crestline village

WATER DISTRICT

Financial Statements
and
Independent Auditor's Report

April 30, 2023 and 2022

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RAMS

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Crestline Village Water District (the District) as of and for the years ended April 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the District, as of as of April 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The information in the accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
March 29, 2024

The Water District

Crestline Village Water District (the District) was organized on January 19, 1954 and established under Division 12 of the Water Code of the State of California. The District has been engaged in financing, constructing, operating, maintaining and furnishing retail water service to its customers since inception. The District currently serves the Crestline and Lake Gregory areas and has about 4,964 water services. The District is governed by a five member Board of Directors that are elected at large from the registered voters living within the District's boundaries. The Board meets at 3:00 PM on the third Tuesday of each month at the District's office.

Water Supply

The District has two sources from which it obtains its water. There is a limited amount of water from local wells and the balance is obtained by purchasing imported water from the Crestline-Lake Arrowhead Water Agency. During this fiscal year, the local wells produced approximately 297 acre-feet of water, or 45% of the total supply, while purchased imported water provided approximately 366 acre-feet, or 55% of the total water supply. The current cost to purchase one acre-foot of imported water is $1,546, while the cost of producing one acre-foot of well water is approximately $366. In years of less than normal rainfall, the production of the local wells is less and the District must purchase more imported water. During this fiscal year, $584,533 was spent on purchased water (prior year was $555,216) and $818,892 has been budgeted for purchases in the next year. The demand for purchased imported water is expected to increase in the next fiscal year. While the cost of purchased water can fluctuate substantially from year to year depending on the rainfall and customer demands, the District has attempted to stabilize the cost impact to its customers by establishing a $700,000 Reserve for Purchased Water to minimize the impact of the annual fluctuation in the cost of purchased water, evaluating and adjusting the amount spent on capital improvements each year, and by continually searching for new water sources within the District.

The Basic Financial Statements

Crestline Village Water District is a special-purpose government engaged in activities that support themselves through water charges, availability assessments and property tax revenues. Accordingly, the accompanying financial statements are presented in the format prescribed for proprietary funds by the Governmental Accounting Standards Board (GASB).

These financial statements consist of three interrelated statements designed to provide the reader with relevant, understandable data about our financial condition and operating results. They are the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. The Statements of Net Position presents assets/deferred outflows and liabilities/deferred inflows and the difference, or net, between what is owed and what is owed as of the last day of the fiscal year. The Statements of Revenues, Expenses, and Changes in Net Position describe the financial results of operations for the fiscal years reported. These results, or Changes in Net Position, are the increases or decreases in the bottom line of the Statements of Net Position. Readers also need to know how cash resources are managed during the year to effect the Changes in Net Position. This information is conveyed in the Statements of Cash Flows. These statements reconcile the income or loss from operations that are reported on the accrual basis with the actual cash inflows and uses. The Statements of Cash Flows also details how we obtain cash through financing and investing activities and, similarly, how we spend cash for these purposes.

Water Rates

The water rate schedule was revised on May 1, 2022. The monthly minimum charge is dependent on the size of the meter, and ranges from $32.50 to $72.50 per month. The monthly quantity rates from 0 to 1,300 cubic feet are $5.10 per 100 cubic feet and quantity in excess of 1,300 cubic feet is $7.65 per 100 cubic feet.

Summary Financial Information and Analysis

STATEMENT OF NET POSITION

	2023	2022	2021
Assets			
Current assets	$ 3,835,714	$ 3,554,230	$ 3,298,732
Capital assets	7,512,085	8,018,916	8,368,580
Total assets	11,347,799	11,573,146	11,667,312
Total deferred outflows of resources	1,491,191	710,384	660,868
Liabilities			
Current liabilities	232,836	229,221	203,770
Non current liabilities	3,810,218	2,227,721	3,185,202
Total liabilities	4,043,054	2,456,942	3,388,972
Total deferred inflows of resources	212,087	1,082,468	331,683
Net position			
Net investment in capital assets	7,500,645	8,016,948	8,363,755
Unrestricted	1,083,204	727,172	243,770
Total net position	$ 8,583,849	$ 8,744,120	$ 8,607,525

NET POSITION AND CASH FLOWS

During the current fiscal year, net position of the District decreased by $160,271. The District had a net increase in cash for the year of $220,972. During the prior year, the net position increased by $136,595 with an increase in cash of $301,959. The ratio of current assets to current liabilities is 16.5 compared with 15.5 for the prior fiscal year.

Summary Financial Information and Analysis (continued)

CAPITAL ASSETS

	Balance April 30, 2023	Balance April 30, 2022	Balance April 30, 2021
Land and other land rights	$ 281,164	$ 281,164	$ 281,164
Source of supply plant	1,014,837	640,178	595,737
Pumping plant	395,638	395,638	395,638
Water treatment	94,892	99,919	99,919
Transmission and distribution plant	17,674,317	17,706,748	17,736,140
General plant	2,739,644	2,723,029	2,713,218
Utility plant in service	22,200,492	21,846,676	21,821,816
Less accumulated depreciation	(14,710,137)	(14,150,801)	(13,632,178)
Construction in progress	10,000	323,041	178,942
Right to use asset	14,490	-	-
Less accumulated amortization	(2,760)	-	-
Total Capital Assets	$ 7,512,085	$ 8,018,916	$ 8,368,580

The District strives to provide the best possible service to its customers. To provide this service, the District has adopted programs to upgrade or replace its water facilities as it becomes necessary. The District also continues to replace and upgrade old equipment to provide an efficient and safe environment for our customers and employees. During the past year, the District added $387,156 in utility plant compared to $102,592 in the prior year.

Summary Financial Information and Analysis (continued)

NET PENSION LIABILITY

The District reported a net pension liability of $2,318,644 in addition to associated deferred outflows of resources of $1,079,234 and deferred inflows of resources of $67,994. This was an increase of $1,380,717 from the prior year net pension liability of $937,927 and was based on actuarially determined amounts.

NET OPEB LIABILITY

The District reported a net OPEB liability of $1,483,039 in addition to associated deferred outflows of resources of $411,957 and deferred inflows of resources of $144,093. This was an increase of $193,245 from the prior year net OPEB liability of $1,289,794 and was based on actuarially determined amounts.

REGULATORY AND ENVIRONMENTAL PLANNING

The United States Environmental Protection Agency (USEPA) and the California Department of Health Services (DOHS) prescribe regulations that establish standards for the drinking water provided by the District to its customers. The District continually tests the water it delivers to its customers to ensure that the water meets these standards. The regulatory agency periodically has indicated that it is considering adopting more stringent regulations in several areas that could require the District to increase the level of water treatment to ensure that the water would meet the proposed new standards. The additional water treatment would require additional capital improvement costs and increased operating costs. The extent of these costs are unknown until the regulations are adopted and an implementation schedule is established.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2023	2022	2021
Operating revenues:			
Water sales	$ 3,381,407	$ 3,352,033	$ 3,306,408
Water services	74,911	49,665	73,058
Total operating revenues	3,456,318	3,401,698	3,379,466
Operating expenses:			
Source of supply - labor and maintenance	171,421	108,814	101,189
Source of supply - purchased water	584,533	555,216	380,627
Pumping - labor and maintenance	36,290	2,896	34,790
Pumping - power purchased	59,225	58,110	67,042
Water treatment	31,093	37,042	24,517
Transmission and distribution	300,412	297,163	468,000
Customer accounts	67,924	42,128	39,727
Administrative and general	2,314,170	2,007,343	1,830,314
Depreciation and amortization	595,436	596,355	604,880
Total operating expenses	4,160,504	3,705,067	3,551,086
Operating loss	(704,186)	(303,369)	(171,620)
Nonoperating revenues/expenses, net	532,108	423,379	438,670
Income (loss) before contributions	(172,078)	120,010	267,050
Capital contributions	11,807	16,585	8,068
Change in net position	$ (160,271)	$ 136,595	$ 275,118

Analysis for fiscal year ended April 30, 2023

The operating revenues for this fiscal year were $3,456,318. The operating expenses for this fiscal year were $4,160,504. Operating losses for this fiscal year was $704,186. Minor increases in water sales and service revenues were offset by minor increases in purchased water and other operating costs along with increased costs for administration and general expenses, resulting in an increase in net operating loss of $400,817.

Net nonoperating revenues from property taxes, availability assessments, interest and other income/expenses resulted in $532,108 nonoperating income.

Loss before contributions was $172,078 (operating loss of $704,186 plus net nonoperating income of $532,108) for the current fiscal year. Loss before contributions of $172,078 is added to the capital contributions of $11,807 for a decrease in net position for the current fiscal year of $160,271.

Analysis for fiscal year ended

The operating revenues for this fiscal year were $3,401,698. The operating expenses for this fiscal year were $3,705,067. Operating losses for this fiscal year was $303,369. Minor increases in water sales and service revenues were offset by increases in purchased water and other operating costs along with increased costs for administration and general expenses, resulting in an increase in net operating loss of $131,749.

Net nonoperating revenues from property taxes, availability assessments, interest and other income/expenses resulted in $423,379 nonoperating income.

Income before contributions was $120,010 (operating loss of $303,369 plus net nonoperating income of $423,379) for the current fiscal year. Income before contributions of $120,010 is added to the capital contributions of $16,585 for an increase in net position for the fiscal year of $136,595.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be addressed to the Management of the District by mail at P.O. Box 3347, Crestline, California, 92325, by phone at 909-338-1727, or via email at cvwater@cvwater.com. The District's office is located at 777 Cottonwood Drive, Crestline, California, 92325.

Statements of Net Position
April 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash in bank and on hand	$ 597,198	$ 517,119
Investments	2,628,062	2,487,169
Accounts receivable - water service, net	290,269	256,966
Availability assessments receivable	22,295	31,259
Property taxes receivable, net	17,987	26,335
Accrued interest receivable	10,074	711
Inventory of materials and supplies	179,669	160,005
Prepaid expenses	90,160	74,666
Total current assets	3,835,714	3,554,230
Noncurrent assets:		
Capital assets:		
Utility plant in service	22,200,492	21,846,676
Less accumulated depreciation	(14,710,137)	(14,150,801)
Construction in progress	10,000	323,041
Right to use assets	14,490	-
Less accumulated amortization	(2,760)	-
Total noncurrent assets	7,512,085	8,018,916
Total assets	11,347,799	11,573,146
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	1,079,234	389,263
OPEB related	411,957	321,121
Total deferred inflows of resources	1,491,191	710,384
LIABILITIES		
Current liabilities:		
Accounts payable	58,810	83,883
Accrued payroll	65,151	56,243
Accrued overtime leave	6,276	562
Accrued paid time off	98,894	85,765
Deposits	800	800
Lease payable - current portion	2,905	1,968
Total current liabilities	232,836	229,221
Non current liabilities:		
Lease payable	8,535	-
Net pension liability	2,318,644	937,927
Net OPEB liability	1,483,039	1,289,794
Total non current liabilities	3,810,218	2,227,721
Total liabilities	4,043,054	2,456,942
DEFERRED INFLOWS OF RESOURCES		
Pension related	67,994	899,633
OPEB related	144,093	182,835
Total deferred inflows of resources	212,087	1,082,468
NET POSITION		
Net investment in capital assets	7,500,645	8,016,948
Unrestricted	1,083,204	727,172
Total net position	$ 8,583,849	$ 8,744,120

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

Statements of Revenues, Expenses, and Changes in Net Position
For the years ended April 30, 2023 and 2022

	2023	2022
Operating revenues:		
Water sales	$ 3,381,407	$ 3,352,033
Water services	74,911	49,665
Total operating revenues	3,456,318	3,401,698
Operating expenses:		
Source of supply:		
Supply process costs	103,942	89,400
Maintenance - structures and improvements	67,479	19,414
Purchased water	584,533	555,216
	755,954	664,030
Pumping:		
Maintenance - structures, improvements and equipment	36,290	2,896
Power purchased for pumping	59,225	58,110
	95,515	61,006
Water treatment:		
Treatment process costs	18,914	22,143
Maintenance - structures and improvements	12,179	14,899
	31,093	37,042
Transmission and distribution:		
Maintenance - structures and plant	300,412	297,163
Customer accounts:		
Billing, meter reading and customer service	67,924	42,128
Administration and general:		
Salaries	631,773	548,938
Office supplies and other expense	555,761	506,559
Property insurance, injuries and damages	103,398	93,547
Employees' retirement and benefits	934,791	709,302
Maintenance - general plant	74,447	132,997
Directors' fees	14,000	16,000
	2,314,170	2,007,343
Other operating expenses:		
Depreciation and amortization	595,436	596,355
Total operating expenses	4,160,504	3,705,067
Operating loss	(704,186)	(303,369)
Nonoperating revenues and expenses:		
Interest income	53,687	6,959
Change in fair market vaule	(3,328)	(31,476)
Taxes and assessments	312,537	281,547
Availability assessments	137,980	138,432
Other revenue	26,143	22,808
Gain (Loss) on disposal of utility plant	5,101	5,250
Interest expense	(12)	(141)
Total nonoperating revenues (expenses)	532,108	423,379
Income before contributions	(172,078)	120,010
Contributions:		
Capital contributions	11,807	16,585
Change in net position	(160,271)	136,595
Net position, beginning of the year	8,744,120	8,607,525
Net position, end of the year	$ 8,583,849	$ 8,744,120

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

Statements of Cash Flows
For the years ended April 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 3,423,015	$ 3,460,270
Cash paid to suppliers	(1,514,203)	(1,361,430)
Cash paid for employee services	(2,160,571)	(2,008,962)
Other revenue	26,143	5,250
Net cash (used for) provided by operating activities	(225,616)	95,128
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Taxes and assessments received	320,885	292,751
Availability assessments received	146,944	148,895
Net cash provided by noncapital financing activities	467,829	441,646
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash purchases of capital assets	(74,115)	(246,691)
Proceeds on retirement of capital assets	5,101	22,808
Capital contributions	11,807	16,585
Principal paid - capital lease	(5,018)	(2,857)
Interest paid - capital lease	(12)	(141)
Net cash used for capital and related financing activities	(62,237)	(210,296)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	44,324	6,957
Change in fair value	(3,328)	(31,476)
Net cash provided by (used for) investing activities	40,996	(24,519)
Increase in cash and cash equivalents	220,972	301,959
Cash and cash equivalents, beginning of year	3,004,288	2,702,329
Cash and cash equivalents, end of year	$ 3,225,260	$ 3,004,288
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION:		
CURRENT ASSETS:		
Cash in bank and on hand	$ 597,198	$ 517,119
Investments	2,628,062	2,487,169
Total	$ 3,225,260	$ 3,004,288

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

Statements of Cash Flows (continued)
For the years ended April 30, 2023 and 2022

	2023	2022
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	$ (704,186)	$ (303,369)
Adjustments:		
Depreciation and amortization	595,436	596,355
Other revenue	26,143	5,250
CHANGES IN ASSETS, LIABILITIES AND DEFERRALS:		
(Increase) decrease in:		
Accounts receivable - water services, net	(33,303)	58,572
Inventory of materials and supplies	(19,664)	(23,560)
Prepaid expenses	(15,494)	(10,216)
Deferred outflows of resources - pension related	(689,971)	125,546
Deferred outflows of resources - OPEB related	(90,836)	(175,062)
Increase (decrease) in:		
Accounts payable	(25,073)	15,471
Accrued payroll	8,908	35,675
Accrued overtime leave	5,714	(2,349)
Accrued paid time off	13,129	(22,459)
Net pension liability	1,380,717	(1,159,757)
Net OPEB liability	193,245	204,246
Deferred inflows of resources - pension related	(831,639)	812,463
Deferred inflows of resources - OPEB related	(38,742)	(61,678)
Net cash (used for) provided by operating activities	$ (225,616)	$ 95,128
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Lease acquisition	$ 14,490	$ -

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

Note 1: Nature of activities and significant accounting policies

Reporting entity

The Crestline Village Water District (District) is a corporation organized and existing under Division 12 of the Water Code of the State of California. The original District, as organized on January 19, 1954. On October 1, 1979, the Lake Gregory Water Company became a part of the District.

Nature of business

The District has been engaged in financing, constructing, operating, maintaining and furnishing water service to its customers since inception.

Basis of accounting

The District uses the accrual method of accounting in conformity with the Uniform System of Accounts for Water Utility Districts as prescribed by the Controller of the State of California. Revenues are recognized when they are earned, and expenses are recognized when they are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The District has elected to follow all pronouncement of the Governmental Accounting Standards Board (GASB).

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Allowance for doubtful accounts

The District uses the allowance method to account for uncollectible customer accounts and property taxes receivable. The allowances are based on management's estimate of possible bad debts. The allowance for doubtful customer accounts is $5,900 and $5,200 at April 30, 2023 and 2022, respectively. The allowance for doubtful property taxes receivable is $1,600 and $1,300 at April 30, 2023 and 2022, respectively.

Inventory of materials and supplies

Inventories of materials and supplies, consist of parts used for utility plant construction and repair and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenses when used (consumption method).

Prepaid expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Note 1: Nature of activities and significant accounting policies (continued)

Capital and intangible assets

Capital asset purchases greater than $5,000 with a useful life of at least five years will be capitalized and recorded at cost, which includes direct labor. Capital assets consist of all fixed property plant and equipment assets of the District. Intangible right to use assets have useful lives equal to the liability incurred for the assets. The depreciation has been computed on the straight-line method based on the estimated service lives of the depreciable properties, which range from five to fifty years. The cost of maintenance is charged to operating expense. Donated capital assets are valued at acquisition value at the date of acquisition.

Employee benefits

District employees earn paid time off (PTO) days each pay period based on length of service. PTO may be accrued to a maximum of 512 hours depending on years of service. Upon termination, the District is obligated to compensate employees for 100% of the accrued unused PTO time. Earned but unused PTO is presented in the current liabilities section of the statement of net position. The change in PTO for the years ended April 30, 2023 and 2022 was as follows:

April 30, 2023 Description	Beginning April 30, 2022	Additions	Deletions	Ending April 30, 2023
Accrued paid time off	$ 85,765	$ 128,708	$ (115,579)	$ 98,894

April 30, 2022 Description	Beginning April 30, 2021	Additions	Deletions	Ending April 30, 2022
Accrued paid time off	$ 108,224	$ 148,907	$ (171,366)	$ 85,765

Net position is categorized as follows

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of “net investment in capital assets.” Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- *Restricted* – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Note 1: Nature of activities and significant accounting policies (continued)

Operating and nonoperating revenues

Operating revenue includes revenues from water sales and services. Nonoperating revenue includes revenues from all other sources, including taxes and assessments, investment income, and gain on sale of assets.

Property taxes

Property taxes are attached as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are due in two installments. The first installment is due on November 1, and is payable through December 10 without penalty. The second installment is due February 1, and becomes delinquent on April 10. Property taxes are remitted to the District from the County of San Bernardino at various times throughout the year.

Capital contributions

Capital contributions represent cash or utility plant additions contributed to the District by property owners or developers desiring services that require capital expenditures or capacity commitment. Depreciation of contributed utility plant additions is charged to operations.

Statement of cash flows

For purposes of reporting changes in cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Pension plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

	Fiscal Year 2023	Fiscal Year 2022
Valuation Date (VD)	June 30, 2021	June 30, 2020
Measurement Date (MD)	June 30, 2022	June 30, 2021
Measurement Period (MP)	July 1, 2021 to June 30, 2022	July 1, 2020 to June 30, 2021

Net position flow assumption

The District sometimes funds outlays for a particular purpose from both restricted, if applicable and unrestricted resources. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note 1: Nature of activities and significant accounting policies (continued)

Other postemployment benefit plan (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined by an actuary. Investments are reported at fair value.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

	Fiscal year 2023	Fiscal year 2022
Valuation Date (VD)	April 30, 2022	April 30, 2020
Measurement Date (MD)	April 30, 2023	April 30, 2022
Measurement Period (MP)	May 1, 2022 to April 30, 2023	May 1, 2021 to April 30, 2022

Note 2: Cash and investments

Cash and investments as of April 30, 2023 and 2022 are classified in the accompanying financial statements as follows:

	2023	2022
Statements of net position:		
Current assets:		
Cash in bank and on hand	$ 597,198	$ 517,119
Investments	2,628,062	2,487,169
Total cash and investments	$ 3,225,260	$ 3,004,288

Cash and investments as of April 30, 2023 and 2022, consist of the following:

	2023	2022
Deposits with financial institutions	$ 596,698	$ 516,619
Cash on hand	500	500
Investment	2,628,062	2,487,169
Total cash and investments	$ 3,225,260	$ 3,004,288

Note 2: Cash and investments (continued)

Investments authorized by the California Government Code and the District's investment policy

For April 30, 2023, the table below identifies the investment types that are authorized by the District's investment policy and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the District's investment policy that address interest rate risk, and concentration of credit risk.

Authorized investment type	Maximum maturity	Maximum percentage of portfolio	Maximum investment in one issuer
U.S. Treasury Bills, Notes or Bonds	5 year	None	None
Negotiable Certificates of Deposit	5 year	30%	None
Non-negotiable Certificates of Deposit	N/A	N/A	N/A
California Local Agency Investment Fund	N/A	None	$75 Million
Government Agency Securities	5 year	None	None
Money Market Mutual Funds	5 years	15%	None

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. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of April 30, 2023 and 2022, the District had the following investments and maturities:

April 30, 2023	Carrying amount	12 months or less	13-24 months	25-60 months
State Investment Pool	$ 1,633,570	$ 1,633,570	$ -	$ -
Negotiable Certificates of Deposit	990,736	200,184	200,078	590,474
Money Market Funds	3,756	3,756	-	-
	$ 2,628,062	$ 1,837,510	$ 200,078	$ 590,474

April 30, 2022	Carrying amount	12 months or less	13-24 months	25-60 months
State Investment Pool	$ 2,487,169	$ 2,487,169	$ -	$ -

Investments with fair values highly sensitive to interest rate fluctuations

At April 30, 2023, and 2022 the District did not hold investments that were highly sensitive to interest rate fluctuations beyond that already indicated in the information provided above.

Note 2: Cash and investments (continued)

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy and the actual rating as of year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Not Rated
April 30, 2023			
State Investment Pool	$ 1,633,570	N/A	$ 1,633,570
Negotiable Certificates of Deposit	990,736	None	990,736
Money Market Funds	3,756	2-AAA	3,756
	$ 2,628,062		$ 2,628,062
April 30, 2022			
State Investment Pool	$ 2,487,169	N/A	$ 2,487,169

Concentration of credit risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At April 30, 2023 and 2022, the District had the following investments in any one issuer (other than external pools) that represent 5% or more of total District investments:

April 30, 2023

Issuer	Investment type	Amount
Parkside Credit Union	Negotiable Certificates of Deposit	$ 200,184
Technology Credit Union	Negotiable Certificates of Deposit	200,078
BMO Harris Bank	Negotiable Certificates of Deposit	198,408
Pacific Western Bank	Negotiable Certificates of Deposit	199,310
State Bank India New York	Negotiable Certificates of Deposit	192,756

April 30, 2022

None

Note 2: Cash and investments (continued)

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. As of April 30, 2023, deposits were not subject to custodial credit risk as they were entirely insured or collateralized with securities held by the District.

As of April 30, 2023 and 2022, $299,258 and $292,302 respectively of the District's deposits with financial institutions were in excess of Federal Depository Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) limits.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF), which is part of the Pooled Money Investment Account that is regulated by the California Government Code under the oversight of the State Treasurer, Director of Finance and State Controller. The District may invest up to $75,000,000 in the LAIF fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at www.treasurer.ca.gov.

The District's investment in this pool is reported in the accompanying financial statements at cost which approximates fair value at amounts 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

Note 2: Cash and investments (continued)

Fair value measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At April 30, 2023 and 2022, the District had investments with the following fair value measurements:

April 30, 2023	Fair Value Measurement Using			
Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
Negotiable Certificates of Deposit	$ 990,736	$ 990,736	$ -	$ -
Total Investments by Fair Value Level	990,736	$ 990,736	$ -	$ -
Investments not subject to fair value hierarchy				
State Investment Pool	1,633,570			
Money Market Funds	3,756			
Total	$ 2,628,062			

April 30, 2022	Fair Value Measurement Using			
Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
Investments not subject to fair value hierarchy				
State Investment Pool	$ 2,487,169			
Total	$ 2,487,169			

Note 3: Capital assets

A summary of changes in capital assets follows:

April 30, 2023

	Balance April 30, 2022		Additions and Reclassifications	Retirements	Balance April 30, 2023
Land and other land rights	$ 281,164		$ -	$ -	$ 281,164
Source of supply plant	640,178		374,659	-	1,014,837
Pumping plant	395,638		-	-	395,638
Water treatment	99,919		-	(5,027)	94,892
Transmission and distribution plant	17,706,748	*	(23,816)	(8,615)	17,674,317
General plant	2,723,029	*	36,313	(19,698)	2,739,644
Utility plant in service	21,846,676		387,156	(33,340)	22,200,492
Less accumulated depreciation	(14,150,801)		(592,676)	33,340	(14,710,137)
Construction in progress	323,041		61,618	(374,659)	10,000
Right to use asset	-		14,490	-	14,490
Less accumulated amortization	-		(2,760)	-	(2,760)
Total	$ 8,018,916		$ (132,172)	$ (374,659)	$ 7,512,085

* $23,816 of assets were reclassified from transmission and distribution plant to general plant.

April 30, 2022

	Balance April 30, 2021	Additions	Retirements	Balance April 30, 2022
Land and other land rights	$ 281,164	$ -	$ -	$ 281,164
Source of supply plant	595,737	44,441	-	640,178
Pumping plant	395,638	-	-	395,638
Water treatment	99,919	-	-	99,919
Transmission and distribution plant	17,736,140	15,585	(44,977)	17,706,748
General plant	2,713,218	42,566	(32,755)	2,723,029
Utility plant in service	21,821,816	102,592	(77,732)	21,846,676
Less accumulated depreciation	(13,632,178)	(596,355)	77,732	(14,150,801)
Construction in progress	178,942	177,639	(33,540)	323,041
Total	$ 8,368,580	$ (316,124)	$ (33,540)	$ 8,018,916

Note 4: Defined benefit pension plan (PERS)

General Information about the Pension Plan

Plan description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District participates in two rate plans (two miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

Note 4: Defined benefit pension plan (PERS) (continued)

The Plan's provisions and benefits in effect at in effect at April 30, 2023 are summarized as follows:

	Miscellaneous	
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7 % @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates for 2023	11.59%	7.47%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended April 30, 2023 and April 30, 2022, respectively, were $373,346 and $284,085. The actual employer payments of $341,068 made to CalPERS by the District during the measurement period ended June 30, 2022 differed from the District's proportionate share of the employer's contributions of $420,687 by $(79,619), which is also being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan. The actual employer payments of $344,394 made to CalPERS by the District during the measurement period ended June 30, 2021 differed from the District's proportionate share of the employer's contributions of $347,249 by $2,855, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Note 4: Defined benefit pension plan (PERS) (continued)

Actuarial methods and assumptions used to determine total pension liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

	Fiscal year	
	2023	2022
Valuation Date	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Discount Rate	6.90%	7.15%
Inflation	2.30%	2.50%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' membership data for all Funds	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies.

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

Note 4: Defined benefit pension plan (PERS) (continued)

Long-term expected rate of return (continued)

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Assets Allocation	Real Return Years 1 - 10[1,2]
Global equity - cap-weighted	30.0%	4.54%
Global equity - non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.05%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)
Total	100%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

Change of assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 4: Defined benefit pension plan (PERS) (continued)

Subsequent events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension plan fiduciary net position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Note 4: Defined benefit pension plan (PERS) (continued)

Proportionate Share of Net Pension Liability

The following table shows the District's proportionate share of the net pension liability over the measurement periods ended June 30, 2022 and 2021.

June 30, 2022		Increase (Decrease)	
Miscellaneous Plan	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability
Balance at: 6/30/2021 (VD)	$ 9,766,679	$ 8,828,752	$ 937,927
Balance at: 6/30/2022 (MD)	10,428,941	8,110,297	2,318,644
Net Changes During 2021-22	$ 662,262	$ (718,455)	$ 1,380,717

June 30, 2021		Increase (Decrease)	
Miscellaneous Plan	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability
Balance at: 6/30/2020 (VD)	$ 9,218,038	$ 7,120,354	$ 2,097,684
Balance at: 6/30/2021 (MD)	9,766,679	8,828,752	937,927
Net Changes During 2020-21	$ 548,641	$ 1,708,398	$ (1,159,757)

Valuation Date (VD), Measurement Date (MD).

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the miscellaneous Plan as of the June 30, 2021 and 2022 measurement dates was as follows:

	Miscellaneous
Proportion Share of NPL - June 30, 2021	0.04940%
Proportion Share of NPL - June 30, 2022	0.04955%
Change - Decrease	0.00016%

	Miscellaneous
Proportion Share of NPL - June 30, 2020	0.04973%
Proportion Share of NPL - June 30, 2021	0.04940%
Change - Decrease	(0.00034%)

Note 4: Defined benefit pension plan (PERS) (continued)

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability - 4/30/23	$ 3,740,297	$ 2,318,644	$ 1,148,977

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability - 4/30/22	$ 2,227,431	$ 937,927	$ (128,087)

Amortization of deferred outflows and deferred inflows of resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Note 4: Defined benefit pension plan (PERS) (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2020 and 2021), the District's net pension liability was $2,097,684 and $937,927, respectively. For the measurement period ending June 30, 2022 and 2021 (the measurement dates), the District incurred a pension expense of $328,385 and $8,963, respectively.

As of April 30, 2023, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 15,377	$ -
Changes of Assumptions	237,594	-
Net Difference between Projected and Actual Investment Earnings	424,714	-
Change in Employer's Proportion	-	67,994
Difference in Actual vs Projected Contributions	28,203	-
Pension Contributions Subsequent to Measurement Date	373,346	-
	$ 1,079,234	$ 67,994

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of $373,346 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Outflows/(Inflows) of Resources, Net
2023	$ 163,105
2024	137,251
2025	77,768
2026	259,770
2027	-
Thereafter	-

Note 4: Defined benefit pension plan (PERS) (continued)

As of April 30, 2022, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 105,178	$ -
Changes of Assumptions	-	818,761
Change in Employer's Proportion	-	3,263
Difference in Actual vs Projected Contributions	-	77,609
Pension Contributions Subsequent to Measurement Date	284,085	-
	$ 389,263	$ 899,633

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of $284,085 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Outflows/(Inflows) of Resources, Net
2022	$ (197,055)
2023	(174,839)
2024	(196,297)
2025	(226,264)
2026	-
Thereafter	-

Payable to the Pension Plan

At April 30, 2023, and 2022 the District reported a payable $0 for the outstanding amount of contributions to the pension plan required for the years then ended.

Note 5: Postemployment benefits other than pensions

Plan Description

Plan administration

The District sponsors an agent-multiple employer postemployment benefit plan. The District provides health benefits for employees and qualified dependents (and for retirees and their dependents) through the Association of California Water Agencies (ACWA) Anthem Classic Plan (PPO), Anthem CaliforniaCare HMO, and Kaiser HMO. Employees and eligible retirees also receive District-paid dental and vision coverage.

Benefits provided

An employee is eligible to retire with District-paid health benefits upon either (1) normal retirement on or after age 65 with five years of service, or (2) early retirement on or after age 55 with 10 years of service.

Medical, dental and vision coverages are provided for the lifetime of the retiree, subject to the retiree making any required monthly contributions. Retiree contributions are equal to the premiums, if any, in excess of the District limit, which is $1,623 for 2022-23 and $1,623 for 2021-22, multiplied by a percentage that is a function of date of hire and years of service at retirement, as follows:

- Employees hired before September 21, 2005: 50% after 10 years of service, increasing by 5% per year to a maximum of 100% after 20 years.
- Employees hired on or after September 21, 2005: 25% after 10 years of service, increasing by 2.5% per year to a maximum of 100% after 40 years.

Medicare Part B premiums for retiree and covered spouse are also payable by the District beginning at age 65, subject to the District limits described above. Surviving spouse benefits are payable until the earliest of spouse's age 65, remarriage, or coverage under another group policy.

The plan does not issue separate financial statements.

Plan membership

Active employees	12
Inactive employees or beneficiaries currently receiving benefits	9
Total	21

Note 5: Postemployment benefits other than pensions (continued)

Contributions

The District has adopted the PARS Public Agencies Post-Retirement Health Care Plan Trust Agreement, including the PARS Post-Retirement Health Care Plan, as part of the District's retirement program. The District intends to fund the other postemployment benefits (OPEB) obligation into the PARS Trust. The contribution requirements of Plan members and the District are established and amended by the District. The District contributed $33,801 to the plan during the current year and $57,379 in the prior year.

Net OPEB Liability

The District's net OPEB liability was measured as of April 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of April 30, 2022. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Discount rate	6.00%
Inflation	2.50% per year
Salary increases	3.00% per year
Investment rate of return	6.00%, net of OPEB plan investment income
Mortality rate	CalPERS mortality miscellaneous rates from the most recent experience study
Healthcare trend rate	5.2% for 2023 through 2034; 5.0% for 2035 through 2049; and 4.50% for 2050 through 2064; and 4.00% percent for 2065 and later years.

Mortality rates were based on the CalPERS mortality miscellaneous rates from the most recent experience study (1997-2015). The actuarial assumptions used in the April 30, 2022 valuation were based on a review of plan experience during the period May 1, 2018 to April 30, 2022.

Note 5: Postemployment benefits other than pensions (continued)

Discount rate

GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return. To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated. For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The District has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used to measure the total OPEB liability is equal to the long-term expected rate of return.

Long-term expected rate of return

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset class	Target allocation	Long-term expected real rate of return	Long-term real rate of return
Broad US. Equity	50%	4.40%	5.30%
U.S. Fixed	50%	1.50%	0.90%
Total	100%		

Note 5: Postemployment benefits other than pensions (continued)

Changes in the Net OPEB Liability

The components of the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (B)	Net OPEB Liability (c) = (a) - (b)
Balance at April 30, 2022	$ 3,137,269	$ 1,847,475	$ 1,289,794
Changes recognized for the measurement period:			
Service cost	85,439	-	85,439
Interest	193,599	-	193,599
Changes of assumptions	94,979	-	94,979
Difference between expected and actual experience	(27,184)	-	(27,184)
Contributions - employer	-	163,392	(163,392)
Net investment income	-	798	(798)
Benefit payments	(129,591)	(129,591)	-
Administrative expenses	-	(10,602)	10,602
Net Changes	217,242	23,997	193,245
Balance at April 30, 2023	$ 3,354,511	$ 1,871,472	$ 1,483,039

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, as well as what the net OPEB 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 discount rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net OPEB Liability	$ 1,900,284	$ 1,483,039	$ 1,135,436

Note 5: Postemployment benefits other than pensions (continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability, as well as what the 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 rate.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	$ 1,080,109	$ 1,483,039	$ 1,976,422

Recognition of deferred outflows and deferred inflows of resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and Actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.4 Years at April 30, 2023)

Note 5: Postemployment benefits other than pensions (continued)

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

For the fiscal years ended April 30, 2023 and 2022, the District recognized OPEB expense of $227,059 and $159,082, respectively.

As of April 30, 2023, the District has deferred outflows and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs	$ 127,489	$ -
Differences between expected and actual experience	9,356	22,936
Differences between projected and actual return on OPEB plan investments	275,112	121,157
Total	$ 411,957	$ 144,093

As of April 30, 2022, the District has deferred outflows and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 59,493	$ -
Differences between expected and actual experience	11,755	-
Net difference between projected and actual earnings on OPEB plan investments	249,873	182,835
Total	$ 321,121	$ 182,835

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

April 30, 2023		April 30, 2022	
Fiscal year ended April 30:	Deferred outflows/(inflows) of resources	Fiscal year ended April 30:	Deferred outflows/(inflows) of resources
2024	$ 61,507	2023	$ 25,376
2025	41,418	2024	26,475
2026	101,996	2025	6,386
2027	48,113	2026	66,964
2028	14,830	2027	13,085
Thereafter	-	Thereafter	-
	$ 267,864		$ 138,286

Note 6: Risk management

The District is exposed to various risks of loss due to threats, theft of (or damage to and destruction of) assets, error and omissions, injuries to employees, and natural disasters. The District participates in a joint venture under a Joint Powers Agreement (JPA) with the Association of California Water Agencies Joint Powers Insurance Authority (the Authority). The Authority is a risk-pooling self-insurance authority created under the provisions of California Government Code Section 6500 et. sec.

The Authority is governed by a board consisting of a representative from each member agency. The board controls the operations of the Authority including selection of management and approval of operating budgets. The relationship between the District and the Authority is such that the Authority is not a component unit of the District for financial reporting purposes.

The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. At April 30, 2023, the District participation in the insurance programs of the Authority is shown as follows:

Liability	Deductible	Pooled Self Insured	Third Party
General liability	None	$ 5,000,000	up to $55,000,000
Auto liability	None	5,000,000	up to $55,000,000
Public officials liability	None	5,000,000	up to $55,000,000
Property			
Buildings and equipment	$ 5,000		$500,000,000
Mobile equipment	5,000		500,000,000
Licensed vehicle	1,000		500,000,000

Note 7: Lease Liability

On May 1, 2022, the District entered into leases as a Lessee for the use of Image Source Copier for 63 months. The initial lease liability was recorded as $14,490. As of April 30, 2023, the value of the lease liability is $11,440. The District is required to make monthly fixed payments of $267. The lease has an interest rate of 5.01%. The equipment estimated useful life was 63 months as of the contract commencement. The value of the right-to-use asset as of April 30, 2023 is $14,490 with accumulated amortization of $2,760, which is detailed in Note 3.

A summary of changes in the lease liability follows:

	Balance as of April 30, 2022	Additions	Deletions	Balance as of April 30, 2023	Current portion
Lease liability	$ 1,968	$ 14,490	$ (5,018)	$ 11,440	$ 2,905

Note 7: Lease Liability (continued)

The future minimum lease payments and the net present value of the minimum lease payments as of April 30, 2023 were as follows:

Year ending April 30,	Principal	Interest	Total
2024	$ 2,905	$ 298	$ 3,203
2025	2,766	437	3,203
2026	2,634	569	3,203
2027	2,508	695	3,203
2028	627	174	3,203
	$ 11,440	$ 2,173	$ 16,015

Required Supplementary Information
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios of the Measurement Date
Last 10 Years*

Measurement Date	Employer's Proportion of the Collective Net Pension Liability[1]	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	0.02405%	$ 1,533,442	$ 785,468	195.23%	73.95%
6/30/2015	0.02507%	1,720,595	781,561	220.15%	71.40%
6/30/2016	0.02228%	1,928,066	836,877	230.39%	69.21%
6/30/2017	0.02107%	2,089,237	990,693	210.89%	71.19%
6/30/2018	0.01970%	1,898,460	938,305	202.33%	75.76%
6/30/2019	0.01869%	1,914,909	1,013,004	189.03%	77.54%
6/30/2020	0.01928%	2,097,684	1,099,883	190.72%	77.24%
6/30/2021	0.01734%	937,927	1,127,844	83.16%	90.40%
6/30/2022	0.02007%	2,318,644	1,034,509	224.13%	77.77%

[1] Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

* Measurement date 6/30/2014 (fiscal year 2014-15) was the first year of implementation. Additional years to be presented as information becomes available.

Required Supplementary Information
Schedule of Pension Plan Contributions
Last 10 Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
4/30/2015	$ 246,141	$ (246,141)	$ -	$ 781,561	31.49%
4/30/2016	333,081	(333,081)	-	836,877	39.80%
4/30/2017	243,135	(243,135)	-	990,693	24.54%
4/30/2018	312,317	(312,317)	-	938,305	33.29%
4/30/2019	191,851	(191,851)	-	1,013,004	18.94%
4/30/2020	277,372	(277,372)	-	1,099,883	25.22%
4/30/2021	344,394	(344,394)	-	1,127,844	30.54%
4/30/2022	284,085	(284,085)	-	1,034,509	27.46%
4/30/2023	373,346	(373,346)	-	1,186,477	31.47%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 4/30/2015 was the first year of implementation. Additional years to be presented as information becomes available.

Required Supplementary Information
Schedule of the Net Position OPEB Liability and Related Ratios as of the Measurement Date
Last 10 Years*

Measurement Date - June 30	2019	2020	2021	2022	2023
Total OPEB Liability					
Service cost	$ 55,846	$ 224,394	$ 67,588	$ 69,616	$ 85,439
Interest on the Total OPEB Liability	155,717	164,228	175,003	181,435	193,599
Actual and expected experience difference	-	-	(168,352)	-	(27,184)
Changes in assumptions	-	-	83,777	-	94,979
Benefit payments	(137,421)	(122,815)	(140,548)	(134,197)	(129,591)
Net change in Total OPEB Liability	74,142	265,807	17,468	116,854	217,242
Total OPEB Liability - beginning	2,662,998	2,737,140	3,002,947	3,020,415	3,137,269
Total OPEB Liability - ending (a)	2,737,140	3,002,947	3,020,415	3,137,269	3,354,511
Plan Fiduciary Net Position					
Contribution - employer	195,651	96,126	216,089	191,576	163,392
Net investment income	89,713	(6,248)	402,833	(133,025)	798
Benefit payments	(137,421)	-	(140,548)	(134,197)	(129,591)
Administrative expense	(7,591)	(8,559)	(9,748)	(11,746)	(10,602)
Net change in Plan Fiduciary Net Position	140,352	81,319	468,626	(87,392)	23,997
Plan Fiduciary Net Position - beginning	1,244,570	1,384,922	1,466,241	1,934,867	1,847,475
Plan Fiduciary Net Position - ending (b)	1,384,922	1,466,241	1,934,867	1,847,475	1,871,472
Net OPEB Liability - ending (a) - (b)	$ 1,352,218	$ 1,536,706	$ 1,085,548	$ 1,289,794	$ 1,483,039
Plan fiduciary net position as a percentage of the total OPEB liability	50.60%	48.83%	64.06%	58.89%	55.79%
Covered-employee payroll	$ 873,686	$ 1,160,617	$ 1,196,926	$ 1,039,553	$ 1,174,452
Net OPEB liability as a percentage of covered-employee payroll	154.77%	132.40%	90.69%	124.07%	126.27%

Notes to schedule:
There were no changes in assumptions from the prior valuation.

* = Measurement date 4/30/19 (fiscal year 2018-19) was the first year of implementation. Additional years to be presented as information becomes available.

Required Supplementary Information
Schedule of OPEB Plan Contributions
Last 10 Years*

Fiscal Year Ended April 30	2019	2020	2021	2022	2023
Actuarially Determined Contributions (ADC)	$ 129,545	$ 133,431	$ 149,323	$ 153,803	$ 163,188
Contributions in relation to the ADC	(58,230)	(96,126)	(75,541)	(57,379)	(33,801)
Contribution deficiency/(excess)	$ 71,315	$ 37,305	$ 73,782	$ 96,424	$ 129,387
Covered-employee payroll	$ 1,160,617	$ 1,196,926	$ 1,039,553	$ 1,174,452	$ 1,186,477
Contribution as a percentage of covered-employee payroll	5.02%	8.03%	7.27%	4.89%	2.85%

Notes to schedule:

Contributions are fixed and not based on a measure of pay, therefore covered-employee payroll is used in the schedule.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll, closed
Amortization Period	30 years
Asset Valuation Method	Market value
Inflation	2.50% in 2023; 2.75% in 2021 and 2022; 3.00% in 2020 and 2019
Salary Increases	3.00%
Investment Rate of Return	6.00%, net of OPEB plan investment expense
Healthcare Trend	5.2 percent for 2023 through 2034; 5.0% for 2035 through 2049; 4.5% for 2050 through 2064; and 4.0%
Retirement Age	5 percent at age 55; 8 percent at age 56; 10 percent at age 57; 12 percent at age 58; 15 percent at age 59; 18 percent at age 60; 20 percent at age 61; 22 percent at age 62; 25 percent at age 63; 30 percent at age 64; 35 percent at age 65; 40 percent at age 66; and 100
Mortality	CalPERS mortality miscellaneous rates from the most recent experience study (1997-2015)

* = Fiscal year 2018-19 was the first year of implementation. Additional years to be presented as information becomes available.

Supplementary Information
Schedule of Utility Plant and Accumulated Depreciation
April 30, 2023

	COST OF UTILITY PLANT				ACCUMULATED DEPRECIATION			
	Balance April 30, 2022	Additions	Retirements	Balance April 30, 2023	Balance April 30, 2022	Provision	Retirements	Balance April 30, 2023
LAND:								
Land	$ 281,164	$ -	$ -	$ 281,164	$ -	$ -	$ -	$ -
	281,164	-	-	281,164	-	-	-	-
SOURCE OF SUPPLY PLANT:								
Structures and improvements	13,921	-	-	13,921	10,440	696	-	11,136
Wells, springs and infiltration galleries	567,831	374,659	-	942,490	407,793	18,553	-	426,346
Crestline-Lake Arrowhead Water Agency								-
meter connection	58,426	-	-	58,426	24,886	-	-	24,886
	640,178	374,659	-	1,014,837	443,119	19,249	-	462,368
PUMPING PLANT:								
Structures and improvements	255,677	-	-	255,677	251,865	2,093	-	253,958
Pumping equipment	101,413	-	-	101,413	92,122	2,443	-	94,565
Telemetering equipment	38,548	-	-	38,548	38,550	-	-	38,550
	395,638	-	-	395,638	382,537	4,536	-	387,073
WATER TREATMENT:								
Structures and improvements	9,005	-	-	9,005	9,005	-	-	9,005
Equipment	90,914	-	(5,027)	85,887	81,627	7,294	(5,027)	83,894
	99,919	-	(5,027)	94,892	90,632	7,294	(5,027)	92,899
TRANSMISSION AND DISTRIBUTION PLANT:								
Structures and improvements	521,089	-	-	521,089	446,350	11,869	-	458,219
Reservoirs and tanks	6,378,091	-	-	6,378,091	3,542,987	196,429	-	3,739,416
Transmission and distribution mains	8,540,004	-	-	8,540,004	5,558,669	145,813	-	5,704,482
Hydrants	298,759	-	-	298,759	283,175	1,039	-	284,214
Service taps	351,398	-	(8,615)	342,783	300,658	7,675	(8,615)	299,718
Meters	1,593,591	-	-	1,593,591	836,833	79,680	-	916,513
Equipment	23,816 *	(23,816)	-	-	-	-	-	-
	17,706,748	(23,816)	(8,615)	17,674,317	10,968,672	442,505	(8,615)	11,402,562
GENERAL PLANT:								
Structure and improvements	1,263,013 *	23,816	-	1,286,829	1,099,717	39,688	-	1,139,405
Office furniture and equipment	288,855	-	(18,360)	270,495	167,101	21,863	(18,360)	170,604
Transportation equipment	616,837	-	-	616,837	463,070	52,760	-	515,830
Tools, shop and garage equipment	431,480	12,497	(1,338)	442,639	429,404	2,243	(1,338)	430,309
Communication equipment	122,844	-	-	122,844	106,549	2,538	-	109,087
	2,723,029	36,313	(19,698)	2,739,644	2,265,841	119,092	(19,698)	2,365,235
Totals	$ 21,846,676	$ 387,156	$ (33,340)	$ 22,200,492	$ 14,150,801	$ 592,676	$ (33,340)	$ 14,710,137

*Reclassification of asset in the current year, not an addition/retirement.

Supplementary Information
History and Organization

The District was organized on January 19, 1954, under authority of the California Water Code.

A bond issue of $460,000 was authorized by an election held on January 25, 1955. General Obligation Water Bonds of 1955 - First Division were issued and sold as of April 1, 1955, in the amount of $350,000. The utility water plant was purchased from the Crestline Village Mutual Service Company on May 15, 1955, at a cost of $283,369. The balance of the bond issue proceeds were used to pay the cost of the District's formation and to acquire additional plant facilities. The First Division bond was paid off in April 1987.

The remaining $110,000 of authorized bonds, designated "General Obligation Water Bonds, Election 1955 - Second Division," were sold as of November 1, 1972. Proceeds of the bond issue were invested in certificates of deposit until used in the District's Master Plan. The Second Division bond was paid off in November 1987. On October 1, 1979, the District almost doubled in growth by signing a purchase agreement to acquire the Lake Gregory Water Company.

Directors of the District Board as of April 30, 2023, were as follows:

Cory Hubble, President
William Barrera, Vice, President
Steven C. Farrell, Director
Kenneth Stone, Director
Leslie Brister, Director

As of April 30, 2023, the General Manager and Secretary to the Board was Thomas Weddle, and the office manager was Josselyn Quine.

Supplementary Information
History and Organization

In 1968, the Board of Directors adopted a Master Plan for construction to modernize and expand the District's utility plant and to provide facilities to receive and distribute water from the California Water Project. The Master Plan was updated in 1972. In March 1972, the District began receiving Feather River water. The Master Plan continues to be updated to meet future water demands of the District.

Effective July 2013, the Board of Directors approved rate reductions in the Monthly Minimum Charge to equalize rates across all customers. In January 2017, all monthly minimum rates were increased by $8.00 per month.

Meter size	Effective May, 2022	Effective May, 2021	Effective May, 2020
5/8 X 3/4 inch meter	$ 32.50	$ 31.50	$ 30.50
3/4 inch meter	33.50	32.50	31.50
1 inch meter	34.50	33.50	32.50
1 inch meter (residential fire service)	36.75	35.75	34.75
1 1/2 inch meter	38.50	37.50	36.50
2 inch meter	43.50	42.50	41.50
3 inch meter	49.50	48.50	47.50
4 inch meter	72.50	71.50	70.50

In addition to the monthly minimum charge, monthly water usage for Division 10 and 20 was increased in July 2004. There was no change in monthly water usage charges with the January 2017 monthly minimum rate change.

	Effective July, 2021 Per 100 cu ft	Effective July, 2004 Per 100 cu ft	Effective July, 1993 Per 100 cu ft
Water usage from 0 through 1,300 cubic feet	$ 5.10	$ 4.20	$ 3.75
Water usage in excess of 1,300 cubic feet	7.65	6.30	5.63

Supplementary Information
History and Organization

Active metered services for the District changed during the fiscal year ended April 30, 2023, as follows:

April 30, 2023	4,991
April 30, 2022	4,987
	4

The San Bernardino County Auditor – Controller's schedule of Agency Net Valuations, listed the following tentative assessed valuations for the fiscal year 2022-23, from which the total amount of tax or levy was calculated:

	General District Assessed Valuation
Secured	$ 1,098,547,649
Utility	48,553
Unsecured	3,092,843
	$ 1,101,689,045
Total Levy	$ 312,537

The San Bernardino County's 2022-23 allocation of the $1 maximum tax rate per $100 assessed valuation to the District was a levy of approximately $.0284 per $100 assessed valuation.

Supplementary Information
Statement of Net Position Comments

Utility plant

A summary of capital asset additions by principal classification is presented in Schedule One. The 2022-23 additions are as follows:

Acct	Description	Cost
160107	***Wells, Springs, Etc.***	
	Electra Well	$ 374,659
	Sub-total	374,659
164140	***Transmission and Distribution Plan***	
	Track Rig 170 gal Trailer Unit	12,497
	Sub-total	12,497
	Total additions	$ 387,156

Construction in progress

Construction jobs in progress at April 30, 2023 consisted of the following:

Description	Incurred to April 30, 2023
Dump truck	$ 10,000
	$ 10,000

CURRENT ASSETS

At April 30, 2023, the District had $3,225,260 in cash held in a bank, a credit union and the Local Agency Investment Fund. The following summary shows the amounts in each of the District's accounts and the designated use of the funds:

California Bank & Trust – General account	$ 492,362
California Bank & Trust – Payroll account	45,358
Arrowhead Credit Union – Savings	36,952
Arrowhead Credit Union – Checking	22,526
Local Agency Investment Fund	1,633,570
Negotiable Certificates of Deposit	990,736
Money Market Funds	3,756
Total cash in financial institutions	$ 3,225,260

Supplementary Information
Statement of Net Position Comments

Prepaid expenses of $90,160 are applicable to future periods.

The property taxes receivable, net of the allowance for uncollectible taxes and availability assessments, are shown below:

Property taxes receivable	$	19,587
Allowance for uncollectible taxes		(1,600)
Net property taxes receivable	$	17,987
Availability assessments receivable	$	22,295

CURRENT LIABILITIES

Accounts payable at April 30, 2023, consisted of the following:

Purchased water – CLAWA	$	18,177
Current billings for supplies and expenses		38,291
Inventory		2,342
Total accounts payable	$	58,810

Overtime and paid time off are computed in hours. The total hours accumulated by each employee is multiplied by the employee's present hourly rate to determine the dollar amount of accrued overtime leave and accrued paid time off. The balance at April 30, 2023 for accrued overtime and accrued paid time off was $6,276 and $98,894, respectively.

The District withdrew from Social Security on January 1, 1983, and adopted an ING (Aetna Life Insurance Company) Money Purchase Pension Plan. On May 4, 2007, the District's ING Money Purchase Plan was terminated and on that same date the District started participating in the California Public Employees' Retirement System (CalPERS).

Supplementary Information
Revenue and Expense Comments

The following is a comparison of the residential and business water sales by month for the year ended April 30, 2023 and 2022 (unaudited):

Month	2023	2022
May	$ 265,274	$ 264,481
June	297,520	292,653
July	307,572	314,055
August	320,420	329,646
September	312,591	305,668
October	286,191	293,870
November	276,843	272,130
December	264,260	260,877
January	270,120	261,826
February	263,542	260,482
March	253,322	252,126
April	263,752	244,219
Total sales	$ 3,381,407	$ 3,352,033

The following is a comparison of the water consumption by month for the year ended April 30, 2023 and 2022 (unaudited):

	Per 100 Cubic Feet Consumed	
Month	2023	2022
May	20,123	20,067
June	24,424	27,098
July	25,977	28,693
August	28,237	30,490
September	26,837	26,962
October	22,803	23,804
November	21,436	21,535
December	19,483	18,959
January	19,413	21,664
February	18,970	16,945
March	16,946	19,641
April	18,741	18,490
Totals (In 100 Cubic Feet)	263,390	274,348

Supplementary Information
Revenue and Expense Comments

The following is a comparison of the water purchased from the Crestline-Lake Arrowhead Water Agency by month for the year ended April 30, 2023 and 2022:

Month	2023	2022
May	$ 34,272	$ 34,420
June	60,674	61,411
July	105,287	88,899
August	84,718	62,044
September	55,296	66,463
October	47,331	42,601
November	46,906	39,484
December	36,673	32,333
January	33,623	35,507
February	19,632	29,422
March	41,944	34,586
April	18,177	28,046
Totals	$ 584,533	$ 555,216