crestline village WATER DISTRICT

Financial Statements
and
Independent Auditor's Report

April 30, 2021 and 2020

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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 year ended April 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Districts 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, 2021 and 2020, 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

The District's 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 one year after the date that the financial statements are issued.

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 opinion. 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 of the District. 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.

Such 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
November 2, 2021

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 4,960 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 287 acre-feet of water, or 40% of the total supply, while purchased imported water provided approximately 435 acre-feet, or 60% of the total water supply. The current cost to purchase one acre-foot of imported water is $1,359, while the cost of producing one acre-foot of well water is approximately $353. 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, $380,627 was spent on purchased water (prior year was $204,336) and $475,000 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 July 1, 2020. The monthly minimum charge is dependent on the size of the meter, and ranges from $30.50 to $70.50 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

	2021	2020	2019
Assets			
Current assets	$ 3,298,732	$ 2,843,006	$ 2,486,150
Utility plant	8,368,580	8,886,891	9,468,616
Total assets	11,667,312	11,729,897	11,954,766
Total deferred outflows of resources	660,868	459,009	531,384
Liabilities			
Current liabilities	203,770	160,818	205,782
Non current liabilities	3,185,202	3,456,440	3,258,247
Total liabilities	3,388,972	3,617,258	3,464,029
Total deferred inflows of resources	331,683	239,241	98,242
Net position			
Net investment in capital assets	8,363,755	8,879,322	9,458,410
Unrestricted	243,770	(546,915)	(534,531)
Total net position	$ 8,607,525	$ 8,332,407	$ 8,923,879

NET POSITION AND CASH FLOWS

During the current fiscal year, net position of the District increased by $275,118. The District had a net increase in cash for the year of $307,976. During the prior year, the net position decreased by $591,472 with an increase in cash of $372,033. The ratio of current assets to current liabilities is 16:2 compared with 17.7 for the prior fiscal year.

Summary Financial Information and Analysis (continued)

CAPITAL IMPROVEMENTS

	Balance April 30, 2021	Balance April 30, 2020	Balance April 30, 2019
Land and other land rights	$ 281,164	$ 281,164	$ 281,164
Source of supply plant	595,737	595,737	637,899
Pumping plant	395,638	395,638	395,638
Water treatment	99,919	99,919	108,744
Transmission and distribution plant	17,736,140	17,736,140	17,605,252
General plant	2,713,218	2,626,922	2,674,009
Utility plant in service	21,821,816	21,735,520	21,702,706
Less accumulated depreciation	(13,632,178)	(13,027,298)	(12,574,855)
Construction in progress	178,942	178,669	340,765
Total	$ 8,368,580	$ 8,886,891	$ 9,468,616

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 $86,296 in utility plant compared to $214,716 in the prior year.

Summary Financial Information and Analysis (continued)

For the 2021-22 fiscal year, the District has planned the following improvements:

Discretionary Appropriations		
Inventory	$	30,000
Mainline Extension		40,000
Chateau Approx.600 LF @ $67.00		
Well Development		
Electra Vertical		
Site Preparation		50,000
Treatment		100,000
Well Exploration		5,000
Other Improvements		20,000
Field Equipment		
Vehicle Replacement - F150 4x4		44,500
Source Meters (2)		5,000
General		15,000
Office & Maintenance Facility		
Energy Upgrades		5,000
Emergency Preparedness		15,000
General		5,000
Office Equipment		
General		5,000
Office Computer Equipment		10,000
Total	$	349,500

NET PENSION LIABILITY

The District reported a net pension liability of $2,097,684 in addition to associated deferred outflows of resources of $514,809 and deferred inflows of resources of $87,170. This was an increase of $182,775 from the prior year net pension liability of $1,914,909 and was based on actuarially determined amounts.

NET OPEB LIABILITY

The District reported a net OPEB liability of $1,085,548 in addition to associated deferred outflows of resources of $146,059 and deferred inflows of resources of $244,513. This was an increase of $451,158 from the prior year net pension liability of $1,536,706 and was based on actuarially determined amounts.

Summary Financial Information and Analysis (continued)

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

	2021	2020	2019
Operating revenues:			
Water sales	$ 3,306,408	$ 2,752,371	$ 2,730,178
Water services	73,058	76,047	80,572
Total operating revenues	3,379,466	2,828,418	2,810,750
Operating expenses:			
Source of supply - labor and maintenance	101,189	115,039	88,583
Source of supply - purchased water	380,627	204,336	458,085
Pumping - labor and maintenance	34,790	16,689	6,351
Pumping - power purchased	67,042	57,949	44,430
Water treatment	24,517	32,867	13,409
Transmission and distribution	468,000	345,431	259,290
Customer accounts	39,727	40,392	45,093
Administrative and general	1,830,314	2,463,924	2,015,597
Depreciation and amortization	604,880	628,856	658,995
Total operating expenses	3,551,086	3,905,483	3,589,833
Operating loss	(171,620)	(1,077,065)	(779,083)
Nonoperating revenues/expenses, net	438,670	477,891	411,042
Income (loss) before contributions	267,050	(599,174)	(368,041)
Capital contributions	8,068	7,702	25,327
Change in net position	$ 275,118	$ (591,472)	$ (342,714)

Analysis for fiscal year ended April 30, 2021

The operating revenues for this fiscal year were $3,379,466. The operating expenses for this fiscal year were $3,551,086. Operating losses for this fiscal year was $171,620. Increases in water sales and service revenues resulting from increased demand were offset by increases in source of supply, pumping, and transmission and distribution costs along with decreased costs for administration and general expenses primarily from actuarial pension and OPEB expenses, resulting in a decrease in net operating loss of $905,445.

Net nonoperating revenues from property taxes, availability assessments, interest and other income/expenses resulted in $438,670 nonoperating income.

Income before contributions was $267,050 (operating loss of $171,620 plus net nonoperating income of $438,670) for the current fiscal year. Income before contributions of $267,050 is added to the capital contributions of $8,068 for a change in net position for the current fiscal year of $275,118.

Analysis for fiscal year ended April 30, 2020

The operating revenues for the prior fiscal year were $2,828,418. The operating expenses were $3,905,483. Operating losses were $1,077,065. Increases in water sales and service revenues resulting from increased demand were offset by increases in transmission and distribution costs along with decreased costs for purchased water and increased costs of administration and general expenses resulting in an increase in net operating loss of $297,982.

Net nonoperating revenues from property taxes, availability assessments, interest and other income/expenses resulted in $477,891 nonoperating income.

Loss before contributions was $599,174 (operating loss of $1,077,065 plus net nonoperating income of $477,891) for the current fiscal year. Loss before contributions of $599,174 is added to the capital contributions of $7,702 for a change in net position (decrease) for the current fiscal year of $591,472.

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, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash in bank and on hand	$ 190,549	$ 268,095
Local Agency Investment Fund	2,511,780	2,126,258
Accounts receivable - water service, net	315,538	213,533
Accrued interest receivable	709	2,898
Inventory of materials and supplies	136,445	107,768
Prepaid expenses	64,450	42,225
Availability assessments receivable	41,722	40,759
Property taxes receivable, net	37,539	41,470
Total current assets	3,298,732	2,843,006
Noncurrent assets:		
Capital assets:		
Utility plant in service	21,821,816	21,735,520
Less accumulated depreciation	(13,632,178)	(13,027,298)
Construction in progress	178,942	178,669
Total noncurrent assets	8,368,580	8,886,891
Total assets	11,667,312	11,729,897
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	514,809	459,009
OPEB related	146,059	-
Total deferred inflows of resources	660,868	459,009

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

Statements of Net Position (continued)
April 30, 2021 and 2020

	2021	2020
LIABILITIES		
Current liabilities:		
Accounts payable	$ 68,412	$ 29,966
Deposits	800	800
Accrued payroll	20,568	4,300
Accrued overtime leave	2,911	7,096
Accrued paid time off	108,224	115,912
Lease payable - current portion	2,855	2,744
Total current liabilities	203,770	160,818
Non current liabilities:		
Lease payable	1,970	4,825
Net pension liability	2,097,684	1,914,909
Net OPEB obligation	1,085,548	1,536,706
Total non current liabilities	3,185,202	3,456,440
Total liabilities	3,388,972	3,617,258
DEFERRED INFLOWS OF RESOURCES		
Pension related	87,170	160,566
OPEB related	244,513	78,675
Total deferred inflows of resources	331,683	239,241
NET POSITION		
Net investment in capital assets	8,363,755	8,879,322
Unrestricted	243,770	(546,915)
Total net position	$ 8,607,525	$ 8,332,407

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, 2021 and 2020

	2021	2020
Operating revenues:		
Water sales	$ 3,306,408	$ 2,752,371
Water services	73,058	76,047
Total operating revenues	3,379,466	2,828,418
Operating expenses:		
Source of supply:		
Supply process costs	74,237	66,153
Maintenance - structures and improvements	26,952	48,886
Purchased water	380,627	204,336
	481,816	319,375
Pumping:		
Maintenance - structures, improvements and equipment	34,790	16,689
Power purchased for pumping	67,042	57,949
	101,832	74,638
Water treatment:		
Treatment process costs	15,377	16,028
Maintenance - structures and improvements	9,140	16,839
	24,517	32,867
Transmission and distribution:		
Maintenance - structures and plant	468,000	345,431
Customer accounts:		
Billing, meter reading and customer service	39,727	40,392

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

Statements of Revenues, Expenses, and Changes in Net Position (continued)
For the years ended April 30, 2021 and 2020

	2021	2020
Administration and general:		
Salaries	$ 560,923	$ 505,367
Office supplies and other expense	419,319	363,715
Property insurance, injuries and damages	66,736	74,669
Employees' retirement and benefits	674,970	1,381,776
Maintenance - general plant	102,166	130,897
Directors' fees	6,200	7,500
	1,830,314	2,463,924
Other operating expenses:		
Depreciation and amortization	604,880	628,856
Total operating expenses	3,551,086	3,905,483
Operating loss	(171,620)	(1,077,065)
Nonoperating revenues and expenses:		
Interest	3,425	59,141
Taxes and assessments	268,271	252,342
Availability assessments	141,374	138,550
Interest expense	(253)	(360)
Gain (Loss) on disposal of utility plant	-	11,218
Other	25,853	17,000
Total nonoperating revenues (expenses)	438,670	477,891
Loss before contributions	267,050	(599,174)
Contributions:		
Capital contributions	8,068	7,702
Change in net position	275,118	(591,472)
Net position, beginning of the year	8,332,407	8,923,879
Net position, end of the year	$ 8,607,525	$ 8,332,407

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

Statements of Cash Flows
For the years ended April 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 3,277,461	$ 2,843,218
Cash paid to suppliers	(1,251,476)	(930,033)
Cash paid for employee services	(2,080,591)	(1,983,907)
Other revenue	25,853	17,000
Net cash used for operating activities	(28,753)	(53,722)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Taxes and assessments received	272,202	256,433
Availability assessments received	140,411	140,970
Net cash provided by noncapital financing activities	412,613	397,403
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash purchases of capital assets	(86,569)	(52,620)
Proceeds on retirement of capital assets	-	16,707
Capital contributions	8,068	7,702
Principal paid - capital lease	(2,744)	(2,637)
Interest paid - capital lease	(253)	(360)
Net cash used for capital and related financing activities	(81,498)	(31,208)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	5,614	59,560
Net cash provided by investing activities	5,614	59,560
Increase in cash and cash equivalents	307,976	372,033
Cash and cash equivalents, beginning of year	2,394,353	2,022,320
Cash and cash equivalents, end of year	$ 2,702,329	$ 2,394,353

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

Statements of Cash Flows (continued)
For the years ended April 30, 2021 and 2020

	2021	2020
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION:		
CURRENT ASSETS:		
Cash in bank and on hand	$ 190,549	$ 268,095
Local Agency Investment Fund	2,511,780	2,126,258
Total	$ 2,702,329	$ 2,394,353
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating loss	$ (171,620)	$ (1,077,065)
Adjustments:		
Depreciation and amortization	604,880	628,856
Other revenue	25,853	17,000
CHANGES IN ASSETS, LIABILITIES AND DEFERRALS:		
(Increase) decrease in:		
Accounts receivable - water services, net	(102,005)	16,400
Inventory of materials and supplies	(28,677)	2,250
Prepaid expenses	(22,225)	(10,403)
Deferred outflows of resources - pension	(55,800)	72,375
Deferred outflows of resources - OPEB	(146,059)	-
Increase (decrease) in:		
Accounts payable	38,446	(21,798)
Deposits	-	(1,600)
Accrued payroll	16,268	(32,500)
Accrued overtime leave	(4,185)	(1,022)
Accrued paid time off	(7,688)	11,849
Net pension obligation	182,775	16,449
Net OPEB obligation	(451,158)	184,488
Deferred inflows of resources - pension	(73,396)	140,999
Deferred inflows of resources - OPEB	165,838	-
Net cash (used for) provided by operating activities	$ (28,753)	$ (53,722)

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

None

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 $6,400 and $4,400 at April 30, 2021 and 2020, respectively. The allowance for doubtful property taxes receivable is $1,300 and $1,300 at April 30, 2021 and 2020, 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).

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

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.

Capital 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. 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, 2021 and 2020 was as follows:

April 30, 2021 Description	Beginning April 30, 2020	Additions	Deletions	Ending April 30, 2021
Accrued paid time off	$ 115,912	$ 98,563	$ (106,251)	$ 108,224

April 30, 2020 Description	Beginning April 30, 2019	Additions	Deletions	Ending April 30, 2020
Accrued paid time off	$ 104,063	$ 122,146	$ (110,297)	$ 115,912

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

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."

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.

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

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 2021	Fiscal Year 2020
Valuation Date (VD)	June 30, 2019	June 30, 2018
Measurement Date (MD)	June 30, 2020	June 30, 2019
Measurement Period (MP)	July 1, 2019 to June 30, 2020	July 1, 2018 to June 30, 2019

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.

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 2021	Fiscal year 2020
Valuation Date (VD)	April 30, 2020	May 1, 2018
Measurement Date (MD)	April 30, 2021	April 30, 2020
Measurement Period (MP)	May 1, 2020 to April 30, 2021	May 1, 2019 to April 30, 2020

Note 2: Cash and investments

Cash and investments as of April 30, 2021 and 2020 are classified in the accompanying financial statements as follows:

	2021	2020
Statements of net position:		
Current assets:		
Cash in bank and on hand	$ 190,549	$ 268,095
Cash in Local Agency Investment Fund	2,511,780	2,126,258
Total cash and investments	$ 2,702,329	$ 2,394,353

Cash and investments as of April 30, 2021 and 2020, consist of the following:

	2021	2020
Deposits with financial institutions	$ 190,049	$ 267,595
Cash on hand	500	500
Investment in Local Agency Investment Fund	2,511,780	2,126,258
Total cash and investments	$ 2,702,329	$ 2,394,353

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

For April 30, 2021, 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	1 year	None	None
Negotiable Certificates of Deposit	1 year	None	None
California Local Agency Investment Fund	N/A	None	$75 Million
Government Agency Securities	1 year	None	None

Note 2: Cash and investments (continued)

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, 2021 and 2020, the District had the following investments and maturities:

	2021		2020	
	Fair Value	Maturity	Fair Value	Maturity
State Investment pool	$ 2,511,780	8.5 months average	$ 2,126,258	6 months average

Investments with fair values highly sensitive to interest rate fluctuations

At April 30, 2021, and 2020 the District did not hold investments that were highly sensitive to interest rate fluctuations beyond that already indicated in the information provided above.

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, 2021			
State Investment Pool	$ 2,511,780	N/A	$ 2,511,780
April 30, 2020			
State Investment Pool	$ 2,126,258	N/A	$ 2,126,258

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, 2021 and 2020, the District did not hold any investments in any one issuer (other than external pools) that represent 5% or more of total District investments.

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, 2021 and 2020, none 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

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. The District has no investments subject to the fair value hierarchy established by generally accepted accounting principles.

Note 3: Capital assets

A summary of changes in capital assets follows:

April 30, 2021

	Balance April 30, 2020	Additions and Transfers	Retirements and Transfers	Balance April 30, 2021
Land and other land rights	$ 281,164	$ -	$ -	$ 281,164
Source of supply plant	595,737	-	-	595,737
Pumping plant	395,638	-	-	395,638
Water treatment	99,919	-	-	99,919
Transmission and distribution plant	17,736,140	-	-	17,736,140
General plant	2,626,922	86,296	-	2,713,218
Utility plant in service	21,735,520	86,296	-	21,821,816
Less accumulated depreciation	(13,027,298)	(604,880)	-	(13,632,178)
Construction in progress	178,669	273	-	178,942
Total	$ 8,886,891	$ (518,311)	$ -	$ 8,368,580

April 30, 2020

	Balance April 30, 2019	Additions and Transfers	Retirements and Transfers	Balance April 30, 2020
Land and other land rights	$ 281,164	$ -	$ -	$ 281,164
Source of supply plant	637,899	-	(42,162)	595,737
Pumping plant	395,638	-	-	395,638
Water treatment	108,744	-	(8,825)	99,919
Transmission and distribution plant	17,605,252	187,461	(56,573)	17,736,140
General plant	2,674,009	27,255	(74,342)	2,626,922
Utility plant in service	21,702,706	214,716	(181,902)	21,735,520
Less accumulated depreciation	(12,574,855)	(628,856)	176,413	(13,027,298)
Construction in progress	340,765	1,550	(163,646)	178,669
Total	$ 9,468,616	$ (412,590)	$ (169,135)	$ 8,886,891

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, 2021 are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or after 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 2021	11.74%	7.73%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and 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, 2021 and April 30, 2020, respectively, were $344,394 and $277,372. The actual employer payments of $277,372 made to CalPERS by the District during the measurement period ended June 30, 2020 differed from the District's proportionate share of the employer's contributions of $318,135 by $40,763, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan. The actual employer payments of $191,851 made to CalPERS by the District during the measurement period ended June 30, 2019 differed from the District's proportionate share of the employer's contributions of $273,875 by $82,024, which is also being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The Districts 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 is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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

	2021	2020
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	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	Contract COLA up to 2.50% until purchasing power	

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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[1]	New Strategic Allocation	Real Return Years 1 - 10[2]	Real Return Years 11+[3]
Global equity	50.0%	4.80%	5.98%
Global fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	100%		

[1] In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included Short-Term Investments; Inflation Assets are included in both Global Equity and Debt Securities.

[2] An expected inflation of 2.00% used for this period

[3] An expected inflation of 2.92% used for this period

Change of assumptions

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.

Discount rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. 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)

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.

Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the net pension liability over the measurement periods ended June 30, 2020 and 2019.

June 30, 2020	Increase (Decrease)		
Miscellaneous Plan	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability
Balance at: 6/30/2019 (VD)	$ 8,524,505	$ 6,609,596	$ 1,914,909
Balance at: 6/30/2020 (MD)	9,218,038	7,120,354	2,097,684
Net Changes During 2019-20	$ 693,533	$ 510,758	$ 182,775

June 30, 2019	Increase (Decrease)		
Miscellaneous Plan	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability
Balance at: 6/30/2018 (VD)	$ 7,832,428	$ 5,933,968	$ 1,898,460
Balance at: 6/30/2019 (MD)	8,524,505	6,609,596	1,914,909
Net Changes During 2018-19	$ 692,077	$ 675,628	$ 16,449

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

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

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, 2019 and 2020 measurement dates was as follows:

	Miscellaneous
Proportion Share of NPL - June 30, 2019	0.04782%
Proportion Share of NPL - June 30, 2020	0.04973%
Change - Decrease	0.00191%

	Miscellaneous
Proportion Share of NPL - June 30, 2018	0.05037%
Proportion Share of NPL - June 30, 2019	0.04782%
Change - Decrease	(0.00255%)

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability - 4/30/21	$ 3,324,379	$ 2,097,684	$ 1,084,103

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability - 4/30/20	$ 3,061,481	$ 1,914,909	$ 968,495

Subsequent events

There were no subsequent events that would materially affect the results presented in this disclosure.

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

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, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (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.

The EARSL for PERF C for the measurement period ending June 30, 2019 is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that 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, 2018 and 2019), the District's net pension liability was $1,914,909 and $1,898,460, respectively. For the measurement period ending June 30, 2020 and 2019 (the measurement dates), the District incurred a pension expense of $397,971 and $432,917, respectively.

As of April 30, 2021, 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	$ 108,100	$ -
Changes of Assumptions	-	(14,962)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	62,315	-
Change in Employer's Proportion	-	(21,486)
Difference in Actual vs Projected Contributions	-	(50,722)
Pension Contributions Subsequent to Measurement Date	344,394	-
	$ 514,809	$ (87,170)

The amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Contributions subsequent to the measurement date of $344,394 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	$ (27,160)
2023	29,189
2024	51,328
2025	29,888
2026	-
Thereafter	-
	$ 83,245

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

As of April 30, 2020, 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	$ 122,694	$ -
Changes of Assumptions	58,943	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(33,479)
Change in Employer's Proportion	-	(117,585)
Difference in Actual vs Projected Contributions	-	(9,502)
Pension Contributions Subsequent to Measurement Date	277,372	-
	$ 459,009	$ (160,566)

The amounts above are net of outflows and inflows recognized in the 2018-19 measurement period expense. Contributions subsequent to the measurement date of $277,372 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
2020	$ 108,082
2021	(74,438)
2022	(19,338)
2023	6,765
2024	-
Thereafter	-
	$ 21,071

Payable to the Pension Plan

At April 30, 2021, and 2020 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 plan 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 2020-21 and $1,565 for 2019-20, 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	13
Inactive employees or beneficiaries currently receiving benefits	9
Total	22

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 $75,541 to the plan during the current year and $96,126 in the prior year.

Net OPEB Liability

The District's net OPEB liability was measured as of April 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of April 30, 2020. 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	2.75% per year
Salary increases	3.00% per year
Investment rate of return	6.00%, net of OPEB plan investment income
Healthcare trend rate	5.2% for 2021 through 2049; 5.0% for 2050 through 2064; and 4.0% 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, 2020 valuation were based on a review of plan experience during the period May 1, 2018 to April 30, 2020.

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
Broad US. Equity	50%	4.40%
U.S. Fixed	50%	1.50%
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, 2020	$ 3,002,947	$ 1,466,241	$ 1,536,706
Changes recognized for the measurement period:			
Service cost	67,588	-	67,588
Interest	175,003	-	175,003
Changes of assumptions	83,777	-	83,777
Difference between expected and actual experience	(168,352)	-	(168,352)
Contributions - employer	-	216,089	(216,089)
Net investment income	-	402,833	(402,833)
Benefit payments	(140,548)	(140,548)	-
Administrative expenses	-	(9,748)	9,748
Net Changes	17,468	468,626	(451,158)
Balance at April 30, 2021	$ 3,020,415	$ 1,934,867	$ 1,085,548

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	$ 1,475,280	$ 1,085,548	$ 763,711

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	$ 718,798	$ 1,085,548	$ 1,536,130

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) (8.8 Years at April 30, 2020)

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, 2021 and 2020, the District recognized OPEB expense of $125,354 and $269,757, respectively.

As of April 30, 2021, 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	$ 71,635	$ -
Differences between expected and actual experience	14,154	-
Net difference between projected and actual earnings on OPEB plan investments	60,270	244,513
Total	$ 146,059	$ 244,513

As of April 30, 2020, the District has deferred outflows and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 78,675
Total	$ -	$ 78,675

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

April 30, 2021		April 30, 2020	
Fiscal year ended April 30:	Deferred outflows/(inflows) of resources	Fiscal year ended April 30:	Deferred outflows/(inflows) of resources
2022	$ (27,047)	2021	$ (19,943)
2023	(27,047)	2022	(19,943)
2024	(25,948)	2023	(19,943)
2025	(46,037)	2024	(18,846)
2026	14,541	2025	-
Thereafter	13,084	Thereafter	-
	$ (98,454)		$ (78,675)

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, 2021, the District participation in the insurance programs of the Authority is shown as follows:

	Deductible	Pooled Self Insured	Third Party
Liability			
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: Capital lease

The District entered into a lease agreement for the acquisition of a copier valued at $13,562. The equipment has a five-year estimated useful life. The net book value at April 30, 2021 is $5,425 (cost $13,562, accumulated depreciation $8,137).

The future minimum lease payments and the net present value of the minimum lease payments as of April 30, 2021 were as follows:

Year ending April 30,	Amount
2022	$ 2,997
2023	1,998
Total minimum lease payments	4,995
Less: amount representing interest	(170)
Present value of minimum lease payments	4,825
Less: current portion	(2,855)
Capital lease - long-term portion	$ 1,970

Required Supplementary Information

Schedule of the District's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date - Pension Plan
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	0.06272%	1,720,595	781,561	220.15%	71.40%
6/30/2016	0.05550%	1,928,066	836,877	230.39%	69.21%
6/30/2017	0.05300%	2,089,237	990,693	210.89%	71.19%
6/30/2018	0.05037%	1,898,460	938,305	202.33%	75.76%
6/30/2019	0.04782%	1,914,909	1,013,004	189.03%	77.54%
6/30/2020	0.04973%	2,097,684	1,099,883	190.72%	77.24%

[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.

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%

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: 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.

Schedule of Changes in the Net OPEB Liability and Related Ratios for the Measurement Date - OPEB Plan
Last 10 years*

Measurement Date	April 30, 2019	April 30, 2020	April 30, 2021
Total OPEB Liability			
Service cost	$ 55,846	$ 224,394	$ 67,588
Interest on the Total OPEB Liability	155,717	164,228	175,003
Actual and expected experience difference	-	-	(168,352)
Changes in assumptions	-	-	83,777
Benefit payments	(137,421)	(122,815)	(140,548)
Net change in Total OPEB Liability	74,142	265,807	17,468
Total OPEB Liability - beginning	2,662,998	2,737,140	3,002,947
Total OPEB Liability - ending (a)	2,737,140	3,002,947	3,020,415
Plan Fiduciary Net Position			
Contribution - employer	195,651	96,126	216,089
Net investment income	89,713	(6,248)	402,833
Benefit payments	(137,421)	-	(140,548)
Administrative expense	(7,591)	(8,559)	(9,748)
Net change in Plan Fiduciary Net Position	140,352	81,319	468,626
Plan Fiduciary Net Position - beginning	1,244,570	1,384,922	1,466,241
Plan Fiduciary Net Position - ending (b)	1,384,922	1,466,241	1,934,867
Net OPEB Liability - ending (a) - (b)	$ 1,352,218	$ 1,536,706	$ 1,085,548
Plan fiduciary net position as a percentage of the total OPEB liability	50.60%	48.83%	64.06%
Covered-employee payroll	$ 1,013,004	$ 1,099,883	$ 1,127,844
Net OPEB liability as a percentage of covered-employee payroll	133.49%	139.72%	96.25%

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

Fiscal Year Ended June 30	2019	2020	2021
Actuarially Determined Contributions (ADC)	$ 129,545	$ 129,545	$ 149,323
Contributions in relation to the ADC	(333,072)	(218,941)	(200,270)
Contribution deficiency/(excess)	$ (203,527)	$ (89,396)	$ (50,947)
Covered-employee payroll	$ 1,013,004	$ 1,099,883	$ 1,127,844
Contribution as a percentage of covered-employee payroll	12.79%	11.78%	13.24%

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	2.75% in 2021; 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% for 2021 through 2049; 5.0% for 2050 through 2064; and 4.0% for 2065 and later years.
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 percent at age 67
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.

Schedule of Utility Plant and Accumulated Depreciation
April 30, 2021

	COST OF UTILITY PLANT				ACCUMULATED DEPRECIATION			
	Balance April 30, 2020	Additions	Retirements	Balance April 30, 2021	Balance April 30, 2020	Provision	Retirements	Balance April 30, 2021
LAND:								
Land	$ 281,164	$ -	$ -	$ 281,164	$ -	$ -	$ -	$ -
	281,164	-	-	281,164	-	-	-	-
SOURCE OF SUPPLY PLANT:								
Structures and improvements	13,921	-	-	13,921	9,048	696	-	9,744
Wells, springs and infiltration galleries	556,930	-	-	556,930	371,698	18,633	-	390,331
Crestline-Lake Arrowhead Water Agency					-			-
meter connection	24,886	-	-	24,886	24,886	-	-	24,886
	595,737	-	-	595,737	405,632	19,329	-	424,961
PUMPING PLANT:								
Structures and improvements	255,677	-	-	255,677	243,195	4,335	-	247,530
Pumping equipment	101,413	-	-	101,413	87,236	2,443	-	89,679
Telemetering equipment	38,548	-	-	38,548	23,130	7,710	-	30,840
	395,638	-	-	395,638	353,561	14,488	-	368,049
WATER TREATMENT:								
Structures and improvements	9,005	-	-	9,005	9,005	-	-	9,005
Equipment	90,914	-	-	90,914	66,035	7,796	-	73,831
	99,919	-	-	99,919	75,040	7,796	-	82,836
TRANSMISSION AND DISTRIBUTION								
Structures and improvements	521,089	-	-	521,089	419,576	13,387	-	432,963
Reservoirs and tanks	6,378,091	-	-	6,378,091	3,150,129	196,429	-	3,346,558
Transmission and distribution mains	8,540,004	-	-	8,540,004	5,253,085	160,442	-	5,413,527
Hydrants	297,509	-	-	297,509	292,726	3,270	-	295,996
Service taps	382,040	-	-	382,040	311,759	11,108	-	322,867
Meters	1,593,591	-	-	1,593,591	677,473	79,680	-	757,153
Equipment	23,816	-	-	23,816	-	-	-	-
	17,736,140	-	-	17,736,140	10,104,748	464,316	-	10,569,064
GENERAL PLANT:								
Structure and improvements	1,263,013	-	-	1,263,013	1,020,342	39,687	-	1,060,029
Office furniture and equipment	264,571	30,433	-	295,004	131,682	19,225	-	150,907
Transportation equipment	552,959	44,185	-	597,144	406,286	35,410	-	441,696
Tools, shop and garage equipment	435,213	-	-	435,213	427,366	3,259	-	430,625
Communication equipment	111,166	11,678	-	122,844	102,641	1,370	-	104,011
	2,626,922	86,296	-	2,713,218	2,088,317	98,951	-	2,187,268
Totals	$ 21,735,520	$ 86,296	$ -	$ 21,821,816	$ 13,027,298	$ 604,880	$ -	$ 13,632,178

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, 2021, were as follows:

Connie S. Griffin, President
Steven C. Farrell, Vice President
Leslie Brister, Director
Cory Hubbell, Director
Kenneth Stone, Director

The General Manager and Secretary to the Board was Jordan W. Dietz. The Office Manager was Larrie Ann Davis. The current Office Manager is Jeanene Weiss.

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 July, 2020	Effective January, 2017	Effective July, 2013
5/8 X 3/4 inch meter	$ 30.50	$ 25.50	$ 17.50
3/4 inch meter	31.50	26.50	18.50
1 inch meter	32.50	27.50	19.50
1 inch meter (residential fire service)	34.75	29.75	21.75
1 1/2 inch meter	36.50	31.50	23.50
2 inch meter	41.50	36.50	28.50
3 inch meter	47.50	42.50	34.50

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, 2020 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

History and Organization

Active metered services for the District changed during the fiscal year ended April 30, 2021, as follows:

April 30, 2021	4,981
April 30, 2020	4,960
	21

The San Bernardino County Auditor – Controller's schedule of Agency Net Valuations, listed the following tentative assessed valuations for the fiscal year 2020-21, from which the total amount of tax or levy was calculated:

	General District Assessed Valuation
Secured	$ 939,484,568
Utility	48,553
Unsecured	3,081,121
	$ 942,614,242
Total Levy	$ 267,716

The San Bernardino County's 2020-21 allocation of the $1 maximum tax rate per $100 assessed valuation to the District was a levy of approximately $.0284 per $100 assessed valuation.

Statement of Net Position Comments

Utility plant

A summary of capital asset additions by principal classification is presented in Schedule One. The 2020-21 additions are as follows:

Description	Cost
Office Furniture & Equipment	
New Server with Treno Install	$ 30,433
Sub-total	30,433
Transporatation Equipment	
2021 F-150 Super Cab	44,185
Sub-total	44,185
Commumications Equipment	
Phone System	11,678
Sub-total	11,678
Total additions	$ 86,296

Construction in progress

Construction jobs in progress at April 30, 2021 consisted of the following:

Job Number	Description	Incurred to April 30, 2021
112198	Electra Vertical Well	$ 178,942
		$ 178,942

Statement of Net Position Comments

CURRENT ASSETS

At April 30, 2021, the District had $2,701,829 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	$ 112,814
California Bank & Trust – Payroll account	5,685
Arrowhead Credit Union – Savings	36,773
Arrowhead Credit Union – Checking	34,777
Local Agency Investment Fund	2,511,780
Total cash in financial institutions	$ 2,701,829

Prepaid expenses of $64,450 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	$ 38,839
Allowance for uncollectible taxes	(1,300)
Net property taxes receivable	$ 37,539
Availability assessments receivable	$ 41,722

CURRENT LIABILITIES

Accounts payable at April 30, 2021, consisted of the following:

Purchased water – CLAWA	$ 25,946
Current billings for supplies and expenses	42,346
Inventory	120
Total accounts payable	$ 68,412

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, 2021 for accrued overtime and accrued paid time off was $2,911 and $108,224, 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).

Revenue and Expense Comments

The following is a comparison of the residential and business water sales by month for the year ended April 30, 2021 and 2020 (unaudited-cash basis):

Month	2021	2020
May	$ 222,435	$ 217,400
June	247,410	227,444
July	251,514	247,712
August	319,160	255,065
September	337,234	255,584
October	311,890	298,373
November	296,778	237,545
December	264,143	211,106
January	262,861	213,781
February	261,157	203,970
March	244,127	208,743
April	285,061	212,458
Total sales	$ 3,303,770	$ 2,789,181

The following is a comparison of the water consumption by month for the year ended April 30, 2021 and 2020 (unaudited):

	Per 100 Cubic Feet Consumed	
Month	2021	2020
May	23,672	21,526
June	29,076	22,234
July	27,706	29,360
August	30,822	27,488
September	31,284	27,322
October	28,283	24,858
November	22,409	20,829
December	21,804	20,829
January	19,988	20,890
February	18,859	17,936
March	20,411	19,723
April	20,886	19,949
Totals (In 100 Cubic Feet)	295,200	272,943

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, 2021 and 2020:

Month	2021	2020
May	$ 17,988	$ 7,594
June	21,968	18,181
July	79,793	40,666
August	41,317	28,695
September	25,416	28,342
October	56,125	18,809
November	20,880	17,856
December	26,052	7,939
January	20,492	14,822
February	21,949	9,651
March	22,701	6,509
April	25,946	5,272
Totals	$ 380,627	$ 204,336