

**Grizzly Ranch Community Services District**

**REPORT TO THE BOARD OF DIRECTORS**

**June 30, 2017**

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1. This is our report on the Grizzly Ranch Community Services District June 30, 2017 financial statements and our audit report.
2. The Board of Directors engaged our firm to audit the financial statements of the District. Our opinion on the financial statements is a modified opinion. The audit report is ours; the financial statements are representations of management.

We reached our opinion after performing procedures and tests on the books and records. We do this in order to have reasonable assurance about whether the Financial Statements are free of material misstatement. We also assess the accounting principles used by management and the estimates used in the financial statements.

3. Questions and answers regarding the financial statements.
4. Matters to be communicated
  - Auditor Responsibility – An audit conducted under generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards is designed to obtain reasonable, rather than absolute, assurance about the financial statements.
  - Accounting Policies/Accounting Estimates – Significant accounting policies are described in Note 1 to the financial statements. Significant estimates include depreciation expense, accumulated depreciation and uncollectible accounts.
  - Significant adjustments/Passed adjustments – There were seven proposed and posted adjustment and no passed adjustments. The adjustments were to reclassify a posting error, record unrecorded liabilities and asset impairment, to reclassify a revenue and receivable, and to true up fixed asset activity.
  - Disagreements with management – None.
  - Difficulties encountered in performing the audit – None

5. Internal Control Report
6. We would like to thank management and staff for their fine cooperation during the audit.