

January 4, 2022

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, 2021. 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 17, 2021. 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, 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

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

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

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

#### *Disagreements with Management*

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

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 4, 2022.

*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 5 through 12 and the required supplementary information related to the Pension and Other Post-Employment Benefits on pages 57 through 60 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*

DAMORE, HAMRIC & SCHNEIDER, INC.  
Certified Public Accountants

Sacramento, CA

Alpine Springs County Water District  
MANAGEMENT LETTER MEMORANDUM

Page 1 of 1

**Compensated Absences Accrual**

During our testing of compensated absences, we noted that the number of hours accrued for one employee exceeded the maximum number of 300 hours allowed per the Employee Manual. This condition can result the liability for accrued vacation be misstated. In addition, employees could use more vacation hours than the maximum allowed.

*We recommend* management to put proper monitoring and review controls in place in order to prevent vacation hours from continuing to accrue once the maximum hours have been reached.

Management's Response – Management concurs with the recommendation. The General Manager will work with the District Accountant to develop a stronger oversight to ensure that the accrued hours will not exceed the maximum allowed. Due to the pandemic, the District allowed the maximum hours to exceed 300. The General Manager is working on a revision to the Employee Manual to establish a payout procedure for accrued hours in excess of 300.

**Fixed Assets**

During our testing of fixed assets, we noted the followings:

- The Tank 4 project was completed in August 2020; however, the asset was not transferred from the Construction in Progress accounts to the depreciable fixed asset accounts. This resulted in the understatement of the depreciation expense account by \$32,092.
- It was further noted that the depreciation expense for four current year additions was incorrectly calculated due to the use of the half-year convention method as opposed to use of the date when the asset was placed in operation. This resulted in an additional understatement of the depreciation expense of \$21,150.

*We recommend* management to have proper controls put in place to monitor and update the Construction in Progress and depreciation schedules in a timely manner and to ensure accurate recording of all fixed asset activities.

Management's Response – Management concurs with the recommendation. The General Manager will work closely with the District Accountant to monitor the Construction in Progress accounts and to ensure that all new assets' useful life will be based on the actual date the asset was placed in operation.

Alpine Springs County Water District

ADJUSTING JOURNAL ENTRIES MEMORANDUM

Page 1 of 3

Account	Description	Debit	Credit	Net Income Effect
<b>AJE 1</b>				
To move fixed asset from WIP to depreciable fixed asset account				
5-1750	Water System	1,604,577.65	0.00	
5-1835	WIP - Water Line Project	0.00	1,604,577.65	
5-5513	Depreciation Expense	32,091.55	0.00	
5-1850	Accumulate Depreciation	0.00	32,091.55	
<b>Total</b>		<b><u>1,636,669.20</u></b>	<b><u>1,636,669.20</u></b>	<b><u>(32,091.55)</u></b>
<b>AJE 2</b>				
To record additional depreciation expense for Tank 4 & 4A				
5-5513	Depreciation Expense	21,341.87	0.00	
5-1850	Accumulate Depreciation	0.00	21,341.87	
3-5513	Depreciation Expense	0.00	192.28	
3-1850	Accumulate Depreciation	192.28	0.00	
<b>Total</b>		<b><u>21,534.15</u></b>	<b><u>21,534.15</u></b>	<b><u>(21,149.59)</u></b>
<b>AJE 3</b>				
To record GASB 68 adjustments FYE 2021				
2-1610	Deferred Pension Outflows	273.00	0.00	
3-1610	Deferred Pension Outflows	1,090.00	0.00	
4-1610	Deferred Pension Outflows	545.00	0.00	
5-1610	Deferred Pension Outflows	3,543.00	0.00	
2-2080	Deferred Pension Inflows	53.00	0.00	
3-2080	Deferred Pension Inflows	210.00	0.00	
4-2080	Deferred Pension Inflows	105.00	0.00	
5-2080	Deferred Pension Inflows	682.00	0.00	
2-2085	Net Pension Liabilities	0.00	269.00	
3-2085	Net Pension Liabilities	0.00	1,076.00	
4-2085	Net Pension Liabilities	0.00	538.00	
5-2085	Net Pension Liabilities	0.00	3,497.00	
2-5104	Benefits - O & M	0.00	57.00	
3-5104	Benefits - O & M	0.00	224.00	
4-5104	Benefits - O & M	0.00	112.00	
5-5104	Benefits - O & M	0.00	728.00	
<b>Total</b>		<b><u>6,501.00</u></b>	<b><u>6,501.00</u></b>	<b><u>1,121.00</u></b>
<b>AJE 4</b>				
To record required payment payable to NTFD				
6-5220	NTFD Contract	33,797.91	0.00	
6-2010	Accounts Payable	0.00	33,797.91	
<b>Total</b>		<b><u>33,797.91</u></b>	<b><u>33,797.91</u></b>	<b><u>(33,797.91)</u></b>

Alpine Springs County Water District

ADJUSTING JOURNAL ENTRIES MEMORANDUM

Page 2 of 3

Account	Description	Debit	Credit	Net Income Effect
<b>AJE 5</b>				
To record GASB 75 adjustments FYE 2021				
2-1611	Deferred OPEB Outflows		1,334.00	0.00
3-1611	Deferred OPEB Outflows		5,336.00	0.00
4-1611	Deferred OPEB Outflows		2,668.00	0.00
5-1611	Deferred OPEB Outflows		17,342.00	0.00
2-2081	Deferred OPEB Inflows		0.00	108.00
3-2081	Deferred OPEB Inflows		0.00	430.00
4-2081	Deferred OPEB Inflows		0.00	215.00
5-2081	Deferred OPEB Inflows		0.00	1,397.00
2-2060	OPEB Liability		0.00	455.00
3-2060	OPEB Liability		0.00	1,821.00
4-2060	OPEB Liability		0.00	911.00
5-2060	OPEB Liability		0.00	5,920.00
2-5105	OPEB Expense		0.00	771.00
3-5105	OPEB Expense		0.00	3,085.00
4-5105	OPEB Expense		0.00	1,542.00
5-5105	OPEB Expense		0.00	10,025.00
<b>Total</b>		<b>26,680.00</b>	<b>26,680.00</b>	<b>15,423.00</b>
<b>AJE 6</b>				
To record beginning fund balances - Governmental Funds				
3-3000	Retained Earnings		0.00	2,896.00
3-1240	Due from (to) Interfund		0.00	10,246.00
3-3005	Invest Plant & Equip	13,138.00		0.00
6-3005	Invest Plant & Equip	9,408.00		0.00
6-3002	Undesignated - GF		0.00	19,650.00
6-1240	Due from (to) Interfund	10,246.00		0.00
<b>Total</b>		<b>32,792.00</b>	<b>32,792.00</b>	<b>0.00</b>
<b>AJE 7</b>				
To reclassify Fire Fuel Management expense				
6-5221	Fire Fuel Management Fee - 06		4,811.37	0.00
6-5220	NTFD Contract		0.00	4,811.37
<b>Total</b>		<b>4,811.37</b>	<b>4,811.37</b>	<b>0.00</b>
<b>AJE 8</b>				
To adjust ending balance of Investments in Capital assets				
5-3005	Invest Plant & Equip	142,791.00		0.00
5-3000	Retained Earnings		0.00	142,791.00
4-3005	Invest Plant & Equip	19,742.00		0.00
4-3000	Retained Earnings		0.00	19,742.00
2-3005	Invest Plant & Equip	9,516.00		0.00
2-3000	Retained Earnings		0.00	9,516.00
<b>Total</b>		<b>172,049.00</b>	<b>172,049.00</b>	<b>0.00</b>

Alpine Springs County Water District

ADJUSTING JOURNAL ENTRIES MEMORANDUM

Page 3 of 3

Account	Description	Debit	Credit	Net Income Effect
<b>AJE 9</b>				
To record estimated Accounts Payable for Tank 4 & 4A project, related depreciation, and reclass Retention Payable				
5-1750	Water System	38,087.75	0.00	
5-2010	Accounts Payable	0.00	38,087.75	
5-5513	Depreciation Expense	1,267.53	0.00	
5-1850	Accumulate Depreciation	0.00	1,267.53	
5-2050	Retention Payable - 05	40.80	0.00	
5-2010	Accounts Payable	0.00	40.80	
<b>Total</b>		<u><b>39,396.08</b></u>	<u><b>39,396.08</b></u>	<u><b>(1,267.53)</b></u>
<b>GRAND TOTAL</b>		<u><b>1,974,230.71</b></u>	<u><b>1,974,230.71</b></u>	<u><b>(71,762.58)</b></u>



*ALPINE SPRINGS COUNTY  
WATER DISTRICT*

*ALPINE SPRINGS*  
Financial Statements  
and  
Independent Auditor's Report

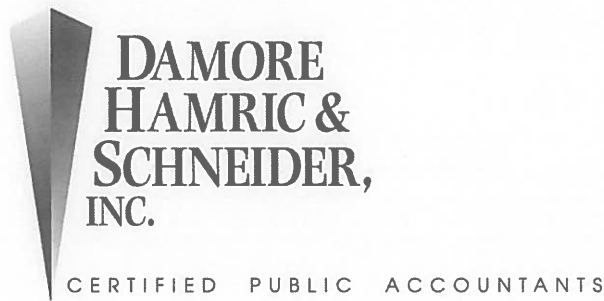
*COUNTY WATER DISTRICT*  
For the Fiscal Years Ended June 30, 2021 and 2020

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

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 fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

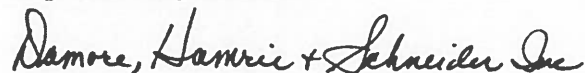
### **Opinions**

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 the Alpine Springs County Water District as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and the required supplementary information related to the pension and post-employment healthcare plans on pages 57 through 60 be presented to supplement the basic financial statements. Such information, 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 management's discussion and analysis and to the required supplementary information related to the pension and post-employment healthcare plans in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



DAMORE, HAMRIC & SCHNEIDER, INC.  
Certified Public Accountants

Sacramento, CA

January 4, 2022

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

The management of the Alpine Springs County Water District (District) presents this Management Discussion and Analysis to achieve two goals:

1. To comply with the requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 34) that are designed to provide more easily understood information about the finances of local government agencies such as the District; and,
2. To provide readers with narrative information that may help in understanding and interpreting the information presented in the District's financial statements for the fiscal year ended June 30, 2021.

Questions or comments regarding this analysis may be directed to the District General Manager or the Budget & Finance Committee Chair as follows:

**General Manager**

Joseph Mueller

Phone: (530)583-2342

Fax: (530)582-0228

Email: [joe@alpinesprings.org](mailto:joe@alpinesprings.org)

**Budget & Finance Committee**

Janet Grant, Chair

Email: [jgrant@alpinesprings.org](mailto:jgrant@alpinesprings.org)

**Overview of the Financial Statements**

This annual report consists of two parts:

- Management's discussion and analysis
- The financial statements, including the notes to the financial statements

The financial statements provide both long-term and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

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.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

**Government-Wide Financial Statements**

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

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

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

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

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

**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

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

**Fund Financial Statements (Continued)**

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.

**Financial Highlights**

The District's combined Total Net Position increased by \$256,620 (4.9%) during the fiscal year ended June 30, 2021, from \$5,248,484 to \$5,505,104. The change in Total Net Position is attributed to the increase in the District's total assets. The District's total assets increased from \$6,065,825 to \$6,294,092. This increase in total assets was attributed to an increase in cash on hand.

The District's total assets exceeded its liabilities at the end of the fiscal year June 30, 2021, by \$5,506,926. The District's net position of \$5,505,104 is composed of the capital assets of the District - water supply, storage, transmission, distribution systems, sewer collection systems, land, buildings, park facilities, and equipment belonging to the District in the amount of \$5,355,728. The remaining balance of the District's net position, \$149,376, is unrestricted.

The District's total revenue from all sources including contributions for the fiscal year ended June 30, 2021, was \$2,244,858. This is an increase of 7.5% over June 30, 2020. The District's operating revenues, consisting of service revenues from direct customer sales (i.e., water, sewer, garbage, and park user fee charges) totaled \$1,396,168. General revenues from property taxes, interest and other sources totaled \$848,690. The District had two contributions in the amount of \$27,166 for the current year which were related to two connection fees.

As of the end of fiscal year June 30, 2021, the District had no outstanding long-term debt, other than Pension and OPEB liabilities, thus no debt-related activities are reported in the financial statements.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

**Statement of Net Position**

As of June 30, 2021, and June 30, 2020, the net position of the District was:

<u>Assets:</u>	June 30, 2021	June 30, 2020	Change in Dollars	Percentage Change
Cash, Cash Equivalents, and Certificates of Deposit	\$ 682,527	\$ 319,594	\$ 362,933	113.6%
Accounts and Taxes Receivable	214,245	152,364	61,881	40.6%
Prepaid Expenses	41,592	45,423	( 3,831)	-8.4%
Capital Assets, Net of Accumulated Depreciation				
Plant and Equipment	5,338,292	5,536,126	( 197,834)	-3.6%
Land Usage and Easement Rights	17,436	12,318	5,118	41.5%
Total Assets	<u>\$ 6,294,092</u>	<u>\$ 6,065,825</u>	<u>\$ 228,267</u>	3.8%
<u>Deferred Outflows of Resources:</u>				
Deferred Pension Outflows (Note 8)	\$ 41,103	\$ 35,652	\$ 5,451	15.3%
Deferred OPEB Outflows (Note 9)	29,374	2,693	26,681	990.8%
Total Deferred Outflows of Resources	<u>\$ 70,477</u>	<u>\$ 38,345</u>	<u>\$ 32,132</u>	83.8%
<u>Liabilities:</u>				
Current Liabilities	\$ 375,089	\$ 386,897	(\$ 11,808)	-3.1%
Long-Term Liabilities	412,077	397,590	14,487	3.6%
Total Liabilities:	<u>\$ 787,166</u>	<u>\$ 784,487</u>	<u>\$ 2,679</u>	0.3%
<u>Deferred Inflows of Resources:</u>				
Deferred Pension Inflows (Note 8)	\$ 184	\$ 1,234	(\$ 1,050)	-85.1%
Deferred OPEB Inflows (Note 9)	72,115	69,965	2,150	3.1%
Total Deferred Inflows of Resources	<u>\$ 72,299</u>	<u>\$ 71,199</u>	<u>\$ 1,100</u>	1.5%
<u>Net Position:</u>				
Net Investment in Capital Assets	\$ 5,355,728	\$ 5,548,444	(\$ 192,716)	-3.5%
Unrestricted	149,376	( 299,960)	449,336	-149.8%
Total Net Position	<u>\$ 5,505,104</u>	<u>\$ 5,248,484</u>	<u>\$ 256,620</u>	4.9%

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.

Based on the GASB 68 and 75 adjustments, total Deferred Outflows amount of \$70,477 and total Deferred Inflows amount of \$72,299 was recorded FYE 2021.



Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

**Statement of Net Position (Continued)** – Long-term liabilities consisting of net pension liabilities and net OPEB liability amounted to \$412,077 (see Notes 8 and 9 for further information).

**Change in Net Position**

The following table summarizes the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020:

	June 30, 2021	June 30, 2020	Change in Dollars	Percentage Change
Operating Revenues				
Water	\$ 772,565	\$ 707,591	\$ 64,974	9.2%
Sewer	309,670	287,116	22,554	7.9%
Garbage	259,352	248,037	11,315	4.6%
Park	54,581	35,840	18,741	52.3%
Total Operating Revenues	<u>\$ 1,396,168</u>	<u>\$ 1,278,584</u>	<u>\$ 117,584</u>	9.2%
General Revenues				
Property Taxes	\$ 777,642	\$ 743,696	\$ 33,946	4.6%
Contributions	27,166	12,607	14,559	100.0%
Interest and Other	43,882	53,347	( 9,465)	-17.7%
Total General Revenues	<u>\$ 848,690</u>	<u>\$ 809,650</u>	<u>\$ 39,040</u>	4.8%
Total Revenues	<u>\$ 2,244,858</u>	<u>\$ 2,088,234</u>	<u>\$ 156,624</u>	7.5%
Operating Expenses:				
General Government	\$ 691,999	\$ 658,558	\$ 33,441	5.1%
Park	186,150	162,434	23,716	14.6%
Water	715,016	726,459	( 11,443)	-1.6%
Sewer	175,920	184,460	( 8,540)	-4.6%
Garbage	219,153	214,266	4,887	2.3%
Total Expenses	<u>\$ 1,988,238</u>	<u>\$ 1,946,177</u>	<u>\$ 42,061</u>	2.2%
Change in Net Position	\$ 256,620	\$ 142,057	\$ 114,563	80.6%
Net Position - Beginning of Year	<u>5,248,484</u>	<u>5,106,427</u>	<u>142,057</u>	2.8%
Net Position - End of Year	<u>\$ 5,505,104</u>	<u>\$ 5,248,484</u>	<u>\$ 256,620</u>	4.9%

**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 15) report a combined fund balance of \$258,928, which is an increase of \$13,813 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 18) reported combined fund Total Net Position of \$4,302,122, which is an increase of

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

**DISTRICT FUNDS (Continued):**

\$260,164 or 6.4% over last year. The increase primarily came from an increase in current assets, of over \$350,000. This increase was due to the completion of the new 870,000-gallon water storage tank.

The fund balance at year-end for the District's General Fund (as presented in the Balance Sheets on page 15) was \$ 390,185. This was an increase of \$20,287 over last year.

The fund balance at year-end for the District's Park Fund (as presented in the Balance Sheets on page 15) was a deficit \$131,257. This was a \$6,474 increase over the previous year's deficit balance.

The Water Fund showed an increase of \$64,974 in operating revenues over fiscal year ended June 30, 2020, with total operating revenues of \$772,565 for the fiscal year ended June 30, 2021. Operating expenses decreased by \$11,443 resulting in net operating income of \$57,549 for the fiscal year ended June 30, 2021, an increase of \$76,417 over fiscal year 2020 which ended in an operating loss of approximately \$20,000. Fiscal year 2021 operating income resulted due to increased water fees and decreased operating expenditures.

The Sewer Fund showed an increase of \$22,554 in operating revenues over the previous fiscal year, with total operating revenues of \$309,670. Operating expenses decreased by \$8,540, with total operating expenses of \$175,920. The Sewer Fund showed an operating income of \$133,750, which is an increase of \$31,094 over the \$102,656 operating income for the previous fiscal year.

The Garbage Fund showed an increase of \$11,315 in operating revenues over the previous fiscal year, with total operating revenues of \$259,352 for the fiscal year ended June 30, 2021. Operating expenses showed an increase of \$4,887 over the previous fiscal year. The Garbage Fund showed an operating income of \$40,199 for the year ended June 30, 2021, compared to an operating income of \$33,771 for the previous fiscal year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2021, the District's investment in capital assets was \$5,338,292, 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 \$197,834 (3.6%) over the previous fiscal year. In fiscal year 2021, no equipment or infrastructure replacements, repairs, or purchases were made and, therefore, no increase in capital assets is shown.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued):**

**Debt Administration (Continued):**

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

The District has a total Net OPEB Liability of \$398,215 as of June 30, 2021, compared to \$389,108 as of June 30, 2020.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The total actual revenues in the General Fund, as presented on page 17, were \$702,878, which is \$62,530 higher than budgeted revenues, while the total actual expenditures were \$682,591, which was \$38,881 more than budgeted. Actual revenues exceeded expenditures by \$20,287.

**ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS**

The cost of the District's operations is expected to increase slightly 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 remain flat.

Revenues for services are expected to increase on an average of 4.1% compared to fiscal year 2020-21. The District is in year four of its 5-year rate schedule. Budgeted property tax revenues are expected to increase from \$737,045 in 2020-21 to \$768,228 in 2021-22, based upon estimated tax revenues provided by Placer County. The District has budgeted a \$30,000 contribution to its OPEB account.

The FY 2021/22 budget includes increased expenditures to commission an update to its 2006 Water and Sewer Master Plan. Some of the District's assets are approaching the end of their expected life. Over the years, the District has made improvements to its water supply and storage assets. The Master Plan will evaluate the type of improvements needed in its distribution and collection systems.

Fiscal year 2021-22 will focus on planning efforts as such no major projects are planned for implementation, the District's focus is to identify and prioritize capital projects.

In 2021, the District entered 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.

Alpine Springs County Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2021

**ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS (Continued):**

Property tax revenues are expected to increase slightly in 2021 and 2022 as property's are sold and or replaced with newer and larger homes.

The projected property tax revenues budgeted for the current year is \$768,228. This will result in a budgeted payment of \$614,583 to North Tahoe Fire Protection District for fiscal year 2021-22.

The District's 2006 Long-range Water and Sewer Master Plan listed several projects that the District has implemented over the previous years. Some of those projects are listed below:

- Well R-1 improvements and tie into Zone 4.
- Well R-2 improvements.
- Construction of an inter tie between Zone 1 and Zone 2.
- Replacement of approximately 1,200 lineal feet of 50-year-old six-inch clay sewer main with new eight-inch PVC sewer main.
- Redrill and replacement of Alpine Meadows Estates (AME) Well 1.
- Completed replacement of AME Well 1 well house, controls, and electrical service.
- Replacement of the existing 6-inch water main with an 8-inch main crossing the Truckee River.
- Repair the concrete roofs of its four reinforced concrete water storage tanks.
- Upgrade and replacement of all existing water meters.
- Repair of 500,000-gallon water storage damaged by snow.
- Completed construction of 870,000-gallon welded steel water storage tank.

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.

Alpine Springs County Water District

STATEMENTS OF NET POSITION

June 30, 2021 and 2020

	2021		2020	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
<u>Assets:</u>				
Cash and Cash Equivalents	\$ 682,527	\$ 682,527	\$ 301,064	\$ 301,064
Certificates of Deposit		171,998	18,530	18,530
Accounts Receivable	42,247	42,247	113,308	113,308
Taxes Receivable			39,056	39,056
Interfund Receivable/(Payable)	( 159,839)	159,839	185,636	( 185,636)
Prepaid Expenses	10,398	31,194	11,355	34,068
Capital Assets, Net of Accumulated Depreciation	1,026,838	4,311,454	1,047,505	4,488,621
Plant and Equipment		17,436		12,318
Land Usage and Easement Rights				
Total Assets	\$ 1,602,171	\$ 4,691,921	\$ 1,584,616	\$ 4,481,209
<u>Deferred Outflows of Resources:</u>				
Deferred Pension Outflows (Note 8)	\$ 8,216	\$ 32,887	\$ 7,126	\$ 28,526
Deferred OPEB Outflows (Note 9)	5,875	23,499	538	2,155
Total Deferred Outflows of Resources	\$ 14,091	\$ 56,386	\$ 7,664	\$ 30,681
<u>Liabilities:</u>				
<u>Current Liabilities:</u>				
Accounts Payable	\$ 311,266	\$ 38,128	\$ 289,328	\$ 19,067
Accrued Benefits	5,139	16,830	2,668	10,675
Retention Payable				65,159
Accrued Payroll		3,726		
Long-Term Liabilities:				
Net Pension Liability (Note 8)	2,773	11,089	1,697	6,785
Net OPEB Liability (Note 9)	79,642	318,573	77,821	311,287
Total Liabilities	\$ 398,820	\$ 388,346	\$ 371,514	\$ 412,973
<u>Deferred Inflows of Resources:</u>				
Deferred Pension Inflows (Note 8)	\$ 37	\$ 147	\$ 247	\$ 987
Deferred OPEB Inflows (Note 9)	14,423	57,692	13,993	55,972
Total Deferred Inflows of Resources	\$ 14,460	\$ 57,839	\$ 14,240	\$ 56,959
<u>Net Position:</u>				
Net Investment in Capital Assets	\$ 1,026,838	\$ 4,328,890	\$ 1,047,505	\$ 4,500,939
Unrestricted	176,144	( 26,768)	159,021	( 458,981)
Total Net Position	\$ 1,202,982	\$ 4,302,122	\$ 1,206,526	\$ 4,041,958

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, 2021 and 2020

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 2021	Expenses	Charges for Services	Contributions	Governmental Activities	Business-Type Activities	Total 2020
<b>Primary Government:</b>												
<b>Governmental Activities:</b>												
General Government	\$ 691,999	\$ 41,382	\$ 18,601	(\$ 650,617)	(\$ 650,617)	(\$ 650,617)	\$ 658,538	\$ 29,372	\$ 8,660	(\$ 629,186)	\$ 629,186	(\$ 629,186)
Park	186,150	54,581	8,565	(131,569)	(131,569)	(131,569)	162,434	35,840	3,947	(126,594)	(126,594)	(126,594)
<b>Total Governmental Activities</b>	<b>\$ 878,149</b>	<b>\$ 95,963</b>	<b>\$ 27,166</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ 820,992</b>	<b>\$ 65,212</b>	<b>12,607</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Business-Type Activities:</b>												
Water	\$ 715,016	\$ 772,565	\$ 18,601	\$ 76,150	\$ 76,150	\$ 76,150	\$ 726,459	\$ 707,591	\$ 8,660	\$ 10,208	\$ 10,208	\$ 10,208
Sewer	175,920	309,670	8,565	142,315	142,315	142,315	184,460	287,116	3,947	106,603	106,603	106,603
Garbage	219,153	259,352		40,199	40,199	40,199	214,266	248,037		33,771	33,771	33,771
<b>Total Business-Type Activities</b>	<b>\$ 1,110,089</b>	<b>\$ 1,341,587</b>	<b>\$ 27,166</b>	<b>0</b>	<b>258,664</b>	<b>258,664</b>	<b>\$ 1,125,185</b>	<b>\$ 1,242,744</b>	<b>12,607</b>	<b>0</b>	<b>130,166</b>	<b>\$ 130,166</b>
<b>Total Primary Government</b>	<b>\$ 1,988,238</b>	<b>\$ 1,437,550</b>	<b>\$ 27,166</b>	<b>(\$ 782,186)</b>	<b>(\$ 523,522)</b>	<b>(\$ 523,522)</b>	<b>\$ 1,946,177</b>	<b>\$ 1,307,956</b>	<b>12,607</b>	<b>(\$ 755,780)</b>	<b>\$ 130,166</b>	<b>(\$ 625,614)</b>
<b>General Revenues:</b>												
Property Taxes	\$ 777,642	\$ 777,642	\$ 777,642	\$ 777,642	\$ 777,642	\$ 777,642	Property Taxes	743,696	743,696	743,696	743,696	743,696
Interest and Other	1,000	1,500	2,500	1,500	2,500	2,500	Interest and Other	9,590	14,385	14,385	23,975	23,975
<b>Total General Revenue</b>	<b>\$ 778,642</b>	<b>\$ 779,142</b>	<b>\$ 780,142</b>	<b>\$ 779,142</b>	<b>\$ 780,142</b>	<b>\$ 780,142</b>	<b>Total General Revenue</b>	<b>\$ 753,286</b>	<b>\$ 14,385</b>	<b>\$ 14,385</b>	<b>\$ 767,671</b>	<b>\$ 767,671</b>
<b>Change in Net Position</b>	<b>(\$ 3,544)</b>	<b>\$ 260,164</b>	<b>\$ 256,620</b>	<b>Change in Net Position</b>	<b>Change in Net Position</b>	<b>Change in Net Position</b>	<b>Change in Net Position</b>	<b>(\$ 2,494)</b>	<b>\$ 144,551</b>	<b>\$ 144,551</b>	<b>\$ 142,057</b>	<b>\$ 142,057</b>
<b>Net Position - Beginning of Year</b>	<b>1,206,526</b>	<b>4,041,958</b>	<b>5,248,484</b>	<b>Net Position - Beginning of Year</b>	<b>Net Position - Beginning of Year</b>	<b>Net Position - Beginning of Year</b>	<b>Net Position - Beginning of Year</b>	<b>1,209,020</b>	<b>3,897,407</b>	<b>3,897,407</b>	<b>5,106,427</b>	<b>5,106,427</b>
<b>Net Position - End of Year</b>	<b>\$ 1,202,982</b>	<b>\$ 4,302,122</b>	<b>\$ 5,505,104</b>	<b>Net Position - End of Year</b>	<b>Net Position - End of Year</b>	<b>Net Position - End of Year</b>	<b>Net Position - End of Year</b>	<b>\$ 1,206,526</b>	<b>\$ 4,041,958</b>	<b>\$ 4,041,958</b>	<b>\$ 5,248,484</b>	<b>\$ 5,248,484</b>

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

Alpine Springs County Water District

BALANCE SHEETS  
GOVERNMENTAL FUNDS

June 30, 2021 and 2020

	General	Park	Total 2021	General	Park	Total 2020
<u>Assets:</u>						
Cash and Cash Equivalents	\$ 682,527	\$	\$ 682,527	\$ 301,064	\$	\$ 301,064
Taxes Receivable	42,247		42,247	39,056		39,056
Prepaid Expenses		10,398	10,398		11,355	11,355
Interfund Receivable/(Payable)	( 23,323)	( 136,516)	( 159,839)	319,106	( 133,470)	185,636
Total Assets	<u>\$ 701,451</u>	<u>( \$ 126,118)</u>	<u>\$ 575,333</u>	<u>\$ 659,226</u>	<u>( \$ 122,115)</u>	<u>\$ 537,111</u>
<u>Liabilities:</u>						
Accounts Payable	\$ 311,266	\$	\$ 311,266	\$ 289,328	\$	\$ 289,328
Accrued Benefits		5,139	5,139		2,668	2,668
Total Liabilities	<u>\$ 311,266</u>	<u>\$ 5,139</u>	<u>\$ 316,405</u>	<u>\$ 289,328</u>	<u>\$ 2,668</u>	<u>\$ 291,996</u>
<u>Fund Balances:</u>						
Nonspendable	\$	\$ 10,398	\$ 10,398	\$	\$ 11,355	\$ 11,355
Unassigned	<u>390,185</u>	<u>( 141,655)</u>	<u>248,530</u>	<u>369,898</u>	<u>( 136,138)</u>	<u>233,760</u>
Total Fund Balances	<u>\$ 390,185</u>	<u>( \$ 131,257)</u>	<u>\$ 258,928</u>	<u>\$ 369,898</u>	<u>( \$ 124,783)</u>	<u>\$ 245,115</u>
Total Liabilities and Fund Balances	<u>\$ 701,451</u>	<u>( \$ 126,118)</u>	<u>\$ 575,333</u>	<u>\$ 659,226</u>	<u>( \$ 122,115)</u>	<u>\$ 537,111</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.

Long term Net OPEB Liability is not a current financial resource and therefore not reported in the governmental funds.

Long term Net Pension Liability is not a current financial resource and therefore not reported in the governmental funds.

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

14,091

7,664

Deferred Inflows of Resources

( 14,460)

( 14,240)

Total Net Position of Governmental Activities

\$ 1,202,982

\$ 1,206,526

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, 2021 and 2020

	General	Park	Total 2021	General	Park	Total 2020
<u>Revenues:</u>						
Property Taxes	\$ 660,996	\$ 116,646	\$ 777,642	\$ 632,142	\$ 111,554	\$ 743,696
Fees	41,382	54,581	95,963	29,372	35,840	65,212
Interest and Other	500	500	1,000	4,795	4,795	9,590
Total Revenues	\$ 702,878	\$ 171,727	\$ 874,605	\$ 666,309	\$ 152,189	\$ 818,498
<u>Expenditures:</u>						
Current:						
General Government	\$ 682,591	\$ 176,106	\$ 858,697	\$ 649,150	\$ 152,905	\$ 802,055
Capital Outlay		2,095	2,095		327	327
Total Expenditures	\$ 682,591	\$ 178,201	\$ 860,792	\$ 649,150	\$ 153,232	\$ 802,382
Excess of Revenues Over/(Under) Expenditures/ Net Change in Fund Balances	\$ 20,287	\$ 6,474	\$ 13,813	\$ 17,159	\$ 1,043	\$ 16,116
Net Change in Fund Balances	\$ 20,287	\$ 6,474	\$ 13,813	\$ 17,159	\$ 1,043	\$ 16,116
Fund Balances - Beginning	369,898	( 124,783)	245,115	352,739	( 123,740)	228,999
Fund Balances - Ending	\$ 390,185	\$ 131,257	\$ 258,928	\$ 369,898	\$ 124,783	\$ 245,115
Change in Fund Balances - Total Governmental Funds			\$ 13,813			\$ 16,116
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			( 2,897)		( 4,141)	( 4,141)
Change in Deferred Outflows of Resources related to OPEB and Pension Liabilities			6,427		986	986
Change in Deferred Inflows of Resources related to OPEB and Pension Liabilities			( 220)		7,091	7,091
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)			( 20,667)		( 22,546)	( 22,546)
Change in Net Position of Governmental Activities			\$ 3,544		\$ 2,494	\$ 2,494

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, 2021 and 2020

	2021		2020		Variance with Final Budget - Positive (Negative)
	Budgeted Amounts Original and Final	Actual Amounts	Budgeted Amounts Original and Final	Actual Amounts	
<u>Revenues:</u>					
Taxes	\$ 626,488	\$ 660,996	\$ 605,286	\$ 632,142	\$ 26,856
Interest and Other	13,860	41,882	13,860	34,167	20,307
Total Revenues	\$ 640,348	\$ 702,878	\$ 619,146	\$ 666,309	\$ 47,163
<u>Expenditures:</u>					
Current:					
General Government	\$ 622,982	\$ 668,956	\$ 603,401	\$ 637,482	\$ 34,081
Professional Services	14,410	10,791	14,428	7,177	7,251
Utilities and Communications	1,730	1,840	1,730	1,615	115
Directors' Fees	384	642	332	599	( 267)
Office Expenses	4,204	362	4,104	2,277	1,827
Other					
Total General Government	\$ 643,710	\$ 682,591	\$ 623,995	\$ 649,150	\$ 25,155
Total Expenditures	\$ 643,710	\$ 682,591	\$ 623,995	\$ 649,150	\$ 25,155
Excess/(Deficiency) of Revenues Over/(Under) Expenditures/Net Change in Fund Balances	(\$ 3,362)	\$ 20,287	(\$ 4,849)	\$ 17,159	\$ 22,008
Net Change in Fund Balances	(\$ 3,362)	\$ 20,287	(\$ 4,849)	\$ 17,159	\$ 22,008
Fund Balances - Beginning	93,931	369,898	98,780	352,739	253,959
Fund Balances - Ending	\$ 90,569	\$ 390,185	\$ 93,931	\$ 369,898	\$ 275,967

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

Alpine Springs County Water District

STATEMENTS OF NET POSITION - PROPRIETARY FUNDS

June 30, 2021 and 2020

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds			Total 2020
	Water	Sewer	Garbage	Water	Sewer	Garbage	
<b>Assets:</b>							
Current Assets:							
Certificates of Deposit	\$ 171,998	\$	\$	\$ 18,530	\$	\$	\$ 18,530
Accounts Receivable	( 1,756,035)	1,436,825	479,049	113,308	1,273,728	428,086	( 113,308)
Interfund Receivable/(Payable)	10,398	10,398	10,398	11,356	11,356	11,356	( 185,636)
Prepaid Expenses	( 1,573,639)	1,447,223	489,447	( 363,031)	1,285,084	439,442	34,068
Total Current Assets	\$ 3,929,241	\$ 325,738	\$ 56,475	\$ 4,311,454	\$ 345,480	\$ 65,991	\$ 4,488,621
Noncurrent Assets:							
Capital Assets, Net of Accumulated Depreciation	17,436			17,436			12,318
Plant and Equipment	3,946,677	325,738	56,475	4,328,890	345,480	65,991	4,500,939
Land Usage and Easement Rights	2,373,038	1,772,961	545,922	4,691,921	1,630,564	505,433	4,481,209
Total Noncurrent Assets	\$ 19,092	\$ 2,938	\$ 1,469	\$ 23,499	\$ 270	\$ 135	\$ 2,155
Total Assets	\$ 26,720	\$ 4,111	\$ 2,056	\$ 32,887	\$ 3,566	\$ 1,783	\$ 28,526
Deferred Outflows of Resources:	\$ 45,812	\$ 7,049	\$ 3,525	\$ 56,386	\$ 24,927	\$ 3,836	\$ 30,681
Deferred OPEB Outflows (Note 9)							
Deferred Pension Outflows (Note 8)							
Total Deferred Outflows of Resources	\$ 38,128	\$ 2,104	\$ 1,052	\$ 16,830	\$ 1,334	\$ 667	\$ 19,067
Liabilities:							
Current Liabilities:							
Accounts Payable	13,674			8,674			10,675
Accrued Benefits	3,027	466	233	65,159			65,159
Retention Payable	54,829	2,570	1,285	58,684	1,334	667	94,901
Accrued Payroll							
Total Current Liabilities	\$ 258,840	\$ 39,821	\$ 19,912	\$ 318,573	\$ 38,910	\$ 19,457	\$ 311,287
Noncurrent Liabilities:	9,010	1,386	693	11,089	848	424	6,785
Net OPEB Liability (Note 9)	267,850	41,207	20,605	329,662	39,758	19,881	318,072
Net Pension Liability (Note 8)	322,679	43,777	21,890	388,346	41,092	20,548	412,973
Total Noncurrent Liabilities	\$ 121	\$ 19	\$ 7	\$ 803	\$ 124	\$ 60	\$ 987
Total Liabilities	\$ 46,873	\$ 7,212	\$ 3,607	\$ 57,692	\$ 6,997	\$ 3,499	\$ 55,972
Deferred Inflows of Resources:	46,994	7,231	3,614	57,839	7,121	3,559	56,959
Deferred Pension Inflows (Note 8)							
Deferred OPEB Inflows (Note 9)							
Total Deferred Inflows of Resources	\$ 3,946,677	\$ 325,738	\$ 56,475	\$ 4,328,890	\$ 345,480	\$ 65,991	\$ 4,500,939
Net Investment in Capital Assets	( 1,897,500)	1,403,264	467,468	( 26,768)	1,240,707	417,253	( 458,981)
Unrestricted	\$ 2,049,177	\$ 1,729,002	\$ 523,943	\$ 4,302,122	\$ 1,586,187	\$ 483,244	\$ 4,041,958
Total Net Position							

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, 2021 and 2020

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds			Total 2020
	Water	Sewer	Garbage	Water	Sewer	Garbage	
<b>Operating Revenues:</b>							
Fees	\$ 772,565	\$ 309,670	\$ 259,352	\$ 707,591	\$ 287,116	\$ 248,037	\$ 1,242,744
<b>Total Operating Revenues</b>	\$ 772,565	\$ 309,670	\$ 259,352	\$ 707,591	\$ 287,116	\$ 248,037	\$ 1,242,744
<b>Operating Expenses:</b>							
Salaries	\$ 211,249	\$ 32,500	\$ 16,250	\$ 170,918	\$ 26,295	\$ 13,148	\$ 210,361
Employee Benefits	57,083	10,200	4,269	45,847	10,054	3,527	59,428
Directors' Fees	1,840	1,840	1,840	1,615	1,615	1,615	4,845
Insurance	11,317	11,317	11,317	9,925	9,925	9,925	29,775
Building Materials and Supplies	16,787	2,148	961	16,456	3,163	2,683	22,302
Office Expenses	24,456	3,760	1,521	28,228	4,068	1,735	34,031
Professional Services	71,114	26,257	19,931	117,302	31,308	23,629	163,775
Repairs and Maintenance	10,240	1,497	749	8,920	1,155	578	10,653
Utilities and Communications	40,971	9,536	10,630	35,592	9,319	7,710	52,621
Vehicles and Fuel	3,218	495	248	3,110	478	239	3,827
Garbage Services			140,097			137,485	137,485
Depreciation	213,310	19,742	9,516	160,325	20,281	9,644	190,250
Federal and State Mandates	38,386	54,104	741	111,865	68,925	733	181,523
Training	516	270		361	150		511
OPEB Annual Funding	13,000	2,000	1,000	20,343	130	1,565	22,038
Other	1,529	254	83	4,116	(2,406)	50	1,760
<b>Total Operating Expenses</b>	\$ 715,016	\$ 175,920	\$ 219,153	\$ 726,459	\$ 184,460	\$ 214,266	\$ 1,125,185
<b>Operating Income (Loss)</b>	\$ 57,549	\$ 133,750	\$ 40,199	\$ 231,498	\$ 102,656	\$ 33,771	\$ 117,559
<b>Non-Operating Revenues:</b>							
Interest Revenue	\$ 500	\$ 500	\$ 500	\$ 4,795	\$ 4,795	\$ 4,795	\$ 14,385
<b>Total Non-Operating Income</b>	\$ 500	\$ 500	\$ 500	\$ 4,795	\$ 4,795	\$ 4,795	\$ 14,385
<b>Income/(Loss) Before Contributions</b>	\$ 58,049	\$ 134,250	\$ 40,699	\$ 14,073	\$ 107,451	\$ 38,566	\$ 131,944
Capital Contributions - Connection Fees	18,601	8,565		8,660	3,947		12,607
<b>Change in Net Position</b>	\$ 76,650	\$ 142,815	\$ 40,699	\$ 5,413	\$ 111,398	\$ 38,566	\$ 144,551
<b>Net Position - Beginning of Year</b>	\$ 1,972,527	\$ 1,586,187	\$ 483,244	\$ 1,977,940	\$ 1,474,789	\$ 444,678	\$ 3,897,407
<b>Net Position - End of Year</b>	\$ 2,049,177	\$ 1,729,002	\$ 523,943	\$ 1,972,527	\$ 1,586,187	\$ 483,244	\$ 4,041,958

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, 2021 and 2020

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds			Total 2020
	Total 2021			Total 2020			
	Water	Sewer	Garbage	Water	Sewer	Garbage	
<b>Cash Flows from Operating Activities:</b>							
Receipts from Customers and Users	\$ 713,875	\$ 309,670	\$ 259,352	\$ 1,282,897	\$ 690,231	\$ 287,116	\$ 1,225,384
Payments to Suppliers	( 198,515)	( 108,681)	( 185,320)	( 492,516)	( 313,578)	( 127,270)	( 626,800)
Payments to Employees	( 284,058)	( 45,118)	( 21,729)	( 350,905)	( 253,414)	( 38,763)	( 311,559)
Other Operating Cash Payments	( 1,840)	( 1,840)	( 1,840)	( 5,520)	( 1,615)	( 1,615)	( 4,845)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 229,462</b>	<b>\$ 154,031</b>	<b>\$ 50,463</b>	<b>\$ 433,956</b>	<b>\$ 121,624</b>	<b>\$ 119,468</b>	<b>\$ 282,180</b>
<b>Cash Flows from Noncapital Financing Activities:</b>							
Net Changes in Interfund Receivables/(Payables)	(\$ 131,415)	(\$ 163,097)	(\$ 50,963)	(\$ 345,475)	\$ 679,649	(\$ 127,884)	(\$ 45,556)
<b>Net Cash Provided/(Used) by Noncapital Financing Activities</b>	<b>(\$ 131,415)</b>	<b>(\$ 163,097)</b>	<b>(\$ 50,963)</b>	<b>(\$ 345,475)</b>	<b>\$ 679,649</b>	<b>(\$ 127,884)</b>	<b>(\$ 45,556)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Purchase of Fixed Assets	(\$ 130,600)	\$	\$	(\$ 130,600)	(\$ 1,259,135)	(\$ 327)	(\$ 1,259,789)
Cost incurred on Easements	( 5,078)	(	( 5,078)				
Contributed Capital - Connection Fees	18,601	8,565		27,166	8,660	3,947	12,607
<b>Net Cash Provided/(Used) by Capital and Related Financing Activities</b>	<b>(\$ 117,077)</b>	<b>\$ 8,565</b>	<b>(\$</b>	<b>(\$ 108,512)</b>	<b>(\$ 1,250,475)</b>	<b>\$ 3,620</b>	<b>(\$ 1,247,182)</b>
<b>Cash Flows from Investing Activities:</b>							
Decrease/(Increase) in Investments	\$ 18,530	\$	\$	18,530	\$ 444,407	\$	\$ 444,407
Interest Income	500	500	500	1,500	4,795	4,795	14,385
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>\$ 19,030</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 20,030</b>	<b>\$ 449,202</b>	<b>\$ 4,795</b>	<b>\$ 458,792</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>							
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

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, 2021 and 2020

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds			
	2021			2020			
	Water	Sewer	Garbage	Water	Sewer	Garbage	Total
Operating Income (Loss)	\$ 57,549	\$ 133,750	\$ 40,199	\$ 231,498	\$ 18,868	\$ 33,771	\$ 117,559
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Depreciation	213,310	19,742	9,516	242,568	20,281	9,644	190,250
Changes in Certain Assets and Liabilities (Increase)/Decrease in:							
Accounts Receivable	( 58,690)	( )	( 58,690)	( 17,360)	( )	( )	( 17,360)
Prepaid Expenses	958	958	2,874	( 1,185)	( 1,185)	( 1,185)	( 3,555)
Deferred Outflows of Resources	( 20,885)	( 3,214)	( 1,607)	( 25,706)	( 494)	( 247)	( 3,948)
Increase/(Decrease) in:							
Accounts Payable	19,061			19,061			15,018
Accrued Benefits	5,000	770	385	6,155	( 316)	( 158)	( 2,527)
Accrued Payroll	3,027	466	233	3,726	( 1,459)	( )	( 1,459)
Deferred Inflows of Resources	715	110	55	880	( 23,045)	( 1,773)	( 28,363)
Net OPEB Liability	5,920	911	455	7,286	1,460	730	11,677
Net Pension Liability	3,497	538	269	4,304	611	306	4,888
Net Cash Provided by Operating Activities	\$ 229,462	\$ 154,031	\$ 50,463	\$ 433,956	\$ 121,624	\$ 41,088	\$ 282,180

Schedule of Non-cash Transactions:

None.

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

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Alpine Springs County Water (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, 2021 and 2020

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

B. Financial Statement Presentation (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. As of June 30, 2021, and 2020, the District did not have any debt related to capital assets.

- *Restricted* - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of June 30, 2021, and 2020, 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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

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

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. 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, 2021 and 2020

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

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

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

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

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

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

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

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

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

D. Budgets:

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

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

E. Use of Estimates:

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

F. Cash, Cash Equivalents, and Investments:

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

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

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

Investments in external investment pools and debt securities are valued on the basis of \$1 in the balance sheet.

G. Accounts Receivable:

The accounts receivable consists of charges for service fees and connection fees. Fees are considered to be fully collectible, since the County liens the property (at the District's request) for unpaid charges and

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

G. Accounts Receivable (Continued):

remits the amounts owed to the District when the lien is placed. Therefore, no allowance for uncollectible fees is provided.

H. Fixed Assets:

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

I. Compensated Absences:

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

J. Long-Term Obligations:

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

K. Fund Equity:

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

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

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 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 2020 have been reclassified to conform to the fiscal year 2021 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. 92 – In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The topics include but are not limited to leases, intra-entity transfers between a primary government and a post-employment benefit plan component unit,

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

T. Accounting Pronouncements recently issued but not yet effective (Continued): - accounting for pensions and OPEB related assets, measurement of liabilities related to asset retirement obligations, and nonrecurring fair value measurements of assets or liabilities. The requirements of this Statement were originally effective for reporting periods beginning after June 15, 2021 (fiscal 2022) but have been postponed one year by GASBS No. 95.

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

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

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

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

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. See Note 9 for further details related to the OPEB deferred outflows and inflows.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Capitalized Asset Expenditures	\$ 2,095	\$ 327
Depreciation Expense - Park	( 13,354)	( 13,465)
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>(\$ 20,667)</u>	<u>(\$ 22,546)</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 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).

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

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

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

The brokerage account with Wells Fargo Advisors was closed during the year.

Certificates of Deposit of the District subject to interest rate risk on June 30, 2020 are summarized as follows:

	<u>Cost</u>	<u>Market Value</u>	<u>Maturity</u>
Certificates of Deposit:			
Goldman Sachs Bank	\$ 17,000	\$ 17,087	10/2020
Money Market Funds	<u>1,443</u>	<u>1,443</u>	
	<u>\$ 18,443</u>	<u>\$ 18,530</u>	

Cash equivalents of the District subject to interest rate risk as of June 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Carrying Amount</u>	<u>Market Value</u>
LAIF	<u>\$ 73,187</u>	<u>\$ 73,193</u>	<u>\$ 2,036</u>	<u>\$ 2,046</u>

Structured notes and asset-backed securities comprised 2.31% and 3.37% of LAIF’s total portfolio for all investors as of June 30, 2021 and 2020, respectively. Fair value of a pool share was \$1.00008297 and \$1.004912795 for the same periods. The cost value of a pool share was constant at \$1.00.



Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

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.

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 does not have any investments that are subject to the fair value hierarchy as of June 30, 2021 or 2020.

*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.

*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.

*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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires California banks and savings and loans to secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. All deposits in excess of insurance from the Federal Deposit Insurance Corporation (FDIC) are collateralized with eligible securities, as described by the District's investment policy, in amounts equal to at least 110% of the District's carrying value of the deposits (demand deposits and certificates of deposit).

Cash and Investments of the District on June 30, 2021 are summarized as follows:

	<u>Carrying Value</u>
Cash and Cash Equivalents	
Bank of the West	\$ 255,105
Placer County Treasurer's Investment Portfolio	354,235
Local Agency Investment Fund (LAIF)	73,187
	<u>\$ 682,527</u>
As Presented on the Statement of Net Position:	
Cash and Cash Equivalents	<u>\$ 682,527</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 682,527</u>

Cash and Investments of the District on June 30, 2020 are summarized as follows:

	<u>Cost</u>	<u>Market Value</u>
Wells Fargo Advisors -		
Certificates of Deposit	<u>\$ 18,443</u>	<u>\$ 18,530</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

	<u>Carrying Value</u>
Cash and Cash Equivalents	
Bank of the West	\$ 266,008
Placer County Treasurer's Investment Portfolio	33,020
Local Agency Investment Fund (LAIF)	<u>2,036</u>
	<u>\$ 301,064</u>
As Presented on the Statement of Net Position:	
Cash and Cash Equivalents	\$ 301,064
Certificates of Deposit	<u>18,530</u>
	<u>\$ 319,594</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 319,594</u>

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 10<sup>th</sup> and April 10<sup>th</sup>. 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, 2021 and 2020

NOTE 6 PLANT AND EQUIPMENT:

Capital asset activity for the year ended June 30, 2021 is as follows:

GOVERNMENTAL ACTIVITIES

	Balance 7/1/20	Additions	Deletions	Balance 6/30/21
<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			32,767
Building Improvements	89,273			89,273
Land Improvements	32,361			32,361
Park Improvements	19,633	2,095		21,728
Total Capital Assets being Depreciated	\$ 946,148	\$ 2,095	\$	\$ 948,243
Accumulated Depreciation	( 662,470)	( 22,762)		( 685,232)
Depreciable Assets, Net	\$ 283,678	(\$ 20,667)	\$	\$ 263,011
Government Activities Capital Assets, Net	\$ 1,047,505	(\$ 20,667)	\$ 0	\$ 1,026,838

BUSINESS-TYPE ACTIVITIES

	Balance 7/1/20	Additions	Deletions	Balance 6/30/21
<u>Non-Depreciable Assets:</u>				
Construction in Process	\$ 1,624,629	\$ 15,433	\$ 1,628,762	\$ 11,300
Total Capital Assets not being Depreciated	\$ 1,624,629	\$ 15,433	\$ 1,628,762	\$ 11,300
<u>Depreciable Assets:</u>				
Water System	\$ 4,678,719	\$ 1,678,730	\$	\$ 6,357,449
Sewer System	\$ 1,022,025			1,022,025
Truckee River Interceptor	\$ 358,524			358,524
Alpine Springs Interceptor	\$ 58,095			58,095
Inflow and Infiltration	\$ 26,031			26,031
Vehicles	\$ 96,562			96,562
Office Equipment	\$ 60,759			60,759
Maintenance Equipment	\$ 98,300			98,300
SCADA System	\$ 146,548			146,548
Building Improvements	\$ 267,817			267,817
Land Improvements	\$ 97,083			97,083
Total Capital Assets being Depreciated	\$ 6,910,463	\$ 1,678,730	\$ 0	\$ 8,589,193
Accumulated Depreciation	( 4,046,471)	( 242,568)		( 4,289,039)
Depreciable Assets, Net	\$ 2,863,992	\$ 1,436,162	\$ 0	\$ 4,300,154
Business-Type Activities Capital Assets, Net	\$ 4,488,621	\$ 1,451,595	\$ 1,628,762	\$ 4,311,454

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 6 PLANT AND EQUIPMENT (Continued):

Capital asset activity for the year ended June 30, 2020 is as follows:

GOVERNMENTAL ACTIVITIES

	Balance 7/1/19	Additions	Deletions	Balance 6/30/20
<b>Non-Depreciable Assets:</b>				
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
<b>Depreciable Assets:</b>				
Firehouse	\$ 376,338	\$	\$	\$ 376,338
Fire-Related Vehicles and Equipment	343,336			343,336
Other Vehicles	32,187			32,187
Office Equipment	20,253			20,253
Maintenance Equipment	32,767			32,767
Building Improvements	88,946	327		89,273
Land Improvements	32,361			32,361
Park Improvements	19,633	-		19,633
Total Capital Assets being Depreciated	\$ 945,821	\$ 327		\$ 946,475
Accumulated Depreciation	( 639,597)	( 22,873)		( 662,470)
Depreciable Assets, Net	\$ 306,224	(\$ 22,546)	\$ 0	\$ 283,678
Government Activities Capital Assets, Net	\$ 1,070,051	(\$ 22,546)	\$ 0	\$ 1,047,505

BUSINESS-TYPE ACTIVITIES

	Balance 7/1/19	Additions	Deletions	Balance 6/30/20
<b>Non-Depreciable Assets:</b>				
Construction in Process	\$ 303,473	\$ 1,321,156	\$	\$ 1,624,629
Total Capital Assets not being Depreciated	\$ 303,473	\$ 1,321,156	\$ 0	\$ 1,624,629
<b>Depreciable Assets:</b>				
Water System	\$ 4,678,719	\$	\$	\$ 4,678,719
Sewer System	1,022,025			1,022,025
Truckee River Interceptor	358,524			358,524
Alpine Springs Interceptor	58,095			58,095
Inflow and Infiltration	26,031			26,031
Vehicles	96,562			96,562
Office Equipment	60,759			60,759
Maintenance Equipment	98,300			98,300
SCADA System	143,737	2,811		146,548
Building Improvements	266,837	980		267,817
Land Improvements	97,083			97,083
Total Capital Assets being Depreciated	\$ 6,906,672	\$ 3,791	\$ 0	\$ 6,910,463
Accumulated Depreciation	( 3,856,221)	( 190,250)		( 4,046,471)
Depreciable Assets, Net	\$ 3,050,451	(\$ 186,459)	\$ 0	\$ 2,863,992
Business-Type Activities Capital Assets, Net	\$ 3,353,924	\$ 1,134,697	\$ 0	\$ 4,488,621

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 6 PLANT AND EQUIPMENT (Continued):

Depreciation expense for June 30, 2021 is charged to functions as follows:

Government Activities		Business Type Activities	
General Government	\$ 9,408	Water	\$ 213,310
Park	13,354	Sewer	19,742
		Garbage	9,516
	\$ 22,762		\$ 242,568

Depreciation expense for June 30, 2020 is charged to functions as follows:

Government Activities		Business Type Activities	
General Government	\$ 9,408	Water	\$ 160,325
Park	13,465	Sewer	20,281
		Garbage	9,644
	\$ 22,873		\$ 190,250

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, 2021 and 2020, the District paid the Special District Risk Management Authority (SDRMA) \$41,592 and \$44,671 for insurance coverage, respectively. See Note 11 for more information. The total amount paid during the years ended June 30, 2021 and 2020 represented prepayment for future coverage in subsequent periods and the amounts have been reported as a component of Prepaid Expenses.

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](http://www.calpers.ca.gov).

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Plan Description (Continued):

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

Benefits Provided - The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect as of June 30, 2021 and 2020, are summarized as follows:

Employer rate plan	PEPRA
Hire date	On or after January 1, 2013
Benefit formula	2.0% @ 62
Benefit vesting schedule	5 years service
Benefit payments	Monthly for Life
Retirement age	52
Monthly benefits, as a % of eligible compensation	1% to 2.5%
Required employee contribution rates	6.75%
Required employer contribution rates	7.732% as of June 30, 2021 and 6.985% as of June 30, 2020

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Contribution Description:

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are to be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. 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, 2021 and 2020 were as follows:

	Contributions	
	2021	2020
Miscellaneous Risk Pool	\$ 20,090	\$ 13,901

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2021 and 2020, the District reported net pension liability of \$13,862 and \$8,482, 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.



Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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 of the net pension liability as of June 30, 2019 and 2018, 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, 2019 and 2018. Each employer rate plan's fiduciary net position was subtracted 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, 2020 and 2019, the measurement dates, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement dates June 30, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019, to obtain each employer rate plan's total pension liability and fiduciary net position as of June 30, 2020 and 2019. 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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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, 2020 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2019 (Measurement Date)	0.000212%
Proportion - June 30, 2020 (Measurement Date)	<u>0.000329%</u>
Change	<u>0.000117%</u>

The District's proportionate share percentage of the net pension liability for each risk pool as of measurement date June 30, 2019 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018 (Measurement Date)	0.000063%
Proportion - June 30, 2019 (Measurement Date)	<u>0.000212%</u>
Change	<u>0.000149%</u>

For the years ended June 30, 2021 and 2020, the District recognized pension expense of \$18,970 and \$16,322, 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, 2021, 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	\$ 20,090	\$
Differences between actual and expected experience	2,021	
Changes of assumptions	-	( 184)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,035	
Adjustment due to Differences in Proportions	6,629	
Differences between Actual and Required Contributions	9,328	
Total	<u>\$ 41,103</u>	<u>\$ (184)</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

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

It should be noted that a deferred outflow of \$20,090 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, 2022. 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>
2022	\$ 9,849
2023	7,046
2024	3,065
2025	869
Total	<u>\$ 20,829</u>

As of June 30, 2020, 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	\$ 13,901	\$
Differences between actual and expected experience	2,260	( 77)
Changes of assumptions	688	( 418)
Net Difference between Projected and Actual Earnings on Pension Plan Investments		( 739)
Adjustment due to Differences in Proportions	5,788	
Differences between Actual and Required Contributions	13,015	
Total	<u>\$ 35,652</u>	<u>(\$ 1,234)</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determine using the following actuarial assumptions:

	Miscellaneous
Valuation Date (VD)	June 30, 2019 and 2018
Measurement Date (MD)	June 30, 2020 and 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50% as of June 30, 2020 and 2019 Measurement Dates
Payroll Growth	2.75% as of June 30, 2020 and 2019 Measurement Dates
Projected Salary Increase (1)	Varies By Age and Length of Service
Investment Rate of Return (2)	7.00% as of June 30, 2020 and 2019 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 table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

Changes of Assumptions – There were no changes of assumptions for the measurement period June 30, 2020. Deferred outflows/inflows of resources for changes of assumptions presented in the financial statements represent the unamortized portion of the changes of assumptions related to prior measurement periods.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for the measurement periods June 30, 2020 and June 30, 2019, 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 7.15% 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, 2020 based on June 30, 2019 Valuations*, that can be obtained from the CalPERS website.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expense would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts.

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 both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

Discount Rate (Continued):

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, 2021		
	New Strategic Allocation	Real Return Years 1 – 10	Real Return Years 11+
		(a)	(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Liquidity	1.00%	0.00%	( 0.92%)
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Liquidity	13.00%	3.75%	4.93%
Total	<u>100.00%</u>		

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

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

Asset Class	June 30, 2020		
	New Strategic Allocation	Real Return Years 1 – 10	Real Return Years 11+
		(a)	(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	( 0.92%)
Total	<u>100.00%</u>		

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

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

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued):

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, 2021, the discount rate comparison was the following:

	<u>Discount Rate - 1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate + 1%</u> <u>(8.15%)</u>
District's proportionate share of net pension liability	\$ 44,075	\$ 13,862	(\$ 11,104)

At June 30, 2020, the discount rate comparison was the following:

	<u>Discount Rate - 1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate + 1%</u> <u>(8.15%)</u>
District's proportionate share of net pension liability	\$ 30,494	\$ 8,482	(\$ 9,688)

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.

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

Employees Covered - As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Participating Active employees	3
Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to, but not yet receiving benefits*	_____
	<u>5</u>

\* Information was not provided about any terminated, vested employees

Contributions - The annual contribution made by the District represents the retiree premium payments and additional ad-hoc contributions. For the fiscal years ended June 30, 2021 and 2020, the District's contributions were \$37,564 and \$41,699, respectively.

Net OPEB Liability - The District's net OPEB liability was measured as of June 30, 2021 and 2020; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates.

Actuarial Assumptions - The District's net OPEB liability was measured as of June 30, 2021 and 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 and 2019, based on the following actuarial methods and assumptions:

<u>Actuarial Assumptions:</u>	
Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021 and June 30, 2020
Actuarial Cost Method	Entry Age
Discount Rate/Investment Rate of Return	5.75% as of June 30, 2021 Measurement Date and 6.00% as of June 30, 2020 Measurement Date
Inflation	2.75%
Trend	4.00%
Payroll Growth	2.75%
Mortality Rate Table	2017 CalPERS Mortality for Miscellaneous Employees
Pre-Retirement Turnover	2017 CalPERS' Turnover for Miscellaneous Employees

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



Alpine Springs County Water District  
 NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

Actuarial Assumptions (Continued):

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting 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, 2021 and 2020:

	June 30, 2021	
<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Assumed Gross Return</u>
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%	

	June 30, 2020	
<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Assumed Gross Return</u>
All Equities	22.00%	7.7950%
All Fixed Income	49.00%	4.5000%
Real Estate Investment Trusts	8.00%	7.5000%
All Commodities	5.00%	7.7950%
Treasury Inflation Protected Securities (TIPS)	16.00%	3.2500%
	100.00%	

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

Discount Rate - The discount rate used to measure the total OPEB liability was 5.75%, net of expenses. The discount rate is based on assumed long-term rate of return on plan assets assuming 100% funding through CERBT. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, historic 29-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 the OPEB Liability - The changes in the net OPEB liability for the Plan are as follows for measurement periods ended June 30, 2021 and 2020:

	Increase (Decrease)		
	Total OPEB	Fiduciary Net	Net OPEB
	Liability	Position	Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020	\$ 420,406	\$ 31,298	\$ 389,108
Changes recognized for the measurement period:			
Service Cost	\$ 12,978	\$	\$ 12,978
Interest on total OPEB liability	25,087		25,087
Changes of Assumptions	12,849		12,849
Employer Contributions to Trust		20,000	(20,000)
Employer Contributions as Benefit Payments		17,564	(17,564)
Investment Gains/(Losses)		1,794	(1,794)
Expected Investment Income		2,477	(2,477)
Expected Benefit payments	( 17,564)	( 17,564)	
Administrative expense		( 28)	28
Net Changes	\$ 33,350	\$ 24,243	\$ 9,107
Balance at June 30, 2021	\$ 453,756	\$ 55,541	\$ 398,215

Alpine Springs County Water District  
NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

Changes in the OPEB Liability (Continued):

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Roll-back Balance at June 30, 2019	\$ 374,512	\$	\$ 374,512
Changes recognized for the measurement period:			
Service Cost	\$ 12,453	\$	\$ 12,453
Interest on total OPEB liability	22,493		22,493
Changes of Assumptions	19,637		19,637
Experience (Gains)/Losses	3,010		3,010
Employer Contributions to Trust		30,000 (	30,000)
Employer Contributions as Benefit Payments		11,699 (	11,699)
Investment Gains/(Losses)		419 (	419)
Expected Investment Income		899 (	899)
Expected Benefit payments	( 11,699)	( 11,699)	
Administrative expense		( 20)	20
Net Changes	\$ 45,894	\$ 31,298	\$ 14,596
Balance at June 30, 2020	\$ 420,406	\$ 31,298	\$ 389,108

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, 2021 and 2020:

	June 30, 2021 Current Discount		
	1% Decrease	Rate (5.75%)	1% Increase
	Net OPEB Liability	\$ 454,104	\$ 398,215

	June 30, 2020 Current Discount		
	1% Decrease	Rate (6.00%)	1% Increase
	Net OPEB Liability	\$ 440,786	\$ 389,108

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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, 2021 and 2020:

	June 30, 2021 Current Healthcare Cost Trend Rates		
	1% Decrease	(5.75%)	1% Increase
Net OPEB Liability	\$ 340,629	\$ 398,215	\$ 470,692

	June 30, 2020 Current Healthcare Cost Trend Rates		
	1% Decrease	(6.00%)	1% Increase
Net OPEB Liability	\$ 339,137	\$ 389,108	\$ 450,080

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 - For the fiscal year June 30, 2021, the District recognized OPEB expense of \$22,141 and \$19,598 as of June 30, 2021 and 2020, 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, 2021, 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, 2021 and 2020

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

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 26,997	(\$ 70,429)
Experience Gains and Losses	2,377	
Investment Gains and Losses	<u>                    </u>	( 1,686)
Total	<u>\$ 29,374</u>	<u>(\$ 72,115)</u>

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

Fiscal Year Ending June 30:	Deferred Outflow/(Inflows) of Resources
2022	(\$ 13,475)
2023	( 13,475)
2024	( 13,474)
2025	( 13,390)
2026	389
Thereafter	<u>10,684</u>
Total	<u>(\$ 42,741)</u>

As of fiscal year ended June 30, 2020, 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	\$	(\$ 69,630)
Experience Gains and Losses	2,693	
Investment Gains and Losses	<u>                    </u>	( 335)
Total	<u>\$ 2,693</u>	<u>(\$ 69,965)</u>

Alpine Springs County Water District

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 10 GARBAGE SERVICE:

Effective July 1, 2005, Ordinance No. 5-2005 was passed by the board of directors of the District, providing for 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 the trash disposal services. Trash collection fees recognized in 2021 and 2020 were \$140,097 and \$137,485, respectively, and are included as the primary component of Fees under Operating Revenues as reported on page 19.

NOTE 11 RISK MANAGEMENT:

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

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

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

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

The District pays an annual premium to SDRMA for its property, liability, and employee dishonesty coverage. The SDRMA is entitled to assess additional premiums or refunded premiums based upon the District's individual claims or

Alpine Springs County Water District  
NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 11     RISK MANAGEMENT (Continued):

loss experience. The amounts of settlements have not exceeded coverage provided by SDRMA.

NOTE 12     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 13     COMMITMENTS:

The District has entered into contract commitments totaling \$1,460,550 and \$1,482,321 for fiscal years ended June 30, 2021 and 2020, respectively. As of June 30, 2021, the amount earned on the contracts was \$1,422,462 with a remaining balance of \$38,088. As of June 30, 2020, the amount earned on the contracts was \$1,330,913 with a remaining balance of \$151,408.

In January 2021, the District entered into a renewed contract with a local fire protection district to provide fire protection, emergency medical and related services for the District for the period commencing January 1, 2021 through December 31, 2036. This contract contains provisions that require the payment of property tax revenues from the District to the fire protection district according to the following schedule:

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

The District may terminate the contract upon written notice of not less than 36 months.

NOTE 14     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, 2021

LAST TEN YEARS\*

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

Notes to Schedule:

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

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

Alpine Springs County Water District

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

As of June 30, 2021

LAST TEN YEARS\*

	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 12,978	\$ 12,453	\$ 20,988	\$ 20,426
Interest on Total OPEB Liability	25,087	22,493	27,719	16,500
Changes of assumptions	12,849	19,637	( 120,739)	
Benefit payments	( 17,564)	( 11,699)	( 9,897)	( 9,516)
Experience (Gains)/Losses		3,010		
Net Change in Total OPEB Liability	\$ 33,350	\$ 45,894	(\$ 81,929)	\$ 27,410
Total OPEB Liability - Beginning	420,406	374,512	456,441	429,031
Total OPEB Liability - Ending (a)	\$ 453,756	\$ 420,406	\$ 374,512	\$ 456,441
<b>Plan Fiduciary Net Position</b>				
Employer Contributions as Benefit Payments	\$ 17,564	\$ 11,699	\$ 9,897	9,516
Employer Contributions to Trust	20,000	30,000		
Expected Investment Income	2,477	899		
Actual investment income	1,794	419		
Benefit payments	( 17,564)	( 11,699)	( 9,897)	( 9,516)
Administrative expense	( 28)	( 20)		
Net Change in Plan Fiduciary Net Position	\$ 24,243	\$ 31,298	\$	\$
Plan Fiduciary Net Position - Beginning	31,298			
Plan Fiduciary Net Position - Ending (b)	\$ 55,541	\$ 31,298	\$	\$
Net OPEB Liability - Ending (a) - (b)	\$ 398,215	\$ 389,108	\$ 374,512	\$ 456,441
Plan fiduciary net position as a percentage of the total OPEB liability	12.24%	7.44%	0.00%	0.00%
Covered-employee payroll	\$ 183,082	\$ 191,740	\$ 205,345	\$ 186,899
Net OPEB liability as a percentage of covered-employee payroll	217.51%	202.94%	182.38%	244.22%

Notes to Schedule:

\*Fiscal year 2018 was the first year of implementing. Therefore, only four years are shown.

Changes in assumptions – The discount rate changed during the measurement period June 30, 2021 from 6.00% to 5.75%.

Alpine Springs County Water District

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

As of June 30, 2021

LAST TEN YEARS\*

	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)	0.000127%	0.000083%	0.000025%	0.000046%	0.000016%	0.000000%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ 13,862	\$ 8,482	\$ 2,372	\$ 4,532	\$ 544	\$ 0
District's Covered Payroll	\$ 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	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	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 – There were no changes in assumptions.

\*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, 2021

LAST TEN YEARS\*

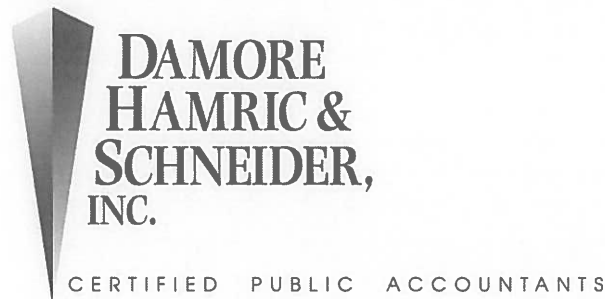
<u>Schedule of Pension Plan Contributions:</u>	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Contractually required Contribution (actuarially determined)	\$ 20,090	\$ 13,901	\$ 8,218	\$ 12,222	\$ 12,941	\$ 11,399	\$ 8,218
Actual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

\*Fiscal year 2015 was the first year of implementation, therefore only 7 years are shown.

*ALPINE SPRINGS COUNTY  
WATER DISTRICT*

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

For the Fiscal Year Ended June 30, 2021



**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, 2021. 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 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.

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Sacramento, CA 95815-4606  
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<http://www.dhscpa.com>

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

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

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

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

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



DAMORE, HAMRIC & SCHNEIDER, INC.  
Certified Public Accountants

Sacramento, CA

January 4, 2022

USER FEES VERSUS COSTS  
(Based on Budget)

For the Fiscal Year Ended June 30, 2021

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, 2021

Funds Included:  
Administration, General Operations & Maintenance

	<u>Proceeds of Taxes</u>	<u>Non-Proceeds of Taxes</u>	<u>Total</u>
Revenue:			
Property Taxes	\$ 737,045	\$	\$ 737,045
Locally Raised:			
Other Income		28,350	28,350
User Fees		<u>1,271,846</u>	<u>1,271,846</u>
Sub Total (For Schedule 3)	\$ 737,045	\$ 1,300,196	\$ 2,037,241
Interest Earnings: (From Schedule 3)	<u>1,800</u>	<u>3,200</u>	<u>5,000</u>
Total Revenue: (Use for Schedule 4)	<u>\$ 738,845</u>	<u>\$ 1,303,396</u>	<u>\$ 2,042,241</u>
Grand Total Budget	<u>\$ 738,845</u>	<u>\$ 1,303,396</u>	<u>\$ 2,042,241</u>

INTEREST EARNINGS PRODUCED BY TAXES  
(Based on Budget)

For the Fiscal Year Ended June 30, 2021

	<u>Amount</u>	<u>Source</u>
A. Non-Interest Tax Proceeds	\$ 737,045	Schedule 2
B. Minus Exclusions	\$	Schedule 7
C. Net Invested Taxes	\$ 737,045	A-B
D. Total Non-Interest Budget	\$ 2,037,241	Schedule 2
E. Tax Proceeds as Percent of Budget	36.00%	C/D
F. Interest Earnings	\$ 5,000	Budget
G. Amount of Interest Earned from Taxes	<u>\$ 1,800</u>	E*F
H. Amount of Interest Earned from Non-Taxes	<u>\$ 3,200</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, 2021

	Amount	Source
A. Proceeds of Taxes	\$ 738,845	Schedule 2
B. Exclusions	0	Schedule 7
C. Appropriations Subject to Limitation	\$ 738,845	A-B
D. Current Year Limit	1,868,722	Schedule 6
E. Over/(Under) Limit	(\$ 1,129,877)	C-D

POPULATION INCREASES

For the Fiscal Year Ended June 30, 2021

	<u>City Population Increase %</u>
2020-2021	1.27%

## APPROPRIATIONS LIMIT

For the Fiscal Year Ended June 30, 2021

	<u>Amount</u>	<u>Source</u>
A. Last Year's Limit	\$ 1,778,933	
B. Adjustment Factors:		
1 Population	1.0127	(State Finance or Assessor)
2 Inflation	<u>1.0373</u>	(State Finance or Assessor)
	<u>1.05047371</u>	B1*B2
C. Annual Adjustment	<u>\$ 89,789</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>\$ 89,789</u>	C+D
F. This Year's Limit	<u><u>\$ 1,868,722</u></u>	A+E

EXCLUDED APPROPRIATIONS  
(Based on Budget)

For the Fiscal Year Ended June 30, 2021

NONE