



January 17, 2024

Board of Directors and Management
Alpine Springs County Water District
Alpine Meadows, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alpine Springs County Water District for the fiscal year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 26, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Alpine Springs County Water District are described in Note 1 to the financial statements. As described in Note 1S to the financial statements, the District changed its accounting policies by adopting Statement of Governmental Accounting Standards (GASB) No. 92 – *Omnibus 2020*, during the fiscal year ended June 30, 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements were:

Management's estimate of Other Post Employment Benefit and Pension liabilities are based on actuarial studies and assumptions about future events.

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We evaluated the key factors and assumptions used to develop the Other Post Employment Benefit and Pension liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of the District's Pension presented in Note 8 and Other Post-Employment Benefits presented in Note 9 to the financial statements and under the Required Supplementary Information section. The disclosures are based on actuarial studies and assumptions about future events that could vary significantly from actual amounts incurred in the future.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached memorandum that accompanies this letter summarizes the adjusting journal entries of material misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 17, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the

consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control Communications

We considered Alpine Springs County Water District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. However, during our audit we became aware of a few matters that are opportunities for strengthening internal controls and operating efficiency. The Management Letter Memorandum that accompanies this letter summarizes the resolution of these matters.

Other Matters

We applied certain limited procedures to the management's discussion and analysis on pages 6 through 15 and the required supplementary information related to the Pension and Other Post-Employment Benefits on pages 60 through 63 of the financial statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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



DAMORE, HAMRIC & SCHNEIDER, INC.
Certified Public Accountants

Sacramento, CA

MANAGEMENT LETTER MEMORANDUM

Page 1 of 2

Investment Reconciliation Review

During our testing of the investment reconciliations, we noted that the reconciliations performed by the District Accountant are not being independently reviewed, resulting in a lack of internal controls over investments.

We recommend that the investment account reconciliations and supporting statements be forwarded to management for review. The review process should be documented.

Management's Response - Management acknowledges the recommendation and will document its review.

Fixed Assets

During our testing of fixed assets, we noted that for 6 out of the 7 fixed asset additions, incorrect asset acquisition dates were used. This resulted in an understatement of depreciation expense of \$16,692.

We recommend management to perform a periodic review of the depreciation schedule, including the acquisition dates, to ensure accuracy.

Management's Response - Management acknowledges the recommendation and going forward, the depreciation schedule will be reviewed by the general manager for accuracy.

Park Revenues - Stripe Procedures

In the current year, management started to utilize Stripe as a third-party service provider to facilitate the park fee payment process. During our testing of park fee revenues and the related payment process, we noted the followings:

- Periodic Stripe reports listing the park fee payments are not reconciled to the general ledger or to the District's bank statement.
- Further, park fee revenues are recorded net of service charges in the general ledger.

We recommend that management implement various procedures to ensure proper segregation of duties and accurate financial reporting over the park fee revenue transactions, including the followings:

MANAGEMENT LETTER MEMORANDUM

Page 2 of 2

Park Revenues - Stripe Procedures (Continued):

- Stripe reports should be reconciled to the general ledger and to the applicable bank statement on a periodic basis and the reconciliation should be reviewed and approved independently. The review and approval process should be documented.
- The park fee revenues should be recorded in gross, not net of service charges, in the general ledger.
- We recommend review of the controls listed and tested within Stripe's most recent SOC 1 report. If the SOC 1 report identifies noncompliance of the service organization's controls, consideration should be made as to the effects of the findings on the District's operations. Further, management should review the identified user controls. The SOC 1 report identifies user controls for which the District is responsible; these controls are typically referred to as "User Control Considerations." User controls are complementary to the controls of the service organization (Stripe) and are necessary for the service organization's controls to be achieved.

Management's Response - Management acknowledges the recommendations and going forward the various recommended procedures will be implemented to ensure proper segregation of duties and accurate financial reports.

Alpine Springs County Water District

ADJUSTING JOURNAL ENTRIES MEMORANDUM

Page 1 of 2

Account	Description	Debit	Credit	Net Income Effect
AJE 1				
To correct beginning retained earnings balances				
5-3000	Retained Earnings	347,874.53	0.00	
2-3000	Retained Earnings	0.00	41,313.00	
3-3000	Retained Earnings	0.00	32,689.00	
4-3000	Retained Earnings	0.00	185,945.00	
5-3000	Retained Earnings	0.00	82,670.00	
6-3000	Retained Earnings	0.00	5,257.53	
2-1240	Due from (to) Interfund	41,313.00	0.00	
3-1240	Due from (to) Interfund	32,689.00	0.00	
4-1240	Due from (to) Interfund	185,945.00	0.00	
5-1240	Due from (to) Interfund	0.00	265,204.53	
6-1240	Due from (to) Interfund	5,257.53	0.00	
Total		613,079.06	613,079.06	0.00
AJE 2				
To correct beginning fund balances of Governmental Funds				
3-3000	Retained Earnings	0.00	7,538.00	
3-1240	Due from (to) Interfund	0.00	7,003.00	
6-3000	Retained Earnings	5,257.53	0.00	
3-3005	Invest Plant & Equip	14,541.00	0.00	
6-3005	Invest Plant & Equip	9,408.00	0.00	
6-3002	Undesignated - GF	0.00	21,669.00	
6-1240	Due from (to) Interfund	7,003.47	0.00	
Total		36,210.00	36,210.00	0.00
AJE 3				
To record water usage revenue for snowmaking at year-end				
5-1150	Accounts Receivable	23,572.35	0.00	
5-4010	Water Revenue	0.00	23,572.35	
Total		23,572.35	23,572.35	23,572.35
AJE 4				
To record GASB 68 adjustments FYE 2023				
2-1610	Deferred Pension Outflows	1,651.00	0.00	
3-1610	Deferred Pension Outflows	6,607.00	0.00	
4-1610	Deferred Pension Outflows	3,304.00	0.00	
5-1610	Deferred Pension Outflows	21,476.00	0.00	
2-2080	Deferred Pension Inflows	1,523.00	0.00	
3-2080	Deferred Pension Inflows	6,091.00	0.00	
4-2080	Deferred Pension Inflows	3,045.00	0.00	
5-2080	Deferred Pension Inflows	19,794.00	0.00	
2-2085	Net Pension Liabilities	0.00	1,323.00	
3-2085	Net Pension Liabilities	0.00	5,293.00	
4-2085	Net Pension Liabilities	0.00	2,647.00	
5-2085	Net Pension Liabilities	0.00	17,204.00	
2-1885	Net Pension Asset	0.00	1,419.00	
3-1885	Net Pension Asset	0.00	5,676.00	
4-1885	Net Pension Asset	0.00	2,838.00	
5-1885	Net Pension Asset	0.00	18,446.00	
2-5104	Benefits - O & M	0.00	432.00	
3-5104	Benefits - O & M	0.00	1,729.00	
4-5104	Benefits - O & M	0.00	864.00	
5-5104	Benefits - O & M	0.00	5,620.00	
Total		63,491.00	63,491.00	8,645.00

Alpine Springs County Water District

ADJUSTING JOURNAL ENTRIES MEMORANDUM

Page 2 of 2

AJE 5

To record GASB 75 adjustments FYE 2023

2-1611	Deferred OPEB Outflows	1,169.00	0.00	
3-1611	Deferred OPEB Outflows	4,678.00	0.00	
4-1611	Deferred OPEB Outflows	2,339.00	0.00	
5-1611	Deferred OPEB Outflows	15,202.00	0.00	
2-2081	Deferred OPEB Inflows	0.00	345.00	
3-2081	Deferred OPEB Inflows	0.00	1,382.00	
4-2081	Deferred OPEB Inflows	0.00	691.00	
5-2081	Deferred OPEB Inflows	0.00	4,490.00	
2-2060	OPEB Liability	310.00	0.00	
3-2060	OPEB Liability	1,239.00	0.00	
4-2060	OPEB Liability	619.00	0.00	
5-2060	OPEB Liability	4,026.00	0.00	
2-5105	OPEB Expense	0.00	1,134.00	
3-5105	OPEB Expense	0.00	4,535.00	
4-5105	OPEB Expense	0.00	2,267.00	
5-5105	OPEB Expense	0.00	14,738.00	
Total		29,582.00	29,582.00	22,674.00

AJE 6

To record additional depreciation expense and accumulated depreciation based on acquisition date

2-5513	Depreciation Expense	2,413.11	0.00	
3-5513	Depreciation Expense	2,413.11	0.00	
4-5513	Depreciation Expense	4,973.52	0.00	
5-5513	Depreciation Expense	6,892.27	0.00	
2-1850	Accumulate Depreciation	0.00	2,413.11	
3-1850	Accumulate Depreciation	0.00	2,413.11	
4-1850	Accumulate Depreciation	0.00	4,973.52	
5-1850	Accumulate Depreciation	0.00	6,892.27	
Total		16,692.01	16,692.01	(16,692.01)

AJE 7

To adjust ending balance of Investments in Capital assets

5-3005	Invest Plant & Equip	175,493.00	0.00	
5-3000	Retained Earnings	0.00	175,493.00	
4-3000	Retained Earnings	33,434.00	0.00	
4-3005	Invest Plant & Equip	0.00	33,434.00	
2-3000	Retained Earnings	33,323.00	0.00	
2-3005	Invest Plant & Equip	0.00	33,323.00	
Total		242,250.00	242,250.00	0.00

GRAND TOTAL

1,024,876.42	1,024,876.42	38,199.34
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***ALPINE SPRINGS COUNTY
WATER DISTRICT***

Independent Accountant's Report on Agreed-Upon
Procedures Applied to Appropriations Limit Schedules

For the Fiscal Year Ended June 30, 2023



INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT SCHEDULES

Board of Directors
Alpine Springs County Water District
Alpine Meadows, California

We have performed the procedures enumerated below, which were agreed to by Alpine Springs County Water District's management on the accompanying Appropriations Limit Schedule No. 6 of Alpine Springs County Water District for the fiscal year ended June 30, 2023. Alpine Springs County Water District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting Alpine Springs County Water District in meeting the requirement of Section 1.5 of Article XIIB of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the completed Schedules No. 1 through No. 7 and compared the limit and annual adjustment factors included in those schedules to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned schedules to those that were selected by a recorded vote of the Board of Directors.

Finding: During our review of the Appropriation Limit calculation, we noted that one of the annual adjustment factors was incorrect. When communicated to management, management agreed with the finding, corrected the error, and presented the revised calculation to the Board for approval.

2. For the accompanying Appropriations Limit Schedule No. 6, we added line A, last year's limit, to line E, total adjustments, and compared the resulting amount to line F, this year's limit.

Finding: No exceptions were noted as a result of our procedures.

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3. We compared the current year information presented in the accompanying Appropriations Limit Schedule No. 6 to the other schedules described in No. 1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Schedule No. 6 to the prior year appropriations limit adopted by the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

We were engaged by Alpine Springs County Water District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Schedule No. 6. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Alpine Springs County Water District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Alpine Springs County Water District and is not intended to be and should not be used by anyone other than those specified parties.



DAMORE, HAMRIC & SCHNEIDER, INC.
Certified Public Accountants

Sacramento, CA

January 17, 2024

USER FEES VERSUS COSTS
(Based on Budget)

For the Fiscal Year Ended June 30, 2023

NOTE:

Based on the budget, no user fees exceeded costs incurred that would be considered proceeds from taxes.

CALCULATION OF PROCEEDS OF TAXES
(Based on Budget)

For the Fiscal Year Ended June 30, 2023

Funds Included:
Administration, General Operations & Maintenance

	Proceeds of Taxes	Non-Proceeds of Taxes	Total
Revenue:			
Property Taxes	\$ 831,558	\$	\$ 831,558
Locally Raised:			
Other Income		21,400	21,400
User Fees		1,409,436	1,409,436
Sub Total (For Schedule 3)	\$ 831,558	\$ 1,430,836	\$ 2,262,394
Interest Earnings: (From Schedule 3)	925	1,575	2,500
Total Revenue: (Use for Schedule 4)	\$ 832,483	\$ 1,432,411	\$ 2,264,894
Grand Total Budget	\$ 832,483	\$ 1,432,411	\$ 2,264,894

INTEREST EARNINGS PRODUCED BY TAXES
(Based on Budget)

For the Fiscal Year Ended June 30, 2023

	<u>Amount</u>	<u>Source</u>
A. Non-Interest Tax Proceeds	\$ 831,558	Schedule 2
B. Minus Exclusions	\$	Schedule 7
C. Net Invested Taxes	\$ 831,558	A-B
D. Total Non-Interest Budget	\$ 2,262,394	Schedule 2
E. Tax Proceeds as Percent of Budget	37.00%	C/D
F. Interest Earnings	\$ 2,500	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 925</u>	E*F
H. Amount of Interest Earned from Non-Taxes	<u><u>\$ 1,575</u></u>	F-G
I. Take the results of Steps G & H Copy on to Schedule 2		

APPROPRIATIONS SUBJECT TO LIMITATION
(Based on Budget)

For the Fiscal Year Ended June 30, 2023

	<u>Amount</u>	<u>Source</u>
A. Proceeds of Taxes	\$ 832,483	Schedule 2
B. Exclusions	<u>0</u>	Schedule 7
C. Appropriations Subject to Limitation	\$ 832,483	A-B
D. Current Year Limit	<u>2,113,087</u>	Schedule 6
E. Over/(Under) Limit	<u><u>(\$ 1,280,604)</u></u>	C-D

POPULATION CHANGES

For the Fiscal Year Ended June 30, 2023

	<u>County Population Increase (Decrease) %</u>
2021-2022	(1.16%)

APPROPRIATIONS LIMIT

For the Fiscal Year Ended June 30, 2023

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 1,987,852	
B. Adjustment Factors:		
1 Population	0.9884	(State Finance or Assessor)
2 Inflation	<u>1.0755</u>	(State Finance or Assessor)
	<u>1.0630</u>	B1*B2
C. Annual Adjustment	\$ <u>125,235</u>	(B*A)-A
D. Other Adjustments		
Rounding	\$	
Lost Responsibility (-)		
Transfer to Private (-)		
Transfer to Fees (-)		
Assumed Responsibility (-)		
Sub-Total	<u>\$</u>	
E. Total Adjustments	\$ <u>125,235</u>	C+D
F. This Year's Limit	<u>\$ 2,113,087</u>	A+E

EXCLUDED APPROPRIATIONS
(Based on Budget)

For the Fiscal Year Ended June 30, 2023

NONE

ALPINE SPRINGS COUNTY

WATER DISTRICT

ALPINE SPRINGS
Financial Statements

and

Independent Auditor's Report

COUNTY WATER DISTRICT

For the Fiscal Years Ended June 30, 2023 and 2022

Alpine Springs County Water District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alpine Springs County Water District
Alpine Meadows, California

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alpine Springs County Water District (District) as of and for the years ended June 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alpine Springs County Water District as of June 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.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Alpine Springs County Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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; this includes 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 Alpine Springs County Water 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 Responsibilities 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 including 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 Alpine Springs County Water 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 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 Alpine Springs County Water 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 on pages 6 through 15 and the required supplementary information related to the pension and post-employment healthcare plans on pages 60 through 63 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.



DAMORE, HAMRIC & SCHNEIDER, INC.
Certified Public Accountants

Sacramento, CA

January 17, 2024

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

This section of the Alpine Springs County Water District's Financial Statements and Independent Auditor's Report presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. This analysis should be read in conjunction with the Financial Statements.

Financial Highlights

- The District's total assets exceeded total liabilities at the close of FY 2022/23 by \$6,228,035 (total net position). Of this amount, the District's unrestricted net position increased to \$1,090,556 from \$629,626, an increase of \$460,930. The District's total net position of \$6.2 million is composed of the capital assets of the District - water supply, storage, transmission, distribution systems, sewer collection systems, land, buildings, park facilities, and equipment - belonging to the District in the amount of \$5,137,479. The remaining balance of the District's net position, \$1,090,556, is unrestricted.
- The District's total net position increased by \$375,055 (6.4%) primarily due to an increase in cash and cash equivalents and investments. The District's cash increased by \$371,714 or 44%, investment balance increased to \$355,000 from \$0, while the District's accounts payable increased by \$290,455 due to timing of a payment to NTFPD.
- The District's total revenue from all sources including contributions for the fiscal year ended June 30, 2023 was \$2,478,905. This is an increase of 5.5% over June 30, 2022 and was attributed to an increased collection of property tax revenues as home values continued to rise, and annual rate increases.
- The District's operating revenues, consisting of service revenues from direct customer sales (i.e., water, sewer, garbage, and park user fee charges) totaled \$1,475,037. General revenues from property taxes, interest and other sources totaled \$1,003,868.
- Total District operating expenses increased this fiscal year, from \$2,001,966 to \$2,103,850. This increase was due to an increase in water and garbage expenditures.
- As of the end of fiscal year June 30, 2023, the District had \$81,190 of outstanding long-term debt related to a financed purchase, in addition to the Net OPEB and Net Pension Liabilities.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's financial statements, which consists of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements and required supplementary information.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Overview of Financial Statements (Continued):

Using the integrated approach as prescribed by GASB 34, the financial statements presented herein include all the activities of the District.

The Government-Wide Financial Statements present the financial picture of the District from the economic resources' measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. All assets and liabilities associated with the operation of the District are included in the Statement of Net Position.

The Fund Financial Statements include statements for each of the two categories of activities - governmental and business-type. The financial statements of governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The financial statements of business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is the accounting method used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. Others to consider are changes in the District's property tax base and the condition of the District's infrastructure.

In the Statement of Net Position and the Statement of Activities, we separate the District's activities as follows:

Governmental Activities - The District's basic services are reported in this category, which include General Government (Fire Service) and Park Service. Property taxes, user fees, interest and other income finance these activities.

Business-Type Activities - The District charges a fee to customers to cover all or most of the cost of certain services the District provides. The District's water system, wastewater collection system and garbage services activities are reported in this category.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law. However, management has established several other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

Governmental Funds - The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statement provides a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of the results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in the reconciliation schedule following each Governmental Fund financial statement.

Proprietary Funds - When the District charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Activities and Statement of Revenues, Expenses and Changes in Fund Net Position. Proprietary funds are also referred to as enterprise funds. The District's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows for the Proprietary Funds.

Notes to the Financial Statements and Required Supplementary Information

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-58.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the schedule of Other Post Employment Benefit (OPEB) Contributions, Schedule of changes in the net OPEB liability and pension liability schedules. Required supplementary information can be found on pages 60-63 of this report.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Government-Wide Financial Analysis

The District's net position for governmental activities increased from \$1,240,930 to \$1,298,224 (approximately 4.6%) and business-type activities increased from \$4,612,050 to \$4,929,811 (approximately 6.9%).

Changes between the June 30, 2023 and 2022 fiscal years are explained in detail below:

Total assets and deferred outflows of resources increased by approximately \$805,102 or 12.6%.

Governmental Activities:

- Cash and cash equivalent increased by \$371,714
- Taxes receivable increased by approximately \$4,900
- Capital assets increased by \$22,861
- Net pension assets decreased by \$5,676
- Deferred outflows of resources increased by \$11,284

Business-Type Activities:

- Investments increased by \$354,962
- Accounts receivables increased by \$26,960
- Capital assets increased by \$26,459
- Deferred outflows of resources increased by \$45,141

Total liabilities and deferred inflows of resources increased by \$430,047 or 80%

Governmental Activities:

- Accounts payable increased by \$307,656
- Long-term liabilities increased by \$4,054
- Deferred inflows of resources decreased by \$4,709

Business-Type Activities:

- Accounts payable decreased by \$17,201
- Other current liabilities increased by \$60,902
- Long-term liabilities increased by \$141,110
- Deferred inflows of resources decreased by \$18,836

Alpine Springs County Water District

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Statement of Net Position

As of June 30, 2023, and June 30, 2022, the net position of the District was:

Table 1: Statement of Net Position

<u>Assets:</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change in Dollars</u>	<u>Percentage Change</u>
Cash, Cash Equivalents, and Investments	\$ 1,574,715	\$ 848,039	\$ 726,676	85.7%
Accounts and Taxes Receivable	228,071	196,164	31,907	16.3%
Prepaid Expenses	13,480	44,328	(30,848)	-69.6%
Capital Assets, Net of Accumulated Depreciation				
Plant and Equipment	5,255,238	5,205,918	49,320	0.9%
Land Usage and Easement Rights	17,436	17,436		0.0%
Net Pension Asset	<u> </u>	<u>28,378</u>	<u>(28,378)</u>	
Total Assets	<u>\$ 7,088,940</u>	<u>\$ 6,340,263</u>	<u>\$ 777,055</u>	12.3%
<u>Deferred Outflows of Resources:</u>				
Deferred Pension Outflows (Note 8)	\$ 76,079	\$ 43,042	\$ 33,037	76.8%
Deferred OPEB Outflows (Note 9)	<u>29,960</u>	<u>6,572</u>	<u>23,388</u>	355.9%
Total Deferred Outflows of Resources	<u>\$ 106,039</u>	<u>\$ 49,614</u>	<u>\$ 56,425</u>	113.7%
<u>Liabilities:</u>				
Current Liabilities	\$ 434,825	\$ 82,696	\$ 352,129	425.8%
Long-Term Liabilities	<u>476,279</u>	<u>374,816</u>	<u>101,463</u>	27.1%
Total Liabilities:	<u>\$ 911,104</u>	<u>\$ 457,512</u>	<u>\$ 453,592</u>	99.1%
<u>Deferred Inflows of Resources:</u>				
Deferred Pension Inflows (Note 8)	\$ 1,145	\$ 31,598	(\$ 30,453)	-96.4%
Deferred OPEB Inflows (Note 9)	<u>54,695</u>	<u>47,787</u>	<u>6,908</u>	14.5%
Total Deferred Inflows of Resources	<u>\$ 55,840</u>	<u>\$ 79,385</u>	<u>(\$ 23,545)</u>	-29.7%
<u>Net Position:</u>				
Net Investment in Capital Assets	\$ 5,137,479	\$ 5,223,354	(\$ 85,875)	-1.6%
Unrestricted	<u>1,090,556</u>	<u>629,626</u>	<u>460,930</u>	73.2%
Total Net Position	<u>\$ 6,228,035</u>	<u>\$ 5,852,980</u>	<u>\$ 375,055</u>	6.4%

Per District policy, net cash assets were placed into funds that were identified for specified purposes. This includes replacement of the District’s infrastructure, equipment and vehicles, and construction of new capital improvements.

Alpine Springs County Water District

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Statement of Net Position (Continued):

Based on the GASB 68 and GASB 75 adjustments, total Deferred Outflows of \$106,039 and total Deferred Inflows of \$55,840 were recorded FYE 2023. There was no Net Pension Asset recorded for FYE 2023.

The 27% net increase in long-term liabilities were the result of an increase in an installment note payable and Net Pension Liability.

Change in Net Position

The following table summarizes the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022:

Table 2: Change in Net Position

	June 30, 2023	June 30, 2022	Change in Dollars	Percentage Change
Operating Revenues				
Water	\$ 818,914	\$ 776,048	\$ 42,866	5.5%
Sewer	349,025	319,804	29,221	9.1%
Garbage	273,929	264,161	9,768	3.7%
Park	<u>33,169</u>	<u>31,819</u>	<u>1,350</u>	4.2%
Total Operating Revenues	<u>\$ 1,475,037</u>	<u>\$ 1,391,832</u>	<u>\$ 83,205</u>	6.0%
General Revenues				
Property Taxes	\$ 933,541	\$ 847,350	\$ 86,191	10.2%
Contributions	27,166	47,608	(20,442)	100.0%
Interest and Other	<u>43,161</u>	<u>63,052</u>	<u>(19,891)</u>	-31.5%
Total General Revenues	<u>\$ 1,003,868</u>	<u>\$ 958,010</u>	<u>\$ 45,858</u>	4.8%
Total Revenues	<u>\$ 2,478,905</u>	<u>\$ 2,349,842</u>	<u>\$ 129,063</u>	5.5%
Operating Expenses:				
General Government	\$ 755,683	\$ 726,776	\$ 28,907	4.0%
Park	181,297	176,078	5,219	3.0%
Water	770,654	725,671	44,983	6.2%
Sewer	157,138	150,120	7,018	4.7%
Garbage	<u>239,078</u>	<u>223,321</u>	<u>15,757</u>	7.1%
Total Expenses	<u>\$ 2,103,850</u>	<u>\$ 2,001,966</u>	<u>\$ 101,884</u>	5.1%
Change in Net Position	\$ 375,055	\$ 347,876	\$ 27,179	7.8%
Net Position - Beginning of Year	<u>5,852,980</u>	<u>5,505,104</u>	<u>347,876</u>	6.3%
Net Position - End of Year	<u>\$ 6,228,035</u>	<u>\$ 5,852,980</u>	<u>\$ 375,055</u>	6.4%

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

DISTRICT FUNDS

The District's Governmental Funds include a General Fund and a Park Fund. The Governmental Funds (as presented in the Balance Sheets on page 18) report a combined fund balance of \$341,456 which is an increase of \$28,170 over last year. The increase mainly resulted from the increase of property tax revenues.

The District's Proprietary Funds, also called Enterprise Funds, include a Water Fund, a Sewer Fund, and a Garbage Fund. The proprietary funds (as presented in the Statements of Net Position on page 21) reported combined fund Total Net Position of \$4,929,811, which is an increase of \$317,761 or 6.9% over last year. The increase primarily resulted from an increase in investments building up reserves after the large outlay for the Tank four replacement CIP project.

Government Funds

- The fund balance at year-end for the District's General Fund (as presented in the Balance Sheets on page 18) was \$434,775. This was an increase of \$22,921 over last year.
- The fund balance at year-end for the District's Park Fund (as presented in the Balance Sheets on page 18) was a deficit \$93,319. This was a \$5,249 decrease over the previous year's deficit balance.

Water Fund

- The Water Fund showed an increase of \$42,994 in operating revenues over fiscal year ended June 30, 2022, with total operating revenues of \$819,042 for the fiscal year ended June 30, 2023.
- Operating expenses increased by \$44,983 resulting in net operating income of \$48,388 for the fiscal year ended June 30, 2023, a decrease of \$1,989 over fiscal year 2022.
- The decrease in the operating income was mainly due to increased personnel costs.

Sewer Fund

- The Sewer Fund showed an increase of \$29,221 in operating revenues over the previous fiscal year, with total operating revenues of \$349,025.
- Operating expenses increased by \$7,018, with total operating expenses of \$157,138.
- The Sewer Fund showed an operating income of \$191,887, which is an increase of \$22,203 over the \$169,684 operating income for the previous fiscal year.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

DISTRICT FUNDS (Continued):

Garbage Fund

- The Garbage Fund showed an increase of \$9,768 in operating revenues over the previous fiscal year, with total operating revenues of \$273,929 for the fiscal year ended June 30, 2023.
- Operating expenses showed an increase of \$15,757 over the previous fiscal year.
- The Garbage Fund showed an operating income of \$34,851 for the year ended June 30, 2023, compared to an operating income of \$40,840 for the previous fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the District's investment in capital assets was \$5,137,479, including water production, collection, storage, transmission and distribution systems, sewer collection systems, the park, administrative offices, operations building, and fire station. This is a decrease of \$85,875 (-1.6%) over the previous fiscal year. In fiscal year 2023, a CAT 907M equipment Loader was purchased on an installment note as a stand-alone equipment addition to capital assets. The total outstanding installment note balance was \$135,195 as of June 30, 2023.

The District had neither short- nor long-term lease obligations.

The District had a total Net OPEB Liability of \$368,622 as of June 30, 2023, compared to \$374,816 as of June 30, 2022, and a total Net Pension Liability of \$26,467 as of June 30, 2023, compared to a Net Pension Asset of \$28,378 as of June 30, 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total actual revenues in the General Fund, as presented on page 20, were \$769,198, which is \$26,270 higher than budgeted revenues, while the total actual expenditures were \$746,277, which was \$9,798 higher than budgeted. Actual revenues exceeded expenditures by \$22,921.

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

These factors were considered in preparing the District's budget for Fiscal Year 2023/24.

- The cost of the District's operations is expected to increase due to cost of living increases in salary and benefits, including post-retirement benefits. Maintenance cost in the water, sewer, park and building maintenance are anticipated to see a slight increase due to materials.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS (Continued):

- Revenues for services are expected to increase on an average of 30.4% compared to fiscal year 2022-23. The District is in year one of its 5-year rate schedule. Budgeted property tax revenues are expected to increase from \$831,558 in 2022-23 to \$915,239 in fiscal year 2023-24, based upon estimated tax revenues provided by Placer County. The District has budgeted a \$30,000 contribution to its OPEB account.
- The fiscal year 2023-24 budget includes Capital Improvements Projects identified in the 2023 Water and Sewer Master Plan, including replacing assets that are approaching the end of their expected life. Over the years, the District has made improvements to its water supply and storage assets.
- Fiscal year 2023-24 will primarily focus on planning efforts and small replacements of damaged or failed infrastructure. The District's focus is to prioritize and begin the planning and design of capital projects.
- In 2021, the District entered into a second 15-year contract with the North Tahoe Fire Protection District to provide fire and emergency medical services to the Alpine Meadows area. By contract, 80% of the District's property tax revenues received from Placer County are used to pay for the services provided by North Tahoe Fire Protection District. In October 2023, the District voted to terminate the agreement setting the end date as October 2026.
- Property tax revenues are expected to increase slightly in 2023 and 2024 as properties are sold and/or replaced with newer and larger homes.
- The projected property tax revenues budgeted for fiscal year 2023-24 year is \$915,239. This will result in a budgeted payment of \$732,191 to North Tahoe Fire Protection District for fiscal year 2023-24.
- The District's 2006 Long-range Water and Sewer Master Plan listed several projects that the District has implemented over the previous years. Some of those projects are listed below:
 - Well R-1 improvements and tie into Zone 4.
 - Well R-2 improvements.
 - Construction of an inter tie between Zone 1 and Zone 2.
 - Replacement of approximately 1,200 lineal feet of 50-year-old six-inch clay sewer main with new eight-inch PVC sewer main.
 - SCADA computer replacement and software upgrade.
 - Park ADA Compliance Activities (Signs and Handrails).

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS (Continued):

- Completed replacement of AME Well 1 well house, controls, and electrical service backup generator.
- Replacement of the existing 6-inch water main with an 8-inch main crossing the Truckee River.
- Repair the concrete roofs of three reinforced concrete water storage tanks Tank 2, Tank 3, and Tank 5 rehabilitation or replacement.
- Replacement of undersized and end of useful life water mains.
- Rehabilitation of sewer laterals from property lines to District mains.
- New Juniper Mountain booster pump station and New Tank 6 Pre Con design work.

- The Alpine Sierra Subdivision (39 units) has received approval from the Placer County Board of Supervisors. The construction of the first phase has not been announced and is currently advertised for sale.

- A second project entitled White Wolf Subdivision (approximately 38 units) and the White Wolf Ski Lift is in process of preparing of its Environmental Impact Statement (EIR). It is anticipated that this project will take several years to go through the approval process.

- These projects will require an investment in infrastructure, which will be provided by the developer. In addition, each project will be required to pay water and sewer connection fees in exchange for the privilege of connecting to the District's existing water and sewer infrastructure.

Requests for Information

This financial report is designed to provide residents, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report or requests for any additional information should be directed to:

General Manager

Joseph Mueller

Phone: (530)583-2342

Fax: (530)582-0228

Email: joe@alpinesprings.org

Budget & Finance Committee

Janet Grant, Chair

Email: jgrant@alpinesprings.org

Alpine Springs County Water District

STATEMENTS OF NET POSITION

June 30, 2023 and 2022

	Governmental Activities	Business-Type Activities	Total 2023	Governmental Activities	Business-Type Activities	Total 2022
Assets:						
Cash and Cash Equivalents	\$ 1,219,753	\$	\$ 1,219,753	\$ 848,039	\$	\$ 848,039
Accounts Receivable		174,013	174,013		147,053	147,053
Taxes Receivable	54,058		54,058	49,111		49,111
Interfund Receivable/(Payable)	(582,734)	582,734		(551,057)	551,057	
Investments		354,962	354,962			
Prepaid Expenses	2,696	10,784	13,480	11,082	33,246	44,328
Capital Assets, Net of Accumulated Depreciation						
Plant and Equipment	1,025,750	4,229,488	5,255,238	1,002,889	4,203,029	5,205,918
Land Usage and Easement Rights		17,436	17,436		17,436	17,436
Net Pension Asset				5,676	22,702	28,378
Total Assets	\$ 1,719,523	\$ 5,369,417	\$ 7,088,940	\$ 1,365,740	\$ 4,974,523	\$ 6,340,263
Deferred Outflows of Resources:						
Deferred Pension Outflows (Note 8)	\$ 15,210	\$ 60,869	\$ 76,079	\$ 8,604	\$ 34,438	\$ 43,042
Deferred OPEB Outflows (Note 9)	5,993	23,967	29,960	1,315	5,257	6,572
Total Deferred Outflows of Resources	\$ 21,203	\$ 84,836	\$ 106,039	\$ 9,919	\$ 39,695	\$ 49,614
Liabilities:						
Current Liabilities:						
Accounts Payable	\$ 346,433	\$	\$ 346,433	\$ 38,777	\$ 17,201	\$ 55,978
Accrued Benefits	5,884	21,352	27,236	5,112	15,547	20,659
Accrued Payroll		7,151	7,151		6,059	6,059
Notes Payable Due Within One Year		54,005	54,005			
Long-Term Liabilities:						
Net Pension Liability (Note 8)	5,293	21,174	26,467			
Net OPEB Liability (Note 9)	73,724	294,898	368,622	74,963	299,853	374,816
Notes Payable - Net of Current Portion		81,190	81,190			
Total Liabilities	\$ 431,334	\$ 479,770	\$ 911,104	\$ 118,852	\$ 338,660	\$ 457,512
Deferred Inflows of Resources:						
Deferred Pension Inflows (Note 8)	\$ 229	\$ 916	\$ 1,145	\$ 6,320	\$ 25,278	\$ 31,598
Deferred OPEB Inflows (Note 9)	10,939	43,756	54,695	9,557	38,230	47,787
Total Deferred Inflows of Resources	\$ 11,168	\$ 44,672	\$ 55,840	\$ 15,877	\$ 63,508	\$ 79,385
Net Position:						
Net Investment in Capital Assets	\$ 1,025,750	\$ 4,111,729	\$ 5,137,479	\$ 1,002,889	\$ 4,220,465	\$ 5,223,354
Unrestricted (Deficit)	272,474	818,082	1,090,556	238,041	391,585	629,626
Total Net Position	\$ 1,298,224	\$ 4,929,811	\$ 6,228,035	\$ 1,240,930	\$ 4,612,050	\$ 5,852,980

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

Alpine Springs County Water District

STATEMENTS OF ACTIVITIES

For the Fiscal Years Ended June 30, 2023 and 2022

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes In Net Position			Program Revenues			Net (Expense) Revenue and Changes In Net Position		
	Expenses	Charges for Services	Contributions	Governmental Activities	Business-Type Activities	Total 2023	Expenses	Charges for Services	Contributions	Governmental Activities	Business-Type Activities	Total 2022
Primary Government:												
Governmental Activities:												
General Government	\$ 755,683	\$ 17,166	\$	(\$ 738,517)	\$	(\$ 738,517)	\$ 726,776	\$ 60,687	\$	(\$ 666,089)	\$	(\$ 666,089)
Park	181,297	33,169		(148,128)		(148,128)	176,078	31,819		(144,259)		(144,259)
Total Governmental Activities	\$ 936,980	\$ 50,335	\$ 0	(\$ 886,645)	\$ 0	(\$ 886,645)	\$ 902,854	\$ 92,506	\$ 0	(\$ 810,348)	\$ 0	(\$ 810,348)
Business-Type Activities:												
Water	\$ 770,654	\$ 818,914	\$ 18,601	\$	\$ 66,861	\$ 66,861	\$ 725,671	\$ 776,048	\$ 31,820	\$	\$ 82,197	\$ 82,197
Sewer	157,138	349,025	8,565		200,452	200,452	150,120	319,804	15,788		185,472	185,472
Garbage	239,078	273,929			34,851	34,851	223,321	264,161			40,840	40,840
Total Business-Type Activities	\$ 1,166,870	\$ 1,441,868	\$ 27,166	\$ 0	\$ 302,164	\$ 302,164	\$ 1,099,112	\$ 1,360,013	\$ 47,608	\$ 0	\$ 308,509	\$ 308,509
Total Primary Government	\$ 2,103,850	\$ 1,492,203	\$ 27,166	(\$ 886,645)	\$ 302,164	(\$ 584,481)	\$ 2,001,966	\$ 1,452,519	\$ 47,608	(\$ 810,348)	\$ 308,509	(\$ 501,839)
General Revenues:						General Revenues:						
Property Taxes				\$ 933,541	\$	\$ 933,541	Property Taxes			\$ 847,350	\$	\$ 847,350
Interest and Other				10,398	15,597	25,995	Interest and Other			946	1,419	2,365
Total General Revenue				\$ 943,939	\$ 15,597	\$ 959,536	Total General Revenue			\$ 848,296	\$ 1,419	\$ 849,715
Change in Net Position				\$ 57,294	\$ 317,761	\$ 375,055	Change in Net Position			\$ 37,948	\$ 309,928	\$ 347,876
Net Position - Beginning of Year				1,240,930	4,612,050	5,852,980	Net Position - Beginning of Year			1,202,982	4,302,122	5,505,104
Net Position - End of Year				\$ 1,298,224	\$ 4,929,811	\$ 6,228,035	Net Position - End of Year			\$ 1,240,930	\$ 4,612,050	\$ 5,852,980

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

Alpine Springs County Water District

BALANCE SHEETS
GOVERNMENTAL FUNDS

June 30, 2023 and 2022

<u>Assets:</u>	<u>General</u>	<u>Park</u>	<u>Total 2023</u>	<u>General</u>	<u>Park</u>	<u>Total 2022</u>
Cash and Cash Equivalents	\$ 1,219,753	\$	\$ 1,219,753	\$ 848,039	\$	\$ 848,039
Taxes Receivable	54,058		54,058	49,111		49,111
Prepaid Expenses		2,696	2,696		11,082	11,082
Interfund Receivable/(Payable)	(492,603)	(90,131)	(582,734)	(446,519)	(104,538)	(551,057)
Total Assets	<u>\$ 781,208</u>	<u>(\$ 87,435)</u>	<u>\$ 693,773</u>	<u>\$ 450,631</u>	<u>(\$ 93,456)</u>	<u>\$ 357,175</u>
 <u>Liabilities:</u>						
Accounts Payable	\$ 346,433	\$	\$ 346,433	\$ 38,777	\$	\$ 38,777
Accrued Benefits		5,884	5,884		5,112	5,112
Total Liabilities	<u>\$ 346,433</u>	<u>\$ 5,884</u>	<u>\$ 352,317</u>	<u>\$ 38,777</u>	<u>\$ 5,112</u>	<u>\$ 43,889</u>
 <u>Fund Balances:</u>						
Nonspendable	\$	\$ 2,696	\$ 2,696	\$	\$ 11,082	\$ 11,082
Unassigned	434,775	(96,015)	338,760	411,854	(109,650)	302,204
Total Fund Balances	<u>\$ 434,775</u>	<u>(\$ 93,319)</u>	<u>\$ 341,456</u>	<u>\$ 411,854</u>	<u>(\$ 98,568)</u>	<u>\$ 313,286</u>
Total Liabilities and Fund Balances	<u>\$ 781,208</u>	<u>(\$ 87,435)</u>		<u>\$ 450,631</u>	<u>(\$ 93,456)</u>	

Reconciliation of the governmental funds balance sheets to the statements of net position:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,025,750	1,002,889
Long term Net OPEB Liability is not a current financial resource and therefore not reported in the governmental funds.	(73,724)	(74,963)
Long term Net Pension Asset (Liability) is not a current financial resource and therefore not reported in the governmental funds.	(5,293)	5,676
In governmental funds, deferred outflows and inflows of resources relating to pension and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources are reported as follows:		
Deferred Outflows of Resources	21,203	9,919
Deferred Inflows of Resources	(11,168)	(15,877)
Total Net Position of Governmental Activities	<u>\$ 1,298,224</u>	<u>\$ 1,240,930</u>

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

Alpine Springs County Water District

STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Fiscal Years Ended June 30, 2023 and 2022

	<u>General</u>	<u>Park</u>	<u>Total 2023</u>	<u>General</u>	<u>Park</u>	<u>Total 2022</u>
<u>Revenues:</u>						
Property Taxes	\$ 746,833	\$ 186,708	\$ 933,541	\$ 677,880	\$ 169,470	\$ 847,350
Fees	17,166	33,169	50,335	60,687	31,819	92,506
Interest and Other	5,199	5,199	10,398	473	473	946
Total Revenues	<u>\$ 769,198</u>	<u>\$ 225,076</u>	<u>\$ 994,274</u>	<u>\$ 739,040</u>	<u>\$ 201,762</u>	<u>\$ 940,802</u>
<u>Expenditures:</u>						
Current:						
General Government	\$ 746,277	\$ 179,287	\$ 925,564	\$ 717,371	\$ 169,073	\$ 886,444
Capital Outlay	<u> </u>	<u>40,540</u>	<u>40,540</u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>\$ 746,277</u>	<u>\$ 219,827</u>	<u>\$ 966,104</u>	<u>\$ 717,371</u>	<u>\$ 169,073</u>	<u>\$ 886,444</u>
Excess of Revenues Over/(Under) Expenditures/ Net Change in Fund Balances	<u>\$ 22,921</u>	<u>\$ 5,249</u>	<u>\$ 28,170</u>	<u>\$ 21,669</u>	<u>\$ 32,689</u>	<u>\$ 54,358</u>
Net Change in Fund Balances	\$ 22,921	\$ 5,249	\$ 28,170	\$ 21,669	\$ 32,689	\$ 54,358
Fund Balances - Beginning	<u>411,854</u>	<u>(98,568)</u>	<u>313,286</u>	<u>390,185</u>	<u>(131,257)</u>	<u>258,928</u>
Fund Balances - Ending	<u>\$ 434,775</u>	<u>(\$ 93,319)</u>	<u>\$ 341,456</u>	<u>\$ 411,854</u>	<u>(\$ 98,568)</u>	<u>\$ 313,286</u>
Change in Fund Balances - Total Governmental Funds			\$ 28,170			\$ 54,358
Amounts reported for governmental activities in the statement of activities are different because:						
Long term Net OPEB Liability and Net Pension Liability change not paid out of current period resources			(9,730)			13,128
Change in Deferred Outflows of Resources related to OPEB and Pension Liabilities			11,284			(4,172)
Change in Deferred Inflows of Resources related to OPEB and Pension Liabilities			4,709			(1,417)
Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.						
Net adjustment in governmental activities capital assets (See Note 2)			<u>22,861</u>			<u>(23,949)</u>
Change in Net Position of Governmental Activities			<u>\$ 57,294</u>			<u>(\$ 37,948)</u>

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

Alpine Springs County Water District

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Years Ended June 30, 2023 and 2022

	2023			2022		
	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<u>Revenues:</u>						
Taxes	\$ 704,824	\$ 746,833	\$ 42,009	\$ 652,995	\$ 677,880	\$ 24,885
Interest and Other	38,104	22,365	(15,739)	35,327	61,160	25,833
Total Revenues	<u>\$ 742,928</u>	<u>\$ 769,198</u>	<u>\$ 26,270</u>	<u>\$ 688,322</u>	<u>\$ 739,040</u>	<u>\$ 50,718</u>
<u>Expenditures:</u>						
Current:						
General Government						
Professional Services	\$ 713,514	\$ 729,709	(\$ 16,195)	\$ 661,332	\$ 705,128	(\$ 43,796)
Utilities and Communications	14,960	13,112	1,848	13,585	9,611	3,974
Directors' Fees	2,370	2,255	115	1,730	1,650	80
Office Expenses	835	903	(68)	768	670	98
Other	4,800	298	4,502	4,244	312	3,932
Total General Government	<u>\$ 736,479</u>	<u>\$ 746,277</u>	<u>(\$ 9,798)</u>	<u>\$ 681,659</u>	<u>\$ 717,371</u>	<u>(\$ 35,712)</u>
Total Expenditures	<u>\$ 736,479</u>	<u>\$ 746,277</u>	<u>(\$ 9,798)</u>	<u>\$ 681,659</u>	<u>\$ 717,371</u>	<u>(\$ 35,712)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures/Net Change in Fund Balances	\$ 6,449	\$ 22,921	\$ 16,472	\$ 6,663	\$ 21,669	\$ 15,006
Fund Balances - Beginning	<u>97,232</u>	<u>411,854</u>	<u>314,622</u>	<u>90,569</u>	<u>390,185</u>	<u>299,616</u>
Fund Balances - Ending	<u>\$ 103,681</u>	<u>\$ 434,775</u>	<u>\$ 331,094</u>	<u>\$ 97,232</u>	<u>\$ 411,854</u>	<u>\$ 314,622</u>

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

Alpine Springs County Water District

STATEMENTS OF NET POSITION - PROPRIETARY FUNDS

June 30, 2023 and 2022

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Total 2023	Water	Sewer	Garbage	Total 2022
Assets:								
Current Assets:								
Accounts Receivable	\$ 174,013	\$	\$	\$ 174,013	\$ 147,053	\$	\$	\$ 147,053
Interfund Receivable/(Payable)	(1,779,152)	1,818,036	543,850	582,734	(1,615,860)	1,638,829	528,088	551,057
Investments	354,962			354,962				
Prepaid Expenses	8,762	1,348	674	10,784	11,082	11,082	11,082	33,246
Total Current Assets	<u>(\$ 1,241,415)</u>	<u>\$ 1,819,384</u>	<u>\$ 544,524</u>	<u>\$ 1,122,493</u>	<u>(\$ 1,457,725)</u>	<u>\$ 1,649,911</u>	<u>\$ 539,170</u>	<u>\$ 731,356</u>
Noncurrent Assets:								
Capital Assets, Net of Accumulated Depreciation								
Plant and Equipment	\$ 3,811,347	\$ 338,644	\$ 79,497	\$ 4,229,488	\$ 3,851,645	\$ 305,210	\$ 46,174	\$ 4,203,029
Land Usage and Easement Rights	17,436			17,436	17,436			17,436
Net Pension Asset (Note 8)					18,445	2,838	1,419	22,702
Total Noncurrent Assets	<u>\$ 3,828,783</u>	<u>\$ 338,644</u>	<u>\$ 79,497</u>	<u>\$ 4,246,924</u>	<u>\$ 3,887,526</u>	<u>\$ 308,048</u>	<u>\$ 47,593</u>	<u>\$ 4,243,167</u>
Total Assets	<u>\$ 2,587,368</u>	<u>\$ 2,158,028</u>	<u>\$ 624,021</u>	<u>\$ 5,369,417</u>	<u>\$ 2,429,801</u>	<u>\$ 1,957,959</u>	<u>\$ 586,763</u>	<u>\$ 4,974,523</u>
Deferred Outflows of Resources:								
Deferred OPEB Outflows (Note 9)	\$ 19,473	\$ 2,997	\$ 1,497	\$ 23,967	\$ 4,271	\$ 658	\$ 328	\$ 5,257
Deferred Pension Outflows (Note 8)	49,456	7,609	3,804	60,869	27,980	4,305	2,153	34,438
Total Deferred Outflows of Resources	<u>\$ 68,929</u>	<u>\$ 10,606</u>	<u>\$ 5,301</u>	<u>\$ 84,836</u>	<u>\$ 32,251</u>	<u>\$ 4,963</u>	<u>\$ 2,481</u>	<u>\$ 39,695</u>
Liabilities:								
Current Liabilities:								
Accounts Payable	\$	\$	\$	\$	\$ 17,201	\$	\$	\$ 17,201
Accrued Benefits	18,280	2,048	1,024	21,352	12,850	1,798	899	15,547
Accrued Payroll	5,810	894	447	7,151	4,923	757	379	6,059
Notes Payable Due Within One Year	54,005			54,005				
Total Current Liabilities	<u>\$ 78,095</u>	<u>\$ 2,942</u>	<u>\$ 1,471</u>	<u>\$ 82,508</u>	<u>\$ 34,974</u>	<u>\$ 2,555</u>	<u>\$ 1,278</u>	<u>\$ 38,807</u>
Noncurrent Liabilities:								
Net OPEB Liability (Note 9)	\$ 239,605	\$ 36,862	\$ 18,431	\$ 294,898	\$ 243,631	\$ 37,481	\$ 18,741	\$ 299,853
Net Pension Liability (Note 8)	17,204	2,647	1,323	21,174				
Notes Payable - Net of Current Portion	81,190			81,190				
Total Noncurrent Liabilities	<u>\$ 337,999</u>	<u>\$ 39,509</u>	<u>\$ 19,754</u>	<u>\$ 397,262</u>	<u>\$ 243,631</u>	<u>\$ 37,481</u>	<u>\$ 18,741</u>	<u>\$ 299,853</u>
Total Liabilities	<u>\$ 416,094</u>	<u>\$ 42,451</u>	<u>\$ 21,225</u>	<u>\$ 479,770</u>	<u>\$ 278,605</u>	<u>\$ 40,036</u>	<u>\$ 20,019</u>	<u>\$ 338,660</u>
Deferred Inflows of Resources:								
Deferred Pension Inflows (Note 8)	\$ 746	\$ 115	\$ 55	\$ 916	\$ 20,540	\$ 3,160	\$ 1,578	\$ 25,278
Deferred OPEB Inflows (Note 9)	35,550	5,470	2,736	43,756	31,060	4,779	2,391	38,230
Total Deferred Inflows of Resources	<u>36,296</u>	<u>5,585</u>	<u>2,791</u>	<u>44,672</u>	<u>51,600</u>	<u>7,939</u>	<u>3,969</u>	<u>63,508</u>
Net Position:								
Net Investment in Capital Assets	\$ 3,693,588	\$ 338,644	\$ 79,497	4,111,729	\$ 3,869,081	\$ 305,210	\$ 46,174	\$ 4,220,465
Unrestricted (Deficit)	(1,489,681)	1,781,954	525,809	818,082	(1,737,234)	1,609,737	519,082	391,585
Total Net Position	<u>\$ 2,203,907</u>	<u>\$ 2,120,598</u>	<u>\$ 605,306</u>	<u>\$ 4,929,811</u>	<u>\$ 2,131,847</u>	<u>\$ 1,914,947</u>	<u>\$ 565,256</u>	<u>\$ 4,612,050</u>

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

Alpine Springs County Water District

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Fiscal Years Ended June 30, 2023 and 2022

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Total 2023	Water	Sewer	Garbage	Total 2022
Operating Revenues:								
Fees	\$ 819,042	\$ 349,025	\$ 273,929	\$ 1,441,996	\$ 776,048	\$ 319,804	\$ 264,161	\$ 1,360,013
Total Operating Revenues	\$ 819,042	\$ 349,025	\$ 273,929	\$ 1,441,996	\$ 776,048	\$ 319,804	\$ 264,161	\$ 1,360,013
Operating Expenses:								
Salaries	\$ 282,769	\$ 43,503	\$ 21,752	\$ 348,024	\$ 258,634	\$ 39,790	\$ 19,895	\$ 318,319
Employee Benefits	53,539	7,647	3,823	65,009	45,632	8,262	3,283	57,177
Directors' Fees	2,255	2,255	2,255	6,765	1,650	1,650	1,650	4,950
Insurance	10,653	10,653	10,653	31,959	10,503	10,503	10,503	31,509
Building Materials and Supplies	19,393	3,576	649	23,618	21,844	3,102	1,178	26,124
Office Expenses	25,036	4,486	1,792	31,314	22,660	3,635	1,636	27,931
Professional Services	23,440	20,697	17,867	62,004	23,104	20,344	16,951	60,399
Repairs and Maintenance	13,118	1,944	972	16,034	9,366	1,243	622	11,231
Utilities and Communications	31,471	9,432	11,677	52,580	33,144	8,276	6,926	48,346
Vehicles and Fuel	3,854	593	296	4,743	3,168	487	244	3,899
Garbage Services			158,050	158,050			148,168	148,168
Depreciation	230,629	19,981	7,217	257,827	229,668	20,528	10,301	260,497
Federal and State Mandates	52,571	29,094	567	82,232	45,420	29,055	436	74,911
Training	672	261		933	433	74		507
OPEB Annual Funding	19,500	3,000	1,500	24,000	19,500	3,000	1,500	24,000
Other	1,754	16	8	1,778	945	171	28	1,144
Total Operating Expenses	\$ 770,654	\$ 157,138	\$ 239,078	\$ 1,166,870	\$ 725,671	\$ 150,120	\$ 223,321	\$ 1,099,112
Operating Income	\$ 48,388	\$ 191,887	\$ 34,851	\$ 275,126	\$ 50,377	\$ 169,684	\$ 40,840	\$ 260,901
Non-Operating Revenues (Expenses):								
Interest Revenue	\$ 5,199	\$ 5,199	\$ 5,199	\$ 15,597	\$ 473	\$ 473	\$ 473	\$ 1,419
Interest Expense	(128)			(128)				
Total Non-Operating Revenues (Expenses)	\$ 5,071	\$ 5,199	\$ 5,199	\$ 15,469	\$ 473	\$ 473	\$ 473	\$ 1,419
Income/(Loss) Before Contributions	\$ 53,459	\$ 197,086	\$ 40,050	\$ 290,595	\$ 50,850	\$ 170,157	\$ 41,313	\$ 262,320
Capital Contributions - Connection Fees	18,601	8,565		27,166	31,820	15,788		47,608
Change in Net Position	\$ 72,060	\$ 205,651	\$ 40,050	\$ 317,761	\$ 82,670	\$ 185,945	\$ 41,313	\$ 309,928
Net Position - Beginning of Year	\$ 2,131,847	\$ 1,914,947	\$ 565,256	\$ 4,612,050	\$ 2,049,177	\$ 1,729,002	\$ 523,943	\$ 4,302,122
Net Position - End of Year	\$ 2,203,907	\$ 2,120,598	\$ 605,306	\$ 4,929,811	\$ 2,131,847	\$ 1,914,947	\$ 565,256	\$ 4,612,050

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

Alpine Springs County Water District

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Years Ended June 30, 2023 and 2022

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Total 2023	Water	Sewer	Garbage	Total 2022
<u>Cash Flows from Operating Activities:</u>								
Receipts from Customers and Users	\$ 792,082	\$ 349,025	\$ 273,929	\$ 1,415,036	\$ 800,993	\$ 319,804	\$ 264,161	\$ 1,384,958
Payments to Suppliers	(196,843)	(71,019)	(192,123)	(459,985)	(192,198)	(77,575)	(187,376)	(457,149)
Payments to Employees	(369,850)	(56,894)	(28,448)	(455,192)	(347,191)	(54,837)	(26,569)	(428,597)
Other Operating Cash Payments	(2,255)	(2,255)	(2,255)	(6,765)	(1,650)	(1,650)	(1,650)	(4,950)
Net Cash Provided by Operating Activities	\$ 223,134	\$ 218,857	\$ 51,103	\$ 493,094	\$ 259,954	\$ 185,742	\$ 48,566	\$ 494,262
<u>Cash Flows from Noncapital Financing Activities:</u>								
Net Changes in Interfund Receivables/(Payables)	\$ 163,292	(\$ 179,207)	(\$ 15,762)	(\$ 31,677)	(\$ 140,175)	(\$ 202,004)	(\$ 49,039)	(\$ 391,218)
Net Cash Provided (Used) by Noncapital Financing Activities	\$ 163,292	(\$ 179,207)	(\$ 15,762)	(\$ 31,677)	(\$ 140,175)	(\$ 202,004)	(\$ 49,039)	(\$ 391,218)
<u>Cash Flows from Capital and Related Financing Activities:</u>								
Purchase of Fixed Assets	(\$ 28,170)	(\$ 53,415)	(\$ 40,540)	(\$ 122,125)	(\$ 152,072)	\$	\$	(\$ 152,072)
Payments on Principal Portion of Notes Payable	(26,966)							
Interest payment on Notes Payable	(128)							
Contributed Capital - Connection Fees	18,601	8,565		27,166	31,820	15,788		47,608
Net Cash Provided/(Used) by Capital and Related Financing Activities	(\$ 36,663)	(\$ 44,850)	(\$ 40,540)	(\$ 94,959)	(\$ 120,252)	\$ 15,788	\$	(\$ 104,464)
<u>Cash Flows from Investing Activities:</u>								
Decrease/(Increase) in Investments	(\$ 354,962)	\$	\$	(\$ 354,962)	\$	\$	\$	\$
Interest Income	5,199	5,199	5,199	15,597	473	473	473	1,419
Net Cash Provided (Used) by Investing Activities	(\$ 349,763)	\$ 5,199	\$ 5,199	(\$ 339,365)	\$ 473	\$ 473	\$ 473	\$ 1,419
Net Increase/(Decrease) in Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cash and Cash Equivalents, Beginning of Year								
Cash and Cash Equivalents, End of Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

Alpine Springs County Water District

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Years Ended June 30, 2023 and 2022

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	Business-Type Activities - Enterprise Funds				Business-Type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Total 2023	Water	Sewer	Garbage	Total 2022
Operating Income	\$ 48,388	\$ 191,887	\$ 34,851	\$ 275,126	\$ 50,377	\$ 169,684	\$ 40,840	\$ 260,901
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:								
Depreciation	230,629	19,981	7,217	257,827	229,668	20,528	10,301	260,497
Changes in Certain Assets and Liabilities (Increase)/Decrease in:								
Accounts Receivable	(26,960)			(26,960)	24,945			24,945
Prepaid Expenses	2,320	9,734	10,408	22,462	(684)	(684)	(684)	(2,052)
Net Pension Asset	18,445	2,838	1,419	22,702	(18,445)	(2,838)	(1,419)	(22,702)
Deferred Outflows of Resources	(36,678)	(5,644)	(2,820)	(45,142)	13,561	2,085	1,044	16,690
Accounts Payable	(17,201)			(17,201)	(20,927)			(20,927)
Customer Deposits								
Accrued Benefits	5,430	250	125	5,805	(824)	(306)	(153)	(1,283)
Accrued Payroll	887	137	68	1,092	1,896	291	146	2,333
Deferred Inflows of Resources	(15,304)	(2,354)	(1,178)	(18,836)	4,606	708	355	5,669
Net OPEB Liability	(4,026)	(619)	(310)	(4,955)	(15,209)	(2,340)	(1,171)	(18,720)
Net Pension Liability	17,204	2,647	1,323	21,174	(9,010)	(1,386)	(693)	(11,089)
Net Cash Provided by Operating Activities	<u>\$ 223,134</u>	<u>\$ 218,857</u>	<u>\$ 51,103</u>	<u>\$ 493,094</u>	<u>\$ 259,954</u>	<u>\$ 185,742</u>	<u>\$ 48,566</u>	<u>\$ 494,262</u>
<u>Schedule of Non-cash Transactions:</u>								
<u>Capital and Related Financing Activities:</u>								
Acquisition of Capital Assets	\$ 190,331	\$ 53,415	\$ 40,540					
(Increase)/Decrease in Notes Payable	(162,161)							
Cash Used for Acquisition of Capital Assets	<u>\$ 28,170</u>	<u>\$ 53,415</u>	<u>\$ 40,540</u>					

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

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Alpine Springs County Water District (District) conform to generally accepted accounting principles as applicable to governmental type organizations. The following is a summary of those significant policies:

A. Organization and Description of the District:

The District operates under a California state charter adopted March 25, 1963. The District provides water, sewer, garbage, fire and park services as authorized.

B. Financial Statement Presentation:

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

The Governmental and Enterprise fund types apply all GASB pronouncements that apply to the District.

New Accounting Pronouncements - See Note 1S for new accounting pronouncements that have been implemented in the current financial statements.

GASB Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* - Statement 34 established standards for external financial reporting for all state and local governmental entities and requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- *Net Investment in Capital Assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and 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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

B. Financial Statement Presentation (Continued):

- *Net Investment in Capital Assets (Continued)*

If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is 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. The District had debt of \$135,195 related to capital assets as of June 30, 2023. As of June 30, 2022, the District did not have any debt related to capital assets.

- *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. As of June 30, 2023, and 2022, the District did not have any restricted net position.

- *Unrestricted* - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

C. Basis of Accounting/Measurement Focus:

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements - The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

C. Basis of Accounting/Measurement Focus (Continued):

Government-Wide Financial Statements (Continued) - Accordingly, all the District's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in two categories: 1) charges for services, and 2) operating grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 regarding interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements - Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. These statements also reconcile and explain the differences in fund balances and changes in fund balances as presented to the net assets and changes in net assets presented in the Government-Wide financial statements. The District has presented all funds that met the qualifications of being major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

C. Basis of Accounting/Measurement Focus (Continued):

Governmental Fund Financial Statements (Continued) - both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized in the period that they are assessed. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property taxes. Program revenues include charges for admission into the District's seasonal park facility. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The *General fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those used to operate the District's park and those required to be accounted for in another fund.

Proprietary Fund Financial Statements - Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The *Enterprise fund*, the District's only proprietary fund type, is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenue earned, costs incurred and/or net income is necessary for management accountability. The funds included as enterprise funds are water, sewer, and garbage funds.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

D. Budgets:

By state law, the District's governing board must adopt a budget prior to the beginning of each fiscal year. The budget must be adopted in a properly noticed meeting.

Actual revenue and expenditures/expenses are compared to total budgeted amounts monthly and budgets by fund quarterly as a management control device for all budgeted funds. The District monitors capital expenditures by comparison to specific project appropriation accounts.

E. Use of Estimates:

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Cash, Cash Equivalents, and Investments:

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in obligations of the U.S. Treasury, state and local governments, and negotiable certificates of deposit issued by commercial banks or insured savings and loan associations.

Certificates of deposits are recorded at market value which approximates cost.

Investments in external investment pools and debt securities are valued on the basis of \$1 in the balance sheet. Other investments are stated at their fair value.

G. Accounts Receivable:

The accounts receivable consists of charges for service fees and connection fees.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

G. Accounts Receivable (Continued) - Fees are considered to be fully collectible, since the County liens the property (at the District's request) for unpaid charges and remits the amounts owed to the District when the lien is placed. Therefore, no allowance for uncollectible fees is provided.

H. Fixed Assets:

Fixed assets are defined by the District as assets with an initial, individual cost of \$5,000 or more with an estimated useful life in excess of one year. Fixed assets used in governmental and business-type funds of the District are recorded at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Depreciation is computed using the straight-line method over useful lives of 5 to 40 years. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are recorded as expenses. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, if applicable.

I. Compensated Absences:

It is the District's policy to permit employees to accumulate general leave benefits of up to 300 hours, which will be paid to the employee upon separation from the District's service.

J. Long-Term Obligations:

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment in the following fiscal year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt account group.

K. Fund Equity:

The District records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. Designated fund balances and retained earnings represent tentative management plans for future use that are subject to change.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

L. Use of Restricted/Unrestricted Net Position:

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

M. Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." When present, long-term interfund loans (non-current portion) are reported as "advances to and from other funds." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

N. Medical Benefits:

The District is contracted with California Public Employees' Retirement System (CalPERS) for medical and prescription coverage to provide active and retiree health benefit services. The plan rules are in accordance with the Board of Directors' resolutions and subject to the Public Employees' Medical and Hospital Care Act (PEMHCA).

O. Pension Plan:

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For information about the Pension Plan, see Note 8.

P. Other Post-Employment Benefits Plan:

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

P. Other Post-Employment Benefits Plan (Continued) - expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. For information about the OPEB plan, see Note 9.

Q. Comparative Data:

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of change in the District's financial position and operations.

R. Reclassifications:

Certain amounts in fiscal year 2022 have been reclassified to conform to the fiscal year 2023 presentation.

S. Accounting Pronouncements that have been Implemented in the Current Financial Statements:

Governmental Accounting Standards Board Statement No. 92 – In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The topics include but are not limited to leases, intra-entity transfers between a primary government and a post-employment benefit plan component unit, accounting for pensions and OPEB related assets, measurement of liabilities related to asset retirement obligations, and nonrecurring fair value measurements of assets or liabilities. The requirements of this Statement were effective for reporting periods beginning after June 15, 2022 and did not have a material effect on the District's financial statements.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

T. Accounting Pronouncements recently issued but not yet effective:

The GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

U. Deferred Outflow/Deferred Inflow of Resources - Pension:

In addition to assets, the financial statements may report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to the District's pension plan after the measurement date but before the fiscal year-end are reconciled as a deferred outflow of resources. Additional factors involved in the calculation of the District's pension expense and net pension liability include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 8 for further details related to the pension deferred outflows and inflows.

V. Deferred Outflow/Deferred Inflow of Resources - OPEB:

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. See Note 9 for further details related to the OPEB deferred outflows and inflows.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

V. Deferred Outflow/Deferred Inflow of Resources – OPEB (Continued):

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The details of this difference for June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Capitalized Asset Expenditures	\$ 40,540	\$
Depreciation Expense - Park	(8,271)	(14,541)
Depreciation Expense - General Government	(9,408)	(9,408)
Net change to fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 22,861</u>	<u>(\$ 23,949)</u>

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS:

The District follows the practice of pooling investments of all funds. Interest income earned on all cash and pooled investments is allocated evenly across the Garbage, Sewer, Water, and Park funds.

Investment Policy - Pursuant to the District’s investment policy, which includes certain diversification requirements, the District is allowed to invest in U.S. Government guaranteed investments; registered state warrants; bonds or treasury notes; bonds, notes or warrants of any local agency; prime commercial paper with

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued):

the highest ranking issued by Moody’s Investors Service or Standard & Poor’s Corp.; repurchase agreements; certificates of deposit; and California Employers’ Retiree Benefit Trust (CERBT).

The District maintains its bank accounts in a commercial bank, Placer County Treasurer’s Investment Portfolio, and with the Local Agency Investment Fund (LAIF). The commercial bank account is collateralized with securities held by the pledging financial institution.

Funds on deposit with Placer County Treasurer and LAIF are governed by California state statute.

Cash equivalents of the District subject to interest rate risk as of June 30, 2023 and 2022 are summarized as follows:

	2023		2022	
	Carrying Amount	Market Value	Carrying Amount	Market Value
LAIF	\$ 338,976	\$ 333,833	\$ 424,565	\$ 419,099

Structured notes and asset-backed securities comprised 2.78% and 1.88% of LAIF’s total portfolio for all investors as of June 30, 2023 and 2022, respectively. Fair value of a pool share was \$0.984828499 and \$0.987125414 for the same periods. The cost value of a pool share was constant at \$1.00.

The District’s investment in LAIF has not been rated by a nationally recognized statistical organization.

Investment in State Investment Pool - The District’s LAIF investment is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer’s office.

Investment in County Investment Pool - The District’s Placer County Treasurer’s Investment Portfolio is managed and directed by Placer County Treasurer and is not registered with the Securities and Exchange Commission.

Fair Value Measurements - Deposits and withdrawals in governmental investment pools, such as LAIF are made on the basis of \$1 and not fair value.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued):

Fair Value Measurements (Continued) - Accordingly, the District's proportionate share in these types of investments is an uncatgorized input not defined as a Level 1, Level 2, or Level 3 input.

The District's other investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: 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.

Investments' fair value measurements are as follows as of June 30, 2023:

<u>Investment by Fair Value Level</u>	<u>Fair Value</u>	<u>Fair Value Measurement Using</u>		
		<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
US Treasury Securities	\$ 354,962	\$ 354,962	\$	\$
Total Investments	\$ 354,962	\$ 354,962	\$ 0	\$ 0

The District did not have any investments that were subject to the fair value hierarchy as of June 30, 2022.

Interest Rate Risk – As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District also varies investment maturity dates to ensure the District is able to change investment vehicles in response to changes in interest rates.

Investments of the District subject to interest rate risk on June 30, 2023 are summarized as follows:

Investments	<u>Cost</u>	<u>Market Value</u>	<u>Weighted Average Maturity (in months)</u>
	US Treasury Securities	\$ 350,463	\$ 354,962
	\$ 350,463	\$ 354,962	

All other investments are fully insured.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 3 CASH, CASH EQUIVALENTS, 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.

The District’s US Treasury Securities are rated Aaa by Moody’s. The District’s investments in LAIF were not rated as of June 30, 2023 and 2022.

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 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 (e.g., broker-dealer) 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 requires California banks and savings and loans to 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 pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. All deposits in excess of insurance from the Federal Deposit Insurance Corporation (FDIC) are collateralized with eligible securities, as described by the District’s investment policy, in amounts equal to at least 110% of the District’s carrying value of the deposits (demand deposits and certificates of deposit).

Cash and Investments of the District on June 30, 2023 are summarized as follows:

	<u>Carrying Value</u>
Cash and Cash Equivalents	
Bank of the West	\$ 519,061
Placer County Treasurer's Investment Portfolio	361,716
Local Agency Investment Fund (LAIF)	338,976
Total Cash and Cash Equivalents	<u>\$ 1,219,753</u>
Investments	<u>Fair Value</u>
US Treasury Securities	\$ 354,962
Total Investments	<u>\$ 354,962</u>

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued):

As Presented on the Statement of Net Position:

Cash and Cash Equivalents	\$ 1,219,753
Investments	\$ <u>354,962</u>
Total Cash, Cash Equivalents and Investments	\$ <u><u>1,574,715</u></u>

Cash and Investments of the District on June 30, 2022 are summarized as follows:

	<u>Carrying Value</u>
Cash and Cash Equivalents	
Bank of the West	\$ 68,253
Placer County Treasurer's Investment Portfolio	355,221
Local Agency Investment Fund (LAIF)	<u>424,565</u>
Total Cash and Cash Equivalents	\$ <u><u>848,039</u></u>

As Presented on the Statement of Net Position:

Cash and Cash Equivalents	\$ <u><u>848,039</u></u>
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NOTE 4 PROPERTY TAXES:

Property taxes attach as an enforceable lien on property as of the first Monday in March. Property taxes are payable in two installments and are delinquent after December 10th and April 10th. The District collects its share of property taxes through the County of Placer. Property tax revenue is recognized when it is received. Adjustments are made at the end of the fiscal year to comply with the requirement of the accrual basis of accounting.

NOTE 5 LAND USAGE AND EASEMENT RIGHTS:

Conveyances of land and easement rights to the District are capitalized at their estimated value to the District at time of conveyance. The value of unused land owned by the District, currently classified as Greenbelt, is not included in this report. This land value may be determined at a later date by appraisal and would need to be adjusted back to the date of conveyance before being included as an asset on the Statement of Net Position.

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 6 PLANT AND EQUIPMENT:

Capital asset activity for the year ended June 30, 2023 is as follows:

GOVERNMENTAL ACTIVITIES				
	Balance 7/1/22	Additions	Deletions	Balance 6/30/23
<u>Non-Depreciable Assets:</u>				
Land	\$ 360,436	\$	\$	\$ 360,436
Playground	9,865			9,865
Park	393,526			393,526
Total Capital Assets not being Depreciated	<u>\$ 763,827</u>	<u>\$</u>	<u>\$</u>	<u>\$ 763,827</u>
<u>Depreciable Assets:</u>				
Firehouse	\$ 376,338	\$	\$	\$ 376,338
Fire-Related Vehicles and Equipment	343,336			343,336
Other Vehicles	32,187			32,187
Office Equipment	20,253			20,253
Maintenance Equipment	32,767	40,540		73,307
Building Improvements	89,273			89,273
Land Improvements	32,361			32,361
Park Improvements	21,728			21,728
Total Capital Assets being Depreciated	\$ 948,243	\$ 40,540	\$	\$ 988,783
Accumulated Depreciation	(709,181)	(17,679)		(726,860)
Depreciable Assets, Net	<u>\$ 239,062</u>	<u>\$ 22,861</u>	<u>\$</u>	<u>\$ 261,923</u>
Government Activities Capital Assets, Net	<u>\$ 1,002,889</u>	<u>\$ 22,861</u>	<u>\$ 0</u>	<u>\$ 1,025,750</u>

BUSINESS-TYPE ACTIVITIES				
	Balance 7/1/22	Additions	Deletions	Balance 6/30/23
<u>Non-Depreciable Assets:</u>				
Construction in Process	\$ 61,054	\$ 153,731	\$ 211,187	\$ 3,598
Total Capital Assets not being Depreciated	<u>\$ 61,054</u>	<u>\$ 153,731</u>	<u>\$ 211,187</u>	<u>\$ 3,598</u>
<u>Depreciable Assets:</u>				
Water System	\$ 6,459,767	\$ 187,012	\$	\$ 6,646,779
Sewer System	1,022,025	24,175		1,046,200
Truckee River Interceptor	358,524			358,524
Alpine Springs Interceptor	58,095			58,095
Inflow and Infiltration	26,031			26,031
Vehicles	96,562			96,562
Office Equipment	60,759			60,759
Maintenance Equipment	98,300	121,620		219,920
SCADA System	146,548	8,935		155,483
Building Improvements	267,817			267,817
Land Improvements	97,083			97,083
Total Capital Assets being Depreciated	\$ 8,691,511	\$ 341,742	\$ 0	\$ 9,033,253
Accumulated Depreciation	(4,549,536)	(257,827)		(4,807,363)
Depreciable Assets, Net	<u>\$ 4,141,975</u>	<u>\$ 83,915</u>	<u>\$ 0</u>	<u>\$ 4,225,890</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,203,029</u>	<u>\$ 237,646</u>	<u>\$ 211,187</u>	<u>\$ 4,229,488</u>

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 6 PLANT AND EQUIPMENT (Continued):

Capital asset activity for the year ended June 30, 2022 is as follows:

GOVERNMENTAL ACTIVITIES

<u>Non-Depreciable Assets:</u>	Balance 7/1/21	Additions	Deletions	Balance 6/30/22
Land	\$ 360,436	\$	\$	\$ 360,436
Playground	9,865			9,865
Park	<u>393,526</u>			<u>393,526</u>
Total Capital Assets not being Depreciated	<u>\$ 763,827</u>	<u>\$</u>	<u>\$</u>	<u>\$ 763,827</u>
<u>Depreciable Assets:</u>				
Firehouse	\$ 376,338	\$	\$	\$ 376,338
Fire-Related Vehicles and Equipment	343,336			343,336
Other Vehicles	32,187			32,187
Office Equipment	20,253			20,253
Maintenance Equipment	32,767			32,767
Building Improvements	89,273			89,273
Land Improvements	32,361			32,361
Park Improvements	<u>21,728</u>			<u>21,728</u>
Total Capital Assets being Depreciated	\$ 948,243	\$ 0	\$ 0	\$ 948,243
Accumulated Depreciation	(685,232)	(23,949)		(709,181)
Depreciable Assets, Net	<u>\$ 263,011</u>	<u>(\$ 23,949)</u>	<u>\$ 0</u>	<u>\$ 239,062</u>
Government Activities Capital Assets, Net	<u>\$ 1,026,838</u>	<u>(\$ 23,949)</u>	<u>\$ 0</u>	<u>\$ 1,002,889</u>

BUSINESS-TYPE ACTIVITIES

<u>Non-Depreciable Assets:</u>	Balance 7/1/21	Additions	Deletions	Balance 6/30/22
Construction in Process	\$ 11,300	\$ 49,754	\$	\$ 61,054
Total Capital Assets not being Depreciated	<u>\$ 11,300</u>	<u>\$ 49,754</u>	<u>\$ 0</u>	<u>\$ 61,054</u>
<u>Depreciable Assets:</u>				
Water System	\$ 6,357,449	\$ 102,318	\$	\$ 6,459,767
Sewer System	1,022,025			1,022,025
Truckee River Interceptor	358,524			358,524
Alpine Springs Interceptor	58,095			58,095
Inflow and Infiltration	26,031			26,031
Vehicles	96,562			96,562
Office Equipment	60,759			60,759
Maintenance Equipment	98,300			98,300
SCADA System	146,548			146,548
Building Improvements	267,817			267,817
Land Improvements	<u>97,083</u>			<u>97,083</u>
Total Capital Assets being Depreciated	\$ 8,589,193	\$ 102,318	\$ 0	\$ 8,691,511
Accumulated Depreciation	(4,289,039)	(260,497)		(4,549,536)
Depreciable Assets, Net	<u>\$ 4,300,154</u>	<u>(\$ 158,179)</u>	<u>\$ 0</u>	<u>\$ 4,141,975</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,311,454</u>	<u>(\$ 108,425)</u>	<u>\$ 0</u>	<u>\$ 4,203,029</u>

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 6 PLANT AND EQUIPMENT (Continued):

Depreciation expense for June 30, 2023 is charged to functions as follows:

Government Activities		Business Type Activities	
General Government	\$ 9,408	Water	\$ 230,629
Park	8,271	Sewer	19,981
		Garbage	7,217
	\$ 17,679		\$ 257,827

Depreciation expense for June 30, 2022 is charged to functions as follows:

Government Activities		Business Type Activities	
General Government	\$ 9,408	Water	\$ 229,668
Park	14,541	Sewer	20,528
		Garbage	10,301
	\$ 23,949		\$ 260,497

NOTE 7 RELATED PARTY TRANSACTIONS:

Because the District has entered into a joint powers agreement with others to form a separate entity to provide insurance coverage, the District has related party transactions with this entity. During the years ended June 30, 2023 and 2022, the District paid the Special District Risk Management Authority (SDRMA) \$14,443 and \$44,748 for insurance coverage, respectively. See Note 12 for more information. The total amount paid during the year ended June 30, 2022 represented prepayment for future coverage in subsequent periods and the amounts have been reported as a component of Prepaid Expenses. For the years ended June 30, 2023 and 2022, the SDRMA expenses were \$42,611 and \$42,011, respectively.

NOTE 8 DEFINED BENEFIT 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 (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

Alpine Springs County Water District
 NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Plan Description (Continued):

The Plan consists of a miscellaneous pool and a safety pool (referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the Alpine Springs County Water District. The Alpine Springs County Water District’s employer rate plan in the miscellaneous risk pool is the PEPRA Miscellaneous plan (PEPRA Misc.). The District does not have any rate plans in the safety risk pool.

Benefits Provided - The Plan 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. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect as of June 30, 2023 and 2022, are summarized as follows:

Employer rate plan	PEPRA Misc.
Hire date	On or after January 1, 2013
Benefit formula	2.0% @ 62
Benefit vesting schedule	5 years service
Benefit payments	Monthly for Life
Retirement age	52
Monthly benefits, as a % of eligible compensation	1% to 2.5%
Required employee contribution rates	6.75%
Required employer contribution rates	7.47% as of June 30, 2023 and 7.59% as of June 30, 2022

Contribution Description - Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are to 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. Contribution rates for the employer rate plans are determined through the CalPERS’ annual actuarial valuation process.

Alpine Springs County Water District
 NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Contribution Description (Continued):

Each employer rate plan’s actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan’s allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The District’s contributions to the risk pool in the Plan for the year ended June 30, 2023 and 2022 were as follows:

	Contributions	
	2023	2022
Miscellaneous Risk Pool	\$ 28,173	\$ 25,510

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2023 and 2022, the District reported net pension liability (asset) of \$26,467 and (\$28,378), respectively, for its proportionate share of the net pension liability. The District’s net pension liability for each risk pool is measured as the proportionate share of each risk pool’s net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer’s proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer’s proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer’s rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The District’s proportionate share of the net pension liability as of June 30, 2021 and 2020, the valuation dates, was calculated as follows:

In determining an employer’s proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation dates June 30, 2021 and 2020. Each employer rate plan’s fiduciary net position was subtracted

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued) - from its total pension liability to obtain its net pension liability as of the valuation date. The District's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the District's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The District's proportionate share of the net pension liability as of June 30, 2022 and 2021 measurement dates was calculated as follows:

Each risk pool's total pension liability was computed at the measurement dates June 30, 2022 and 2021, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at measurement dates June 30, 2022 and 2021, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2022 and 2021, was calculated by applying the District's proportionate share percentages as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2022 and 2021, to obtain each employer rate plan's total pension liability and fiduciary net position as of June 30, 2022 and 2021. Each employer rate plan's fiduciary net position was then subtracted from its total pension liability to obtain the net pension liability as of the measurement dates.

The District's proportionate share percentage of the net pension liability for each risk pool as of measurement date June 30, 2022 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2021 (Measurement Date)	(0.001495%)
Proportion - June 30, 2022 (Measurement Date)	<u>0.000566%</u>
Change	<u>0.002061%</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

The District's proportionate share percentage of the net pension liability for each risk pool as of measurement date June 30, 2021 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2020 (Measurement Date)	0.000329%
Proportion - June 30, 2021 (Measurement Date)	(0.001495%)
Change	<u>(0.001824%)</u>

For the years ended June 30, 2023 and 2022, the District recognized pension expense of \$19,526 and \$12,745, respectively. Pension expense is comprised of various elements including service cost, interest, changes in benefit terms, investment experience, and the amortization of deferred outflows and inflows of resources, which are all factors used by the actuaries in the calculation of the net pension liability.

As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 28,173	\$
Differences between actual and expected experience	1,396	(1,145)
Changes of assumptions	8,726	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	21,705	
Adjustment due to Differences in Proportions	7,194	
Differences between Actual and Required Contributions	<u>8,885</u>	
Total	<u>\$ 76,079</u>	<u>(\$ 1,145)</u>

It should be noted that a deferred outflow of \$28,173 was related to contributions subsequent to the measurement date, and the entire amount will be recognized as a reduction in the net pension liability in the year ending June 30, 2024.

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Deferred Outflow/(Inflows) of Resources</u>
2024	\$ 15,670
2025	12,443
2026	7,274
2027	11,374
2028	_____
Total	<u>\$ 46,761</u>

As of June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 25,510	\$
Differences between actual and expected experience	2,831	
Changes of assumptions		
Net Difference between Projected and Actual Earnings on Pension Plan Investments		(31,598)
Adjustment due to Differences in Proportions	5,731	
Differences between Actual and Required Contributions	<u>8,970</u>	<u>_____</u>
Total	<u>\$ 43,042</u>	<u>(\$ 31,598)</u>

Alpine Springs County Water District
 NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Actuarial Assumptions - The total pension liabilities in the June 30, 2022 actuarial valuations were determine using the following actuarial assumptions:

	Miscellaneous
Valuation Date (VD)	June 30, 2021 and 2020
Measurement Date (MD)	June 30, 2022 and 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90% as of June 30, 2022 and 7.15% as of June 30, 2021 Measurement Dates
Inflation	2.30% as of June 30, 2022 and 2.50% as of June 30, 2021 Measurement Dates
Payroll Growth	2.80% as of June 30, 2022 and 2.75% as of June 30, 2021 Measurement Dates
Projected Salary Increase (1)	Varies By Age and Length of Service
Investment Rate of Return (2)	6.80% as of June 30, 2022 and 7.00% as of June 30, 2021 Measurement Dates
Mortality Rate Table (3)	Derived using CalPERS' Membership Data for all Funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and Administrative expenses; including inflation

(3) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Changes of Assumptions – The discount rate, inflation rate, and payroll growth rate changed for the measurement period June 30, 2022.

Discount Rate - The discount rate used to measure the total pension liability was 6.90% and 7.15% for the measurement periods June 30, 2022 and June 30, 2021, respectively. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 6.90% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2022 based on June 30, 2021 Valuations*, that can be obtained from the CalPERS website.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Discount Rate (Continued):

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 6.80% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 10 basis points. An investment return excluding administrative expense would have been 6.90%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

The long-term expected rate of return on pension 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 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 long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, 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.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	June 30, 2023	
	Assumed	Real Return
	Asset Allocation	(a) & (b)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

(a) An expected inflation of 2.3% used for this period.

(b) Figures are based on 2021-22 Asset Liability Management Study.

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Discount Rate (Continued):

Asset Class	June 30, 2022		
	New Strategic Allocation	Real Return Years 1 – 10 (a)	Real Return Years 11+ (b)
Public Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92%)
Total	<u>100.00%</u>		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Districts' 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 each risk pool as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension 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 rate:

At June 30, 2023, the discount rate comparison was the following:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
District's proportionate share of net pension liability (asset)	<u>\$ 79,682</u>	<u>\$ 26,467</u>	<u>\$ 17,320</u>

At June 30, 2022, the discount rate comparison was the following:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
District's proportionate share of net pension liability (asset)	<u>\$ 12,478</u>	<u>(\$ 28,378)</u>	<u>(\$ 62,155)</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9 POST-RETIREMENT HEALTHCARE BENEFITS (OPEB):

Plan Description – The Plan provides other post-employment benefits to qualified employees and selected officials as well as their eligible survivors and dependents. The California Employers’ Retiree Benefit Trust (CERBT) is part of the Public District portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employees with the State of California. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office – 400 Q Street – Sacramento, CA 95811.

Employees Covered - As of the June 30, 2022 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Participating Active employees	4
Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to, but not yet receiving benefits*	_____
	<u>6</u>

* Information was not provided about any terminated, vested employees

Contributions - The annual contribution made by the District represents the retiree premium payments and additional ad-hoc contributions. For the fiscal years ended June 30, 2023 and 2022, the District’s contributions were \$48,369 and \$47,555, respectively.

Net OPEB Liability - The District’s net OPEB liability was measured as of June 30, 2023 and 2022; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates.

Actuarial Assumptions - The District’s net OPEB liability was measured as of June 30, 2023 and 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

<u>Actuarial Assumptions:</u>	
Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023 and June 30, 2022
Actuarial Cost Method	Entry Age
Discount Rate/Investment Rate of Return	5.75% as of June 30, 2023 and June 2022
Inflation	Measurement Dates 2.50% as of June 30, 2023 and 2.75% as of June 2022
Trend	Measurement Dates 4.00%
Payroll Growth	2.75%
Mortality Rate Table	2017 CalPERS Mortality for Miscellaneous Employees
Pre-Retirement Turnover	2017 CalPERS’ Turnover for Miscellaneous Employees

(1) Net of expenses; Based on long-term return on plan assets

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9 POST-RETIREMENT HEALTHCARE BENEFITS (OPEB) (Continued):

Actuarial Assumptions (Continued):

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of June 30, 2023 and 2022:

June 30, 2023		
<u>Asset Class</u>	Percentage of Portfolio	Assumed Gross Return
All Equities	22.00%	7.5450%
All Fixed Income	49.00%	4.2500%
Real Estate Investment Trusts	8.00%	7.2500%
All Commodities	5.00%	7.5450%
Treasury Inflation Protected Securities (TIPS)	16.00%	3.0000%
	<u>100.00%</u>	
June 30, 2022		
<u>Asset Class</u>	Percentage of Portfolio	Assumed Gross Return
All Equities	22.00%	7.5450%
All Fixed Income	49.00%	4.2500%
Real Estate Investment Trusts	8.00%	7.2500%
All Commodities	5.00%	7.5450%
Treasury Inflation Protected Securities (TIPS)	16.00%	3.0000%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total OPEB liability was 5.75%, net of expenses. The discount rate is based on assumed long-term rate of return on plan assets assuming 100% funding through CERBT. The long-term expected rate of return on 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 pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, historic 31-year real rates of return were used for each asset class, along with assumed long-term inflation assumptions. The expected investment returns were offset by investment expenses of 25 basis points.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9 POST-RETIREMENT HEALTHCARE BENEFITS (OPEB) (Continued):

Changes in the OPEB Liability - The changes in the net OPEB liability for the Plan are as follows for measurement periods ended June 30, 2023 and 2022:

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2022	\$ 454,595	\$ 79,779	\$ 374,816
Changes recognized for the measurement period:			
Service Cost	\$ 17,692	\$	\$ 17,692
Interest on Total OPEB liability/ Return on FNP	26,123		26,123
Experience (Gains)/Losses	115		115
Employer Contributions to Trust		30,000	(30,000)
Employer Contributions as Benefit Payments		18,369	(18,369)
Benefit Payments	(18,369)	(18,369)	
Investment Gains/ (Losses)		(3,623)	3,623
Expected Investment Income		5,448	(5,448)
Administrative expense		(70)	70
Net Changes	\$ 25,561	\$ 31,755	(\$ 6,194)
Balance at June 30, 2023	\$ 480,156	\$ 111,534	\$ 368,622

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2021	\$ 453,756	\$ 55,541	\$ 398,215
Changes recognized for the measurement period:			
Service Cost	\$ 14,152	\$	\$ 14,152
Interest on Total OPEB liability/ Return on FNP	25,962	(5,714)	31,676
Changes of Assumptions			
Experience (Gains)/Losses	(21,720)		(21,720)
Employer Contributions to Trust		30,000	(30,000)
Employer Contributions as Benefit Payments		17,555	(17,555)
Benefit Payments	(17,555)	(17,555)	
Administrative expense		(48)	48
Net Changes	\$ 839	\$ 24,238	(\$ 23,399)
Balance at June 30, 2022	\$ 454,595	\$ 79,779	\$ 374,816

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9 POST-RETIREMENT HEALTHCARE BENEFITS (OPEB) (Continued):

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30, 2023 and 2022:

	June 30, 2023 Current Discount		
	1% Decrease	Rate (5.75%)	1% Increase
Net OPEB Liability	\$ 430,312	\$ 368,622	\$ 317,387

	June 30, 2022 Current Discount		
	1% Decrease	Rate (5.75%)	1% Increase
Net OPEB Liability	\$ 433,104	\$ 374,816	\$ 326,287

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates - The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30, 2023 and 2022:

	June 30, 2023 Current Healthcare Cost Trend Rates		
	1% Decrease	(5.75%)	1% Increase
Net OPEB Liability	\$ 304,976	\$ 368,622	\$ 447,619

	June 30, 2022 Current Healthcare Cost Trend Rates		
	1% Decrease	(5.75%)	1% Increase
Net OPEB Liability	\$ 318,514	\$ 374,816	\$ 444,210

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9 POST-RETIREMENT HEALTHCARE BENEFITS (OPEB) (Continued):

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued plan financial report issued by CalPERS and located on its website.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - The District recognized OPEB expense of \$25,695 and \$22,629 as of June 30, 2023 and 2022, respectively. OPEB expense is comprised of various elements including service cost, interest on total OPEB liability, changes in benefit terms, recognized actuarial gains and losses, investment income, recognized investment gains and losses, and administrative expense, which are all factors used by the actuaries in the calculation of the net pension liability.

As of fiscal year ended June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Changes of Assumptions	\$ 20,155	(\$ 36,889)
Experience Gains and Losses	1,846	(17,806)
Investment Gains and Losses	7,959	
Total	<u>\$ 29,960</u>	<u>(\$ 54,695)</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30:	Deferred Outflow/(Inflows) of Resources
<u> </u>	<u> </u>
2024	(\$ 12,741)
2025	(12,657)
2026	1,121
2027	2,515
2028	1,792
Thereafter	<u>(4,765)</u>
Total	<u>(\$ 24,735)</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9 POST-RETIREMENT HEALTHCARE BENEFITS (OPEB) (Continued):

As of fiscal year ended June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$	(\$ 30,083)
Experience Gains and Losses		(17,704)
Investment Gains and Losses	6,572	
Total	<u>\$ 6,572</u>	<u>(\$ 47,787)</u>

NOTE 10 LONG TERM DEBT:

The following is a summary of long - term debt activity for the fiscal years ended June 30, 2023 and June 30, 2022:

<u>Governmental Activities</u>	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
OPEB Liability	\$ 74,963	\$ 9,525	(\$ 10,764)	\$ 73,724	\$
Net Pension Liability (Asset)	(5,676)	21,442	(10,473)	5,293	_____
Total Governmental Activities	<u>\$ 69,287</u>	<u>\$ 30,967</u>	<u>(\$ 21,237)</u>	<u>\$ 79,017</u>	<u>\$</u>

<u>Business-Type Activities</u>	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Financed Purchase	\$	\$ 162,161	(\$ 26,966)	\$ 135,195	\$ 54,005
OPEB Liability	299,853	38,098	(43,053)	294,898	_____
Net Pension Liability (Asset)	(22,702)	85,766	(41,890)	21,174	_____
Total Business-Type Activities	<u>\$ 277,151</u>	<u>\$ 286,025</u>	<u>(\$ 111,909)</u>	<u>\$ 451,267</u>	<u>\$ 54,005</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 10 LONG TERM DEBT (Continued):

	Balance			Balance		Due Within
<u>Governmental Activities</u>	<u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>		<u>One Year</u>
OPEB Liability	\$ 79,642	\$ 9,176	(\$ 13,855)	\$ 74,963	\$	
Net Pension Liability (Asset)	<u>2,773</u>	<u>7,632</u>	<u>(16,081)</u>	<u>(5,676)</u>		
Total Governmental Activities	<u>\$ 82,415</u>	<u>\$ 16,808</u>	<u>(\$ 29,936)</u>	<u>\$ 69,287</u>	\$	

	Balance			Balance		Due Within
<u>Business-Type Activities</u>	<u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>		<u>One Year</u>
OPEB Liability	\$ 318,573	\$ 36,700	(\$ 55,420)	\$ 299,853	\$	
Net Pension Liability (Asset)	<u>11,089</u>	<u>30,529</u>	<u>(64,320)</u>	<u>(22,702)</u>		
Total Business-Type Activities	<u>\$ 329,662</u>	<u>\$ 67,229</u>	<u>(\$ 119,740)</u>	<u>\$ 277,151</u>	\$	

Financed Purchase from Direct Borrowing - In November 2022, the District entered into a financed purchase agreement in the amount of \$162,161 to finance the purchase of equipment. Monthly principal and interest payments began in January 2023 and are required until maturity in December 2025 at an interest rate of 0.159%.

Future minimum payments on the financed purchase agreement as of June 30, 2023 are as follows:

	Fiscal Year Ending			Total
	<u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 54,005	\$ 181	\$ 54,186	
2025	54,092	95	54,187	
2026	<u>27,098</u>	<u>16</u>	<u>27,114</u>	
	<u>\$ 135,195</u>	<u>\$ 292</u>	<u>\$ 135,487</u>	

NOTE 11 GARBAGE SERVICE:

Effective July 1, 2005, Ordinance No. 5-2005 was passed by the board of directors of the District, providing compulsory trash collection service for all District residents. The trash collection costs are paid by the service recipients. The District has made arrangements with a California corporation to provide trash disposal services. Trash collection fees incurred in 2023 and 2022 were \$158,050 and \$148,168, respectively, and are included as the primary component of Fees under Operating Expenses as reported on page 22.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 12 RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of two joint power authorities for the operation of a common risk management and insurance program. The program covers workers' compensation, property, liability, and employee dishonesty insurance. The authorities are governed by an executive board consisting of representatives from member districts.

The executive board controls the operations of the authorities, including selection of management and approval of operating budgets. The relationship between the District and the joint power authorities is such that the authorities are not component units of the District for financial reporting purposes.

For workers' compensation insurance and for property, liability and employee dishonesty insurance, the District has joined with other special districts within the state to form the SDRMA.

The District pays estimated annual premiums to the SDRMA based upon estimated payroll classified into rate categories pursuant to the rules published by the California Workers' Compensation Insurance Rating Bureau. Actual premiums due are determined after the fiscal year end and are based upon actual payroll. The SDRMA is entitled to assess additional premiums or to refund premiums based upon the District's individual claims or loss experience. The SDRMA agrees to pay all amounts legally required by California workers' compensation laws. The amounts of settlements have not exceeded coverage provided by SDRMA for the last three fiscal years.

The District pays an annual premium to SDRMA for its property, liability, and employee dishonesty coverage. The SDRMA is entitled to assess additional premiums or refunded premiums based upon the District's individual claims or loss experience. The amounts of settlements have not exceeded coverage provided by SDRMA.

NOTE 13 PROPOSITION 218:

Proposition 218, which was approved by the voters in November 1996, provides procedures that govern increases in existing fees or the imposition of new fees by the District.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 14 COMMITMENTS:

The District has entered into contract commitments totaling \$175,625 and \$147,500 for fiscal years ended June 30, 2023 and 2022, respectively. As of June 30, 2023, the amount earned on the contracts was \$174,913 with a remaining balance of zero. As of June 30, 2022, the amount earned on the contracts was \$49,754 with a remaining balance of \$97,746.

In January 2021, the District entered into a renewed contract with a local fire protection district to provide fire protection, emergency medical and related services for the District for the period commencing January 1, 2021 through December 31, 2036.

This contract contains provisions that require the payment of property tax revenues from the District to the fire protection district according to the following schedule:

<u>Year ending June 30,</u>	<u>Amount</u>
2022 – 2036	80% of gross property taxes received

The District may terminate the contract upon written notice of not less than 36 months. For additional information regarding the termination of contract see Note 15.

The District has a pending dispute as of June 30, 2023. The parties are currently exploring a settlement. Given the uncertainty of the resolution, management deems the liability related to the outstanding potential claim as possible; however, the amount is not reasonably estimable as of June 30, 2023. Accordingly, no provision for any liability related to the pending dispute has been made in the accompanying financial statements.

NOTE 15 SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.

In October 2023, the District voted to terminate the contract with the local fire protection district with end date of October 2026. The District is committed to adopt a new contract before the 2026 termination date.

REQUIRED SUPPLEMENTARY INFORMATION

Alpine Springs County Water District
 SCHEDULE OF OPEB CONTRIBUTIONS

As of June 30, 2023

LAST TEN YEARS*

<u>Schedule of OPEB Contributions:</u>	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarilly Determined Contributions (ADC) **	\$	\$	\$	\$	\$	\$
Contributions in relation to the ADC	(48,369)	(47,555)	(37,564)	(41,699)	(9,897)	(9,516)
Contribution deficiency (excess)	<u>(\$ 48,369)</u>	<u>(\$ 47,555)</u>	<u>(\$ 37,564)</u>	<u>(\$ 41,699)</u>	<u>(\$ 9,897)</u>	<u>(\$ 9,516)</u>
 Covered-employee payroll	 \$ 201,555	 \$ 196,032	 \$ 183,082	 \$ 191,740	 \$ 205,345	 \$ 186,899
Contributions as a percentage of covered-employee payroll	24.00%	24.26%	20.52%	21.75%	4.82%	5.09%

Notes to Schedule:

* Fiscal Year 2018 was the first year of implementation, therefore only six years are shown.

**Amount was not calculated. The District's contribution was assumed to be made on an ad hoc basis.

Alpine Springs County Water District

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

As of June 30, 2023

LAST TEN YEARS*

	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018
Total OPEB Liability						
Service Cost	\$ 17,692	\$ 14,152	\$ 12,978	\$ 12,453	\$ 20,988	\$ 20,426
Interest on Total OPEB Liability	26,123	25,962	25,087	22,493	27,719	16,500
Changes of assumptions			12,849	19,637	(120,739)	
Benefit payments	(18,369)	(17,555)	(17,564)	(11,699)	(9,897)	(9,516)
Experience (Gains)/Losses	115	(21,720)		3,010		
Net Change in Total OPEB Liability	\$ 25,561	\$ 839	\$ 33,350	\$ 45,894	(\$ 81,929)	\$ 27,410
Total OPEB Liability - Beginning	454,595	453,756	420,406	374,512	456,441	429,031
Total OPEB Liability - Ending (a)	\$ 480,156	\$ 454,595	\$ 453,756	\$ 420,406	\$ 374,512	\$ 456,441
Plan Fiduciary Net Position						
Employer Contributions as Benefit Payments	\$ 18,369	\$ 17,555	\$ 17,564	\$ 11,699	\$ 9,897	9,516
Employer Contributions to Trust	30,000	30,000	20,000	30,000		
Interest on Total OPEB liability/ Return on FNP		(5,714)				
Expected Investment Income	5,448		2,477	899		
Actual investment income	(18,369)		1,794	419		
Benefit payments	(3,623)	(17,555)	(17,564)	(11,699)	(9,897)	(9,516)
Administrative expense	(70)	(48)	(28)	(20)		
Net Change in Plan Fiduciary Net Position	\$ 31,755	\$ 24,238	\$ 24,243	\$ 31,298	\$	\$
Plan Fiduciary Net Position - Beginning	79,779	55,541	31,298			
Plan Fiduciary Net Position - Ending (b)	\$ 111,534	\$ 79,779	\$ 55,541	\$ 31,298	\$	\$
Net OPEB Liability - Ending (a) - (b)	\$ 368,622	\$ 374,816	\$ 398,215	\$ 389,108	\$ 374,512	\$ 456,441
Plan fiduciary net position as a percentage of the total OPEB liability	23.23%	17.55%	12.24%	7.44%	0.00%	0.00%
Covered-employee payroll	\$ 201,555	\$ 196,032	\$ 183,082	\$ 191,740	\$ 205,345	\$ 186,899
Net OPEB liability as a percentage of covered-employee payroll	182.89%	191.20%	217.51%	202.94%	182.38%	244.22%

Notes to Schedule:

*Fiscal year 2018 was the first year of implementation. Therefore, only six years are shown.

Changes in assumptions – The discount rate changed during the fiscal year June 30, 2019 from 3.8% to 6%, then decreased during fiscal year June 30, 2021 from 6.00% to 5.75%. The inflation rate changed for the fiscal year June 30, 2023.

Alpine Springs County Water District

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

As of June 30, 2023

LAST TEN YEARS*

	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
District's Proportion of the Net Pension Liability/(Asset)	0.000566%	(0.0014950%)	0.000329%	0.000212%	0.000063%	0.000046%	0.000016%	0.000000%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ 26,467	(\$ 28,378)	\$ 13,862	\$ 8,482	\$ 2,372	\$ 4,532	\$ 544	\$ 0
District's Covered Payroll	\$ 308,623	\$ 235,008	\$ 191,740	\$ 205,345	\$ 186,899	\$ 199,037	\$ 200,141	\$ 145,933
District's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	8.58%	(12.08%)	7.23%	4.13%	1.27%	2.28%	0.27%	N/A
District's Proportionate Share of the Fiduciary Net Position as a Percentage of the District's Total Pension Liability (Asset)	93.22%	109.17%	93.90%	94.82%	97.74%	92.14%	96.57%	N/A

Notes to Schedule:

Change of benefit terms – There were no changes to the benefit terms.

Changes in assumptions – The discount rate changed from 7.65% to 7.15% in fiscal year 2018, and from 7.15% to 6.90% in fiscal year 2023. The inflation rate, investment rate of return, and payroll growth rate changed for the measurement period June 30, 2019. The inflation rate and payroll growth rate changed for the measurement period June 30, 2022.

*The District adopted the Plan in fiscal year 2015. There was no valuation or measurement date as of the beginning of that year. As a result, there was no pension liability available to record in that year.

Alpine Springs County Water District

SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS

As of June 30, 2023

LAST TEN YEARS*

<u>Schedule of Pension Plan Contributions:</u>	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Contractually required Contribution (actuarially determined)	\$ 28,173	\$ 25,510	\$ 20,090	\$ 13,901	\$ 8,218	\$ 12,222	\$ 12,941	\$ 11,399	\$ 8,218
Actual Contributions During the Measurement Period	(28,173)	(25,510)	(20,090)	(13,901)	(15,624)	(12,770)	(12,582)	(11,399)	(8,218)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	(\$ 7,406)	(\$ 548)	\$ 359	\$ 0	\$ 0
Covered payroll	\$ 345,730	\$ 308,623	\$ 235,008	\$ 191,740	\$ 205,345	\$ 186,899	\$ 200,141	\$ 183,814	\$ 145,933
Contributions as a percentage of covered payroll	8.15%	8.27%	8.55%	7.25%	7.61%	6.83%	6.29%	6.20%	5.63%

*Fiscal year 2015 was the first year of implementation, therefore only 9 years are shown.