

**LAKE DON PEDRO  
COMMUNITY SERVICES DISTRICT**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**For the Fiscal Years Ended June 30, 2024 and 2023**

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT****TABLE OF CONTENTS**

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Blomberg & Griffin Accountancy Corporation  
Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Lake Don Pedro Community Services District  
La Grange, California

### Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2024, and 2023 and the related notes to the financial statements, which collectively comprise the Lake Don Pedro Community Services District, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lake Don Pedro Community Services District, as of June 30, 2024, and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special District. 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 Lake Don Pedro Community Services 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 opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Lake Don Pedro Community Services District ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Lake Don Pedro Community Services 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 Lake Don Pedro Community Services 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.

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of required supplementary information on pages 3 through 6 and page 28, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Blomberg & Griffin A.C.  
Stockton, California

January 22, 2025

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024 and 2023**

This section of the annual financial report of the Lake Don Pedro Community Services District (District) presents the discussion and analysis of the District's financial performance during the fiscal years ended June 30, 2024 and 2023. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follow this section.

**FINANCIAL HIGHLIGHTS**

The following summarizes the District's financial highlights:

**Fiscal Year 2024:**

- Total assets and deferred outflows of resources of the District were \$7,625,381 an increase of \$220,420.
- Total liabilities and deferred inflows of resources were \$3,520,790. The total liabilities increased by \$127,950.
- Operating revenues increased by \$90,823 and non-operating revenues increased by \$109,753, resulting in an overall increase of \$200,576.
- Operating expenses decreased by \$268,275 due to pension related adjustment.

**Fiscal Year 2023:**

- Total assets and deferred outflows of resources of the District were \$7,404,961 in a decrease of \$354,323 from year 2022.
- Total liabilities and deferred inflows of resources were \$3,392,840 and \$3,370,782 for the fiscal year ended June 30, 2023 and 2022, respectively.
- Operating revenues increased by \$97,659 and \$68,602 for the fiscal years ended June 30, 2023 and 2022, respectively.
- Operating expenses decreased by \$55,400 and \$414,408 for the fiscal years ended June 30, 2023, and 2022, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of the following basic parts: management's discussion and analysis (this section) of the basic financial statements.

The basic financial statements contained in this report are presented using Governmental Accounting Standard's Board (GASB) accounting principles. These statements provide overall information about The District's financial activities on both a short-term and long-term basis. The

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2024 and 2023

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

statement of net position presents information about its assets (resources) and liabilities (the amount obligated to its creditors). The statements of revenues, expenses, and changes in net position present information about the current year revenues and expenses. The statement also provides useful information for determining whether the District's service revenue and other revenue sources were sufficient to allow the District to recover all of its costs. The final financial statement in this report is the statement of cash flows, which provides information about The District's cash from operations, investing, and financing activities. In addition, this statement provides useful information to answer questions such as where cash came from, what cash was used for, and what was the change in cash balance during the reporting period.

**FUND FINANCIAL STATEMENTS**

Proprietary fund - All of the District's expenses incurred for the provision of Water Services are reported to a proprietary fund, which focuses on measuring the total costs of the service, including depreciation, and primarily recovering those costs through user charges or other revenue sources. This fund is reported using the accrual basis of accounting, which recognizes revenue were earned and expenses when incurred.

**NET POSITION**

As of June 30, 2024, and 2023, the District had net position totaling \$4,104,591 and \$4,012,121, respectively. Below is a table showing the District's net position at year end with comparative numbers for 2024, 2023 and 2022.

**TABLE 1: NET POSITION**

|  | June 30, 2024       | June 30, 2023       | June 30, 2022       | 2024 vs. 2023    |              | 2023 vs. 2022       |               |
|--|---------------------|---------------------|---------------------|------------------|--------------|---------------------|---------------|
|  |                     |                     |                     | \$               | %            | \$                  | %             |
| <b>Assets</b>                                      |                     |                     |                     |                  |              |                     |               |
| Cash and Investments                               | \$ 650,152          | \$ 554,650          | \$ 760,295          | \$ 95,502        | 17.22%       | \$ (205,645)        | -27.05%       |
| Other Assets                                       | 493,213             | 353,123             | 329,486             | 140,090          | 39.67%       | 23,637              | 7.17%         |
| Capital Assets - Net                               | 5,943,468           | 6,132,985           | 6,216,644           | (189,517)        | -3.09%       | (83,659)            | -1.35%        |
| Deferred Outflows                                  | 538,548             | 364,203             | 452,859             | 174,345          | 47.87%       | (88,656)            | -19.58%       |
| <b>Total Assets</b>                                | <b>7,625,381</b>    | <b>7,404,961</b>    | <b>7,759,284</b>    | <b>220,420</b>   | <b>2.98%</b> | <b>(354,323)</b>    | <b>-4.57%</b> |
| <b>Liabilities</b>                                 |                     |                     |                     |                  |              |                     |               |
| Loan Payable                                       | 276,640             | 378,168             | 474,851             | (101,528)        | -26.85%      | (96,683)            | -20.36%       |
| Other Liabilities                                  | 2,799,962           | 2,349,366           | 2,431,547           | 450,596          | 19.18%       | (82,181)            | -3.38%        |
| Deferred Outflows                                  | 444,188             | 665,306             | 464,384             | (221,118)        | -33.24%      | 200,922             | 43.27%        |
| <b>Total Liabilities</b>                           | <b>3,520,790</b>    | <b>3,392,840</b>    | <b>3,370,782</b>    | <b>127,950</b>   | <b>3.77%</b> | <b>5,213,434</b>    | <b>48.55%</b> |
| <b>Net Position</b>                                |                     |                     |                     |                  |              |                     |               |
| Invested in Capital Assets,<br>net of related debt | 5,514,143           | 5,604,389           | 5,741,793           | (90,246)         | -1.61%       | (137,404)           | -2.39%        |
| Unrestricted (Deficit)                             | (1,409,552)         | (1,592,268)         | (1,353,291)         | 182,716          | -11.48%      | (238,977)           | 17.66%        |
| <b>Total Net Position</b>                          | <b>\$ 4,104,591</b> | <b>\$ 4,012,121</b> | <b>\$ 4,388,502</b> | <b>\$ 92,470</b> | <b>2.30%</b> | <b>\$ (376,381)</b> | <b>-8.58%</b> |

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024 and 2023

**NET POSITION (continued)**

For the fiscal year ended June 30, 2024, and 2023, the District has invested 154% and 140% of its total net position in capital assets, which total of \$5,514,143 and \$5,604,389, respectively, net of related debt.

After stabilizing the District's financial position, we have returned to policy specifications where the LAIF account cannot be accessed without Board approval.

**STATEMENT OF ACTIVITIES**

As of June 30, 2024, and 2023, the District had a positive change in net position in the amount of \$92,470 and \$376,381, respectively. Below is a table showing the District's statement of activities at year end with comparative numbers for 2024 and 2023 and 2022.

**TABLE 2: CHANGES IN NET POSITION**

|                                | June 30, 2024    | June 30, 2023       | June 30, 2022       | 2024 vs. 2023     |                 | 2023 vs. 2022    |                |
|--------------------------------|------------------|---------------------|---------------------|-------------------|-----------------|------------------|----------------|
|                                |                  |                     |                     | \$                | %               | \$               | %              |
| <b>Revenues</b>                |                  |                     |                     |                   |                 |                  |                |
| Operating Revenues             | \$ 1,870,163     | \$ 1,779,340        | \$ 1,681,681        | \$ 90,823         | 5.10%           | \$ 97,659        | 5.81%          |
| Non-Operating Revenues         | 190,446          | 80,693              | 139,983             | 109,753           | 136.01%         | (59,290)         | -42.36%        |
| <b>Total Revenues</b>          | <b>2,060,609</b> | <b>1,860,033</b>    | <b>1,821,664</b>    | <b>200,576</b>    | <b>10.78%</b>   | <b>38,369</b>    | <b>2.11%</b>   |
| <b>Expenses</b>                |                  |                     |                     |                   |                 |                  |                |
| Salaries and Benefits          | 746,718          | 761,354             | 658,921             | (14,636)          | -1.92%          | 102,433          | 15.55%         |
| Supplies and Services          | 901,238          | 986,992             | 868,247             | (85,754)          | -8.69%          | 118,745          | 13.68%         |
| Post Retirement Benefits       | 36,561           | 220,684             | 501,500             | (184,123)         | -83.43%         | (280,816)        | -56.00%        |
| Depreciation                   | 283,622          | 267,384             | 263,146             | 16,238            | 6.07%           | 4,238            | 1.61%          |
| <b>Total Expenses</b>          | <b>1,968,139</b> | <b>2,236,414</b>    | <b>2,291,814</b>    | <b>(268,275)</b>  | <b>-12.00%</b>  | <b>(55,400)</b>  | <b>-2.42%</b>  |
| <b>Changes in Net Position</b> | <b>\$ 92,470</b> | <b>\$ (376,381)</b> | <b>\$ (470,150)</b> | <b>\$ 468,851</b> | <b>-124.57%</b> | <b>\$ 93,769</b> | <b>-19.94%</b> |

**For the fiscal year 2023/24**, the District's total revenues exceeded expenses by \$92,470. Total revenues for the year were \$2,060,609. Of this, \$1,870,163 was received from operating revenues, \$6,803 from investment earnings, \$220 from miscellaneous sources, \$34,100 from lease and \$165,331 from various grants.

**For the fiscal year 2022/23**, the District's total expenses exceeded revenues by \$376,381. Total revenues for the year were \$1,860,033. Of this, \$1,779,340 was received from operating revenues, \$3,042 from investment earnings, \$5,921 from miscellaneous sources, \$28,200 received from lease revenue and \$64,629 from various grants.

Expenses including interest expense totaled \$1,984,147 and \$2,257,513 attributable to water service for the fiscal year ended June 30, 2024 and 2023, respectively.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024 and 2023

**CAPITAL ASSETS**

The Capital assets for the years ended June 30, 2024 and 2023 was as follows:

**TABLE 4: CAPITAL ASSETS**

|                            | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>2024 vs. 2023</u> |               | <u>2023 vs. 2022</u> |               |
|----------------------------|----------------------|----------------------|----------------------|----------------------|---------------|----------------------|---------------|
|                            |                      |                      |                      | <u>\$</u>            | <u>%</u>      | <u>\$</u>            | <u>%</u>      |
| <b>Capital Assets</b>      |                      |                      |                      |                      |               |                      |               |
| Land                       | \$ 157,325           | \$ 157,325           | \$ 157,325           | \$ -                 | 0.00%         | \$ -                 | 0.00%         |
| Plant and Structures       | 12,662,998           | 12,510,435           | 12,119,954           | 152,563              | 1.22%         | 390,481              | 3.22%         |
| Equipment and Vehicles     | 1,568,025            | 1,557,645            | 1,475,421            | 10,380               | 0.67%         | 82,224               | 5.57%         |
| Construction in Progress   | 83,725               | 152,563              | 441,543              | (68,838)             | -45.12%       | (288,980)            | -65.45%       |
| Accumulated Depreciation   | <u>(8,528,605)</u>   | <u>(8,244,983)</u>   | <u>(7,977,599)</u>   | <u>(283,622)</u>     | <u>3.44%</u>  | <u>(267,384)</u>     | <u>3.35%</u>  |
| Total Capital Assets - Net | <u>\$ 5,943,468</u>  | <u>\$ 6,132,985</u>  | <u>\$ 6,216,644</u>  | <u>\$ (189,517)</u>  | <u>-3.09%</u> | <u>\$ (83,659)</u>   | <u>-1.35%</u> |

**LONG-TERM DEBT**

The Water District also had a loan with Municipal Finance Corporation for the Treatment Plant Upgrades with a balance of \$276,6640 and \$378,168 for the fiscal years ended June 30, 2024, and 2023, respectively. Payments of principal for 2024 and 2023 totaled \$101,528 and \$96,683, respectively. Interest expense for the fiscal years 2024 and 2023 totaled \$16,008 and \$21,099, respectively.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances of those funds maintained by the District and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Lake Don Pedro Community Service District at 9751 Merced Falls Road, La Grange, CA 95329.



**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2024 and 2023**

|  | <b>Business-Type Activities</b> |                     |
|--|---------------------------------|---------------------|
|  | <b>Enterprise Fund</b>          |                     |
|  | <b>2024</b>                     | <b>2023</b>         |
| <b>Assets</b>                                    |                                 |                     |
| Cash And Investments                             | \$ 650,152                      | \$ 554,650          |
| Accounts Receivable                              | 295,187                         | 259,422             |
| Prepaid Expense                                  | 128,094                         | 23,769              |
| Inventory  | 69,932                          | 69,932              |
| Land   | 157,325                         | 157,325             |
| Construction In Progress                         | 83,725                          | 152,563             |
| Fixed Assets                                     | 14,231,023                      | 14,068,080          |
| Accumulated Depreciation                         | (8,528,605)                     | (8,244,983)         |
| Total Assets                                     | <u>7,086,833</u>                | <u>7,040,758</u>    |
| <b>Deferred Outflows of Resources</b>            |                                 |                     |
| Deferred Outflows of Resources- OPEB (Note-10)   | 148,073                         | 148,073             |
| Deferred Outflows of Resources- Pension (Note-9) | 390,475                         | 216,130             |
| Total Deferred Outflows of Resources             | <u>538,548</u>                  | <u>364,203</u>      |
| <b>Liabilities</b>                               |                                 |                     |
| <b>Current Liabilities:</b>                      |                                 |                     |
| Accounts & Accrued Payable                       | 163,283                         | 92,041              |
| Interest Payable                                 | 3,990                           | 5,460               |
| Accrued Payroll                                  | 24,285                          | 26,126              |
| Loan Payable - current                           | 106,615                         | 101,527             |
| Total Current Liabilities                        | <u>298,173</u>                  | <u>225,154</u>      |
| <b>Non-current Liabilities:</b>                  |                                 |                     |
| Deferred Revenue                                 | 44,168                          | -                   |
| Compensated Absences                             | 109,649                         | 95,075              |
| Net OPEB Liability (Note-10)                     | 1,887,871                       | 1,887,871           |
| Net Pension Liability (Note-9)                   | 566,716                         | 242,793             |
| Loans Payable - noncurrent                       | 170,025                         | 276,641             |
| Total Non-current Liabilities                    | <u>2,778,429</u>                | <u>2,502,380</u>    |
| Total Liabilities                                | <u>3,076,602</u>                | <u>2,727,534</u>    |
| <b>Deferred Inflows of Resources:</b>            |                                 |                     |
| Deferred Inflows of Resources- OPEB (Note-10)    | 23,055                          | 23,055              |
| Deferred Inflows of Resources- Pension (Note-9)  | 421,133                         | 642,251             |
| Total Deferred Inflows of Resources              | <u>444,188</u>                  | <u>665,306</u>      |
| <b>Net Position</b>                              |                                 |                     |
| Invested In Capital Assets -                     |                                 |                     |
| Net of Related Debt                              | 5,514,143                       | 5,604,389           |
| Unrestricted (Deficit)                           | (1,409,552)                     | (1,592,268)         |
| Total Net Position                               | <u>\$ 4,104,591</u>             | <u>\$ 4,012,121</u> |

See accompanying notes to basic financial statements.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**Statement of Activities and Changes in Net Position - Proprietary Funds**  
**For the Years Ended June 30, 2024 and 2023**

|   | <b>Business-Type Activities</b> |                     |
|---|---------------------------------|---------------------|
|   | <b>Enterprise Fund</b>          |                     |
|   | <b>2024</b>                     | <b>2023</b>         |
| <b>Operating Revenues</b>                     |                                 |                     |
| Water Sales And Assessments                   | \$ 1,799,344                    | \$ 1,684,829        |
| Transfer Connection and Meter Fees            | 30,000                          | 58,400              |
| Interest and Penalties On Delinquent Accounts | 40,819                          | 36,111              |
| <b>Total Operating Revenues</b>               | <b>1,870,163</b>                | <b>1,779,340</b>    |
| <b>Operating Expenses</b>                     |                                 |                     |
| Salaries And Benefits - Plant                 | 412,503                         | 378,560             |
| Salaries And Benefits - Administrative        | 334,215                         | 382,794             |
| Post Retirement Benefit                       | 36,561                          | 220,684             |
| Supplies And Services - Plant                 | 619,132                         | 634,285             |
| Supplies And Services - Administrative        | 282,106                         | 352,707             |
| Depreciation                                  | 283,622                         | 267,384             |
| <b>Total Operating Expenses</b>               | <b>1,968,139</b>                | <b>2,236,414</b>    |
| <b>Operating Income (Loss)</b>                | <b>(97,976)</b>                 | <b>(457,074)</b>    |
| <b>Nonoperating Revenues (Expenses)</b>       |                                 |                     |
| Grant Income                                  | 165,331                         | 64,629              |
| Investment Earnings                           | 6,803                           | 3,042               |
| Lease Income                                  | 34,100                          | 28,200              |
| Miscellaneous                                 | 220                             | 5,921               |
| Interest Expense                              | (16,008)                        | (21,099)            |
| <b>Total Nonoperating Revenues (Expenses)</b> | <b>190,446</b>                  | <b>80,693</b>       |
| <b>Change In Net Position</b>                 | <b>92,470</b>                   | <b>(376,381)</b>    |
| <b>Total Net Position - Beginning of Year</b> | <b>4,012,121</b>                | <b>4,388,502</b>    |
| <b>Total Net Position - End of Year</b>       | <b>\$ 4,104,591</b>             | <b>\$ 4,012,121</b> |

See accompanying notes to basic financial statements.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Years Ended June 30, 2024 and 2023**

|   | <b>Business-Type Activities</b> |                   |
|---|---------------------------------|-------------------|
|   | <b>Enterprise Fund</b>          |                   |
|   | <b>2024</b>                     | <b>2023</b>       |
| <b>Cash Flows From Operating Activities</b>   |                                 |                   |
| Receipts From Customers   | \$ 1,834,398                    | \$ 1,756,346      |
| Payments To Suppliers   | (991,583)                       | (1,020,498)       |
| Payments To Employees and Benefits  | (784,821)                       | (740,377)         |
| Net Cash Provided By (Used In) -<br>Operating Revenues  | <u>57,994</u>                   | <u>(4,529)</u>    |
| <b>Cash Flows From Non- Capital Financing Activities</b>  |                                 |                   |
| Miscellaneous Income  | <u>78,488</u>                   | <u>34,120</u>     |
| Net Cash Provided by (Used In) Non-Capital -<br>Financing Activities                            | <u>78,488</u>                   | <u>34,120</u>     |
| <b>Cash Flows From Capital And Related -<br/>Financing Activities</b>                           |                                 |                   |
| Grants Income   | 165,331                         | 64,629            |
| Capital Asset   | (10,380)                        | (31,162)          |
| Construction In Progress  | (83,725)                        | (152,563)         |
| Principal Payments On Long Term Debt  | (101,531)                       | (96,683)          |
| Interest Paid   | (17,478)                        | (22,499)          |
| Net Cash Provided by (Used In) Capital -<br>And Related Financing Activities                    | <u>(47,783)</u>                 | <u>(238,278)</u>  |
| <b>Cash Flows From Investing Activities</b>   |                                 |                   |
| Interest Received   | <u>6,803</u>                    | <u>3,042</u>      |
| Net Cash Provided by (Used In)<br>Investing Activities  | <u>6,803</u>                    | <u>3,042</u>      |
| Net Increase (Decrease) In Cash   | 95,502                          | (205,645)         |
| Cash and Investments - Beginning  | <u>554,650</u>                  | <u>760,295</u>    |
| Cash and Investments - Ending   | <u>\$ 650,152</u>               | <u>\$ 554,650</u> |
| <b>Reconciliation of Operating Loss to Net<br/>Cash Provided by Operating Activities</b>        |                                 |                   |
| Operating Income (Loss)   | \$ (97,976)                     | \$ (457,074)      |
| <b>Adjustments to Reconcile Operating Loss<br/>to Net Cash Provided by Operating Activities</b> |                                 |                   |
| Depreciation  | 283,622                         | 267,384           |
| <b>Change in Assets and Liabilities</b>   |                                 |                   |
| Accounts Receivable   | (35,765)                        | (22,994)          |
| Prepaid Expenses and Other Current Assets   | (104,325)                       | (642)             |
| Retirement Obligations (Assets)   | -                               | 88,656            |
| Accounts Payable  | 71,242                          | 16,126            |
| Accrued Expenses and other Liabilities  | 12,733                          | 20,977            |
| Retirement Obligations (Liabilities)  | (71,537)                        | 83,038            |
| Net Cash Provided by (used for) Operating Activities  | <u>\$ 57,994</u>                | <u>\$ (4,529)</u> |

See accompanying notes to basic financial statements.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Lake Don Pedro Community Services District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*. Certain of the significant changes in the statement include the following:

The financial statements include:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using the full accrual accounting for all of the District’s activities, including infrastructure.
- A change in the financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The more significant of the Districts accounting policies are described below:

**A. Financial Reporting Entity**

The Lake Don Pedro Community Services District was incorporated in August 1980. The District was formed to supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation.

The District operates under a Board of Directors form of government. The Board of Directors consists of five members elected at large for overlapping four-year terms. The district appoints legal counsel.

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The proprietary fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows: The District reports the following major proprietary funds:

The **Water Fund** accounts for the activities of the District's water service.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024 and 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Assets, Liabilities, Net Position or Equity**

**1. Cash and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District. The District follows the practice of pooling the cash from all funds for investment purposes.

California State statute authorizes the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are stated at fair value.

**2. Receivables and Payables**

Billings for water services are sent monthly and are reflected on the accrual basis of accounting. Delinquent accounts are submitted to the Counties of Mariposa and Tuolumne and are attached to the County tax rolls.

**3. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items.

**4. Restricted Assets**

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

**5. Capital Assets**

Capital assets are defined by the District as assets with an initial, individual cost of \$2,500 for equipment and \$25,000 for buildings and infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is recorded in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service life using the straight-line method.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024 and 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Compensated Absences**

District employees earn vacation leave, and compensation time. It may be either taken or accumulated with prior approval of the general manager. Vacation is paid upon termination or retirement. Vacation and sick leave may be accumulated without limitation. Sick leave is not paid if an employee quits or is terminated, however, a 100% credit is allowed for eligible employee for longevity of service on retirement. In accordance with generally accepted accounting principles, an accrual for compensated absences is reflected in the accompanying general-purpose financial statements.

**7. Long-term Debt**

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds

**8. Net Position & Fund Equity**

In proprietary fund financial statements, net position is reported in three categories: net position invested in capital assets, net of related debt; restricted net position and unrestricted net position. Restricted net position represents net position restricted by parties outside the District (such as creditors, grantors, contributors, laws and regulations of other governments).

All other net position is considered unrestricted.

Proprietary funds contributed capital represents equity acquired through capital grants and capital contributions from developers, customers, or other funds.

**9. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

Prior to June 30th, the proposed budget is presented to the Board of Directors for review. The Board of Directors holds public hearings and may add to, subtract from or change appropriations.

**NOTE 3 – CASH AND INVESTMENTS**

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

**Statement of Net Position**

|                      | 2024       | 2023       |
|----------------------|------------|------------|
| Cash and Investments | \$ 650,152 | \$ 554,650 |

Cash and investments as of June 30, 2023 and 2022 consist of the following:

|                                      |            |            |
|--------------------------------------|------------|------------|
| Cash on Hand                         | \$ 125     | \$ 125     |
| Deposits with Financial Institutions | 464,811    | 376,112    |
| Local Agency Investment Fund         | 185,216    | 178,413    |
| Total Cash and Investments           | \$ 650,152 | \$ 554,650 |

**Investments Authorized by the District's Investment Policy**

The District's investment policy authorizes investment in the local government investment pool administered by the State of California (LAIF). The District's investment policy also authorizes cash to be invested in Certificates of Deposits, Bankers Acceptances, and Passbook Savings Demand Deposits. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**Disclosures Relating to 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. No Investment has a maturity greater than 5 years.

|                       | <u>2024</u>              | <u>2023</u>              |
|-----------------------|--------------------------|--------------------------|
| State Investment Pool | <u>\$ 185,216</u>        | <u>\$ 178,413</u>        |
| Total                 | <u><u>\$ 185,216</u></u> | <u><u>\$ 178,413</u></u> |

**Disclosures Relating to 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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

**Concentration of Credit Risk**

The investment policy of the District's contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

**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 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, 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 (unless so waived by the governmental unit). 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. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.



**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024 and 2023**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

On June 30, 2024 and 2023, the District's deposits with financial institutions were covered by Federal Depository Insurance Corporation (FDIC) or the multiple financial institution collateral pool that insures public deposits. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**Investment in State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements 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 with funds generally available next business day.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024 and 2023**

**NOTE 4 – ACCOUNTS RECEIVABLE**

Receivables on June 30, 2024 and 2023 for the District's water services are sent monthly and are reflected on the accrual basis of accounting. Delinquent accounts are submitted to the Counties of Mariposa and Tuolumne and are attached to the County tax role. All receivables are expected to be collected within one year.

|                          | <b>Water</b> |             |
|--------------------------|--------------|-------------|
|                          | <b>2024</b>  | <b>2023</b> |
| Business-Type Activities |              |             |
| Utility Billings         | \$ 295,187   | \$ 259,422  |
| Total                    | \$ 295,187   | \$ 259,422  |

**NOTE 5 – PAYABLE AND OTHER LIABILITIES**

Payables on June 30, 2024 and 2023 for the District's individual major funds in the aggregate are as follows:

|                              | <b>2024</b> | <b>2023</b> |
|------------------------------|-------------|-------------|
| Business-Type Activity       |             |             |
| Vendors                      | \$ 163,283  | \$ 92,041   |
| Salaries and Benefits        | 24,285      | 26,126      |
| Accrued Compensated Absences | 109,649     | 95,075      |
| Interest Payable             | 3,990       | 5,460       |
| Total                        | \$ 301,207  | \$ 218,702  |

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024 and 2023**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the years ended June 30, 2024 and 2023 was as follows:

|  |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
| Total Capital Assets not Depreciated                   | 309,888             | 83,725              | (152,563)           | 241,050             |
| Capital Assets Depreciated:                            |                     |                     |                     |                     |
| Plant  | 11,752,776          | -                   | 152,563             | 11,905,339          |
| Equipment  | 1,407,217           | 10,380              | -                   | 1,417,597           |
| Structure  | 757,659             | -                   | -                   | 757,659             |
| Vehicles   | 150,428             | -                   | -                   | 150,428             |
| Total Capital Assets Depreciated                       | 14,068,080          | 10,380              | 152,563             | 14,231,023          |
| Less Accumulated Depreciation                          | (8,244,983)         | (283,622)           | -                   | (8,528,605)         |
| Net Capital Assets Depreciated                         | 5,823,097           | (273,242)           | -                   | 5,702,418           |
| Total Net Capital Assets -<br>Business-Type Activities | <u>\$ 6,132,985</u> | <u>\$ (189,517)</u> | <u>\$ (152,563)</u> | <u>\$ 5,943,468</u> |
|  | <b>Balance</b>      |                     |                     | <b>Balance</b>      |
| <b>June 30, 2023</b>                                   | <b>2022</b>         | <b>Increase</b>     | <b>Adjustments</b>  | <b>2023</b>         |
| Business-Type Activities                               |                     |                     |                     |                     |
| Capital Assets not Being Depreciated:                  |                     |                     |                     |                     |
| Land   | \$ 157,325          | \$ -                | \$ -                | \$ 157,325          |
| Construction in Progress                               | 441,543             | 183,726             | (472,706)           | 152,563             |
| Total Capital Assets not Depreciated                   | 598,868             | 183,726             | (472,706)           | 309,888             |
| Capital Assets Depreciated:                            |                     |                     |                     |                     |
| Plant  | 11,638,465          | -                   | 114,311             | 11,752,776          |
| Equipment  | 1,333,308           | -                   | 73,909              | 1,407,217           |
| Structure  | 481,489             | -                   | 276,170             | 757,659             |
| Vehicles   | 142,113             | -                   | 8,315               | 150,428             |
| Total Capital Assets Depreciated                       | 13,595,375          | -                   | 472,705             | 14,068,080          |
| Less Accumulated Depreciation                          | (7,977,599)         | (267,384)           | -                   | (8,244,983)         |
| Net Capital Assets Depreciated                         | 5,617,776           | (267,384)           | 472,705             | 5,823,097           |
| Total Net Capital Assets -<br>Business-Type Activities | <u>\$ 6,216,644</u> | <u>\$ (83,658)</u>  | <u>\$ (1)</u>       | <u>\$ 6,132,985</u> |

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 6 - CAPITAL ASSETS (Continued)**

Depreciation was charged to functions/programs of the primary government as follows:

| Business-Type Activity | Water      |            |
|------------------------|------------|------------|
|                        | 2024       | 2023       |
| Depreciation Expense   | \$ 283,622 | \$ 267,384 |
| Total                  | \$ 283,622 | \$ 267,384 |

**NOTE 7 – LONG TERM DEBT**

The District secured financing with board approval on July 17, 2006 in the amount of \$1,500,000 for the improvements for the water treatment plant. Repayment will be made to the Municipal Finance Corporation in semi-annual payments of \$59,503 including interest at 4.95% through 2026. Note is secured by all net revenues.

The annual debt service requirements of the Notes payable are as follows:

| <u>Year Ending June 30,</u> | Muni       |           |
|-----------------------------|------------|-----------|
|                             | Principal  | Interest  |
| 2025                        | 106,615    | 12,390    |
| 2025-2027                   | 170,025    | 8,486     |
| Total                       | \$ 276,640 | \$ 20,876 |

The following is a summary of changes in the District's long-term debt and other long-term liabilities during the year ended June 30, 2024 and 2023:

| <u>June 30, 2024</u>        | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|-----------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Business-Type Activities    |                              |                  |                   |                           |                                |
| Loans Payable               | \$ 378,168                   | \$ -             | \$ 101,528        | \$ 276,640                | \$ 106,615                     |
| Compensated Absences        | 95,075                       | 14,574           | -                 | 109,649                   | 10,965                         |
| Total Long-Term Liabilities | \$ 473,243                   | \$ 14,574        | \$ 101,528        | \$ 386,289                | \$ 117,580                     |

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024 and 2023**

**NOTE 7 – LONG TERM DEBT (Continued)**

| <u>June 30, 2023</u>        | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|-----------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Business-Type Activities    |                              |                  |                   |                           |                                |
| Loans Payable               | \$ 474,850                   | \$ -             | \$ 96,682         | \$ 378,168                | \$ 101,527                     |
| Compensated Absences        | 76,472                       | 18,603           | -                 | 95,075                    | 9,507                          |
| Total Long-Term Liabilities | <u>\$ 551,322</u>            | <u>\$ 18,603</u> | <u>\$ 96,682</u>  | <u>\$ 473,243</u>         | <u>\$ 111,034</u>              |

**NOTE 8 - OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss to torts; theft of, damage of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District joined together with other Special District's for insurance coverage under Special District Risk Management Authority (SDRMA). The District pays an annual premium to SDRMA for its general insurance coverage.

The District continues to carry commercial insurance for all other risks of loss, including workers' compensation, and employee health and accident insurance.

**B. Commitments and Contingencies**

The District has received various grants subject to audit by the grantor agencies. Any liability for reimbursement that may arise as a result is believed to be immaterial by management.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 9 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**

**DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan**

The District provides eligible employee's pension plans benefits through the Lake Don Pedro Community Services District – Miscellaneous Plan (The Plan).

*Plan Description, Benefits Provided and Employees Covered*

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2022 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2022 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

*Contribution Description*

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 the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees. The CalPERS Annual Valuation Report as of June 30, 2021, reported 2023/24, required the following:

| <u>Plan</u>        | <u>Employer<br/>Normal Cost<br/>Rate</u> | <u>Employer<br/>Payment of<br/>Unfunded<br/>Liability</u> | <u>Employee<br/>Contribution</u> |
|--------------------|--|---|----------------------------------|
| Miscellaneous Plan | 10.87%                                   | \$ 32,280   | 6.93%                            |
| PEPRA Misc Plan    | 8.00%                                    | \$ -  | 8.25%                            |

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024 and 2023**

**NOTE 9 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (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, 2021. The collection total pension liability was based on the following assumptions:

|                                  |  |
|----------------------------------|--|
| Actuarial Cost Method            | Entry Age Normal in accordance with the requirements of GASB Statement No. 68                            |
| Actuarial Assumptions            |  |
| Discount Rate                    | 6.90%  |
| Inflation                        | 2.30%  |
| Salary Increases                 | Varies by Entry Age and Service  |
| Mortality Rate Table             | Delivered using CalPERS' Membership Data for all Funds   |
| Post Retirement Benefit Increase | Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, |

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely results in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

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

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 9 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT  
PENSION PLAN) (Continued)**

**DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)**

| <u>Asset Class</u>              | <u>New<br/>Strategic<br/>Allocation</u> | <u>Real Return<br/>Years 1 - 10</u> |
|---------------------------------|---|-------------------------------------|
| Global Equity- cap-weighted     | 30.0%                                   | 4.54%                               |
| Global Equity- non-cap-weighted | 12.00                                   | 3.84                                |
| Private Equity                  | 13.00                                   | 7.28                                |
| Treasury                        | 5.00                                    | 0.27                                |
| Mortgage-backed Securities      | 5.00                                    | 0.50                                |
| Investment Grade Corporates     | 10.00                                   | 1.56                                |
| High Yield                      | 5.00                                    | 2.27                                |
| Emerging Market Debt            | 5.00                                    | 2.48                                |
| Private Debt                    | 5.00                                    | 3.57                                |
| Real Assets                     | 15.00                                   | 3.21                                |
| Leverage                        | -5.00                                   | -0.59                               |

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

|                             | <b>Plan Total<br/>Pension<br/>Liability<br/>(a)</b> | <b>Plan<br/>Fiduciary<br/>Net Position<br/>(b)</b> | <b>Plan Net<br/>Pension<br/>Liability/(Asset)<br/>(c) = (a) - (b)</b> |
|-----------------------------|---|--|---|
| Balance at : 6/30/2022 (MD) | \$ 2,256,078  | \$ 2,013,285                                       | \$ 242,793  |
| Balance at : 6/30/2023 (MD) | \$ 2,458,245  | \$ 1,891,529                                       | \$ 566,716  |
| Net Changes during 2022/23  | \$ 202,167  | \$ (121,756)                                       | \$ 323,923  |

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:



**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 9 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)**

|   | <u>Discount Rate - 1%</u><br><u>(5.90%)</u> | <u>Current Discount Rate (6.90%)</u> | <u>Discount Rate + 1%</u><br><u>(7.90%)</u> |
|---|---|--------------------------------------|---|
| Plan's Net Pension Liability/(Asset) - FY24 | \$ 899,183                                  | \$ 566,716                           | \$ 293,067                                  |
|   | <u>Discount Rate - 1%</u><br><u>(6.15%)</u> | <u>Current Discount Rate (7.15%)</u> | <u>Discount Rate + 1%</u><br><u>(8.15%)</u> |
| Plan's Net Pension Liability/(Asset) - FY23 | \$ 550,337                                  | \$ 242,793                           | \$ (10,239)                                 |

**PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS**

For the fiscal years ending June 30, 2024 and 2023, pension expense is as follows:

|   | <u>2024</u>       | <u>2023</u>      |
|---|-------------------|------------------|
| Service Cost  | \$ 59,504         | \$ 25,517        |
| Interest on Total Pension Liability   | 167,991           | 72,659           |
| Changes of Benefits Terms   | 20                | 193              |
| Recognize Changes of Assumptions  | 20,127            | 9,215            |
| Recognize difference between Expected and Actual Experience                 | 13,428            | 4,963            |
| Net Plan to Plan Resource Movement  | (2)               | 434              |
| Contributions   | (47,497)          | (10,852)         |
| Projected Earnings on Pension Plan Investment                               | (130,589)         | (64,760)         |
| Recognize difference between Project and Actual Earnings on Plan Investment | 18,547            | 5,527            |
| Administrative Expenses   | 1,389             | 591              |
| Other Miscellaneous Income  | -                 | -                |
| Pension Expense   | <u>\$ 102,918</u> | <u>\$ 43,487</u> |

For the measurement period ended June 30, 2023 (the measurement date), the Lake Don Pedro Community Services District incurred a pension expense/(income) of \$102,898 for the Plan (the pension expense for risk pool for the measurement period is \$1,097,008,923).

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 9 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)**

**DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)**

As of June 30, 2024, and 2023, Lake Don Pedro Community Services District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

|   | <u>Deferred Outflows<br/>of Resources -<br/>FY24</u> | <u>Deferred Inflows<br/>of Resources -<br/>FY24</u> | <u>Deferred<br/>Inflows/(Outflows)<br/>of Resources - FY23<br/>Net</u> |
|---|--|---|--|
| Changes of Assumptions<br>Difference between Expected<br>and Actual Experience        | \$ 34,215  | \$ -  | \$ 24,879  |
| Difference between Projected and<br>and Actual Investment                             | 28,951   | 4,491   | 1,610  |
| Difference between Employer's Contribution<br>and Proportionate Share of Contribution | 91,756   | -   | 44,473   |
| Changes in Employer's Proportion  | -  | 59,112  | (71,145)   |
| Pension Contribution Made Subsequent<br>to Measurement Date                           | 188,056  | 357,530   | (474,369)  |
|   | <u>47,497</u>  | <u>-</u>  | <u>48,431</u>  |
| <b>Total</b>  | <u><u>\$ 390,475</u></u>                             | <u><u>\$ 421,133</u></u>                            | <u><u>\$ (426,121)</u></u>   |

Amounts reported as deferred outflows of resources related to pensions will be recognized in future pension expense as follows:

| <u>Measurement Period<br/>Ended June 30,</u> | <u>Deferred<br/>Outflows/(Inflows)<br/>of Resources - FY24</u> | <u>Deferred<br/>Outflows/(Inflows)<br/>of Resources - FY23</u> |
|--|--|--|
| 2024   | \$ -   | \$ (160,829)   |
| 2025   | (94,030)   | (170,829)  |
| 2026   | (73,586)   | (141,460)  |
| 2027   | 115,326  | 36,887   |
| 2028   | 12,132   | 9,687  |
| 2029   | 9,499  | -  |
| Thereafter                                   | -  | -  |

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The District implemented GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans* in FYE 2023. The District provides certain health care benefits which are recognized as an expenditure of health care premiums paid.

Significant Actuarial Assumptions Used for Total OPEB Liability:

|   |  |
|---|--|
| Actuarial Assumption                              | June 30, 2021 Measurement Date   |
| Actuarial Valuation Date                          | June 30, 2020  |
| Contribution Policy                               | No pre-funding   |
| Discount Rate                                     | 2.16% at June 30, 2021, 3.50% at June 30, 2020   |
| General Inflation                                 | 2.50% annually   |
| Mortality, Retirement,<br>Disability, Termination | CalPERS 1997-2015 Experience Study   |
| Mortality Improvement                             | Post-retirement mortality projected fully generational with Scale MP-2021  |
| Salary Increases                                  | <b>Aggregate</b> - 2.75% Annually. <b>Merit</b> - Tables from CalPERS 1997-2015 Experience Study   |
| Medical Trend                                     | Non-Medicare - 7.5% fro 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years.<br>Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 and later years. |
| Medical Participation at Retirement               | 100%   |
| Medical Plan at Retirement                        | Currently covered - Same as current election<br>Currently waived - n/a   |

Sensitivity of the Net OPEB Liability to changes in the Trend rate – The following presents the District’s Net OPEB Liability if it were calculate using a trend table that is 1% point lower or 1% point higher than the current rate:

Net estimated OPEB Liability as of June 30, 2023 measurement date is \$1,887,871.

Net estimated OPEB Liability as of June 30, 2022 measurement date is \$1,803,182.

Sensitivity of Total estimated OPEB Liability: Changes in the Discount Rate

|                      | <u>1% Decrease<br/>(1.16%)</u> | <u>Current Rate<br/>(2.16%)</u> | <u>1% Increase<br/>(2.16%)</u> |
|----------------------|--------------------------------|---------------------------------|--------------------------------|
| Total OPEB Liability | \$ 2,006,163                   | \$ 1,887,871                    | \$ 1,380,247                   |

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

Changes in the Healthcare Trend Rate

|                      | 1% Decrease  | Current Trend | 1% Increase  |
|----------------------|--------------|---------------|--------------|
| Total OPEB Liability | \$ 1,309,591 | \$ 1,887,871  | \$ 2,133,529 |

Schedule of estimated OPEB Expenses for Fiscal Year Ended June 30, 2023:

| Changes in Total OPEB Liability |              |
|---------------------------------|--------------|
| Balances at 6/30/2022           | \$ 1,803,182 |
| Changes for the year            |              |
| Service Cost                    | 84,689       |
| Interest                        | -            |
| Benefit changes                 | -            |
| Actual vs. expected experience  | -            |
| Assumption changes              | -            |
| Benefit payments                | -            |
| Net Changes                     | 84,689       |
| Balance at 6/30/2022            | \$ 1,887,871 |

Deferred Inflows/Outflows of Resources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between Expected and Actual Experience         | \$ -                              | \$ -                             |
| Changes of Assumptions                                    | 148,073                           | 23,055                           |
| Employer Contribution Made Subsequent to Measurement Date | -                                 | -                                |
| Total   | \$ 148,073                        | \$ 23,055                        |

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024 and 2023**

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

| Fiscal Year<br>Ended June 30 | Deferred Outflow<br>(Inflows) of Resources |
|------------------------------|--|
| 2025                         | \$ 25,004                                  |
| 2026                         | 25,004                                     |
| 2027                         | 25,004                                     |
| 2028                         | 25,003                                     |
| Thereafter                   | 25,003                                     |
| Total                        | \$ 125,018                                 |

The OPEB actuarial valuation was not provided as of the financial statement audit date. Therefore, the amounts for OPEB liability was estimated based on actuarial report provided three years ago. The actual results may be different than the estimated amounts.

**NOTE 11 – SUBSEQUENT EVENTS**

The District has evaluated subsequent to June 30, 2024, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through November 29, 2023, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that, no subsequent events occurred that require recognition or additional disclosures in the financial statements.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT  
 Schedule of Required Supplementary Information- Pension Plan  
 For the Years Ended June 30,  
 Last 10 Years\*

Schedule of the Plan's Proportionate Share of the Net Pension Liability

|   | 2024       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Plan's Proportion of the Net Pension Liability/(Asset)  | 0.00320%   | 0.00145%   | 0.02346%   | 0.00932%   | 0.00913%   | 0.00228%   | 0.00313%   | 0.00563%   | 0.001%     |
| Plan's Proportionate Share of the Net Pension Liability/(Asset)   | \$ 566,716 | \$ 242,793 | \$ 445,366 | \$ 392,987 | \$ 365,609 | \$ 293,903 | \$ 310,692 | \$ 195,610 | \$ 131,415 |
| Plan's Covered-Employee Payroll   | \$ 441,462 | \$ 375,773 | \$ 305,629 | \$ 294,170 | \$ 187,310 | \$ 174,303 | \$ 191,364 | \$ 165,150 | \$ 77,723  |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll | 77.90%     | 154.77%    | 68.62%     | 74.85%     | 51.23%     | 59.31%     | 61.59%     | 84.43%     | 55.03%     |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability  | 76.95%     | 89.24%     | 78.32%     | 79.76%     | 79.43%     | 81.91%     | 73.31%     | 84.80%     | 88.70%     |
| Plan's Proportionate Share of Aggregate Employer Contributions  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |

Schedule of Plan Contributions

|  | 2024       | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Actuarially Determined Contribution                                  | \$ 31,235  | \$ 33,453  | \$ 33,321  | \$ 42,848  | \$ 30,373  | \$ 29,653  | \$ 23,815  | \$ 21,388  | \$ 18,621  |
| Contributions in Relation to the Actuarially Determined Contribution | (31,235)   | (33,453)   | (33,321)   | (42,848)   | (30,373)   | (29,653)   | (23,815)   | (21,388)   | (18,621)   |
| Contribution Deficiency (Excess)                                     | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Covered-Employee Payroll   | \$ 506,913 | \$ 441,462 | \$ 321,901 | \$ 305,629 | \$ 294,170 | \$ 187,310 | \$ 174,303 | \$ 191,364 | \$ 165,150 |
| Contributions as a Percentage of Covered-Employee Payroll            | 6.16%      | 7.58%      | 10.35%     | 14.02%     | 10.32%     | 15.83%     | 13.66%     | 11.18%     | 11.28%     |

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2022 as they have minimal cost impact.

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.