645,892
Accounts receivable		425,044
Prepaid expenses		57,828
		57,828

TOTAL CURRENT ASSETS \$ 4,128,764

NONCURRENT ASSETS

Property, plant, and equipment		14,740,755
Less accumulated depreciation and amortization		(7,189,172)
		(7,189,172)

TOTAL NONCURRENT ASSETS 7,551,583

TOTAL ASSETS \$ 11,680,347

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	318,876
CalPERS payable		99,589
Accrued payroll		2,225
Deposits		81,850
Bonds and accrued interest		15,213
		15,213

TOTAL CURRENT LIABILITIES \$ 517,753

TOTAL LIABILITIES 517,753

NET ASSETS

Invested in capital assets, net of related debt		7,551,583
Unrestricted		3,611,011
Restricted		---

TOTAL NET ASSETS 11,162,594

TOTAL LIABILITIES AND NET ASSETS \$ 11,680,347

HELENDALE COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

OPERATING REVENUES		
Water sales	\$ 1,116,616	
Sewer charges	<u>1,239,664</u>	
TOTAL OPERATING REVENUES		\$ 2,356,280
OPERATING EXPENSES		
Operations	2,159,330	
Administration	789,633	
Depreciation	<u>418,092</u>	
TOTAL OPERATING EXPENSES		<u>3,367,055</u>
OPERATING INCOME (LOSS)		(1,010,775)
NONOPERATING REVENUES (EXPENSES)		
Investment income	130,074	
Other	34,175	
Connection fees	41,216	
Property taxes	207,822	
Franchise fees	117,105	
Donations	<u>6,926</u>	
TOTAL NONOPERATING REVENUES (EXPENSES)		<u>537,318</u>
CHANGE IN NET ASSETS		(473,457)
NET ASSETS		
Balance, beginning of period		<u>11,636,051</u>
Balance, end of period		<u>\$ 11,162,594</u>

HELENDALE COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 2,516,655	
Cash paid to suppliers	(2,210,298)	
Cash paid to employees and for the benefit of employees	<u>(554,001)</u>	
NET CASH USED IN OPERATING ACTIVITIES		\$ (247,644)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Nonoperating revenues		407,244
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income		135,273
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets		<u>(1,625,810)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,330,937)
CASH AND CASH EQUIVALENTS		
Balance, beginning of year		<u>4,976,829</u>
Balance, end of year		<u>\$ 3,645,892</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,010,775)	
Adjustments to reconcile net operating income to net cash provided by operating activities		
Depreciation	418,092	
(Increase) decrease in:		
Accounts receivable	81,525	
Prepaid expenses	(57,828)	
Increase (decrease) in:		
Accounts payable	140,678	
CalPERS payable	99,589	
Accrued payroll	2,225	
Deposits	<u>78,850</u>	
NET CASH USED IN OPERATING ACTIVITIES		<u>\$ (247,644)</u>

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

HELENDALE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

The Helendale Community Services District (the District) was formed on December 5, 2006, for the purpose of construction, operation, and maintenance of sewer collection and water services. Prior to formation, the service area was administered by the County of San Bernardino as a special district. District staff assumed full responsibility on April 1, 2007, from San Bernardino County Special Districts Zones B & C.

Basis of Accounting and Measurement Focus

As a community services district, the District is subject to accounting and reporting standards established by the Governmental Accounting Standards Board (GASB). The majority of revenues consist of user and connection fees and related services. The District as a whole, for financial reporting purposes, is classified as a proprietary entity. The District uses the accrual basis of accounting. Under this method of accounting, revenues are recognized when they are earned and become measurable, and expenses are recorded when they are incurred.

The financial activities of the District are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets and liabilities associated with its operations are included on the statement of net assets, revenues are recorded when earned, and expenses are recorded when liabilities are incurred. Operating revenues are recognized for usage connection to the system and pretreatment permit fees. Nonoperating revenues are revenues not directly related to the operation of the District, such as investment income and septage fees.

The District does not apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989. The District applies all applicable GASB pronouncements, as well as statements and interpretations of the FASB, Accounting Principles Board Opinions, and Accounting Research Bulletins of the committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents

Cash and cash equivalents include external investment pools and are reported at their fair values in the balance sheet. Unrealized gains and losses are included in investment income in the statement of revenues, expenses, and changes in net assets. The District's investments in external investment pools are readily convertible to cash and available for immediate withdrawal and are, therefore, considered to be cash equivalents for purposes of the statement of cash flows.

HELENDALE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1: REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or estimated cost when cost records are not available. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of property, plant, and equipment are as follows:

Plant, buildings, and interceptor lines	40 to 50 years
Land improvements	15 years
Equipment and vehicles	5 to 8 years

Budgetary Accounting

The District's budgetary procedures are as follows:

For internal purposes only, the District adopts a detailed statement of estimated revenues and expenses prior to the beginning of each fiscal year. The source of financing operating costs and reserve requirements is current-year revenue and, if necessary, available equity carried forward from the preceding year.

Uncollectible Accounts

Uncollectible accounts are determined by the direct write-off method. The District's uncollectible accounts are minimal.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. While management believes these estimates are adequate, actual results could differ from those estimates.

HELENDALE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2: CASH AND INVESTMENTS

The Helendale Community Services District maintains a cash and investment pool. Each type of balance in the pool is reflected on the balance sheet as cash and investments.

Cash Deposits

The carrying amounts of the District's cash deposits were \$428,774 at June 30, 2008. Bank balances before reconciling items were \$540,695 at that date, the total amount of which was collateralized or insured with securities held by pledging financial institutions in the District's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The market value of the pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Investments

Under the provisions of the District's investment policy, and in accordance with California Government Code, the following investments were authorized:

- Securities issued by the U.S. Treasury
- Securities issued and fully guaranteed as to payment by an agency of the U.S. Government
- Banker's Acceptances
- Non-negotiable certificates of deposit
- Repurchase Agreements
- California Local Agency Investment Fund (State Pool)
- Corporate medium-term notes
- Mortgage-backed securities
- Diversified Management Companies, as defined by Section 23701(m) of the Revenue Taxation Code

HELENDALE COMMUNITY SERVICES DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

NOTE 2: CASH AND INVESTMENTS (Continued)

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value, resulting in the following investment income.

Realized gain/loss on matured investments	\$	—
Unrealized loss in changes in fair value of investments		—
Investment Income		130,074
Total investment income	\$	130,074

The District portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates have risen, the portfolio value will have declined. If interest rates have fallen, the portfolio value will have risen.

In accordance with GASB Statement No. 31, the portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. The District's policy is to buy and hold investments until their maturity dates.

Summary of Cash and Investments

The following is a summary of pooled cash and investments at June 30, 2008:

	Business-Type Activities	Total
Cash and investments	\$ 3,645,892	\$ 3,645,892
Restricted cash and investments	\$ 3,645,892	\$ 3,645,892

HELENDALE COMMUNITY SERVICES DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

NOTE 3: PROPERTY, PLANT, AND EQUIPMENT

Activities relating to property, plant, and equipment for the year ended June 30, 2008, are as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassifications</u>	<u>June 30, 2008</u>
Cost					
Land	\$ 160,000	\$ ---	\$ ---	\$ ---	\$ 160,000
Land improvements	12,489,736	---	---	---	12,489,736
Plant and buildings	51,334	60,988	---	---	112,322
Office equipment	49,643	51,689	---	---	101,332
Trucks and autos	343,143	60,503	---	---	403,646
Construction in progress	<u>21,089</u>	<u>1,452,630</u>	---	---	<u>1,473,719</u>
	<u>\$ 13,114,945</u>	<u>\$ 1,625,810</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 14,740,755</u>
Accumulated depreciation					
Land improvements	\$ 6,681,835	\$ 369,656	\$ ---	\$ ---	\$ 7,051,491
Plant and buildings	8,860	5,245	---	---	14,105
Office equipment	1,175	12,557	---	---	13,732
Trucks and autos	<u>79,210</u>	<u>30,834</u>	---	---	<u>109,844</u>
	<u>\$ 6,771,080</u>	<u>\$ 418,092</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 7,189,172</u>

NOTE 4: NET ASSETS

Net assets at June 30, 2008, is composed of the following:

Net assets:	
Invested in capital assets, net of related debt	\$ 7,551,583
Unrestricted	<u>3,611,011</u>
	<u>\$ 11,162,594</u>

HELENDALE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: COMMITMENTS AND CONTINGENCIES

The County of San Bernardino was obligated for \$10,000 in bonds that were not yet redeemed. The bond commitments, with accrued interest in the amount of \$5,213, were transferred to the District when they separated from the County of San Bernardino on April 1, 2007.

The District plans to contribute to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined-benefit plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. The District will be required to contribute at an actuarially determined rate. The District established an estimated liability for the employees starting from February 1, 2007. As of June 30, 2008, the District has accumulated a CalPERS payable of \$99,589. The contract with CalPERS will start on July 1, 2008, and has a provision for the District to pay for the employee contributions retroactive to their date of hire.

SUPPLEMENTARY INFORMATION

HELENDALE COMMUNITY SERVICES DISTRICT
SCHEDULE OF BOARD OF DIRECTORS
JUNE 30, 2008

Directors, Officers, and Senior Management

The directors, officers, and senior management of the Helendale Community Services District are listed below.

	<u>Term Expires</u>
Craig Schneider, President	November 2009
Sandra Perea, Vice President	November 2009
Milo Stormo, Director	November 2010
Sandy Haas, Director	November 2010
James Keoshkerian, Director	November 2010
Kimberly Cox, General Manager	N/A