



December 18, 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, 2024. 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, 2024. 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. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended June 30, 2024. 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 December 18, 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 62 through 65 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

Alpine Springs County Water District

MANAGEMENT LETTER MEMORANDUM

Page 1 of 1

Segregation of Duties over Cash Receipts

During our understanding of the internal controls over cash receipts, we noted inadequate segregation of duties. The same employee opens the mail, records the receipt of checks or cash, prepares the deposit slip, and deposits the payments to the bank. There should be segregation of duties between the collection, recording, and deposit functions in the cash receipt process.

We recommend management to implement policies and procedures to ensure proper segregation of duties related to cash receipts.

Management's Response - The General Manager will review all deposit slips prior to cash deposits taking place.

:

Alpine Springs County Water District

ADJUSTING JOURNAL ENTRIES MEMORANDUM

Page 1 of 2

Account	Description	Debit	Credit	Net Income Effect
AJE #1				
To reclassify accrued interest receivable				
5-1145	Accrued Int Rec Wells Fargo	23,174.62	0.00	
5-1045	Wells Fargo Advisors	0.00	23,174.62	
Total		23,174.62	23,174.62	0.00
AJE #2				
To record year-end adjustments for OPEB Liability				
2-1611	Deferred OPEB Outflows	5,470.00	0.00	
3-1611	Deferred OPEB Outflows	21,880.00	0.00	
4-1611	Deferred OPEB Outflows	10,940.00	0.00	
5-1611	Deferred OPEB Outflows	71,111.00	0.00	
2-2081	Deferred OPEB Inflows	936.00	0.00	
3-2081	Deferred OPEB Inflows	3,745.00	0.00	
4-2081	Deferred OPEB Inflows	1,873.00	0.00	
5-2081	Deferred OPEB Inflows	12,173.00	0.00	
2-2060	OPEB Liability	0.00	3,235.00	
3-2060	OPEB Liability	0.00	12,939.00	
4-2060	OPEB Liability	0.00	6,469.00	
5-2060	OPEB Liability	0.00	42,051.00	
2-5105	OPEB Expense	0.00	3,171.00	
3-5105	OPEB Expense	0.00	12,686.00	
4-5105	OPEB Expense	0.00	6,344.00	
5-5105	OPEB Expense	0.00	41,233.00	
Total		128,128.00	128,128.00	63,434.00
AJE #3				
To record year-end adjustments related to Pension Liability				
2-1610	Deferred Pension Outflows	574.00	0.00	
3-1610	Deferred Pension Outflows	2,296.00	0.00	
4-1610	Deferred Pension Outflows	1,148.00	0.00	
5-1610	Deferred Pension Outflows	7,461.00	0.00	
2-2080	Deferred Pension Inflows	21.00	0.00	
3-2080	Deferred Pension Inflows	85.00	0.00	
4-2080	Deferred Pension Inflows	43.00	0.00	
5-2080	Deferred Pension Inflows	276.00	0.00	
2-2085	Net Pension Liabilities	0.00	1,008.00	
3-2085	Net Pension Liabilities	0.00	4,031.00	
4-2085	Net Pension Liabilities	0.00	2,016.00	
5-2085	Net Pension Liabilities	0.00	13,102.00	
2-5104	Benefits - O & M	413.00	0.00	
3-5104	Benefits - O & M	1,650.00	0.00	
4-5104	Benefits - O & M	825.00	0.00	
5-5104	Benefits - O & M	5,365.00	0.00	
Total		20,157.00	20,157.00	(8,253.00)
AJE #4				
To adjust fund allocation of Other revenues				
5-4999	Other Revenue	17,591.05	0.00	
5-1240	Due from (to) Interfund	0.00	17,591.05	
4-1240	Due from (to) Interfund	8,795.53	0.00	
4-4999	Other Revenue	0.00	8,795.53	
2-1240	Due from (to) Interfund	8,795.52	0.00	
2-4999	Other Revenue	0.00	8,795.52	
Total		35,182.10	35,182.10	0.00

Alpine Springs County Water District

ADJUSTING JOURNAL ENTRIES MEMORANDUM

Page 2 of 2

Account	Description	Debit	Credit	Net Income Effect
AJE #5				
To correct beginning fund balance - Water Fund				
5-3000	Retained Earnings	141.00	0.00	
5-4999	Other Revenue	0.00	141.00	
Total		141.00	141.00	141.00
AJE #6				
To adjust ending balance of Investments in Capital assets - Enterprise Funds				
5-3005	Invest Plant & Equip	151,364.00	0.00	
5-3000	Retained Earnings	0.00	151,364.00	
4-3005	Invest Plant & Equip	1,937.00	0.00	
4-3000	Retained Earnings	0.00	1,937.00	
2-3005	Invest Plant & Equip	0.00	10,812.00	
2-3000	Retained Earnings	10,812.00	0.00	
Total		164,113.00	164,113.00	0.00
AJE #7				
To adjust ending balance of Investments in Capital assets - Governmental Funds				
3-3000	Retained Earnings	8,388.00	0.00	
3-3005	Invest Plant & Equip	0.00	8,388.00	
6-3005	Invest Plant & Equip	4,698.00	0.00	
6-3002	Undesignated - GF	0.00	4,698.00	
Total		13,086.00	13,086.00	0.00
AJE #8				
To reclassify settlement payment				
4-5151	Parts/Tools/Misc	10,820.91	0.00	
4-4999	Other Revenue	0.00	10,820.91	
Total		10,820.91	10,820.91	0.00
GRAND TOTAL		394,802.63	394,802.63	55,322.00

*ALPINE SPRINGS COUNTY
WATER DISTRICT*

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

COUNTY WATER DISTRICT
For the Fiscal Year Ended June 30, 2024



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, 2024. 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: No exceptions were noted as a result of our procedures.

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.

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.

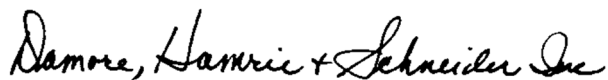
4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Schedule No. 6 to the prior year appropriations limit adopted by the Board of Directors.

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

December 18, 2024

USER FEES VERSUS COSTS
(Based on Budget)

For the Fiscal Year Ended June 30, 2024

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, 2024

Funds Included:
Administration, General Operations & Maintenance

	<u>Proceeds of Taxes</u>	<u>Non-Proceeds of Taxes</u>	<u>Total</u>
Revenue:			
Property Taxes	\$ 915,239	\$	\$ 915,239
Locally Raised:			
Other Income		21,400	21,400
User Fees		<u>1,828,775</u>	<u>1,828,775</u>
Sub Total (For Schedule 3)	\$ 915,239	\$ 1,850,175	\$ 2,765,414
Interest Earnings: (From Schedule 3)	<u>925</u>	<u>1,575</u>	<u>2,500</u>
Total Revenue: (Use for Schedule 4)	<u>\$ 916,164</u>	<u>\$ 1,851,750</u>	<u>\$ 2,767,914</u>
Grand Total Budget	<u>\$ 916,164</u>	<u>\$ 1,851,750</u>	<u>\$ 2,767,914</u>

INTEREST EARNINGS PRODUCED BY TAXES
(Based on Budget)

For the Fiscal Year Ended June 30, 2024

	<u>Amount</u>	<u>Source</u>
A. Non-Interest Tax Proceeds	\$ 915,239	Schedule 2
B. Minus Exclusions	\$	Schedule 7
C. Net Invested Taxes	\$ 915,239	A-B
D. Total Non-Interest Budget	\$ 2,765,414	Schedule 2
E. Tax Proceeds as Percent of Budget	33.00%	C/D
F. Interest Earnings	\$ 2,500	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 825</u>	E*F
H. Amount of Interest Earned from Non-Taxes	<u><u>\$ 1,675</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, 2024

	<u>Amount</u>	<u>Source</u>
A. Proceeds of Taxes	\$ 916,164	Schedule 2
B. Exclusions	<u>0</u>	Schedule 7
C. Appropriations Subject to Limitation	\$ 916,164	A-B
D. Current Year Limit	<u>2,189,369</u>	Schedule 6
E. Over/(Under) Limit	<u>(\$ 1,273,205)</u>	C-D

POPULATION CHANGES

For the Fiscal Year Ended June 30, 2024

	<u>County Population Increase (Decrease) %</u>
2022-2023	(0.79%)

APPROPRIATIONS LIMIT

For the Fiscal Year Ended June 30, 2024

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 2,113,087	
B. Adjustment Factors:		
1 Population	0.9921	(State Finance or Assessor)
2 Inflation	<u>1.0444</u>	(State Finance or Assessor)
	<u>1.0361</u>	B1*B2
C. Annual Adjustment	<u>\$ 76,282</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>\$ 76,282</u>	C+D
F. This Year's Limit	<u>\$ 2,189,369</u>	A+E

EXCLUDED APPROPRIATIONS
(Based on Budget)

For the Fiscal Year Ended June 30, 2024

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, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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 include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 62 through 65 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

December 18, 2024

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2024

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, 2024. 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 2023/24 by \$6,768,880 (total net position). Of this amount, the District's unrestricted net position increased to \$1,770,200 from \$1,090,556, an increase of \$679,644. The District's total net position of \$6.77 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 \$4,998,680. The remaining balance of the District's net position, \$1,770,200, is unrestricted.
- The District's total net position increased by \$540,845 (8.7%) primarily due to an increase in investments. The District's cash and cash equivalent decreased by \$495,166 or 41%, investment balance increased to \$1,080,397 from \$354,962, while the District's accounts payable decreased by \$340,448 due to timing of payment to NTFPD compared to last fiscal year.
- The District's total revenue from all sources including contributions for the fiscal year ended June 30, 2024 was \$3,011,764. This is an increase of 21.5% over June 30, 2023 and was attributed to an increased collection of utility fees given the 2023 approved rate increase that went into effect in July 2023.
- The District's operating revenues, consisting of service revenues from direct customer sales (i.e., water, sewer, garbage, and park user fee charges) totaled \$1,874,657. General revenues from property taxes, interest and other sources totaled \$1,137,107.
- Total District operating expenses increased this fiscal year, from \$2,103,850 to \$2,470,919. This increase was due to an increase in sewer and garbage expenditure.
- As of the end of fiscal year June 30, 2024, the District had \$27,185 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, 2024

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 the 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 on 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, 2024

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 25-60.

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 62-65 of this report.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2024

Government-Wide Financial Analysis

The District's net position for governmental activities increased from \$1,298,224 to \$1,335,544 (approximately 2.9%) and business-type activities increased from \$4,929,811 to \$5,433,336 (approximately 10.2%).

Changes between the June 30, 2024 and 2023 fiscal years are explained in detail below:

Total assets and deferred outflows of resources increased by approximately \$229,218 or 3.2%.

Governmental Activities:

- Cash and cash equivalent decreased by \$799,615
- Taxes receivable increased by approximately \$590
- Capital assets increased by \$3,690
- Deferred outflows of resources increased by \$24,177

Business-Type Activities:

- Investments increased by \$725,436
- Accounts receivable decreased by \$9,162
- Capital assets decreased by \$196,249
- Deferred outflows of resources increased by \$96,704

Total liabilities and deferred inflows of resources decreased by \$311,627 or 32%

Governmental Activities:

- Accounts payable decreased by \$340,448
- Long-term liabilities increased by \$16,970
- Deferred inflows of resources decreased by \$3,830

Business-Type Activities:

- Current liabilities increased by \$15,453
- Long-term liabilities increased by \$13,876
- Deferred inflows of resources decreased by \$15,322

Alpine Springs County Water District

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2024

Statement of Net Position

As of June 30, 2024 and June 30, 2023, the net position of the District was:

Table 1: Statement of Net Position

<u>Assets:</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change in Dollars</u>	<u>Percentage Change</u>
Cash, Cash Equivalents, and Investments	\$ 1,804,985	\$ 1,574,715	\$ 230,270	14.6%
Accounts and Taxes Receivable	219,500	228,071	(8,571)	-3.8%
Accrued Interest Receivable	23,175			
Prepaid Expenses	69,502	13,480	56,022	415.6%
Capital Assets, Net of Accumulated Depreciation				
Plant and Equipment	5,062,679	5,255,238	(192,559)	-3.7%
Land Usage and Easement Rights	17,436	17,436		0.0%
Net Pension Asset				
Total Assets	<u>\$ 7,197,277</u>	<u>\$ 7,088,940</u>	<u>\$ 85,162</u>	1.2%
<u>Deferred Outflows of Resources:</u>				
Deferred Pension Outflows (Note 8)	\$ 87,559	\$ 76,079	\$ 11,480	15.1%
Deferred OPEB Outflows (Note 9)	<u>139,361</u>	<u>29,960</u>	<u>109,401</u>	365.2%
Total Deferred Outflows of Resources	<u>\$ 226,920</u>	<u>\$ 106,039</u>	<u>\$ 120,881</u>	114.0%
<u>Liabilities:</u>				
Current Liabilities	\$ 111,504	\$ 434,825	(\$ 323,321)	-74.4%
Long-Term Liabilities	<u>507,125</u>	<u>476,279</u>	<u>30,846</u>	6.5%
Total Liabilities:	<u>\$ 618,629</u>	<u>\$ 911,104</u>	<u>(\$ 292,475)</u>	-32.1%
<u>Deferred Inflows of Resources:</u>				
Deferred Pension Inflows (Note 8)	\$ 720	\$ 1,145	(\$ 425)	-37.1%
Deferred OPEB Inflows (Note 9)	<u>35,968</u>	<u>54,695</u>	<u>(18,727)</u>	-34.2%
Total Deferred Inflows of Resources	<u>\$ 36,688</u>	<u>\$ 55,840</u>	<u>(\$ 19,152)</u>	-34.3%
<u>Net Position:</u>				
Net Investment in Capital Assets	\$ 4,998,680	\$ 5,137,479	(\$ 138,799)	-2.7%
Unrestricted	<u>1,770,200</u>	<u>1,090,556</u>	<u>679,644</u>	62.3%
Total Net Position	<u>\$ 6,768,880</u>	<u>\$ 6,228,035</u>	<u>\$ 540,845</u>	8.7%

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, 2024

Statement of Net Position (Continued):

Based on the GASB 68 and GASB 75 adjustments, total Deferred Outflows of \$226,920 and total Deferred Inflows of \$36,688 were recorded FYE 2024. There was no Net Pension Asset recorded for FYE 2024.

The 6.5% 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, 2024 and June 30, 2023:

Table 2: Change in Net Position

	June 30, 2024	June 30, 2023	Change in Dollars	Percentage Change
Operating Revenues				
Water	\$ 1,050,535	\$ 818,914	\$ 231,621	28.3%
Sewer	409,551	349,025	60,526	17.3%
Garbage	368,731	273,929	94,802	34.6%
Park	45,840	33,169	12,671	38.2%
Total Operating Revenues	<u>\$ 1,874,657</u>	<u>\$ 1,475,037</u>	<u>\$ 399,620</u>	27.1%
General Revenues				
Property Taxes	\$ 993,725	\$ 933,541	\$ 60,184	6.4%
Contributions	39,773	27,166	12,607	100.0%
Interest and Other	103,609	43,161	60,448	140.1%
Total General Revenues	<u>\$ 1,137,107</u>	<u>\$ 1,003,868</u>	<u>\$ 133,239</u>	13.3%
Total Revenues	<u>\$ 3,011,764</u>	<u>\$ 2,478,905</u>	<u>\$ 532,859</u>	21.5%
Operating Expenses:				
General Government	\$ 842,337	\$ 755,683	\$ 86,654	11.5%
Park	217,797	181,297	36,500	20.1%
Water	884,272	770,654	113,618	14.7%
Sewer	212,820	157,138	55,682	35.4%
Garbage	313,693	239,078	74,615	31.2%
Total Expenses	<u>\$ 2,470,919</u>	<u>\$ 2,103,850</u>	<u>\$ 367,069</u>	17.4%
Change in Net Position	\$ 540,845	\$ 375,055	\$ 165,790	44.2%
Net Position - Beginning of Year	<u>6,228,035</u>	<u>5,852,980</u>	<u>375,055</u>	6.4%
Net Position - End of Year	<u>\$ 6,768,880</u>	<u>\$ 6,228,035</u>	<u>\$ 540,845</u>	8.7%

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2024

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 \$364,049 which is an increase of \$22,593 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 \$5,433,336, which is an increase of \$503,525 or 10.2% over last year. The increase primarily resulted from an increase in investments building up reserves after the large outlay for the Tank 4 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 \$439,473. This was an increase of \$4,698 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 of \$75,424. This was a \$17,895 decrease over the previous year's deficit balance.

Water Fund

- The Water Fund showed an increase of \$231,674 in operating revenues over the fiscal year ended June 30, 2024, with total operating revenues of \$1,050,716 for the fiscal year ended June 30, 2024.
- Operating expenses increased by \$113,618 resulting in net operating income of \$166,444 for the fiscal year ended June 30, 2024, an increase of \$118,056 over fiscal year 2023.
- The increase in the operating income was mainly due to the increase in service fee collection.

Sewer Fund

- The Sewer Fund showed an increase of \$60,526 in operating revenues over the previous fiscal year, with total operating revenues of \$409,551.
- Operating expenses increased by \$55,682, with total operating expenses of \$212,820.
- The Sewer Fund showed an operating income of \$196,731, which is an increase of \$4,844 over the \$191,887 operating income for the previous fiscal year.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2024

DISTRICT FUNDS (Continued):

Garbage Fund

- The Garbage Fund showed an increase of \$94,802 in operating revenues over the previous fiscal year, with total operating revenues of \$368,731 for the fiscal year ended June 30, 2024.
- Operating expenses showed an increase of \$74,615 over the previous fiscal year.
- The Garbage Fund showed an operating income of \$55,038 for the year ended June 30, 2024, compared to an operating income of \$34,851 for the previous fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District's investment in capital assets was \$4,998,680, 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 \$138,799 (-2.7%) 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 \$81,435 as of June 30, 2024.

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

The District had a total Net OPEB Liability of \$433,136 as of June 30, 2024, compared to \$368,622 as of June 30, 2023, and a total Net Pension Liability of \$46,624 as of June 30, 2024, compared to a Net Pension Liability of \$26,467 as of June 30, 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total actual revenues in the General Fund, as presented on page 20, were \$837,629, which is \$47,175 higher than budgeted revenues, while the total actual expenditures were \$832,931, which was \$42,261 higher than budgeted. Actual revenues exceeded expenditures by \$4,698.

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

These factors were considered in preparing the District's budget for Fiscal Year 2024/25.

- 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, 2024

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS (Continued):

- Revenues for services are expected to increase on an average of 7.2% compared to fiscal year 2023-24. The District is in year two of its 5-year rate schedule. Budgeted property tax revenues are expected to increase from \$915,239 in 2023-24 to \$965,915 in fiscal year 2024-25, based upon estimated tax revenues provided by Placer County. The District has budgeted a \$30,000 contribution to its OPEB account.
- The fiscal year 2024-25 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 2024-25 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. It is anticipated that a new agreement will be reached with the North Tahoe Fire Protection District in fiscal year 2024-25 with similar financial provisions.
- Property tax revenues are expected to increase slightly in 2024 and 2025 as properties are sold and/or replaced with newer and larger homes.
- The projected property tax revenues budgeted for fiscal year 2024-25 year is \$965,915. This will result in a budgeted payment of \$772,732 to North Tahoe Fire Protection District for fiscal year 2024-25.
- 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 rebuild and pump replacement.
 - 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, 2024

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, 2024 and 2023

	Governmental Activities	Business-Type Activities	Total 2024	Governmental Activities	Business-Type Activities	Total 2023
Assets:						
Cash and Cash Equivalents	\$ 420,138	\$ 304,449	\$ 724,587	\$ 1,219,753	\$	\$ 1,219,753
Accounts Receivable		164,851	164,851		174,013	174,013
Accrued Interest Receivable		23,175	23,175			
Taxes Receivable	54,649		54,649	54,058		54,058
Interfund Receivable/(Payable)	(111,095)	111,095		(582,734)	582,734	
Investments		1,080,398	1,080,398		354,962	354,962
Prepaid Expenses	13,900	55,602	69,502	2,696	10,784	13,480
Capital Assets, Net of Accumulated Depreciation						
Plant and Equipment	1,029,440	4,033,239	5,062,679	1,025,750	4,229,488	5,255,238
Land Usage and Easement Rights		17,436	17,436		17,436	17,436
Total Assets	\$ 1,407,032	\$ 5,790,245	\$ 7,197,277	\$ 1,719,523	\$ 5,369,417	\$ 7,088,940
Deferred Outflows of Resources:						
Deferred Pension Outflows (Note 8)	\$ 17,507	\$ 70,052	\$ 87,559	\$ 15,210	\$ 60,869	\$ 76,079
Deferred OPEB Outflows (Note 9)	27,873	111,488	139,361	5,993	23,967	29,960
Total Deferred Outflows of Resources	\$ 45,380	\$ 181,540	\$ 226,920	\$ 21,203	\$ 84,836	\$ 106,039
Liabilities:						
Current Liabilities:						
Accounts Payable	\$ 5,985	\$	\$ 5,985	\$ 346,433	\$	\$ 346,433
Accrued Benefits	7,558	35,109	42,667	5,884	21,352	27,236
Accrued Payroll		8,602	8,602		7,151	7,151
Notes Payable Due Within One Year		54,250	54,250		54,005	54,005
Long-Term Liabilities:						
Net Pension Liability (Note 8)	9,324	37,300	46,624	5,293	21,174	26,467
Net OPEB Liability (Note 9)	86,663	346,653	433,316	73,724	294,898	368,622
Notes Payable - Net of Current Portion		27,185	27,185		81,190	81,190
Total Liabilities	\$ 109,530	\$ 509,099	\$ 618,629	\$ 431,334	\$ 479,770	\$ 911,104
Deferred Inflows of Resources:						
Deferred Pension Inflows (Note 8)	\$ 144	\$ 576	\$ 720	\$ 229	\$ 916	\$ 1,145
Deferred OPEB Inflows (Note 9)	7,194	28,774	35,968	10,939	43,756	54,695
Total Deferred Inflows of Resources	\$ 7,338	\$ 29,350	\$ 36,688	\$ 11,168	\$ 44,672	\$ 55,840
Net Position:						
Net Investment in Capital Assets	\$ 1,029,440	\$ 3,969,240	\$ 4,998,680	\$ 1,025,750	\$ 4,111,729	\$ 5,137,479
Unrestricted (Deficit)	306,104	1,464,096	1,770,200	272,474	818,082	1,090,556
Total Net Position	\$ 1,335,544	\$ 5,433,336	\$ 6,768,880	\$ 1,298,224	\$ 4,929,811	\$ 6,228,035

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, 2024 and 2023

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 2024	Expenses	Charges for Services	Contributions	Governmental Activities	Business-Type Activities	Total 2023
Primary Government:												
Governmental Activities:												
General Government	\$ 842,337	\$ 27,371	\$	(\$ 814,966)	\$	(\$ 814,966)	\$ 755,683	\$ 17,166	\$	(\$ 738,517)	\$	(\$ 738,517)
Park	217,797	45,840		(171,957)		(171,957)	181,297	33,169		(148,128)		(148,128)
Total Governmental Activities	\$ 1,060,134	\$ 73,211	\$ 0	(\$ 986,923)	\$ 0	(\$ 986,923)	\$ 936,980	\$ 50,335	\$ 0	(\$ 886,645)	\$ 0	(\$ 886,645)
Business-Type Activities:												
Water	\$ 884,272	\$ 1,050,535	\$ 22,548	\$	\$ 188,811	\$ 188,811	\$ 770,654	\$ 818,914	\$ 18,601	\$	\$ 66,861	\$ 66,861
Sewer	212,820	409,551	17,225		213,956	213,956	157,138	349,025	8,565		200,452	200,452
Garbage	313,693	368,731			55,038	55,038	239,078	273,929			34,851	34,851
Total Business-Type Activities	\$ 1,410,785	\$ 1,828,817	\$ 39,773	\$ 0	\$ 457,805	\$ 457,805	\$ 1,166,870	\$ 1,441,868	\$ 27,166	\$ 0	\$ 302,164	\$ 302,164
Total Primary Government	\$ 2,470,919	\$ 1,902,028	\$ 39,773	(\$ 986,923)	\$ 457,805	(\$ 529,118)	\$ 2,103,850	\$ 1,492,203	\$ 27,166	(\$ 886,645)	\$ 302,164	(\$ 584,481)
General Revenues:						General Revenues:						
Property Taxes				\$ 993,725	\$	\$ 993,725	Property Taxes			\$ 933,541	\$	\$ 933,541
Interest and Other				30,518	45,720	76,238	Interest and Other			10,398	15,597	25,995
Total General Revenue				\$ 1,024,243	\$ 45,720	\$ 1,069,963	Total General Revenue			\$ 943,939	\$ 15,597	\$ 959,536
Change in Net Position				\$ 37,320	\$ 503,525	\$ 540,845	Change in Net Position			\$ 57,294	\$ 317,761	\$ 375,055
Net Position - Beginning of Year				1,298,224	4,929,811	6,228,035	Net Position - Beginning of Year			1,240,930	4,612,050	5,852,980
Net Position - End of Year				\$ 1,335,544	\$ 5,433,336	\$ 6,768,880	Net Position - End of Year			\$ 1,298,224	\$ 4,929,811	\$ 6,228,035

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

Alpine Springs County Water District

BALANCE SHEETS
GOVERNMENTAL FUNDS

June 30, 2024 and 2023

<u>Assets:</u>	<u>General</u>	<u>Park</u>	<u>Total 2024</u>	<u>General</u>	<u>Park</u>	<u>Total 2023</u>
Cash and Cash Equivalents	\$ 420,138	\$	\$ 420,138	\$ 1,219,753	\$	\$ 1,219,753
Taxes Receivable	54,649		54,649	54,058		54,058
Prepaid Expenses		13,900	13,900		2,696	2,696
Interfund Receivable/(Payable)	(29,329)	(81,766)	(111,095)	(492,603)	(90,131)	(582,734)
Total Assets	<u>\$ 445,458</u>	<u>(\$ 67,866)</u>	<u>\$ 377,592</u>	<u>\$ 781,208</u>	<u>(\$ 87,435)</u>	<u>\$ 693,773</u>
<u>Liabilities:</u>						
Accounts Payable	\$ 5,985	\$	\$ 5,985	\$ 346,433	\$	\$ 346,433
Accrued Benefits		7,558	7,558		5,884	5,884
Total Liabilities	<u>\$ 5,985</u>	<u>\$ 7,558</u>	<u>\$ 13,543</u>	<u>\$ 346,433</u>	<u>\$ 5,884</u>	<u>\$ 352,317</u>
<u>Fund Balances:</u>						
Nonspendable	\$	\$ 13,900	\$ 13,900	\$	\$ 2,696	\$ 2,696
Unassigned	439,473	(89,324)	350,149	434,775	(96,015)	338,760
Total Fund Balances	<u>\$ 439,473</u>	<u>(\$ 75,424)</u>	<u>\$ 364,049</u>	<u>\$ 434,775</u>	<u>(\$ 93,319)</u>	<u>\$ 341,456</u>
Total Liabilities and Fund Balances	<u>\$ 445,458</u>	<u>(\$ 67,866)</u>		<u>\$ 781,208</u>	<u>(\$ 87,435)</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.	1,029,440	1,025,750
Long term Net OPEB Liability is not a current financial resource and therefore not reported in the governmental funds.	(86,663)	(73,724)
Long term Net Pension Asset (Liability) is not a current financial resource and therefore not reported in the governmental funds.	(9,324)	(5,293)
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	45,380	21,203
Deferred Inflows of Resources	(7,338)	(11,168)
Total Net Position of Governmental Activities	<u>\$ 1,335,544</u>	<u>\$ 1,298,224</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, 2024 and 2023

	<u>General</u>	<u>Park</u>	<u>Total 2024</u>	<u>General</u>	<u>Park</u>	<u>Total 2023</u>
<u>Revenues:</u>						
Property Taxes	\$ 794,980	\$ 198,745	\$ 993,725	\$ 746,833	\$ 186,708	\$ 933,541
Fees	27,371	45,840	73,211	17,166	33,169	50,335
Interest and Other	15,278	15,240	30,518	5,199	5,199	10,398
Total Revenues	<u>\$ 837,629</u>	<u>\$ 259,825</u>	<u>\$ 1,097,454</u>	<u>\$ 769,198</u>	<u>\$ 225,076</u>	<u>\$ 994,274</u>
<u>Expenditures:</u>						
Current:						
General Government	\$ 832,931	\$ 216,786	\$ 1,049,717	\$ 746,277	\$ 179,287	\$ 925,564
Capital Outlay	<u> </u>	<u>25,144</u>	<u>25,144</u>	<u> </u>	<u>40,540</u>	<u>40,540</u>
Total Expenditures	<u>\$ 832,931</u>	<u>\$ 241,930</u>	<u>\$ 1,074,861</u>	<u>\$ 746,277</u>	<u>\$ 219,827</u>	<u>\$ 966,104</u>
Excess of Revenues Over/(Under) Expenditures/ Net Change in Fund Balances	<u>\$ 4,698</u>	<u>\$ 17,895</u>	<u>\$ 22,593</u>	<u>\$ 22,921</u>	<u>\$ 5,249</u>	<u>\$ 28,170</u>
Net Change in Fund Balances	\$ 4,698	\$ 17,895	\$ 22,593	\$ 22,921	\$ 5,249	\$ 28,170
Fund Balances - Beginning	<u>434,775</u>	<u>(93,319)</u>	<u>341,456</u>	<u>411,854</u>	<u>(98,568)</u>	<u>313,286</u>
Fund Balances - Ending	<u>\$ 439,473</u>	<u>(\$ 75,424)</u>	<u>\$ 364,049</u>	<u>\$ 434,775</u>	<u>(\$ 93,319)</u>	<u>\$ 341,456</u>
Change in Fund Balances - Total Governmental Funds			\$ 22,593			\$ 28,170
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			(16,970)			(9,730)
Change in Deferred Outflows of Resources related to OPEB and Pension Liabilities			24,177			11,284
Change in Deferred Inflows of Resources related to OPEB and Pension Liabilities			3,830			4,709
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>3,690</u>			<u>22,861</u>
Change in Net Position of Governmental Activities			<u>\$ 37,320</u>			<u>\$ 57,294</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, 2024 and 2023

	2024			2023		
	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	\$ 777,954	\$ 794,980	\$ 17,026	\$ 704,824	\$ 746,833	\$ 42,009
Interest and Other	12,500	42,649	30,149	38,104	22,365	(15,739)
Total Revenues	<u>\$ 790,454</u>	<u>\$ 837,629</u>	<u>\$ 47,175</u>	<u>\$ 742,928</u>	<u>\$ 769,198</u>	<u>\$ 26,270</u>
<u>Expenditures:</u>						
Current:						
General Government						
Professional Services	\$ 766,305	\$ 816,287	(\$ 49,982)	\$ 713,514	\$ 729,709	(\$ 16,195)
Utilities and Communications	15,760	13,183	2,577	14,960	13,112	1,848
Directors' Fees	2,370	2,260	110	2,370	2,255	115
Office Expenses	835	872	(37)	835	903	(68)
Other	5,400	329	5,071	4,800	298	4,502
Total General Government	<u>\$ 790,670</u>	<u>\$ 832,931</u>	<u>(\$ 42,261)</u>	<u>\$ 736,479</u>	<u>\$ 746,277</u>	<u>(\$ 9,798)</u>
Total Expenditures	<u>\$ 790,670</u>	<u>\$ 832,931</u>	<u>(\$ 42,261)</u>	<u>\$ 736,479</u>	<u>\$ 746,277</u>	<u>(\$ 9,798)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures/Net Change in Fund Balances	(\$ 216)	\$ 4,698	\$ 4,914	\$ 6,449	\$ 22,921	\$ 16,472
Fund Balances - Beginning	<u>103,681</u>	<u>434,775</u>	<u>331,094</u>	<u>97,232</u>	<u>411,854</u>	<u>314,622</u>
Fund Balances - Ending	<u>\$ 103,465</u>	<u>\$ 439,473</u>	<u>\$ 336,008</u>	<u>\$ 103,681</u>	<u>\$ 434,775</u>	<u>\$ 331,094</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, 2024 and 2023

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Total 2024	Water	Sewer	Garbage	Total 2023
Assets:								
Current Assets:								
Certificates of Deposits	\$ 304,449	\$	\$	\$ 304,449	\$	\$	\$	\$
Accounts Receivable	164,851			164,851	174,013			174,013
Accrued Interest Receivable	23,175			23,175				
Interfund Receivable/(Payable)	(2,525,966)	2,038,885	598,176	111,095	(1,779,152)	1,818,036	543,850	582,734
Investments	1,080,398			1,080,398	354,962			354,962
Prepaid Expenses	45,177	6,950	3,475	55,602	8,762	1,348	674	10,784
Total Current Assets	<u>(\$ 907,916)</u>	<u>\$ 2,045,835</u>	<u>\$ 601,651</u>	<u>\$ 1,739,570</u>	<u>(\$ 1,241,415)</u>	<u>\$ 1,819,384</u>	<u>\$ 544,524</u>	<u>\$ 1,122,493</u>
Noncurrent Assets:								
Capital Assets, Net of Accumulated Depreciation								
Plant and Equipment	\$ 3,606,223	\$ 336,707	\$ 90,309	\$ 4,033,239	\$ 3,811,347	\$ 338,644	\$ 79,497	\$ 4,229,488
Land Usage and Easement Rights	17,436			17,436	17,436			17,436
Total Noncurrent Assets	<u>\$ 3,623,659</u>	<u>\$ 336,707</u>	<u>\$ 90,309</u>	<u>\$ 4,050,675</u>	<u>\$ 3,828,783</u>	<u>\$ 338,644</u>	<u>\$ 79,497</u>	<u>\$ 4,246,924</u>
Total Assets	<u>\$ 2,715,743</u>	<u>\$ 2,382,542</u>	<u>\$ 691,960</u>	<u>\$ 5,790,245</u>	<u>\$ 2,587,368</u>	<u>\$ 2,158,028</u>	<u>\$ 624,021</u>	<u>\$ 5,369,417</u>
Deferred Outflows of Resources:								
Deferred OPEB Outflows (Note 9)	\$ 90,584	\$ 13,937	\$ 6,967	\$ 111,488	\$ 19,473	\$ 2,997	\$ 1,497	\$ 23,967
Deferred Pension Outflows (Note 8)	56,917	8,757	4,378	70,052	49,456	7,609	3,804	60,869
Total Deferred Outflows of Resources	<u>\$ 147,501</u>	<u>\$ 22,694</u>	<u>\$ 11,345</u>	<u>\$ 181,540</u>	<u>\$ 68,929</u>	<u>\$ 10,606</u>	<u>\$ 5,301</u>	<u>\$ 84,836</u>
Liabilities:								
Current Liabilities:								
Accrued Benefits	\$ 31,053	\$ 2,704	\$ 1,352	\$ 35,109	\$ 18,280	\$ 2,048	\$ 1,024	\$ 21,352
Accrued Payroll	6,989	1,075	538	8,602	5,810	894	447	7,151
Notes Payable Due Within One Year	54,250			54,250	54,005			54,005
Total Current Liabilities	<u>\$ 92,292</u>	<u>\$ 3,779</u>	<u>\$ 1,890</u>	<u>\$ 97,961</u>	<u>\$ 78,095</u>	<u>\$ 2,942</u>	<u>\$ 1,471</u>	<u>\$ 82,508</u>
Noncurrent Liabilities:								
Net OPEB Liability (Note 9)	\$ 281,656	\$ 43,331	\$ 21,666	\$ 346,653	\$ 239,605	\$ 36,862	\$ 18,431	\$ 294,898
Net Pension Liability (Note 8)	30,306	4,663	2,331	37,300	17,204	2,647	1,323	21,174
Notes Payable - Net of Current Portion	27,185			27,185	81,190			81,190
Total Noncurrent Liabilities	<u>\$ 339,147</u>	<u>\$ 47,994</u>	<u>\$ 23,997</u>	<u>\$ 411,138</u>	<u>\$ 337,999</u>	<u>\$ 39,509</u>	<u>\$ 19,754</u>	<u>\$ 397,262</u>
Total Liabilities	<u>\$ 431,439</u>	<u>\$ 51,773</u>	<u>\$ 25,887</u>	<u>\$ 509,099</u>	<u>\$ 416,094</u>	<u>\$ 42,451</u>	<u>\$ 21,225</u>	<u>\$ 479,770</u>
Deferred Inflows of Resources:								
Deferred Pension Inflows (Note 8)	\$ 470	\$ 72	\$ 34	\$ 576	\$ 746	\$ 115	\$ 55	\$ 916
Deferred OPEB Inflows (Note 9)	23,377	3,597	1,800	28,774	35,550	5,470	2,736	43,756
Total Deferred Inflows of Resources	<u>23,847</u>	<u>3,669</u>	<u>1,834</u>	<u>29,350</u>	<u>36,296</u>	<u>5,585</u>	<u>2,791</u>	<u>44,672</u>
Net Position:								
Net Investment in Capital Assets	\$ 3,542,224	\$ 336,707	\$ 90,309	3,969,240	\$ 3,693,588	\$ 338,644	\$ 79,497	\$ 4,111,729
Unrestricted (Deficit)	(1,134,266)	2,013,087	585,275	1,464,096	(1,489,681)	1,781,954	525,809	818,082
Total Net Position	<u>\$ 2,407,958</u>	<u>\$ 2,349,794</u>	<u>\$ 675,584</u>	<u>\$ 5,433,336</u>	<u>\$ 2,203,907</u>	<u>\$ 2,120,598</u>	<u>\$ 605,306</u>	<u>\$ 4,929,811</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, 2024 and 2023

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Total 2024	Water	Sewer	Garbage	Total 2023
Operating Revenues:								
Fees	\$ 1,050,716	\$ 409,551	\$ 368,731	\$ 1,828,998	\$ 819,042	\$ 349,025	\$ 273,929	\$ 1,441,996
Total Operating Revenues	\$ 1,050,716	\$ 409,551	\$ 368,731	\$ 1,828,998	\$ 819,042	\$ 349,025	\$ 273,929	\$ 1,441,996
Operating Expenses:								
Salaries	\$ 330,167	\$ 50,795	\$ 25,398	\$ 406,360	\$ 282,769	\$ 43,503	\$ 21,752	\$ 348,024
Employee Benefits	54,935	8,421	4,212	67,568	53,539	7,647	3,823	65,009
Directors' Fees	2,260	2,260	2,260	6,780	2,255	2,255	2,255	6,765
Insurance	14,367	14,367	14,367	43,101	10,653	10,653	10,653	31,959
Building Materials and Supplies	22,278	3,992	859	27,129	19,393	3,576	649	23,618
Office Expenses	19,717	3,753	1,440	24,910	25,036	4,486	1,792	31,314
Professional Services	26,705	21,825	19,031	67,561	23,440	20,697	17,867	62,004
Repairs and Maintenance	11,839	1,691	845	14,375	13,118	1,944	972	16,034
Utilities and Communications	40,954	12,264	17,076	70,294	31,471	9,432	11,677	52,580
Vehicles and Fuel	5,348	823	411	6,582	3,854	593	296	4,743
Garbage Services			213,785	213,785			158,050	158,050
Depreciation	251,798	24,245	11,497	287,540	230,629	19,981	7,217	257,827
Federal and State Mandates	81,245	64,673	948	146,866	52,571	29,094	567	82,232
Training	2,326	583		2,909	672	261		933
OPEB Annual Funding	19,500	3,000	1,500	24,000	19,500	3,000	1,500	24,000
Other	833	128	64	1,025	1,754	16	8	1,778
Total Operating Expenses	\$ 884,272	\$ 212,820	\$ 313,693	\$ 1,410,785	\$ 770,654	\$ 157,138	\$ 239,078	\$ 1,166,870
Operating Income	\$ 166,444	\$ 196,731	\$ 55,038	\$ 418,213	\$ 48,388	\$ 191,887	\$ 34,851	\$ 275,126
Non-Operating Revenues (Expenses):								
Interest Revenue	\$ 15,240	\$ 15,240	\$ 15,240	\$ 45,720	\$ 5,199	\$ 5,199	\$ 5,199	\$ 15,597
Interest Expense	(181)			(181)	(128)			(128)
Total Non-Operating Revenues (Expenses)	\$ 15,059	\$ 15,240	\$ 15,240	\$ 45,539	\$ 5,071	\$ 5,199	\$ 5,199	\$ 15,469
Income Before Contributions	\$ 181,503	\$ 211,971	\$ 70,278	\$ 463,752	\$ 53,459	\$ 197,086	\$ 40,050	\$ 290,595
Capital Contributions - Connection Fees	22,548	17,225		39,773	18,601	8,565		27,166
Change in Net Position	\$ 204,051	\$ 229,196	\$ 70,278	\$ 503,525	\$ 72,060	\$ 205,651	\$ 40,050	\$ 317,761
Net Position - Beginning of Year	\$ 2,203,907	\$ 2,120,598	\$ 605,306	\$ 4,929,811	\$ 2,131,847	\$ 1,914,947	\$ 565,256	\$ 4,612,050
Net Position - End of Year	\$ 2,407,958	\$ 2,349,794	\$ 675,584	\$ 5,433,336	\$ 2,203,907	\$ 2,120,598	\$ 605,306	\$ 4,929,811

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, 2024 and 2023

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Total 2024	Water	Sewer	Garbage	Total 2023
Cash Flows from Operating Activities:								
Receipts from Customers and Users	\$ 1,059,878	\$ 409,551	\$ 368,731	\$ 1,838,160	\$ 792,082	\$ 349,025	\$ 273,929	\$ 1,415,036
Payments to Suppliers	(262,027)	(129,702)	(271,627)	(663,356)	(196,843)	(71,019)	(192,123)	(459,985)
Payments to Employees	(426,518)	(66,898)	(33,449)	(526,865)	(369,850)	(56,894)	(28,448)	(455,192)
Other Operating Cash Payments	(2,260)	(2,260)	(2,260)	(6,780)	(2,255)	(2,255)	(2,255)	(6,765)
Net Cash Provided by Operating Activities	\$ 369,073	\$ 210,691	\$ 61,395	\$ 641,159	\$ 223,134	\$ 218,857	\$ 51,103	\$ 493,094
Cash Flows from Noncapital Financing Activities:								
Net Changes in Interfund Receivables/(Payables)	\$ 746,814	(\$ 220,849)	(\$ 54,326)	\$ 471,639	\$ 163,292	(\$ 179,207)	(\$ 15,762)	(\$ 31,677)
Net Cash Provided (Used) by Noncapital Financing Activities	\$ 746,814	(\$ 220,849)	(\$ 54,326)	\$ 471,639	\$ 163,292	(\$ 179,207)	(\$ 15,762)	(\$ 31,677)
Cash Flows from Capital and Related Financing Activities:								
Purchase of Fixed Assets	(\$ 46,674)	(\$ 22,308)	(\$ 22,309)	(\$ 91,291)	(\$ 28,170)	(\$ 53,415)	(\$ 40,540)	(\$ 122,125)
Payments on Principal Portion of Notes Payable	(53,760)				(26,966)			
Interest payment on Notes Payable	(181)				(128)			
Contributed Capital - Connection Fees	22,548	17,225		39,773	18,601	8,565		27,166
Net Cash Used by Capital and Related Financing Activities	(\$ 78,067)	(\$ 5,083)	(\$ 22,309)	(\$ 51,518)	(\$ 36,663)	(\$ 44,850)	(\$ 40,540)	(\$ 94,959)
Cash Flows from Investing Activities:								
Decrease/(Increase) in Investments	(\$ 1,029,885)	\$	\$	(\$ 1,029,885)	(\$ 354,962)	\$	\$	(\$ 354,962)
Interest Income	(7,935)	15,240	15,240	22,545	5,199	5,199	5,199	15,597
Net Cash Provided (Used) by Investing Activities	(\$ 1,037,820)	\$ 15,240	\$ 15,240	(\$ 1,007,340)	(\$ 349,763)	\$ 5,199	\$ 5,199	(\$ 339,365)
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, 2024 and 2023

	Business-Type Activities - Enterprise Funds				Business-Type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Total 2024	Water	Sewer	Garbage	Total 2023
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>								
Operating Income	\$ 166,444	\$ 196,731	\$ 55,038	\$ 418,213	\$ 48,388	\$ 191,887	\$ 34,851	\$ 275,126
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:								
Depreciation	251,798	24,245	11,497	287,540	230,629	19,981	7,217	257,827
Changes in Certain Assets and Liabilities (Increase)/Decrease in:								
Accounts Receivable	9,162			9,162	(26,960)			(26,960)
Prepaid Expenses	(36,415)	(5,602)	(2,801)	(44,818)	2,320	9,734	10,408	22,462
Net Pension Asset					18,445	2,838	1,419	22,702
Deferred Outflows of Resources	(78,572)	(12,089)	(6,044)	(96,705)	(36,678)	(5,644)	(2,820)	(45,142)
Accounts Payable					(17,201)			(17,201)
Customer Deposits								
Accrued Benefits	12,773	656	328	13,757	5,430	250	125	5,805
Accrued Payroll	1,179	181	91	1,451	887	137	68	1,092
Deferred Inflows of Resources	(12,449)	(1,916)	(957)	(15,322)	(15,304)	(2,354)	(1,178)	(18,836)
Net OPEB Liability	42,051	6,469	3,235	51,755	(4,026)	(619)	(310)	(4,955)
Net Pension Liability	13,102	2,016	1,008	16,126	17,204	2,647	1,323	21,174
Net Cash Provided by Operating Activities	<u>\$ 369,073</u>	<u>\$ 210,691</u>	<u>\$ 61,395</u>	<u>\$ 641,159</u>	<u>\$ 223,134</u>	<u>\$ 218,857</u>	<u>\$ 51,103</u>	<u>\$ 493,094</u>
<u>Schedule of Non-cash Transactions:</u>								
<u>Capital and Related Financing Activities:</u>								
Acquisition of Capital Assets	\$ 46,674	\$ 22,308	\$ 22,308		190,331	53,415	40,540	
(Increase)/Decrease in Notes Payable					(162,161)			
Cash Used for Acquisition of Capital Assets	<u>\$ 46,674</u>	<u>\$ 22,308</u>	<u>\$ 22,308</u>		<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, 2024 and 2023

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, 2024 and 2023

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 debts of \$81,435 and \$135,195 related to capital assets as of June 30, 2024 and 2023, respectively.

- *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, 2024, and 2023, 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, 2024 and 2023

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, 2024 and 2023

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 in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in 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, 2024 and 2023

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 on 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, 2024 and 2023

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 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, 2024 and 2023

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, 2024 and 2023

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 2023 have been reclassified to conform to the fiscal year 2024 presentation.

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

None relevant to the District.

T. Accounting Pronouncements recently issued but not yet effective:

Governmental Accounting Standards Board Statement No. 103 – In May 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The Statement addresses improvements to key components of the financial reporting model, the purposes of which are to enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and addressing certain application issues identified through pre-agenda research conducted by the GASB. The requirements of GASB 103 are effective for fiscal years beginning after June 15, 2025.

Governmental Accounting Standards Board Statement No. 104 – In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide detailed information about capital assets in notes to financial statements.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

T. Accounting Pronouncements recently issued but not yet effective (Continued):

Governmental Accounting Standards Board Statement No. 104 - Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, 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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

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

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

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

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.

The details of this difference for June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Capitalized Asset Expenditures	\$ 25,144	\$ 40,540
Depreciation Expense - Park	(12,046)	(8,271)
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>\$ 3,690</u>	<u>\$ 22,861</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, 2024 and 2023

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, one brokerage account, 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.

Cash, certificates of deposit and securities with Wells Fargo Advisors are insured by the Securities Investor Protection Corporation up to \$500,000. 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, 2024 and 2023 are summarized as follows:

	2024		2023	
	Carrying Amount	Market Value	Carrying Amount	Market Value
LAIF	\$ 182,777	\$ 182,104	\$ 338,976	\$ 333,833

Structured notes and asset-backed securities comprised 3.00% and 2.78% of LAIF’s total portfolio for all investors as of June 30, 2024 and 2023, respectively. Fair value of a pool share was \$0.996316042 and \$0.984828499 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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

Fair Value Measurements - Deposits and withdrawals in governmental investment pools, such as LAIF are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share in these types of investments is an uncategorized 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, 2024:

<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	\$ 251,681	\$ 251,681	\$	\$
Total Investments	\$ 251,681	\$ 251,681	\$	\$

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	\$	\$

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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

Interest Rate Risk (Continued) - Certificates of Deposit and investments of the District subject to interest rate risk on June 30, 2024 are summarized as follows:

	<u>Cost</u>	<u>Market Value</u>	<u>Weighted Average Maturity (in months)</u>
Investments			
US Treasury Securities	\$ 250,148	\$ 251,681	6.94
Certificates of Deposit	<u>830,000</u>	<u>828,717</u>	
	<u>\$ 1,080,148</u>	<u>\$ 1,080,398</u>	

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

	<u>Cost</u>	<u>Market Value</u>	<u>Weighted Average Maturity (in months)</u>
Investments			
US Treasury Securities	<u>\$ 350,463</u>	<u>\$ 354,962</u>	5.07
	<u>\$ 350,463</u>	<u>\$ 354,962</u>	

All other investments are fully insured.

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, 2024 and 2023.

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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

Custodial Credit Risk (Continued) - 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, 2024 are summarized as follows:

	<u>Carrying Value</u>
Cash and Cash Equivalents:	
Plumas Bank - Cash	\$ 66,425
Certificates of Deposits	304,449
Placer County Treasurer's Investment Portfolio	170,936
Local Agency Investment Fund (LAIF)	<u>182,777</u>
Total Cash and Cash Equivalents	<u>\$ 724,587</u>

	<u>Fair Value</u>
Investments:	
Certificates of Deposits	\$ 828,717
US Treasury Securities	<u>251,681</u>
Total Investments	<u>\$ 1,080,398</u>

As Presented on the Statement of Net Position:	
Cash and Cash Equivalents	\$ 724,587
Investments	<u>\$ 1,080,398</u>

Total Cash, Cash Equivalents and Investments	<u>\$ 1,804,985</u>
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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)	<u>338,976</u>
Total Cash and Cash Equivalents	<u>\$ 1,219,753</u>

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

Investments	Fair Value
US Treasury Securities	\$ 354,962
Total Investments	\$ 354,962
As Presented on the Statement of Net Position:	
Cash and Cash Equivalents	\$ 1,219,753
Investments	354,962
Total Cash, Cash Equivalents and Investments	\$ 1,574,715

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, 2024 and 2023

NOTE 6 PLANT AND EQUIPMENT:

Capital asset activity for the year ended June 30, 2024 is as follows:

GOVERNMENTAL ACTIVITIES

	Balance 7/1/23	Additions	Deletions	Balance 6/30/24
<u>Non-Depreciable Assets:</u>				
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	73,307			73,307
Building Improvements	89,273			89,273
Land Improvements	32,361	22,308		54,669
Park Improvements	<u>21,728</u>	<u>2,836</u>		<u>24,564</u>
Total Capital Assets being Depreciated	\$ 988,783	\$ 25,144	\$	\$ 1,013,927
Accumulated Depreciation	(726,860)	(21,454)		(748,314)
Depreciable Assets, Net	<u>\$ 261,923</u>	<u>\$ 3,690</u>	<u>\$</u>	<u>\$ 265,613</u>
Government Activities Capital Assets, Net	<u>\$ 1,025,750</u>	<u>\$ 3,690</u>	<u>\$ 0</u>	<u>\$ 1,029,440</u>

BUSINESS-TYPE ACTIVITIES

	Balance 7/1/23	Additions	Deletions	Balance 6/30/24
<u>Non-Depreciable Assets:</u>				
Construction in Process	\$ 3,598	\$ 89,876	\$ 93,474	\$ 0
Total Capital Assets not being Depreciated	<u>\$ 3,598</u>	<u>\$ 89,876</u>	<u>\$ 93,474</u>	<u>\$ 0</u>
<u>Depreciable Assets:</u>				
Water System	\$ 6,646,779	\$ 11,023	\$	\$ 6,657,802
Sewer System	1,046,200			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	219,920			219,920
SCADA System	155,483	16,940		172,423
Building Improvements	267,817			267,817
Land Improvements	<u>97,083</u>	<u>66,926</u>		<u>164,009</u>
Total Capital Assets being Depreciated	\$ 9,033,253	\$ 94,889	\$ 0	\$ 9,128,142
Accumulated Depreciation	(4,807,363)	(287,540)		(5,094,903)
Depreciable Assets, Net	<u>\$ 4,225,890</u>	<u>(\$ 192,651)</u>	<u>\$ 0</u>	<u>\$ 4,033,239</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,229,488</u>	<u>(\$ 102,775)</u>	<u>\$ 93,474</u>	<u>\$ 4,033,239</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 6 PLANT AND EQUIPMENT (Continued):

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	\$ 763,827	\$	\$	\$ 763,827
<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	\$ 239,062	\$ 22,861	\$	\$ 261,923
Government Activities Capital Assets, Net	\$ 1,002,889	\$ 22,861	\$ 0	\$ 1,025,750

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	\$ 61,054	\$ 153,731	\$ 211,187	\$ 3,598
<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	\$ 4,141,975	\$ 83,915	\$ 0	\$ 4,225,890
Business-Type Activities Capital Assets, Net	\$ 4,203,029	\$ 237,646	\$ 211,187	\$ 4,229,488

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 6 PLANT AND EQUIPMENT (Continued):

Depreciation expense for June 30, 2024 is charged to functions as follows:

Government Activities		Business Type Activities	
General Government	\$	9,408	Water
Park		12,046	Sewer
			Garbage
		<u>\$ 21,454</u>	<u>\$ 251,798</u>
			24,245
			<u>11,497</u>
			<u>\$ 287,540</u>

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

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

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, 2024 and 2023, the District paid the Special District Risk Management Authority (SDRMA) \$111,438 and \$14,443 for insurance coverage, respectively. See Note 12 for more information. Out of the total amount paid during the year ended June 30, 2024, \$64,425 represented prepayment for future coverage in subsequent period and the amounts have been reported as a component of Prepaid Expenses. For the years ended June 30, 2024 and 2023, the SDRMA expenses were \$47,013 and \$42,611, 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, 2024 and 2023

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 PEPRM Miscellaneous plan (PEPRM 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 PEPRM Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRM 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, 2024 and 2023, are summarized as follows:

Employer rate plan	PEPRM 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	7.75% as of June 30, 2024 and 6.75% as of June 30, 2023
Required employer contribution rates	7.68% as of June 30, 2024 and 7.47% as of June 30, 2023

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 CalPERS’ annual actuarial valuation process.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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, 2024 and 2023 were as follows:

	Contributions	
	2024	2023
Miscellaneous Risk Pool	\$ 34,104	\$ 28,173

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2024 and 2023, the District reported net pension liability of \$46,624 and \$26,467, 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, 2022 and 2021, 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, 2022 and 2021. Each employer rate plan’s fiduciary net position was subtracted

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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, 2023 and 2022 measurement dates was calculated as follows:

Each risk pool's total pension liability was computed at the measurement dates June 30, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, to obtain each employer rate plan's total pension liability and fiduciary net position as of June 30, 2023 and 2022. 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, 2023 was as follows:

	Miscellaneous
Proportion - June 30, 2022 (Measurement Date)	0.000566%
Proportion - June 30, 2023 (Measurement Date)	<u>0.000932%</u>
Change	<u>0.000366%</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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, 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>

For the years ended June 30, 2024 and 2023, the District recognized pension expense of \$42,357 and \$19,526, 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, 2024, 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	\$ 34,104	\$
Differences between actual and expected experience	5,185	(720)
Changes of assumptions	5,493	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	20,124	
Adjustment due to Differences in Proportions	10,730	
Differences between Actual and Required Contributions	<u>11,923</u>	
Total	<u>\$ 87,559</u>	<u>(\$ 720)</u>

It should be noted that a deferred outflow of \$34,104 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, 2025.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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>
2025	\$ 19,934
2026	14,763
2027	17,474
2028	<u>564</u>
Total	<u>\$ 52,735</u>

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>

Actuarial Assumptions - The total pension liabilities in the June 30, 2023 actuarial valuations were determine using the following actuarial assumptions:

Alpine Springs County Water District
 NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

	Miscellaneous
Valuation Date (VD)	June 30, 2022 and 2021
Measurement Date (MD)	June 30, 2023 and 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90% as of June 30, 2023 and June 30, 2022 Measurement Dates
Inflation	2.30% as of June 30, 2023 and June 30, 2022 Measurement Dates
Payroll Growth	2.80% as of June 30, 2023 and June 30, 2022 Measurement Dates
Projected Salary Increase (1)	Varies By Age and Length of Service
Investment Rate of Return (2)	6.80% as of June 30, 2023 and June 30, 2022 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 – There were no changes of assumptions for the measurement period June 30, 2023. 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% for the measurement periods June 30, 2023 and June 30, 2022, 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, 2023 based on June 30, 2022 Valuations*, that can be obtained from the CalPERS website.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 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, 2024	
	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	<u>100.00%</u>	

(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, 2024 and 2023

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Discount Rate (Continued):

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.

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, 2024, 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)	\$ 111,075	\$ 46,624	(\$ 6,428)

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)	\$ 79,682	\$ 26,467	\$ 17,320

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 administrated 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.

Description of Retiree Benefits:

	Hired Prior to July 1, 2022	Hired After to July 1, 2022
Benefit types provided	Medical only	Medical only
Duration of Benefits	Lifetime	Lifetime*
Required Service	20 Years	20 Years
Minimum Age	Retirement from CalPERS	Retirement from CalPERS
Dependent Coverage	Yes	No
District Contribution %	100% at Age 62 and beyond Graded % for years prior to Age 62 depending on Retirement Age	100% at Age 62 and beyond* Graded % for years prior to Age 62 depending on Retirement Age

*PEMHCA Minimum Only post-65

Employees Covered - As of the June 30, 2024 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	3
Inactive employees entitled to, but not yet receiving benefits*	
	7

* 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, 2024 and 2023, the District’s contributions were \$51,599 and \$48,369, respectively.

Net OPEB Liability - The District’s net OPEB liability was measured as of June 30, 2024 and 2023; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

Actuarial Assumptions - The District's net OPEB liability was measured as of June 30, 2024 and 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2024 and June 30, 2022, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Valuation Date (VD)	June 30, 2024 and June 30, 2022
Measurement Date (MD)	June 30, 2024 and June 30, 2023
Actuarial Cost Method	Entry Age
Discount Rate/Investment Rate of Return	5.75% as of June 30, 2024 and June 2023
	Measurement Dates
Inflation	2.50% as of June 30, 2024 and June 2023
Trend	4.00%
Payroll Growth	2.75%
Mortality Rate Table	2021 CalPERS Mortality for Miscellaneous Employees
Pre-Retirement Turnover	2021 CalPERS' Turnover for Miscellaneous Employees

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

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, 2024 and 2023:

<u>Asset Class</u>	June 30, 2024	
	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%
	100.00%	

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

Actuarial Assumptions (Continued):

<u>Asset Class</u>	June 30, 2023	
	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 an 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.

Changes in Net OPEB Liability - The changes in the net OPEB liability for the Plan are as follows for measurement periods ended June 30, 2024 and 2023:

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$ 480,156	\$ 111,534	\$ 368,622
Changes recognized for the measurement period:			
Service Cost	\$ 18,179	\$	\$ 18,179
Interest on Total OPEB liability/ Return on FNP	27,563		27,563
Changes of Assumptions	5,458		5,458
Experience (Gains)/Losses	124,330		124,330
Employer Contributions to Trust		30,000 (30,000)
Employer Contributions as Benefit Payments		21,599 (21,599)
Investment Gains/(Losses)		(48)	48
Expected Investment Income		7,273 (7,273)
Actual Benefit Payments from Employer	(21,599)	(21,599)	
Expected Minus Actual Benefit Payments	1,809		1,809
Changes in Benefit Terms	(53,918)		(53,918)
Administrative expense		(97)	97
Net Changes	\$ 101,822	\$ 37,128	\$ 64,694
Balance at June 30, 2024	\$ 581,978	\$ 148,662	\$ 433,316

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

Changes in Net OPEB Liability (Continued):

	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

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, 2024 and 2023:

	June 30, 2024		
	Current Discount		
	1% Decrease	Rate (5.75%)	1% Increase
Net OPEB Liability	\$ 517,149	\$ 433,316	\$ 364,833

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

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

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, 2024 and 2023:

	June 30, 2024 Current Healthcare Cost Trend Rates		
	1% Decrease	(5.75%)	1% Increase
Net OPEB Liability	<u>\$ 357,379</u>	<u>\$ 433,316</u>	<u>\$ 528,084</u>
	June 30, 2023 Current Healthcare Cost Trend Rates		
	1% Decrease	(5.75%)	1% Increase
Net OPEB Liability	<u>\$ 304,976</u>	<u>\$ 368,622</u>	<u>\$ 447,619</u>

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 \$11,836 and \$25,695 as of June 30, 2024 and 2023, 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, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 21,517	(\$ 20,119)
Experience Gains and Losses	112,084	(15,849)
Investment Gains and Losses	5,760	
Total	\$ 139,361	(\$ 35,968)

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
2025	\$ 3,600
2026	17,378
2027	18,772
2028	18,047
2029	16,836
Thereafter	28,760
Total	\$ 103,393

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
Changes of Assumptions	\$ 20,155	(\$ 36,889)
Experience Gains and Losses	1,846	(17,806)
Investment Gains and Losses	7,959	
Total	\$ 29,960	(\$ 54,695)

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 10 LONG TERM DEBT:

The following is a summary of long - term debt activity for the fiscal years ended June 30, 2024 and June 30, 2023:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
<u>Governmental Activities</u>					
OPEB Liability	\$ 73,724	35,497	(22,558)	\$ 86,663	\$
Net Pension Liability (Asset)	<u>5,293</u>	<u>14,324</u>	<u>(10,293)</u>	<u>9,324</u>	<u></u>
Total Governmental Activities	<u>\$ 79,017</u>	<u>\$ 49,821</u>	<u>(\$ 32,851)</u>	<u>\$ 95,987</u>	<u>\$</u>

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
<u>Business-Type Activities</u>					
Financed Purchase	\$ 135,195		(\$ 53,760)	\$ 81,435	\$ 54,250
OPEB Liability	294,898	141,987	(90,232)	346,653	
Net Pension Liability (Asset)	<u>21,174</u>	<u>57,299</u>	<u>(41,173)</u>	<u>37,300</u>	<u></u>
Total Business-Type Activities	<u>\$ 451,267</u>	<u>\$ 199,286</u>	<u>(\$ 185,165)</u>	<u>\$ 465,388</u>	<u>\$ 54,250</u>

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

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<u>Business-Type Activities</u>					
Financed Purchase	\$	\$ 162,161	(\$ 26,966)	\$ 135,195	\$ 54,005
OPEB Liability	299,853	38,098	(43,053)	294,898	
Net Pension Liability (Asset)	<u>(22,702)</u>	<u>85,766</u>	<u>(41,890)</u>	<u>21,174</u>	<u></u>
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, 2024 and 2023

NOTE 10 LONG TERM DEBT (Continued):

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, 2024 are as follows:

Fiscal Year Ending	Principal	Interest	Total
<u>June 30:</u>			
2025	54,250	95	54,345
2026	<u>27,185</u>	<u>16</u>	<u>27,201</u>
	<u>\$ 81,435</u>	<u>\$ 111</u>	<u>\$ 81,546</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 2024 and 2023 were \$213,785 and \$158,050, respectively, and are included as the primary component of Fees under Operating Expenses as reported on page 22.

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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 12 RISK MANAGEMENT (Continued):

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.

NOTE 14 COMMITMENTS:

The District has not entered into any contract commitments for the fiscal year ended June 30, 2024. The District has entered into contract commitments totaling \$175,625 for fiscal year ended June 30, 2023. As of June 30, 2023, the amount earned on the contracts was \$174,913 with a remaining balance of zero.

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.

Alpine Springs County Water District
NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 14 COMMITMENTS (Continued):

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

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

The District has a pending dispute as of June 30, 2024. 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, 2024. 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.

REQUIRED SUPPLEMENTARY INFORMATION

Alpine Springs County Water District

SCHEDULE OF OPEB CONTRIBUTIONS

As of June 30, 2024

LAST TEN YEARS*

<u>Schedule of OPEB Contributions:</u>	Fiscal Year 2024	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	(51,599)	(48,369)	(47,555)	(37,564)	(41,699)	(9,897)	(9,516)
Contribution deficiency (excess)	<u>(\$ 51,599)</u>	<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	\$ 260,616	\$ 201,555	\$ 196,032	\$ 183,082	\$ 191,740	\$ 205,345	\$ 186,899
Contributions as a percentage of covered-employee payroll	19.80%	24.00%	24.26%	20.52%	21.75%	4.82%	5.09%

Notes to Schedule:

* Fiscal Year 2018 was the first year of implementation.

**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, 2024

LAST TEN YEARS*

	Measurement Date June 30, 2024	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	\$ 18,179	\$ 17,692	\$ 14,152	\$ 12,978	\$ 12,453	\$ 20,988	\$ 20,426
Interest on Total OPEB Liability	27,563	26,123	25,962	25,087	22,493	27,719	16,500
Changes of assumptions	5,458			12,849	19,637	(120,739)	
Benefit payments	(21,599)	(18,369)	(17,555)	(17,564)	(11,699)	(9,897)	(9,516)
Expected Minus Actual Benefit Payments	1,809						
Changes in Benefit Terms	(53,918)						
Experience (Gains)/Losses	124,330	115	(21,720)		3,010		
Net Change in Total OPEB Liability	\$ 101,822	\$ 25,561	\$ 839	\$ 33,350	\$ 45,894	(\$ 81,929)	\$ 27,410
Total OPEB Liability - Beginning	480,156	454,595	453,756	420,406	374,512	456,441	429,031
Total OPEB Liability - Ending (a)	\$ 581,978	\$ 480,156	\$ 454,595	\$ 453,756	\$ 420,406	\$ 374,512	\$ 456,441
Plan Fiduciary Net Position							
Employer Contributions as Benefit Payments	\$ 21,599	\$ 18,369	\$ 17,555	\$ 17,564	\$ 11,699	\$ 9,897	9,516
Employer Contributions to Trust	30,000	30,000	30,000	20,000	30,000		
Interest on Total OPEB liability/ Return on FNP			(5,714)				
Expected Investment Income	7,273	5,448		2,477	899		
Actual Benefit Payments from Employer	(21,599)	(18,369)	(17,555)	(17,564)	(11,699)	(9,897)	(9,516)
Investment Gains (Losses)	(48)	(3,623)		1,794	419		
Administrative expense	(97)	(70)	(48)	(28)	(20)		
Net Change in Plan Fiduciary Net Position	\$ 37,128	\$ 31,755	\$ 24,238	\$ 24,243	\$ 31,298	\$	\$
Plan Fiduciary Net Position - Beginning	111,534	79,779	55,541	31,298			
Plan Fiduciary Net Position - Ending (b)	\$ 148,662	\$ 111,534	\$ 79,779	\$ 55,541	\$ 31,298	\$	\$
Net OPEB Liability - Ending (a) - (b)	\$ 433,316	\$ 368,622	\$ 374,816	\$ 398,215	\$ 389,108	\$ 374,512	\$ 456,441
Plan fiduciary net position as a percentage of the total OPEB liability	25.54%	23.23%	17.55%	12.24%	7.44%	0.00%	0.00%
Covered-employee payroll	\$ 260,616	\$ 201,555	\$ 196,032	\$ 183,082	\$ 191,740	\$ 205,345	\$ 186,899
Net OPEB liability as a percentage of covered-employee payroll	166.27%	182.89%	191.20%	217.51%	202.94%	182.38%	244.22%

Notes to Schedule:

*Fiscal year 2018 was the first year of implementation.

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, 2024

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	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
District's Proportion of the Net Pension Liability/(Asset)	0.000932%	0.000566%	(0.001495%)	0.000329%	0.000212%	0.000063%	0.000046%	0.000016%	0.000000%
Liability/(Asset)	\$ 46,624	\$ 26,467	(\$ 28,378)	\$ 13,862	\$ 8,482	\$ 2,372	\$ 4,532	\$ 544	\$ 0
District's Covered Payroll	\$ 345,730	\$ 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	13.49%	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)	90.22%	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, 2024

LAST TEN YEARS

<u>Schedule of Pension Plan Contributions:</u>	Fiscal Year 2024	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)	\$ 34,104	\$ 28,173	\$ 25,510	\$ 20,090	\$ 13,901	\$ 8,218	\$ 12,222	\$ 12,941	\$ 11,399	\$ 8,218
Actual Contributions During the Measurement Period	(34,104)	(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	\$ 0	(\$ 7,406)	(\$ 548)	\$ 359	\$ 0	\$ 0
Covered payroll	\$ 444,100	\$ 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	7.68%	8.15%	8.27%	8.55%	7.25%	7.61%	6.83%	6.29%	6.20%	5.63%