



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

April 30, 2024 and 2023

Crestline Village Water District

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Crestline Village Water District (the District) as of and for the years ended April 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of as of April 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
May 21, 2025

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Crestline Village Water District

Management's Discussion and Analysis

The Water District

Crestline Village Water District (the District) was organized on January 19, 1954 and established under Division 12 of the Water Code of the State of California. The District has been engaged in financing, constructing, operating, maintaining and furnishing retail water service to its customers since inception. The District currently serves the Crestline and Lake Gregory areas and has about 5,003 water services. The District is governed by a five member Board of Directors that are elected at large from the registered voters living within the District's boundaries. The Board meets at 3:00 PM on the third Tuesday of each month at the District's office.

Water Supply

The District has two sources from which it obtains its water. There is a limited amount of water from local wells and the balance is obtained by purchasing imported water from the Crestline-Lake Arrowhead Water Agency. During this fiscal year, the local wells produced approximately 449 acre-feet of water, or 72% of the total supply, while purchased imported water provided approximately 185 acre-feet, or 28% of the total water supply. The current cost to purchase one acre-foot of imported water is \$1,313, while the cost of producing one acre-foot of well water is approximately \$250. In years of less than normal rainfall, the production of the local wells is less and the District must purchase more imported water. During this fiscal year, \$242,863 was spent on purchased water (prior year was \$584,533) and \$818,892 was budgeted for purchases of water. The demand for purchased imported water is expected to increase in the next fiscal year. While the cost of purchased water can fluctuate substantially from year to year depending on the rainfall and customer demands, the District has attempted to stabilize the cost impact to its customers by establishing a \$700,000 Reserve for Purchased Water to minimize the impact of the annual fluctuation in the cost of purchased water, evaluating and adjusting the amount spent on capital improvements each year, and by continually searching for new water sources within the District.

The Basic Financial Statements

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

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

Crestline Village Water District

Management's Discussion and Analysis

Water Rates

The water rate schedule was revised on May 1, 2023. The monthly minimum charge is dependent on the size of the meter, and ranges from \$33.50 to \$73.50 per month. The monthly quantity rates from 0 to 1,300 cubic feet are \$5.10 per 100 cubic feet and quantity in excess of 1,300 cubic feet is \$7.65 per 100 cubic feet.

Summary Financial Information and Analysis

STATEMENT OF NET POSITION

	April 30,		
	2024	2023	2022
Assets			
Current assets	\$ 4,005,050	\$ 3,835,714	\$ 3,554,230
Capital assets	7,251,223	7,512,085	8,018,916
Total assets	11,256,273	11,347,799	11,573,146
Total deferred outflows of resources	1,332,095	1,491,191	710,384
Liabilities			
Current liabilities	362,939	232,836	229,221
Non current liabilities	3,950,784	3,810,218	2,227,721
Total liabilities	4,313,723	4,043,054	2,456,942
Total deferred inflows of resources	148,300	212,087	1,082,468
Net position			
Net investment in capital assets	7,242,687	7,500,645	8,016,948
Unrestricted	883,658	1,083,204	727,172
Total net position	\$ 8,126,345	\$ 8,583,849	\$ 8,744,120

NET POSITION AND CASH FLOWS

During the current fiscal year, net position of the District decreased by \$457,504. The District had a net increase in cash for the year of \$165,033. During the prior year, the net position decreased by \$160,271 with an increase in cash of \$220,972. The ratio of current assets to current liabilities is 11.0 compared with 16.5 for the prior fiscal year.

Crestline Village Water District

Management's Discussion and Analysis

Summary Financial Information and Analysis (continued)

CAPITAL ASSETS

	Balance <u>April 30, 2024</u>	Balance <u>April 30, 2023</u>	Balance <u>April 30, 2022</u>
Land and other land rights	\$ 281,164	\$ 281,164	\$ 281,164
Source of supply plant	1,014,837	1,014,837	640,178
Pumping plant	401,783	395,638	395,638
Water treatment	88,534	94,892	99,919
Transmission and distribution plant	17,656,544	17,674,317	17,706,748
General plant	<u>2,962,918</u>	<u>2,739,644</u>	<u>2,723,029</u>
Utility plant in service	22,405,780	22,200,492	21,846,676
Less accumulated depreciation	(15,197,195)	(14,710,137)	(14,150,801)
Construction in progress	33,668	10,000	323,041
Right-to-use asset	14,490	14,490	-
Less accumulated amortization	<u>(5,520)</u>	<u>(2,760)</u>	<u>-</u>
 Total Capital Assets	 <u>\$ 7,251,223</u>	 <u>\$ 7,512,085</u>	 <u>\$ 8,018,916</u>

The District strives to provide the best possible service to its customers. To provide this service, the District has adopted programs to upgrade or replace its water facilities as it becomes necessary. The District also continues to replace and upgrade old equipment to provide an efficient and safe environment for our customers and employees. During the past year, the District added \$305,823 in utility plant compared to \$387,156 in the prior year.

Crestline Village Water District

Management's Discussion and Analysis

Summary Financial Information and Analysis (continued)

NET PENSION LIABILITY

The District reported a net pension liability of \$2,458,551 in addition to associated deferred outflows of resources of \$1,046,472 and deferred inflows of resources of \$27,263. This was an increase of \$139,907 from the prior year net pension liability of \$2,318,644 and was based on actuarially determined amounts.

NET OPEB LIABILITY

The District reported a net OPEB liability of \$1,486,463 in addition to associated deferred outflows of resources of \$285,623 and deferred inflows of resources of \$121,037. This was an increase of \$3,424 from the prior year net OPEB liability of \$1,483,039 and was based on actuarially determined amounts.

REGULATORY AND ENVIRONMENTAL PLANNING

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

Crestline Village Water District

Management's Discussion and Analysis

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	For the Years Ended April 30,		
	2024	2023	2022
Operating revenues:			
Water sales	\$ 3,325,370	\$ 3,381,407	\$ 3,352,033
Water services	87,109	74,911	49,665
Total operating revenues	<u>3,412,479</u>	<u>3,456,318</u>	<u>3,401,698</u>
Operating expenses:			
Source of supply - labor and maintenance	155,529	171,421	108,814
Source of supply - purchased water	242,863	584,533	555,216
Pumping - labor and maintenance	96,739	36,290	2,896
Pumping - power purchased	85,704	59,225	58,110
Water treatment	69,936	31,093	37,042
Transmission and distribution	404,914	300,412	297,163
Customer accounts	76,172	67,924	42,128
Administrative and general	2,911,790	2,314,170	2,007,343
Depreciation and amortization	580,895	595,436	596,355
Total operating expenses	<u>4,624,542</u>	<u>4,160,504</u>	<u>3,705,067</u>
Operating loss	(1,212,063)	(704,186)	(303,369)
Nonoperating revenues/expenses, net	<u>734,697</u>	<u>532,108</u>	<u>423,379</u>
Income (loss) before contributions	(477,366)	(172,078)	120,010
Capital contributions	<u>19,862</u>	<u>11,807</u>	<u>16,585</u>
Change in net position	<u>\$ (457,504)</u>	<u>\$ (160,271)</u>	<u>\$ 136,595</u>

Analysis for fiscal year ended April 30, 2024

The operating revenues for this fiscal year were \$3,412,479. The operating expenses for this fiscal year were \$4,624,542. Operating losses for this fiscal year was \$1,212,063. A minor decrease in water sales and a minor increase in service revenues were offset by minor increases in transmission and distribution and other operating costs along with increased costs for administration and general expenses, resulting in an increase in net operating loss of \$507,877.

Net nonoperating revenues from property taxes, availability assessments, interest and other income/expenses resulted in \$734,697 nonoperating income.

Loss before contributions was \$477,366 (operating loss of \$1,212,063 plus net nonoperating income of \$734,697) for the current fiscal year. Loss before contributions of \$477,366 is added to the capital contributions of \$19,862 for a decrease in net position for the current fiscal year of \$457,504.

Crestline Village Water District

Management's Discussion and Analysis

Analysis for fiscal year ended April 30, 2023

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

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

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

REQUESTS FOR INFORMATION

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

Crestline Village Water District

Statements of Net Position April 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash in bank and on hand	\$ 641,910	\$ 597,198
Investments	2,748,383	2,628,062
Accounts receivable - water service, net	297,205	290,269
Accounts receivable - other	6,608	-
Availability assessments receivable	23,025	22,295
Property taxes receivable, net	4,929	17,987
Accrued interest receivable	17,217	10,074
Inventory of materials and supplies	168,721	179,669
Prepaid expenses	97,052	90,160
Total current assets	<u>4,005,050</u>	<u>3,835,714</u>
Noncurrent assets:		
Capital assets:		
Utility plant in service	22,405,780	22,200,492
Less accumulated depreciation	(15,197,195)	(14,710,137)
Construction in progress	33,668	10,000
Right-to-use assets	14,490	14,490
Less accumulated amortization	(5,520)	(2,760)
Total noncurrent assets	<u>7,251,223</u>	<u>7,512,085</u>
Total assets	<u>11,256,273</u>	<u>11,347,799</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	1,046,472	1,079,234
OPEB related	285,623	411,957
Total deferred inflows of resources	<u>1,332,095</u>	<u>1,491,191</u>
LIABILITIES		
Current liabilities:		
Accounts payable	146,786	58,810
Accrued payroll	86,531	65,151
Accrued overtime leave	5,881	6,276
Accrued paid time off	120,175	98,894
Deposits	800	800
Lease payable - current portion	2,766	2,905
Total current liabilities	<u>362,939</u>	<u>232,836</u>
Non current liabilities:		
Lease payable	5,770	8,535
Net pension liability	2,458,551	2,318,644
Net OPEB liability	1,486,463	1,483,039
Total non current liabilities	<u>3,950,784</u>	<u>3,810,218</u>
Total liabilities	<u>4,313,723</u>	<u>4,043,054</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	27,263	67,994
OPEB related	121,037	144,093
Total deferred inflows of resources	<u>148,300</u>	<u>212,087</u>
NET POSITION		
Net investment in capital assets	7,242,687	7,500,645
Unrestricted	883,658	1,083,204
Total net position	<u>\$ 8,126,345</u>	<u>\$ 8,583,849</u>

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

Crestline Village Water District

Statements of Revenues, Expenses, and Changes in Net Position For the years ended April 30, 2024 and 2023

	2024	2023
Operating revenues:		
Water sales	\$ 3,325,370	\$ 3,381,407
Water services	87,109	74,911
Total operating revenues	3,412,479	3,456,318
Operating expenses:		
Source of supply:		
Supply process costs	112,390	103,942
Maintenance - structures and improvements	43,139	67,479
Purchased water	242,863	584,533
	398,392	755,954
Pumping:		
Maintenance - structures, improvements and equipment	96,739	36,290
Power purchased for pumping	85,704	59,225
	182,443	95,515
Water treatment:		
Treatment process costs	25,003	18,914
Maintenance - structures and improvements	44,933	12,179
	69,936	31,093
Transmission and distribution:		
Maintenance - structures and plant	404,914	300,412
Customer accounts:		
Billing, meter reading and customer service	76,172	67,924
Administration and general:		
Salaries	738,151	631,773
Office supplies and other expense	617,331	555,761
Property insurance, injuries and damages	196,141	103,398
Employees' retirement and benefits	1,263,028	934,791
Maintenance - general plant	85,139	74,447
Directors' fees	12,000	14,000
	2,911,790	2,314,170
Other operating expenses:		
Depreciation and amortization	580,895	595,436
Total operating expenses	4,624,542	4,160,504
Operating loss	(1,212,063)	(704,186)
Nonoperating revenues and expenses:		
Interest income	104,127	53,687
Change in fair market value	23,452	(3,328)
Taxes and assessments	339,894	312,537
Availability assessments	136,876	137,980
Other revenue	124,320	26,143
Gain (Loss) on disposal of utility plant	6,326	5,101
Interest expense	(298)	(12)
Total nonoperating revenues (expenses)	734,697	532,108
Income before contributions	(477,366)	(172,078)
Contributions:		
Capital contributions	19,862	11,807
Change in net position	(457,504)	(160,271)
Net position, beginning of the year	8,583,849	8,744,120
Net position, end of the year	\$ 8,126,345	\$ 8,583,849

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

Crestline Village Water District

Statements of Cash Flows For the years ended April 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 3,398,935	\$ 3,423,015
Cash paid to suppliers	(1,467,272)	(1,514,203)
Cash paid for employee services	(2,203,437)	(2,160,571)
Other revenue	124,320	26,143
Net cash used for operating activities	<u>(147,454)</u>	<u>(225,616)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Taxes and assessments received	352,952	320,885
Availability assessments received	136,146	146,944
Net cash provided by noncapital financing activities	<u>489,098</u>	<u>467,829</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash purchases of capital assets	(329,491)	(74,115)
Proceeds on retirement of capital assets	15,784	5,101
Capital contributions	19,862	11,807
Principal paid - finance lease	(2,904)	(5,018)
Interest paid - finance lease	(298)	(12)
Net cash used for capital and related financing activities	<u>(297,047)</u>	<u>(62,237)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	96,984	44,324
Change in fair value	23,452	(3,328)
Net cash provided by investing activities	<u>120,436</u>	<u>40,996</u>
Increase in cash and cash equivalents	165,033	220,972
Cash and cash equivalents, beginning of year	<u>3,225,260</u>	<u>3,004,288</u>
Cash and cash equivalents, end of year	<u>\$ 3,390,293</u>	<u>\$ 3,225,260</u>
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION:		
CURRENT ASSETS:		
Cash in bank and on hand	\$ 641,910	\$ 597,198
Investments	2,748,383	2,628,062
Total	<u>\$ 3,390,293</u>	<u>\$ 3,225,260</u>

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

Crestline Village Water District

**Statements of Cash Flows (continued)
For the years ended April 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating loss	\$ (1,212,063)	\$ (704,186)
Adjustments:		
Depreciation and amortization	580,895	595,436
Other revenue	124,320	26,143
CHANGES IN ASSETS, LIABILITIES AND DEFERRALS:		
(Increase) decrease in:		
Accounts receivable - water services, net	(6,936)	(33,303)
Accounts receivable - other	(6,608)	-
Inventory of materials and supplies	10,948	(19,664)
Prepaid expenses	(6,892)	(15,494)
Deferred outflows of resources - pension related	32,762	(689,971)
Deferred outflows of resources - OPEB related	126,334	(90,836)
Increase (decrease) in:		
Accounts payable	87,976	(25,073)
Accrued payroll	21,380	8,908
Accrued overtime leave	(395)	5,714
Accrued paid time off	21,281	13,129
Net pension liability	139,907	1,380,717
Net OPEB liability	3,424	193,245
Deferred inflows of resources - pension related	(40,731)	(831,639)
Deferred inflows of resources - OPEB related	(23,056)	(38,742)
Net cash used for operating activities	<u>\$ (147,454)</u>	<u>\$ (225,616)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Lease acquisition	\$ -	\$ 14,490

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

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

Note 1: Nature of activities and significant accounting policies

Reporting entity

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

Nature of business

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

Basis of accounting

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

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

Use of estimates

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

Allowance for doubtful accounts

The District uses the allowance method to account for uncollectible customer accounts and property taxes receivable. The allowances are based on management's estimate of possible bad debts. The allowance for doubtful customer accounts is \$6,100 and \$5,900 at April 30, 2024 and 2023, respectively. The allowance for doubtful property taxes receivable is \$1,600 and \$1,600 at April 30, 2024 and 2023, respectively.

Inventory of materials and supplies

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

Prepaid expenses

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

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

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

Capital and intangible assets

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

Employee benefits

District employees earn paid time off (PTO) days each pay period based on length of service. PTO may be accrued to a maximum of 512 hours depending on years of service. Upon termination, the District is obligated to compensate employees for 100% of the accrued unused PTO time. Earned but unused PTO is presented in the current liabilities section of the statement of net position. The change in PTO for the years ended April 30, 2024 and 2023 was as follows:

<u>April 30, 2024</u> Description	<u>Beginning</u> <u>April 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>April 30, 2024</u>
Accrued paid time off	<u>\$ 98,894</u>	<u>\$ 150,618</u>	<u>\$ (129,337)</u>	<u>\$ 120,175</u>

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

Net position is categorized as follows

- **Net investment in capital assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of “net investment in capital assets.” Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

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

Operating and nonoperating revenues

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

Property taxes

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

Capital contributions

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

Statement of cash flows

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

Pension plan

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

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

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
Valuation Date (VD)	June 30, 2022	June 30, 2021
Measurement Date (MD)	June 30, 2023	June 30, 2022
Measurement Period (MP)	July 1, 2022 to June 30, 2023	July 1, 2021 to June 30, 2022

Net position flow assumption

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

Crestline Village Water District

Notes to Financial Statements
For the years ended April 30, 2024 and 2023

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

Other postemployment benefit plan (OPEB)

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

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

	<u>Fiscal year 2024</u>	<u>Fiscal year 2023</u>
Valuation Date (VD)	April 30, 2022	April 30, 2022
Measurement Date (MD)	April 30, 2024	April 30, 2023
Measurement Period (MP)	May 1, 2023 to April 30, 2024	May 1, 2022 to April 30, 2023

Note 2: Cash and investments

Cash and investments as of April 30, 2024 and 2023 are classified in the accompanying financial statements as follows:

	<u>2024</u>	<u>2023</u>
Statements of net position:		
Current assets:		
Cash in bank and on hand	\$ 641,910	\$ 597,198
Investments	<u>2,748,383</u>	<u>2,628,062</u>
Total cash and investments	<u>\$ 3,390,293</u>	<u>\$ 3,225,260</u>

Cash and investments as of April 30, 2024 and 2023, consist of the following:

	<u>2024</u>	<u>2023</u>
Deposits with financial institutions	\$ 641,410	\$ 596,698
Cash on hand	500	500
Investments	<u>2,748,383</u>	<u>2,628,062</u>
Total cash and investments	<u>\$ 3,390,293</u>	<u>\$ 3,225,260</u>

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

Note 2: Cash and investments (continued)

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

For April 30, 2024, the table below identifies the investment types that are authorized by the District's investment policy and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the District's investment policy that address interest rate risk, and concentration of credit risk.

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

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of April 30, 2024 and 2023, the District had the following investments and maturities:

	Carrying amount	12 months or less	13-24 months	25-60 months
<i>April 30, 2024</i>				
State Investment Pool	\$ 986,426	\$ 986,426	\$ -	\$ -
Negotiable Certificates of Deposit	1,747,620	678,580	239,602	829,438
Money Market Funds	14,337	14,337	-	-
	<u>\$2,748,383</u>	<u>\$1,679,343</u>	<u>\$ 239,602</u>	<u>\$ 829,438</u>
<i>April 30, 2023</i>				
State Investment Pool	\$1,633,570	\$1,633,570	\$ -	\$ -
Negotiable Certificates of Deposit	990,736	200,184	200,078	590,474
Money Market Funds	3,756	3,756	-	-
	<u>\$2,628,062</u>	<u>\$1,837,510</u>	<u>\$ 200,078</u>	<u>\$ 590,474</u>

Investments with fair values highly sensitive to interest rate fluctuations

At April 30, 2024, and 2023 the District did not hold investments that were highly sensitive to interest rate fluctuations beyond that already indicated in the information provided above.

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

Note 2: Cash and investments (continued)

Credit risk

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

Investment Type	Amount	Minimum Legal Rating	Not Rated
<i>April 30, 2024</i>			
State Investment Pool	\$ 986,426	N/A	\$ 986,426
Negotiable Certificates of Deposit	1,747,620	None	1,747,620
Money Market Funds	14,337	2-AAA	14,337
	\$ 2,748,383		\$ 2,748,383
<i>April 30, 2023</i>			
State Investment Pool	\$ 1,633,570	N/A	\$ 1,633,570
Negotiable Certificates of Deposit	990,736	None	990,736
Money Market Funds	3,756	2-AAA	3,756
	\$ 2,628,062		\$ 2,628,062

Concentration of credit risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At April 30, 2024 and 2023, the District had the following investments in any one issuer (other than external pools) that represent 5% or more of total District investments:

<i>April 30, 2024</i>		
Issuer	Investment type	Amount
Flagstar BK	Negotiable Certificates of Deposit	\$ 239,546
Hawaii Cent FCU	Negotiable Certificates of Deposit	207,995
JPMorgan Chase BK	Negotiable Certificates of Deposit	239,602
Morgan Stanley Private BK	Negotiable Certificates of Deposit	206,100
State BK India	Negotiable Certificates of Deposit	208,262
Stoneham BK	Negotiable Certificates of Deposit	207,081
Technology Cr Un	Negotiable Certificates of Deposit	199,600
Trustone Finl Cr Un	Negotiable Certificates of Deposit	239,434
<i>April 30, 2023</i>		
Issuer	Investment type	Amount
Parkside Credit Union	Negotiable Certificates of Deposit	\$ 200,184
Technology Credit Union	Negotiable Certificates of Deposit	200,078
BMO Harris Bank	Negotiable Certificates of Deposit	198,408
Pacific Western Bank	Negotiable Certificates of Deposit	199,310
State Bank India New York	Negotiable Certificates of Deposit	192,756

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

Note 2: Cash and investments (continued)

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. As of April 30, 2024, deposits were not subject to custodial credit risk as they were entirely insured or collateralized with securities held by the District.

As of April 30, 2024 and 2023, \$320,805 and \$299,258 respectively of the District's deposits with financial institutions were in excess of Federal Depository Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) limits.

Investment in State Investment Pool

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

The District's investment in this pool is reported in the accompanying financial statements at cost which approximates fair value at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis

Crestline Village Water District

**Notes to Financial Statements
For the years ended April 30, 2024 and 2023**

Note 2: Cash and investments (continued)

Fair value measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At April 30, 2024 and 2023, the District had investments with the following fair value measurements:

<i>April 30, 2024</i>		Fair Value Measurement Using			
Investments by Fair Value Level	Total	Level 1	Level 2	Level 3	
Negotiable Certificates of Deposit	\$ 1,747,620	\$ 1,747,620	\$ -	\$ -	
Total Investments by Fair Value Level	1,747,620	<u>\$ 1,747,620</u>	<u>\$ -</u>	<u>\$ -</u>	
Investments not subject to fair value hierarchy					
State Investment Pool	986,426				
Money Market Funds	14,337				
Total	<u>\$ 2,748,383</u>				
 <i>April 30, 2023</i>		Fair Value Measurement Using			
Investments by Fair Value Level	Total	Level 1	Level 2	Level 3	
Negotiable Certificates of Deposit	\$ 990,736	\$ 990,736	\$ -	\$ -	
Total Investments by Fair Value Level	990,736	<u>\$ 990,736</u>	<u>\$ -</u>	<u>\$ -</u>	
Investments not subject to fair value hierarchy					
State Investment Pool	1,633,570				
Money Market Funds	3,756				
Total	<u>\$ 2,628,062</u>				

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Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

Note 3: Capital assets

A summary of changes in capital assets follows:

April 30, 2024

	Balance April 30, 2023	Additions	Retirements	Balance April 30, 2024
Land and other land rights	\$ 281,164	\$ -	\$ -	\$ 281,164
Source of supply plant	1,014,837	-	-	1,014,837
Pumping plant	395,638	11,976	(5,831)	401,783
Water treatment	94,892	26,297	(32,655)	88,534
Transmission and distribution plant	17,674,317	-	(17,773)	17,656,544
General plant	2,739,644	267,550	(44,276)	2,962,918
Utility plant in service	22,200,492	305,823	(100,535)	22,405,780
Less accumulated depreciation	(14,710,137)	(578,135)	91,077	(15,197,195)
Construction in progress	10,000	33,668	(10,000)	33,668
Right-to-use asset	14,490	-	-	14,490
Less accumulated amortization	(2,760)	(2,760)	-	(5,520)
Total	\$ 7,512,085	\$ (241,404)	\$ (19,458)	\$ 7,251,223

April 30, 2023

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

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

**Notes to Financial Statements
For the years ended April 30, 2024 and 2023**

Note 4: Defined benefit pension plan (PERS)

General Information about the Pension Plan

Plan description

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

Benefits provided

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

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

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

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

A The Plan's provisions and benefits in effect at in effect at April 30, 2024 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7 % @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.96%	7.75%
Required employer contribution rates for 2024	13.34%	7.68%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended April 30, 2024 and April 30, 2023, respectively, were \$392,209 and \$373,346. The actual employer payments of \$373,346 made to CalPERS by the District during the measurement period ended June 30, 2023 differed from the District's proportionate share of the employer's contributions of \$359,966 by \$13,380, which is also being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan. The actual employer payments of \$341,068 made to CalPERS by the District during the measurement period ended June 30, 2022 differed from the District's proportionate share of the employer's contributions of \$420,687 by \$(79,619), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

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

Actuarial methods and assumptions used to determine total pension liability

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

	Fiscal year	
	2024	2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets	Fair Value of Assets
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' membership data for all Funds	Derived using CalPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

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

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

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

Long-term expected rate of return (continued)

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

<u>Asset Class</u>	<u>Assumed Assets Allocation</u>	<u>Real Return Years 1 - 10^{1,2}</u>
Global equity - cap-weighted	30.0%	4.54%
Global equity - non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)
Total	100%	

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

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

Change of assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014

Discount rate

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

Crestline Village Water District

Notes to Financial Statements
For the years ended April 30, 2024 and 2023

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

Subsequent events

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

Pension plan fiduciary net position

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

Proportionate Share of Net Pension Liability

The following table shows the District's proportionate share of the net pension liability over the measurement periods ended June 30, 2023 and 2022.

June 30, 2023	Increase (Decrease)		
Miscellaneous Plan	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability
Balance at: 6/30/2022 (MD)	\$ 10,428,941	\$ 8,110,297	\$ 2,318,644
Balance at: 6/30/2023 (MD)	11,117,454	8,658,903	2,458,551
Net Changes During 2022-23	<u>\$ 688,513</u>	<u>\$ 548,606</u>	<u>\$ 139,907</u>

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

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

Crestline Village Water District

Notes to Financial Statements
For the years ended April 30, 2024 and 2023

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

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the miscellaneous Plan as of the June 30, 2022 and 2023 measurement dates was as follows:

	Miscellaneous
Proportion Share of NPL - June 30, 2022	0.04955%
Proportion Share of NPL - June 30, 2023	0.04917%
Change - Decrease	(0.00038%)
	Miscellaneous
Proportion Share of NPL - June 30, 2021	0.04940%
Proportion Share of NPL - June 30, 2022	0.04955%
Change - Decrease	0.00016%

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

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

	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(5.90%)	Rate (6.90%)	(7.90%)
Plan's Net Pension Liability - 4/30/24	<u>\$ 3,962,139</u>	<u>\$ 2,458,551</u>	<u>\$ 1,220,969</u>
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(5.90%)	Rate (6.90%)	(7.90%)
Plan's Net Pension Liability - 4/30/23	<u>\$ 3,740,297</u>	<u>\$ 2,318,644</u>	<u>\$ 1,148,977</u>

Amortization of deferred outflows and deferred inflows of resources

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

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

Crestline Village Water District

Notes to Financial Statements
For the years ended April 30, 2024 and 2023

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

Amortization of deferred outflows and deferred inflows of resources (continued)

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

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

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

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2021 and 2022), the District's net pension liability was \$2,458,551 and \$2,318,644, respectively. For the measurement period ending June 30, 2023 and 2022 (the measurement dates), the District incurred a pension expense of \$524,147 and \$328,385, respectively.

As of April 30, 2024, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 106,113	\$ -
Changes of Assumptions	148,434	-
Net Difference between Projected and Actual Investment Earnings	398,061	-
Change in Employer's Proportion	1,655	-
Difference in Actual vs Projected Contributions	-	27,263
Pension Contributions Subsequent to Measurement Date	392,209	-
	<u>\$ 1,046,472</u>	<u>\$ 27,263</u>

Crestline Village Water District

Notes to Financial Statements
For the years ended April 30, 2024 and 2023

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

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$392,209 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Outflows/(Inflows) of Resources, Net
2024	\$ 186,904
2025	127,953
2026	300,721
2027	11,422
2028	-
Thereafter	-

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

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

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

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

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

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

Payable to the Pension Plan

At April 30, 2024, and 2023 the District reported a payable \$0 for the outstanding amount of contributions to the pension plan required for the years then ended.

Note 5: Postemployment benefits other than pensions

Plan Description

Plan administration

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

Benefits provided

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

Medical, dental and vision coverages are provided for the lifetime of the retiree, subject to the retiree making any required monthly contributions. Retiree contributions are equal to the premiums, if any, in excess of the District limit, which is \$1,623 for 2023-24 and \$1,623 for 2022-23, multiplied by a percentage that is a function of date of hire and years of service at retirement, as follows:

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

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

The plan does not issue separate financial statements.

Plan membership

Active employees	12
Inactive employees or beneficiaries currently receiving benefits	<u>9</u>
Total	<u><u>21</u></u>

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

Note 5: Postemployment benefits other than pensions (continued)

Contributions

The District has adopted the PARS Public Agencies Post-Retirement Health Care Plan Trust Agreement, including the PARS Post-Retirement Health Care Plan, as part of the District's retirement program. The District intends to fund the other postemployment benefits (OPEB) obligation into the PARS Trust. The contribution requirements of Plan members and the District are established and amended by the District. The District contributed \$-0- to the plan during the current year and \$33,801 in the prior year.

Net OPEB Liability

The District's net OPEB liability was measured as of April 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of April 30, 2022. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions

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

Actuarial Assumptions:

Discount rate	6.00%
Inflation	2.50% per year
Salary increases	3.00% per year
Investment rate of return	6.00%, net of OPEB plan investment expense
Mortality rate	CalPERS mortality miscellaneous rates from the most recent experience study
Healthcare trend rate	5.2% for 2024 through 2034; 5.0% for 2035 through 2049; and 4.50% for 2050 through 2064; and 4.00% percent for 2065 and later years.

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

Crestline Village Water District

Notes to Financial Statements For the years ended April 30, 2024 and 2023

Note 5: Postemployment benefits other than pensions (continued)

Discount rate

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

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

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

Long-term expected rate of return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class, based on published capital market assumptions, are summarized in the following table:

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

Crestline Village Water District

**Notes to Financial Statements
For the years ended April 30, 2024 and 2023**

Note 5: Postemployment benefits other than pensions (continued)

Changes in the Net OPEB Liability

As of April 30, 2024, the components of the net OPEB liability for the District are as follows:

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net OPEB Liability (c) = (a) - (b)</u>
Balance at April 30, 2023	\$ 3,354,511	\$ 1,871,472	\$ 1,483,039
Changes recognized for the measurement period:			
Service cost	88,002	-	88,002
Interest	202,915	-	202,915
Contributions - employer	-	122,991	(122,991)
Net investment income	-	175,840	(175,840)
Benefit payments	(122,991)	(122,991)	-
Administrative expenses	-	(11,338)	11,338
Net Changes	<u>167,926</u>	<u>164,502</u>	<u>3,424</u>
Balance at April 30, 2024	<u>\$ 3,522,437</u>	<u>\$ 2,035,974</u>	<u>\$ 1,486,463</u>

As of April 30, 2023, the components of the net OPEB liability for the District are as follows:

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

Crestline Village Water District

Notes to Financial Statements
For the years ended April 30, 2024 and 2023

Note 5: Postemployment benefits other than pensions (continued)

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate.

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
April 30, 2024			
Net OPEB Liability	\$ 1,915,173	\$ 1,486,463	\$ 1,129,360
April 30, 2023			
Net OPEB Liability	\$ 1,900,284	\$ 1,483,039	\$ 1,135,436

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
April 30, 2024			
Net OPEB Liability	\$ 1,041,620	\$ 1,486,463	\$ 2,033,173
April 30, 2023			
Net OPEB Liability	\$ 1,080,109	\$ 1,483,039	\$ 1,976,422

Recognition of deferred outflows and deferred inflows of resources

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

Crestline Village Water District

**Notes to Financial Statements
For the years ended April 30, 2024 and 2023**

Note 5: Postemployment benefits other than pensions (continued)

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

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

Net difference between projected and Actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.4 Years at April 30, 2024)

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

For the fiscal years ended April 30, 2024 and 2023, the District recognized OPEB expense of \$229,693 and \$227,059, respectively.

As of April 30, 2024, the District has deferred outflows and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs	\$ 100,506	\$ -
Differences between expected and actual experience	6,957	18,688
Differences between projected and actual return on OPEB plan investments	178,160	102,349
Total	<u>\$ 285,623</u>	<u>\$ 121,037</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 127,489	\$ -
Differences between expected and actual experience	9,356	22,936
Net difference between projected and actual earnings on OPEB plan investments	275,112	121,157
Total	<u>\$ 411,957</u>	<u>\$ 144,093</u>

Crestline Village Water District

Notes to Financial Statements
For the years ended April 30, 2024 and 2023

Note 5: Postemployment benefits other than pensions (continued)

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

April 30, 2024		April 30, 2023	
Fiscal year ended April 30:	Deferred outflows/(inflows) of resources	Fiscal year ended April 30:	Deferred outflows/(inflows) of resources
2025	\$ 30,975	2024	\$ 61,507
2026	91,553	2025	41,418
2027	37,670	2026	101,996
2028	151	2027	48,113
2029	4,237	2028	14,830
Thereafter	-	Thereafter	-
	<u>\$ 164,586</u>		<u>\$ 267,864</u>

Note 6: Lease Liability

On May 1, 2022, the District entered into leases as a lessee for the use of Image Source Copier for 63 months. The initial lease liability was recorded as \$14,490. As of April 30, 2024, the value of the lease liability is \$8,536. The District is required to make monthly fixed payments of \$267. The lease has an interest rate of 5.01%. The equipment estimated useful life was 63 months as of the contract commencement. The value of the right-to-use asset as of April 30, 2024 is \$14,490 with accumulated amortization of \$5,520, which is detailed in Note 3.

A summary of changes in the lease liability follows:

	Balance as of April 30, 2023	Additions	Deletions	Balance as of April 30, 2024	Current Portion
Lease liability	<u>\$ 11,440</u>	<u>\$ -</u>	<u>\$ (2,904)</u>	<u>\$ 8,536</u>	<u>\$ 2,766</u>
	Balance as of April 30, 2022	Additions	Deletions	Balance as of April 30, 2023	Current Portion
Lease liability	<u>\$ 1,968</u>	<u>\$ 14,490</u>	<u>\$ (5,018)</u>	<u>\$ 11,440</u>	<u>\$ 2,905</u>

The future minimum lease payments and the net present value of the minimum lease payments as of April 30, 2024 were as follows:

Year Ending April 30,	Principal	Interest	Total
2025	\$ 2,766	\$ 437	\$ 3,203
2026	2,634	569	3,203
2027	2,508	695	3,203
2028	628	174	3,203
	<u>\$ 8,536</u>	<u>\$ 1,875</u>	<u>\$ 12,812</u>

Crestline Village Water District

Notes to Financial Statements
For the years ended April 30, 2024 and 2023

Note 7: Risk management

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

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

The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. At April 30, 2024, the District participation in the insurance programs of the Authority is shown as follows:

	Deductible	Pooled Self Insured	Third Party
<i>Liability</i>			
General liability	None	\$ 5,000,000	up to \$55,000,000
Auto liability	None	5,000,000	up to \$55,000,000
Public officials liability	None	5,000,000	up to \$55,000,000
<i>Property</i>			
Buildings and equipment	\$ 5,000		\$ 500,000,000
Mobile equipment	5,000		500,000,000
Licensed vehicle	1,000		500,000,000
Boiler and machinery	50,000		500,000,000
Flood	100,000		500,000,000
Earthquake	75,000		500,000,000
<i>Crime</i>			
Public employee theft	1,000		100,000
Depositors forgery or alteration	1,000		100,000
Computer and funds transfer fraud	1,000		100,000

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Crestline Village Water District

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

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability¹</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll</u>	<u>Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability</u>
6/30/2014	0.02405%	\$ 1,533,442	\$ 785,468	195.23%	73.95%
6/30/2015	0.02507%	1,720,595	781,561	220.15%	71.40%
6/30/2016	0.02228%	1,928,066	836,877	230.39%	69.21%
6/30/2017	0.02107%	2,089,237	990,693	210.89%	71.19%
6/30/2018	0.01970%	1,898,460	938,305	202.33%	75.76%
6/30/2019	0.01869%	1,914,909	1,013,004	189.03%	77.54%
6/30/2020	0.01928%	2,097,684	1,099,883	190.72%	77.24%
6/30/2021	0.01734%	937,927	1,127,844	83.16%	90.40%
6/30/2022	0.02007%	2,318,644	1,034,509	224.13%	77.77%
6/30/2023	0.01971%	2,458,551	1,186,477	207.21%	90.40%

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

Crestline Village Water District

Required Supplementary Information Schedule of Pension Plan Contributions Last 10 Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
4/30/2015	\$ 246,141	\$ (246,141)	\$ -	\$ 781,561	31.49%
4/30/2016	333,081	(333,081)	-	836,877	39.80%
4/30/2017	243,135	(243,135)	-	990,693	24.54%
4/30/2018	312,317	(312,317)	-	938,305	33.29%
4/30/2019	191,851	(191,851)	-	1,013,004	18.94%
4/30/2020	277,372	(277,372)	-	1,099,883	25.22%
4/30/2021	344,394	(344,394)	-	1,127,844	30.54%
4/30/2022	341,068	(341,068)	-	1,034,509	32.97%
4/30/2023	373,346	(373,346)	-	1,186,477	31.47%
4/30/2024	392,209	(392,209)	-	1,350,609	29.04%

Notes to Schedule:

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

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

Crestline Village Water District

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

Measurement Date - June 30	2019	2020	2021	2022	2023	2024
Total OPEB Liability						
Service cost	\$ 55,846	\$ 224,394	\$ 67,588	\$ 69,616	\$ 85,439	\$ 88,002
Interest on the Total OPEB Liability	155,717	164,228	175,003	181,435	193,599	202,915
Actual and expected experience difference	-	-	(168,352)	-	(27,184)	-
Changes in assumptions	-	-	83,777	-	94,979	-
Benefit payments	(137,421)	(122,815)	(140,548)	(134,197)	(129,591)	(122,991)
Net change in Total OPEB Liability	74,142	265,807	17,468	116,854	217,242	167,926
Total OPEB Liability - beginning	2,662,998	2,737,140	3,002,947	3,020,415	3,137,269	3,354,511
Total OPEB Liability - ending (a)	2,737,140	3,002,947	3,020,415	3,137,269	3,354,511	3,522,437
Plan Fiduciary Net Position						
Contribution - employer	195,651	96,126	216,089	191,576	163,392	122,991
Net investment income	89,713	(6,248)	402,833	(133,025)	798	175,840
Benefit payments	(137,421)	-	(140,548)	(134,197)	(129,591)	(122,991)
Administrative expense	(7,591)	(8,559)	(9,748)	(11,746)	(10,602)	(11,338)
Net change in Plan Fiduciary Net Position	140,352	81,319	468,626	(87,392)	23,997	164,502
Plan Fiduciary Net Position - beginning	1,244,570	1,384,922	1,466,241	1,934,867	1,847,475	1,871,472
Plan Fiduciary Net Position - ending (b)	1,384,922	1,466,241	1,934,867	1,847,475	1,871,472	2,035,974
Net OPEB Liability - ending (a) - (b)	\$ 1,352,218	\$ 1,536,706	\$ 1,085,548	\$ 1,289,794	\$ 1,483,039	\$ 1,486,463
Plan fiduciary net position as a percentage of the total OPEB liability	50.60%	48.83%	64.06%	58.89%	55.79%	57.80%
Covered-employee payroll	\$ 873,686	\$ 1,160,617	\$ 1,196,926	\$ 1,039,553	\$ 1,174,452	\$ 1,233,688
Net OPEB liability as a percentage of covered-employee payroll	154.77%	132.40%	90.69%	124.07%	126.27%	120.49%

Notes to schedule:

There were no changes in assumptions from the prior valuation.

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

Crestline Village Water District

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

Fiscal Year Ended April 30	2019	2020	2021	2022	2023	2024
Actuarially Determined Contributions (ADC)	\$ 129,545	\$ 133,431	\$ 149,323	\$ 153,803	\$ 163,188	\$ 168,083
Contributions in relation to the ADC	(58,230)	(96,126)	(75,541)	(57,379)	(33,801)	-
Contribution deficiency/(excess)	<u>\$ 71,315</u>	<u>\$ 37,305</u>	<u>\$ 73,782</u>	<u>\$ 96,424</u>	<u>\$ 129,387</u>	<u>\$ 168,083</u>
Covered-employee payroll	\$ 1,160,617	\$ 1,196,926	\$ 1,039,553	\$ 1,174,452	\$ 1,233,688	\$ 1,350,609
Contribution as a percentage of covered-employee payroll	5.02%	8.03%	7.27%	4.89%	2.74%	0.00%

Notes to schedule:

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

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll, closed
Amortization Period	30 years
Asset Valuation Method	Fair value
Inflation	2.50% in 2024 and 2023; 2.75% in 2021 and 2022; 3.00% in 2020 and 2019
Salary Increases	3.00%
Investment Rate of Return	6.00%, net of OPEB plan investment expense
Healthcare Trend	5.2 percent for 2024 through 2034; 5.0% for 2035 through 2049; 4.5% for 2050 through 2064; and 4.0% for 2065 and later years.
Retirement Age	5 percent at age 55; 8 percent at age 56; 10 percent at age 57; 12 percent at age 58; 15 percent at age 59; 18 percent at age 60; 20 percent at age 61; 22 percent at age 62; 25 percent at age 63; 30 percent at age 64; 35 percent at age 65; 40 percent at age 66; and 100 percent at age 67
Mortality	CalPERS mortality miscellaneous rates from the most recent experience study (1997-2015)

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

**Supplementary Information
Schedule of Utility Plant and Accumulated Depreciation
April 30, 2024**

	COST OF UTILITY PLANT			ACCUMULATED DEPRECIATION				
	Balance April 30, 2023	Additions and Reclassifications	Retirements	Balance April 30, 2024	Balance April 30, 2023	Provision	Retirements	Balance April 30, 2024
LAND:								
Land	\$ 281,164	\$ -	\$ -	\$ 281,164	\$ -	\$ -	\$ -	\$ -
	<u>281,164</u>	<u>-</u>	<u>-</u>	<u>281,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SOURCE OF SUPPLY PLANT:								
Structures and improvements	13,921	-	-	13,921	11,136	696	-	11,832
Wells, springs and infiltration galleries	942,490	-	-	942,490	426,346	33,539	-	459,885
Crestline-Lake Arrowhead Water Agency meter connection	58,426	-	-	58,426	24,886	-	-	24,886
	<u>1,014,837</u>	<u>-</u>	<u>-</u>	<u>1,014,837</u>	<u>462,368</u>	<u>34,235</u>	<u>-</u>	<u>496,603</u>
PUMPING PLANT:								
Structures and improvements	255,677	-	(3,435)	252,242	253,958	363	(3,435)	250,886
Pumping equipment	101,413	11,976	(2,396)	110,993	94,565	2,283	(2,396)	94,452
Telemetry equipment	38,548	-	-	38,548	38,550	-	-	38,550
	<u>395,638</u>	<u>11,976</u>	<u>(5,831)</u>	<u>401,783</u>	<u>387,073</u>	<u>2,646</u>	<u>(5,831)</u>	<u>383,888</u>
WATER TREATMENT:								
Structures and improvements	9,005	-	-	9,005	9,005	-	-	9,005
Equipment	85,887	26,297	(32,655)	79,529	83,894	667	(32,655)	51,906
	<u>94,892</u>	<u>26,297</u>	<u>(32,655)</u>	<u>88,534</u>	<u>92,899</u>	<u>667</u>	<u>(32,655)</u>	<u>60,911</u>
TRANSMISSION AND DISTRIBUTION								
Structures and improvements	521,089	-	-	521,089	458,219	9,694	-	467,913
Reservoirs and tanks	6,378,091	-	-	6,378,091	3,739,416	196,429	-	3,935,845
Transmission and distribution mains	8,540,004	-	-	8,540,004	5,704,482	145,813	-	5,850,295
Hydrants	298,759	-	-	298,759	284,214	1,039	-	285,253
Service taps	342,783	-	-	342,783	299,718	6,982	(8,172)	298,528
Meters	1,593,591	-	(13,851)	1,579,740	916,513	79,483	(1,503)	994,493
Equipment	-	-	(3,922)	(3,922)	-	-	-	-
	<u>17,674,317</u>	<u>-</u>	<u>(17,773)</u>	<u>17,656,544</u>	<u>11,402,562</u>	<u>439,440</u>	<u>(9,675)</u>	<u>11,832,327</u>
GENERAL PLANT:								
Structure and improvements	1,286,829	-	(7,892)	1,278,937	1,139,405	39,347	(6,532)	1,172,220
Office furniture and equipment	270,495	-	-	270,495	170,604	19,151	-	189,755
Transportation equipment	616,837	163,362	-	780,199	515,830	36,617	-	552,447
Tools, shop and garage equipment	442,639	104,188	(36,384)	510,443	430,309	3,494	(36,384)	397,419
Communication equipment	122,844	-	-	122,844	109,087	2,538	-	111,625
	<u>2,739,644</u>	<u>267,550</u>	<u>(44,276)</u>	<u>2,962,918</u>	<u>2,365,235</u>	<u>101,147</u>	<u>(42,916)</u>	<u>2,423,466</u>
Totals	\$ 22,200,492	\$ 305,823	\$ (100,535)	\$ 22,405,780	\$ 14,710,137	\$ 578,135	\$ (91,077)	\$ 15,197,195

Crestline Village Water District

Supplementary Information History and Organization (Unaudited)

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

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

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

Directors of the District Board as of April 30, 2024, were as follows:

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

As of April 30, 2024, the General Manager and Secretary to the Board was Thomas Weddle, and the office manager was Josselyn Quine.

Crestline Village Water District

Supplementary Information History and Organization (Unaudited)

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

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

<u>Meter size</u>	<u>Effective May, 2023</u>	<u>Effective May, 2022</u>	<u>Effective May, 2021</u>
5/8 X 3/4 inch meter	\$ 33.50	\$ 32.50	\$ 31.50
3/4 inch meter	34.50	33.50	32.50
1 inch meter	35.50	34.50	33.50
1 inch meter (residential fire service)	37.75	36.75	35.75
1 1/2 inch meter	39.50	38.50	37.50
2 inch meter	44.50	43.50	42.50
3 inch meter	50.50	49.50	48.50
4 inch meter	73.50	72.50	71.50

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

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

Crestline Village Water District

**Supplementary Information
History and Organization (Unaudited)**

Active metered services for the District changed during the fiscal year ended April 30, 2024, as follows:

April 30, 2024	5,003
April 30, 2023	<u>4,991</u>
	<u>12</u>

The San Bernardino County Auditor – Controller’s schedule of Agency Net Valuations, listed the following tentative assessed valuations for the fiscal year 2023-24, from which the total amount of tax or levy was calculated:

	<u>General District Assessed Valuation</u>
Secured	\$ 1,210,818,296
Utility	51,821
Unsecured	<u>3,247,936</u>
	<u>\$ 1,214,118,053</u>
Total Levy	<u>\$ 339,894</u>

The San Bernardino County’s 2023-24 allocation of the \$1 maximum tax rate per \$100 assessed valuation to the District was a levy of approximately \$.0280 per \$100 assessed valuation.

Crestline Village Water District

Supplementary Information Statement of Net Position Comments

Utility plant

A summary of capital asset additions by principal classification is presented in Schedule One. The 2023-24 additions are as follows:

<u>Acct</u>	<u>Description</u>	<u>Cost</u>
161104	Pumping Equipment	
	Waburn Pump House - 15 HP 33SV Pump	\$ 11,976
	Sub-total	<u>11,976</u>
162102	Water Treatment	
	Chlorine Analyzer System @ Pioneer	26,296
	Sub-total	<u>26,296</u>
164130	Transportation Equipment	
	2024 Freightliner Cummins L9 350 HP Dumptruck	163,363
	Sub-total	<u>163,363</u>
164140	General Plant	
	Snow Blower Attachment - John Deere SB72M	15,570
	Skid Steer - John Deere 324G 2023	79,844
	TT Tech Boring Mole PK65140W4289	8,774
	Sub-total	<u>104,188</u>
	Total additions	<u>\$ 305,823</u>

Construction in progress

Construction jobs in progress at April 30, 2024 consisted of the following:

<u>Job Number</u>	<u>Description</u>	<u>Incurred to April 30, 2024</u>
12925	HTT1100 w/batteries & cellular	\$ 9,070
12912	Chlorine analyzer (pump + analyzer + MIOX)	24,598
		<u>\$ 33,668</u>

CURRENT ASSETS

At April 30, 2024, the District had \$3,390,293 in cash held in a bank, a credit union and the Local Agency Investment Fund. The following summary shows the amounts in each of the District's accounts and the designated use of the funds:

California Bank & Trust – General account	\$ 575,111
California Bank & Trust – Payroll account	7,227
Arrowhead Credit Union – Savings	38,045
Arrowhead Credit Union – Checking	21,527
Local Agency Investment Fund	986,426
Negotiable Certificates of Deposit	1,747,620
Money Market Funds	<u>14,337</u>
Total cash in financial institutions	<u>\$ 3,390,293</u>

Crestline Village Water District

**Supplementary Information
Statement of Net Position Comments**

Prepaid expenses of \$97,052 are applicable to future periods.

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

Property taxes receivable	\$	6,529
Allowance for uncollectible taxes		<u>(1,600)</u>
Net property taxes receivable	\$	<u>4,929</u>
Availability assessments receivable	\$	<u>23,025</u>

CURRENT LIABILITIES

Accounts payable at April 30, 2024, consisted of the following:

Purchased water – CLAWA	\$	932
Current billings for supplies and expenses		136,132
Inventory		<u>9,722</u>
Total accounts payable	\$	<u>146,786</u>

Overtime and paid time off are computed in hours. The total hours accumulated by each employee is multiplied by the employee's present hourly rate to determine the dollar amount of accrued overtime leave and accrued paid time off. The balance at April 30, 2024 for accrued overtime and accrued paid time off was \$5,881 and \$120,175, respectively.

Crestline Village Water District

Supplementary Information Revenue and Expense Comments

The following is a comparison of the residential and business water sales by month for the year ended April 30, 2024 and 2023:

<u>Month</u>	<u>2024</u>	<u>2023</u>
May	\$ 264,243	\$ 265,274
June	237,570	297,520
July	273,215	307,572
August	264,436	320,420
September	259,580	312,591
October	293,921	286,191
November	287,528	276,843
December	318,411	264,260
January	296,624	270,120
February	282,443	263,542
March	279,840	253,322
April	267,559	263,752
Total sales	<u>\$ 3,325,370</u>	<u>\$ 3,381,407</u>

The following is a comparison of the water consumption by month for the year ended April 30, 2024 and 2023 (unaudited):

<u>Month</u>	<u>Per 100 Cubic Feet Consumed</u>	
	<u>2024</u>	<u>2023</u>
May	18,287	20,123
June	23,468	24,424
July	22,015	25,977
August	26,864	28,237
September	23,595	26,837
October	21,204	22,803
November	20,562	21,436
December	19,171	19,483
January	18,399	19,413
February	17,956	18,970
March	15,705	16,946
April	17,396	18,741
Totals (In 100 Cubic Feet)	<u>244,622</u>	<u>263,390</u>

Crestline Village Water District

Supplementary Information Revenue and Expense Comments

The following is a comparison of the water purchased from the Crestline-Lake Arrowhead Water Agency by month for the year ended April 30, 2024 and 2023:

<u>Month</u>	<u>2024</u>	<u>2023</u>
May	\$ 14,479	\$ 34,272
June	27,894	60,674
July	95,085	105,287
August	36,559	84,718
September	19,982	55,296
October	14,167	47,331
November	9,506	46,906
December	9,409	36,673
January	6,078	33,623
February	6,314	19,632
March	2,458	41,944
April	932	18,177
Totals	<u>\$ 242,863</u>	<u>\$ 584,533</u>