

**HIDDEN VALLEY LAKE  
COMMUNITY SERVICES DISTRICT,  
CALIFORNIA**

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2024**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Annual Financial Report**  
**For the Year Ended June 30, 2024**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**List of Officials**

**For the Year Ended June 30, 2024**

**Board of Directors**

Sean Millerick	President
Jim Freeman	Vice President
Jim Lieberman	Director
Gary Graves	Director
Matt Metcalf	Director

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## **FINANCIAL SECTION**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Fund Financial Statements**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Hidden Valley Lake Community Services District  
Hidden Valley Lake, California

**Report on the Audit of the Financial Statements****Opinions**

We have audited the accompanying financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District, California (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position, and cash flows thereof for the year 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 standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 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 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.

To the Board of Directors  
Hidden Valley Lake Community Services District  
Hidden Valley Lake, California

### **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 and Government 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 and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

To the Board of Directors  
Hidden Valley Lake Community Services District  
Hidden Valley Lake, California

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

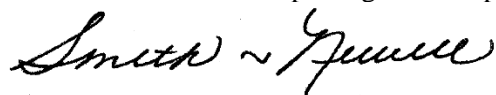
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and combining fund financial statements but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Smith & Newell CPAs  
Yuba City, California  
December 3, 2024

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**Management's Discussion and Analysis  
(Unaudited)**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Introduction**

The following Management’s Discussion and Analysis (MD&A) provides an overview of the Hidden Valley Lake Community Services District’s (District) financial activities and performance for the fiscal year ended June 30, 2024.

This MD&A will (1) focus on significant financial issues, (2) provide an overview of the District’s financial activity, (3) identify changes in the District’s financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity. Readers are encouraged to consider the information presented here in conjunction with the Annual Financial Statements.

This information is intended to provide a comprehensive understanding of the District’s operations and financial standing. The annual report consists of a series of basic financial statements and notes on those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

**Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2024, were as follows:

- The Statement of Net Position indicates that total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$7,121,461. Unrestricted net position represents \$3,394,469 and net investment in capital assets had a change of \$2,188,265 over 2023. The remaining restricted amounts for debt Service are \$1,263,177 and \$2,803,135 for capital facilities.
- Total net position increased \$2,762,300 63% in fiscal year 2023/24 compared to a 35% increase, in fiscal year 2022/23.
- Total assets increased 70% from \$11,730,132 in fiscal year 2022/23 to \$19,938,669 mainly due to the capital improvement projects of water tanks, two generators, multiple pump replacements and installation of an additional 655 new automated water meters and remaining inventory.
- The District recorded deferred outflows of resources at \$1,005,818 a decrease of \$17,636 (2%) and deferred inflows of resources at \$882,076, a decrease of \$141,032 (14%), which record the different components required by GASB 68 and GASB 75 for pension and OPEB accounting and reporting. Deferred outflows of resources are technically not assets but increase net position similar to an asset and deferred inflows of resources are technically not liabilities but decrease net position similar to liabilities. See Note 1N on page 22 in the “Notes to Basic Financial Statements” for a definition of deferred outflows and inflows of resources.
- Total liabilities increased 76% from \$7,371,317 in fiscal year 2022/23 to \$12,940,950 in fiscal year 2023/24. Current liabilities increased by \$290,648 from \$575,212 to \$865,860 mainly due to accounts payable. Non-current liabilities increased \$5,275,985 from \$6,796,105 to \$12,075,090 mainly due to the purchase of the Water Revenue Bond 2023A.
- Total operating revenues increased by \$620,252 (11%) in line with the projections of the 5-year NBS rate study.
- Total operating expenses increased by \$270,979 (6%) from fiscal year 2022/23.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Overview of the Financial Statements**

The financial section of this report consists of six parts.

- Independent Auditor's Report
- Management’s Discussion and Analysis (Unaudited)
- Basic Financial Statements, which include Government-Wide Financial Statements and Fund Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information (Unaudited)
- Supplementary Information, which includes Combining Fund Statements

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the District, presenting an aggregate view of the District’s finances. The basic financial statements also include notes explaining pertinent information in the financial statements and provide more detailed data.

The Basic Financial Statements for the District are presented as "Government-Wide" and Proprietary or Enterprise fund financial statements. The chart below provides an overview of the major features of the financial statements.

<b>Chart A</b>		
<b>Major Features of Hidden Valley Lake Community Services District Government-wide and Fund Financial Statements</b>		
	<u>Government-Wide Statements</u>	<u>Fund Statements</u> <u>Proprietary Funds</u>
<b>Scope</b>	Entire District government	Activities the District water and wastewater systems operated similar to private businesses.
<b>Required financial statements</b>	Statement of net position  Statement of activities	Statement of net position  Statement of revenues expenses, and changes in net position  Statement of cash flows
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**Financial Statements and Notes**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

A "fund" is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

The District has two proprietary funds: Sewer Operations and Water Operations. Proprietary funds distinguish operating revenues and expenses from non-operating items.

The notes provide additional information that is essential to fully understanding the data provided in the financial statements. Below are summaries and comparisons of the fund financial statements.

**Net Position**

**Table 1  
Summary of Net Position  
June 30, 2024 and 2023**

	<b>Enterprise Funds</b>			
	<b>2024</b>	<b>2023</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Assets</b>				
Current and other assets	\$ 11,504,639	\$ 5,598,497	\$ 5,906,142	105%
Non current assets	8,434,030	6,131,635	2,302,395	38%
Total Assets	<u>19,938,669</u>	<u>11,730,132</u>	<u>8,208,537</u>	<u>70%</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension adjustments	813,172	804,304	8,868	1%
Deferred OPEB adjustments	192,646	219,150	(26,504)	-12%
Total Deferred Outflows of Resources	<u>1,005,818</u>	<u>1,023,454</u>	<u>(17,636)</u>	<u>-2%</u>
<b>Liabilities</b>				
Current liabilities	865,860	575,212	290,648	51%
Noncurrent liabilities	12,075,090	6,796,105	5,278,985	78%
Total Liabilities	<u>12,940,950</u>	<u>7,371,317</u>	<u>5,569,633</u>	<u>76%</u>
<b>Deferred Inflows of Resources</b>				
Deferred pension adjustments	88,128	124,364	(36,236)	-29%
Deferred OPEB adjustments	793,948	898,744	(104,796)	-12%
Total Deferred Inflows of Resources	<u>882,076</u>	<u>1,023,108</u>	<u>(141,032)</u>	<u>-14%</u>
<b>Net Position</b>				
Net investment in capital assets Restricted	(339,320)	1,848,945	(2,188,265)	-118%
Debt Service	1,263,177	1,029,901	233,276	23%
Capital Facilities	2,803,135	1,865,235	937,900	50%
Unrestricted	3,394,469	(384,920)	3,779,389	-982%
Total Net Position	<u>\$ 7,121,461</u>	<u>\$ 4,359,161</u>	<u>\$ 2,762,300</u>	<u>63%</u>

Net position increased by \$2,762,300 (63%) in fiscal year 2023/24 as described below:

- Total assets increased by \$8,208,537 (70%) due to ongoing water supply infrastructure improvements of automated water meters, water tanks, generators and vehicle purchases.
- Deferred outflows of resources decreased by \$17,636. Deferred Pension had a slight increase over 2023 of \$8,868 while Deferred OPEB adjustments decreased by \$26,504.
- Current liabilities (obligations due within 12 months) increased by \$290,648 (47%) due to accounts payables.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

- Non-current (long-term) liabilities increased by \$5,278,985 (78%). Due to the purchase of the \$5M Water Bond 2023A necessary to fund the Reliable Water Supply (RWS) Capital Improvement Projects (CIP) listed in the first bullet point. Long-term liabilities are reduced each year as each series on the outstanding debt principal amounts are paid back to the bondholders. Additional information can be found starting on page 28, Note 6 Long-Term Liabilities.
- There was a decrease of \$141,032 (14%) in deferred inflows or resources. See Note 9 Pension Plan and Note 10 Other Postemployment Benefits (OPEB) pages 32 – 39.
- The largest portion of the District's net position reflects its investment in capital assets (e.g. land, sewer and water lines and improvements, buildings, machinery, equipment, vehicles) net of outstanding debt. The District uses these capital assets to provide services for the residents and businesses in its service area.
- Although the District's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used or sold to liquidate District liabilities. The remaining balance of the unrestricted net position may be used to meet the District's ongoing obligations to its customers and creditors. The net position also included restricted assets required by various debt agreements restricting revenues pledged to repay debt and restricted assets for capital facilities.

**Revenues, Expenses, and Change in Net Position Statement Analysis**

Table 2  
Summary of Changes in Net Position  
Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Years Ended June 30, 2024 and 2023

	Enterprise Funds			
	2024	2023	Dollar	Percent
<b>Operating Revenues</b>				
Charges for Services	\$ 5,432,027	\$ 5,016,402	\$ 415,625	8%
Assessments	263,012	258,177	4,835	2%
Permits and Inspections	21,807	47,565	(25,758)	-54%
Miscellaneous	406,338	180,788	225,550	125%
Total Operating Revenues	<u>6,123,184</u>	<u>5,502,932</u>	<u>620,252</u>	<u>11%</u>
<b>Operating Expenses</b>				
Sewer	2,454,907	2,278,135	176,772	8%
Water	2,614,531	2,513,898	100,633	4%
Flood	209	6,635	(6,426)	-97%
Total Operating Expenses	<u>5,069,647</u>	<u>4,798,668</u>	<u>270,979</u>	<u>6%</u>
Operating Income (Loss)	<u>1,053,537</u>	<u>704,264</u>	<u>349,273</u>	<u>50%</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income	112,827	21,371	91,456	428%
Intergovernmental	1,840,914	527,463	1,313,451	249%
Gain on sale of assets	-	16,098	(16,098)	-100%
Debt Interest	(290,121)	(142,756)	(147,365)	103%
Costs of Issuance	(200,127)	-	(200,127)	100%
Total Non-Operating Revenues (Expenses)	<u>1,463,493</u>	<u>422,176</u>	<u>1,041,317</u>	<u>247%</u>
<b>Income (Loss) Before Transfers</b>	2,517,030	1,126,440	1,390,590	123%
Transfers In	209	6,635	(6,426)	-97%
Transfers Out	(209)	(6,635)	6,426	100%
<b>Change in Net Position</b>	2,517,030	1,126,440	1,390,590	123%
<b>Net Position - Beginning of Year</b>	4,359,161	3,232,721	1,126,440	35%
Prior Period Adjustment	245,270	-	245,270	100%
<b>Net Position - End of Year</b>	<u>\$ 7,121,461</u>	<u>\$ 4,359,161</u>	<u>\$ 2,762,300</u>	<u>63%</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

The statement of revenues, expenses, and changes in net position reflects the District's operating and non-operating revenues by major sources, operating and non-operating expenses by categories and capital contributions.

The District's \$2,772,565 (64%) change in net position during fiscal year 2023/24 was characterized as follows:

- Total operating revenues increased by \$620,252 (11%) mainly due to increases in the Sewer and Water service charges allocated for future Capital Projects. Assessments collected from the County of Lake to repay the Sewer Bond. Permits and Inspection revenues decreased for the second year in a row due to the halt in housing construction.
- Inflation was a driving factor in the 6% increase in operating expenses.
- Non-operating revenues increased 247% mainly due to the Intergovernmental revenues provided by FEMA on multiple projects.

**Capital Asset Administration**

**Table 3  
Capital Assets (Net of Depreciation)  
June 30, 2024 and 2023**

	<b>Business-Type Activities</b>			
	<b>2024</b>	<b>2023</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Land (not depreciated)	\$ 607,918	\$ 607,918	\$ -	0%
Construction in progress	2,362,236	-	2,362,236	100%
Structures and improvements	1,579,134	1,687,715	(108,581)	-6%
Equipment, vehicles and machinery	970,434	693,695	276,739	40%
Right to use leased equipment	4,573	8,493	(3,920)	0%
Infrastructure	2,928,671	3,014,014	(85,343)	-3%
<b>Total</b>	<b>\$ 8,452,966</b>	<b>\$ 6,011,835</b>	<b>\$ 2,441,131</b>	<b>41%</b>

The District’s net capital assets increased 41% from \$6,011,835 to \$8,452,966 for the year ended June 30, 2024. The total increase of \$2,441,131 is due to water infrastructure replacements. Details of the capital asset activities can be found on page 27, Note 4.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Debt Administration**

**Table 4  
Outstanding Long-Term Liabilities and Debt (net of debt discounts/premiums)  
June 30, 2024 and 2023**

	<b>Business-Type Activities</b>			
	<b>2024</b>	<b>2023</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Liabilities</b>				
Compensated Absences	\$ 36,174	\$ 37,464	\$ (1,290)	-3%
<b>Total Liabilities</b>	<b>36,174</b>	<b>37,464</b>	<b>(1,290)</b>	<b>-3%</b>
<b>Debt</b>				
Bonds	7,200,151	2,426,371	4,773,780	197%
Loans	1,141,551	1,263,511	(121,960)	-10%
Certificates of Participation	446,000	464,500	(18,500)	-4%
Leases	4,584	8,508	(3,924)	0%
<b>Total Debt</b>	<b>8,792,286</b>	<b>4,162,890</b>	<b>4,629,396</b>	<b>111%</b>
<b>Total Long-Term Liabilities and Debt</b>	<b>\$ 8,828,460</b>	<b>\$ 4,200,354</b>	<b>\$ 4,628,106</b>	<b>110%</b>

The District’s long-term debt funds the infrastructure of water lines, sewer lines, pump stations and processing plant. At the year end June 30, 2024, the long-term debt increased 110% from \$4,200,354 to \$8,828,460 due to the \$5M Water Revenue Bond 2023A that will fund multiple capital improvement projects including tank replacements, generators and the installation of residential automated water meters. Details of the debt outstanding can be found on page 28, Note 6.

**Economic Factors and Next Year’s Budget**

By making water reliability a priority, two key milestones of fiscal year 23/24 continue to keep improvements on track: (1) Federal Grant funding for infrastructure improvements, and (2) the Water Revenue Bond. This significant financial assistance helps to keep the cost of service reasonable for ratepayers. This trend is expected to continue through available funding at both the state and federal level. The economic impact has been substantial pertaining to capital project expenses the past few years. In January 2025 the district will embark in a rate study process for implementation on July 1, 2025. Rate studies are imperative to the financial stability of the District and fairness to ratepayers.

**Requests for Information**

This financial report is designed to provide ratepayers, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Dennis White, General Manager, Hidden Valley Lake Community Services District, 19400 Hartmann Road, Hidden Valley Lake, CA 95467, 707-987-9201, [dwhite@hvlcsd.org](mailto:dwhite@hvlcsd.org).

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

	<u>Business-Type Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 5,254,508
Investments with fiscal agent	3,687,524
Receivables:	
Accounts (net of allowance)	665,497
Assessments	52,330
Delinquent assessments	318,867
Interest	7,559
Intergovernmental	1,046,252
Prepaid costs	88,830
Inventory	304,698
Restricted cash and investments	59,638
Capital assets:	
Non-depreciable	2,970,154
Depreciable, net	5,482,812
Total capital assets	<u>8,452,966</u>
<b>Total Assets</b>	<u>19,938,669</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension adjustments	813,172
Deferred OPEB adjustments	<u>192,646</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,005,818</u>
<b>LIABILITIES</b>	
Accounts payable	607,325
Salaries and benefits payable	30,197
Retention payable	78,574
Interest payable	149,764
Long-term liabilities:	
Due within one year	412,377
Due in more than one year	8,416,083
Net pension liability	2,016,426
Net OPEB liability	<u>1,230,204</u>
<b>Total Liabilities</b>	<u>12,940,950</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension adjustments	88,128
Deferred OPEB adjustments	<u>793,948</u>
<b>Total Deferred Inflows of Resources</b>	<u>882,076</u>
<b>NET POSITION</b>	
Net investment in capital assets	(339,320)
Restricted for debt service	1,263,177
Restricted for capital facilities	2,803,135
Unrestricted	<u>3,394,469</u>
<b>Total Net Position</b>	<u>\$ 7,121,461</u>

The notes to the basic financial statements are an integral part of this statement.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Statement of Activities  
For the Year Ended June 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Total Business-Type Activities</u>
<b>Functions/Programs:</b>					
Business-type activities:					
Sewer	\$ 2,547,675	\$ 2,175,352	\$ 2,103,926	\$ -	\$ 1,731,603
Water	3,012,011	3,278,482	-	-	266,471
Flood control	209	-	-	-	(209)
<b>Total Business-Type Activities</b>	<u>5,559,895</u>	<u>5,453,834</u>	<u>2,103,926</u>	<u>-</u>	<u>1,997,865</u>
<b>Total</b>	<u>\$ 5,559,895</u>	<u>\$ 5,453,834</u>	<u>\$ 2,103,926</u>	<u>\$ -</u>	<u>1,997,865</u>
<b>General revenues:</b>					
Interest and investment earnings					112,827
Miscellaneous					406,338
<b>Total General Revenues</b>					<u>519,165</u>
<b>Change in Net Position</b>					<u>2,517,030</u>
<b>Net Position - Beginning</b>					4,359,161
Prior period adjustment					245,270
<b>Net Position - Beginning, Restated</b>					<u>4,604,431</u>
<b>Net Position - Ending</b>					<u>\$ 7,121,461</u>

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2024**

	<b>Major Funds</b>		<b>Nonmajor</b>	<b>Totals</b>
	<b>Sewer Operations</b>	<b>Water Operations</b>	<b>Flood Control</b>	
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 1,799,317	\$ 3,455,191	\$ -	\$ 5,254,508
Investments with fiscal agent	150,396	3,537,128	-	3,687,524
Receivables:				
Accounts (net of allowance)	222,784	442,713	-	665,497
Assessments	52,330	-	-	52,330
Interest	3,867	3,692	-	7,559
Intergovernmental	-	1,046,252	-	1,046,252
Prepaid costs	44,415	44,415	-	88,830
Inventory	19,315	285,383	-	304,698
<b>Total Current Assets</b>	<b>2,292,424</b>	<b>8,814,774</b>	<b>-</b>	<b>11,107,198</b>
Noncurrent Assets:				
Restricted cash and investments	-	59,638	-	59,638
Delinquent assessments receivable	318,867	-	-	318,867
Capital assets:				
Non-depreciable	585,464	2,384,690	-	2,970,154
Depreciable, net	2,095,268	3,387,544	-	5,482,812
Total capital assets	<u>2,680,732</u>	<u>5,772,234</u>	<u>-</u>	<u>8,452,966</u>
<b>Total Noncurrent Assets</b>	<b>2,999,599</b>	<b>5,831,872</b>	<b>-</b>	<b>8,831,471</b>
<b>Total Assets</b>	<b>5,292,023</b>	<b>14,646,646</b>	<b>-</b>	<b>19,938,669</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension adjustments	406,586	406,586	-	813,172
Deferred OPEB adjustments	96,323	96,323	-	192,646
<b>Total Deferred Outflows of Resources</b>	<b>502,909</b>	<b>502,909</b>	<b>-</b>	<b>1,005,818</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	57,572	549,753	-	607,325
Salaries and benefits payable	15,011	15,186	-	30,197
Retention payable	-	78,574	-	78,574
Interest payable	30,489	119,275	-	149,764
Compensated absences	14,182	14,182	-	28,364
Right-to-use lease payable	1,962	1,962	-	3,924
Bonds payable	215,263	19,622	-	234,885
Loans payable	-	126,204	-	126,204
Certificates of participation	19,000	-	-	19,000
<b>Total Current Liabilities</b>	<b>353,479</b>	<b>924,758</b>	<b>-</b>	<b>1,278,237</b>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2024**

	<b>Major Funds</b>		<b>Nonmajor</b>	<b>Totals</b>
	<b>Sewer Operations</b>	<b>Water Operations</b>	<b>Flood Control</b>	
<b>LIABILITIES (CONTINUED)</b>				
Noncurrent Liabilities:				
Compensated absences	3,905	3,905	-	7,810
Right-to-use lease payable	330	330	-	660
Bonds payable	2,002,844	4,962,422	-	6,965,266
Loans payable	-	1,015,347	-	1,015,347
Certificates of participation	427,000	-	-	427,000
Net pension liability	1,008,213	1,008,213	-	2,016,426
Net OPEB liability	615,102	615,102	-	1,230,204
<b>Total Noncurrent Liabilities</b>	<b>4,057,394</b>	<b>7,605,319</b>	<b>-</b>	<b>11,662,713</b>
<b>Total Liabilities</b>	<b>4,410,873</b>	<b>8,530,077</b>	<b>-</b>	<b>12,940,950</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension adjustments	44,064	44,064	-	88,128
Deferred OPEB adjustments	396,974	396,974	-	793,948
<b>Total Deferred Inflows of Resources</b>	<b>441,038</b>	<b>441,038</b>	<b>-</b>	<b>882,076</b>
<b>NET POSITION</b>				
Net investment in capital assets	14,333	(353,653)	-	(339,320)
Restricted for debt service	1,076,701	186,476	-	1,263,177
Restricted for capital facilities	227,245	2,575,890	-	2,803,135
Unrestricted	(375,258)	3,769,727	-	3,394,469
<b>Total Net Position</b>	<b>\$ 943,021</b>	<b>\$ 6,178,440</b>	<b>\$ -</b>	<b>\$ 7,121,461</b>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Statement of Revenues, Expenses**

**and Changes in Net Position**

**Enterprise Funds**

**For the Year Ended June 30, 2024**

	Major Funds		Nonmajor	Totals
	Sewer Operations	Water Operations	Flood Control	
<b>OPERATING REVENUES</b>				
Assessments	\$ 263,012	\$ -	\$ -	\$ 263,012
Permits and inspections	21,807	-	-	21,807
Charges for services	2,153,545	3,278,482	-	5,432,027
Miscellaneous	324,228	82,110	-	406,338
<b>Total Operating Revenues</b>	<b>2,762,592</b>	<b>3,360,592</b>	<b>-</b>	<b>6,123,184</b>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,048,974	1,020,978	-	2,069,952
Insurance	176,289	151,289	-	327,578
Office expenses	39,791	39,768	-	79,559
Continuing education	4,371	5,645	-	10,016
Dues and subscriptions	16,400	35,060	-	51,460
Postage	8,861	9,077	-	17,938
Repairs and maintenance	237,798	223,615	-	461,413
Gas, fuel and oil	17,297	17,275	-	34,572
Supplies	83,118	8,703	-	91,821
Professional services	194,466	140,033	-	334,499
Rents and leases	2,419	6,070	-	8,489
Travel	12,831	13,433	-	26,264
Telephone	21,027	20,695	-	41,722
Power	147,088	231,454	209	378,751
Other utilities	3,608	3,608	-	7,216
Depreciation	260,672	205,399	-	466,071
Other operating	1,827	9,689	-	11,516
Office and safety equipment	4,243	4,243	-	8,486
Director's compensation	3,230	3,229	-	6,459
Environmental monitoring	53,929	14,555	-	68,484
Water conservation	-	5,219	-	5,219
Water rights	-	695	-	695
Disaster mitigation	78,664	78,664	-	157,328
Reliable water supply	-	352,665	-	352,665
Regulatory compliance	12,119	-	-	12,119
Annual operating fees	25,885	13,470	-	39,355
<b>Total Operating Expenses</b>	<b>2,454,907</b>	<b>2,614,531</b>	<b>209</b>	<b>5,069,647</b>
<b>Operating Income (Loss)</b>	<b>307,685</b>	<b>746,061</b>	<b>(209)</b>	<b>1,053,537</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	24,578	88,249	-	112,827
Intergovernmental revenues	(3,564)	1,844,478	-	1,840,914
Interest expense	(92,768)	(197,353)	-	(290,121)
Costs of issuance	-	(200,127)	-	(200,127)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(71,754)</b>	<b>1,535,247</b>	<b>-</b>	<b>1,463,493</b>
<b>Income (Loss) Before Transfers</b>	<b>235,931</b>	<b>2,281,308</b>	<b>(209)</b>	<b>2,517,030</b>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Enterprise Funds**  
**For the Year Ended June 30, 2024**

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Totals</u>
	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	
Transfers in	-	-	209	209
Transfers out	-	(209)	-	(209)
<b>Change in Net Position</b>	<u>235,931</u>	<u>2,281,099</u>	<u>-</u>	<u>2,517,030</u>
<b>Total Net Position - Beginning</b>	597,975	3,761,186	-	4,359,161
Prior period adjustment	<u>109,115</u>	<u>136,155</u>	<u>-</u>	<u>245,270</u>
<b>Total Net Position - Beginning, Restated</b>	<u>707,090</u>	<u>3,897,341</u>	<u>-</u>	<u>4,604,431</u>
<b>Total Net Position - Ending</b>	<u>\$ 943,021</u>	<u>\$ 6,178,440</u>	<u>\$ -</u>	<u>\$ 7,121,461</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Statement of Cash Flows**

**Enterprise Funds**

**For the Year Ended June 30, 2024**

	Major Funds		Nonmajor	Totals
	Sewer Operations	Water Operations	Flood Control	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 2,601,825	\$ 3,551,731	\$ -	\$ 6,153,556
Cash paid to suppliers	(1,133,881)	(873,836)	(209)	(2,007,926)
Cash paid to employees	(975,147)	(945,779)	-	(1,920,926)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>492,797</u>	<u>1,732,116</u>	<u>(209)</u>	<u>2,224,704</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grants received	(3,564)	875,725	-	872,161
Transfers in from other funds	-	(209)	-	(209)
Transfers out to other funds	-	-	209	209
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(3,564)</u>	<u>875,516</u>	<u>209</u>	<u>872,161</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(91,632)	(2,628,862)	-	(2,720,494)
Issuance of debt	-	4,781,917	-	4,781,917
Principal paid on debt	(228,725)	(123,922)	-	(352,647)
Interest paid on debt	(93,508)	(49,715)	-	(143,223)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(413,865)</u>	<u>1,979,418</u>	<u>-</u>	<u>1,565,553</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	<u>23,304</u>	<u>40,365</u>	<u>-</u>	<u>63,669</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>23,304</u>	<u>40,365</u>	<u>-</u>	<u>63,669</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>98,672</u>	<u>4,627,415</u>	<u>-</u>	<u>4,726,087</u>
<b>Balances - Beginning</b>	<u>1,851,041</u>	<u>2,424,542</u>	<u>-</u>	<u>4,275,583</u>
<b>Balances - Ending</b>	<u>\$ 1,949,713</u>	<u>\$ 7,051,957</u>	<u>\$ -</u>	<u>\$ 9,001,670</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Statement of Cash Flows**

**Enterprise Funds**

**For the Year Ended June 30, 2024**

	Major Funds		Nonmajor	Totals
	Sewer Operations	Water Operations	Flood Control	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 307,685	\$ 746,061	\$ (209)	\$ 1,053,537
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	260,672	205,399	-	466,071
Decrease (increase) in:				
Accounts receivable	8,275	191,139	-	199,414
Assessments receivable	(169,042)	(4,265)	-	(173,307)
Prepaid costs	(4,265)	4,878	-	613
Inventory	(19,315)	(4,434)	-	(23,749)
Pension adjustment - deferred outflows	(4,434)	13,252	-	8,818
OPEB adjustment - deferred outflows	13,252	-	-	13,252
Increase (decrease) in:				
Accounts payable	34,960	454,067	-	489,027
Salaries and benefits payable	1,080	2,452	-	3,532
Retention payable	-	59,638	-	59,638
Compensated absences	(645)	(645)	-	(1,290)
Net pension liability	85,564	85,564	-	171,128
Net OPEB liability	49,526	49,526	-	99,052
Pension adjustment - deferred inflows	(18,118)	(18,118)	-	(36,236)
OPEB adjustment - deferred inflows	(52,398)	(52,398)	-	(104,796)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 492,797</u>	<u>\$ 1,732,116</u>	<u>\$ (209)</u>	<u>\$ 2,224,704</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Amortization of discount	\$ 2,263	\$ 17,956	\$ -	\$ 20,219

The notes to the basic financial statements are an integral part of this statement.

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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

**A. Reporting Entity**

The Hidden Valley Lake Community Services District is a public corporation formed in 1984 under the provisions of the Community Services District Law, Division 3 of Title 6 (commencing with Section 61000) of the Government Code of the State of California. The District was formed for the purposes of providing for the collection of sewage, waste and storm water of the District and of its residents as well as the supply of water to the residents of the District. On January 1, 1993, Stonehouse Mutual Water Company merged with Hidden Valley Lake Community Services District. Stonehouse Mutual Water Company was a mutual water company which had been organized in June 1968 to provide water and sewer services to the owners of Hidden Valley Lake Association lots. The merger was approved by the shareholders with authorization to transfer all assets and liabilities to the District as of December 31, 1992, and dissolve Stonehouse Mutual Water Company. Notification was received from the Franchise Tax Board that the Certificate of Dissolution was filed as a conditional dissolution on January 21, 1993. Upon the issuance of a Tax Clearance Certificate by the Franchise Tax Board, the corporation was dissolved.

The activities of the District are governed by a Board of Directors, each of whom is elected to office for a term of four years by the registered voters of the District.

**Component Units**

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

**Joint Agencies**

The District is a member of the Special District Risk Management Authority (SDRMA). SDRMA is a joint powers authority organized for the purpose of providing coverage protection, risk management services, claims management as well as safety and loss prevention programs for its members. SDRMA is composed of member agencies and is governed by a board of directors appointed by the members. Complete audited financial statements can be obtained from SDRMA's office at 1112 I Street, Suite 300, Sacramento, CA 95814. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information on all the activities of the District. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. These statements present the business-type activities of the District, which rely to a significant extent on assessments and fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the District's business-type activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Revenues that are not classified as program revenues, are presented instead as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the District funds, which are organized into the proprietary fund type. The operations of the District are organized as a series of sub-funds consolidated into two major proprietary funds which account for the total water and sewer operations. An emphasis is placed on major funds within the proprietary category; each is displayed in a separate column.

The District reports the following major proprietary funds:

- The Sewer Operations fund is an enterprise fund used to account for activity related to providing customers with sewer service and billing for service provided by the District.
- The Water Operations fund is an enterprise fund used to account for activity related to providing customers with water service and billing for service provided by the District.

**C. Basis of Accounting and Measurement Focus**

The government-wide and 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange include revenue from grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Cash and Cash Equivalents**

For purposes of the accompanying Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased, including investments with fiscal agent, to be cash equivalents.

**E. Investments**

The District pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short-term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the District could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

**F. Receivables**

Receivables consist mainly of user fees, interest, intergovernmental, assessments, and delinquent assessments revenue. Management believes its receivables are fully collectible and accordingly, no allowance for doubtful accounts is required.

Assessments receivable are recognized when billed. Assessments receivable shown in the financial statements include only those assessments currently due or delinquent.

**G. Other Assets**

**Inventory**

Inventories are stated at average cost (first-in, first-out basis) for the proprietary funds. Inventory recorded by the proprietary funds includes meters and meter boxes and are recorded as expenses at the time the inventory is consumed.

**Prepaid Costs**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Capital Assets**

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer and similar items) are defined by the District as assets with a cost of \$1,000 or more. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are valued at their acquisition value at the time of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 to 30 years
Structures and improvements	5 to 30 years
Infrastructure	20 to 75 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**I. Assessment Revenue**

The District levies special assessments on the property owners within the District boundaries. The special assessments are collected along with property taxes by the County of Lake.

Lake County assesses properties, bills, collects, and distributes the assessments to the District.

Assessments are due in two installments (secured roll) on November 1 and March 12 and become delinquent after December 10 and April 10, respectively.

**J. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide Statement of Activities.

Reimbursements occur when the funds responsible for particular expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenses in the reimbursing fund and reductions to expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Compensated Absences**

The District's policy regarding compensated absences is to permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term liabilities in the government-wide and proprietary fund financial statements. The current portion of this debt is estimated based on historical trends.

**L. Pension**

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 2022 to June 30, 2023

**M. Other Postemployment Benefits (OPEB)**

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

**N. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

**O. Estimates**

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

**P. Implementation of Governmental Accounting Standards Board (GASB) Statements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

**Statement No. 99**, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**Statement No. 100**, Accounting Changes and Error Corrections. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

**Q. Future Accounting Pronouncements**

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

Statement No. 102 “Certain Risk Disclosures” The requirements of this statement are effective for fiscal years beginning after June 15, 2024. (FY 24/25)

Statement No. 103 “Financial Reporting Model Improvements” The requirements of this statement are effective for fiscal years beginning after June 15, 2025. (FY 25/26)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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

**A. Restatement of Net Position**

During fiscal year ended June 30, 2024, the District recorded an additional accrual for intergovernmental revenues not previously reported in the financial statements resulting in an understatement of intergovernmental receivables and revenues of \$77,499. Additionally, equipment in the amount of \$167,771 was not reported resulting in an understatement of capital assets as of June 30, 2023. The effects of correcting these errors are shown in the table below.

During fiscal year 2024, changes to or within the financial reporting entity and an error correction in adjustments to and restatements of beginning net position and fund net position, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Sewer Operations	Water Operations	Business-Type Activities
June 30, 2023, as previously reported	\$ 597,975	\$ 3,761,186	\$ 4,359,161
Error corrections of intergovernmental accrual	-	77,499	77,499
Error correction of capital assets	109,115	58,656	167,771
June 30, 2023, as restated	\$ 707,090	\$ 3,897,341	\$ 4,604,431

**NOTE 3: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2024, the District's cash and investments consisted of the following:

Cash:		
Cash on hand		\$ 600
Deposits (less outstanding checks)		<u>4,649,135</u>
Total Cash		<u>4,649,735</u>
Investments:		
Investments with fiscal agent		3,687,524
Local Agency Investment Fund (LAIF)		<u>664,411</u>
Total Investments		<u>4,351,935</u>
Total Cash and Investments		<u>\$ 9,001,670</u>

**B. Cash**

At year-end, the carrying amount of the District's cash deposits (including amounts in checking and money market accounts) was \$4,649,135, and the bank balance was \$4,843,305. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$600.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**B. Cash (Continued)**

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The District complies with the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the District's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

**C. Investments**

Investments are selected based on safety, liquidity and yield. The District's investment policy is more restrictive than the California Government Code. Under the provisions of the District's investment policy and the California Government Code, the District may invest or deposit in the following:

- Repurchase Agreements
- Local Agency Investment Fund (LAIF)
- U.S. Treasury Bonds/Notes/Bills
- U.S. Government Agency Obligations
- Bankers' Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Time Certificates of Deposit
- Reverse Repurchase Agreements

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2024, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Money market mutual funds	\$ 3,687,524	\$ 3,687,524	\$ -	\$ -
Total Investments Measured at Fair Value	3,687,524	\$ 3,687,524	\$ -	\$ -
Investments in External Investment Pool				
LAIF	664,411			
Total Investments	\$ 4,351,935			

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the District's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the District to meet all projected obligations.

As of June 30, 2024, the District had the following investments, all of which had a maturity of 5 years or less:

<u>Investment Type</u>	<u>Interest Rates</u>	<u>Maturities</u>		<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
		<u>0-1 year</u>	<u>1-5 years</u>		
<b>Investments Held by Fiscal Agents</b>					
Money market mutual funds	Variable	\$ 3,687,524	\$ -	\$ 3,687,524	-
Total Investments Held by Fiscal Agents		<u>3,687,524</u>	<u>-</u>	<u>3,687,524</u>	<u>-</u>
<b>Pooled Investments</b>					
LAIF	Variable	664,411	-	664,411	-
Total Pooled Investments		<u>664,411</u>	<u>-</u>	<u>664,411</u>	<u>-</u>
Total Investments		<u>\$ 4,351,935</u>	<u>\$ -</u>	<u>\$ 4,351,935</u>	<u>-</u>

Credit Risk - 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 or the District's investment policy, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Money Market Mutual Funds	A	AAAm	Aaa-mf	84.73%
LAIF	N/A	Unrated	Unrated	<u>15.27%</u>
Total				<u>100.00%</u>

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk, the District's investment policy requires that all securities owned by the District shall be held in safekeeping by a third-party bank trust department.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's investment policy contains limitations on the amount that can be invested in any one issuer. All investments of the District were pooled with LAIF, which holds a diversified portfolio of high-quality investments, or held by fiscal agents.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**D. Investment in External Investment Pool**

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2024, the District's investment in LAIF valued at amortized cost was \$664,411 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$178.0 billion. Of that amount, 97.00 percent is invested in non-derivative financial products and 3.00 percent in structured notes and asset-backed securities.

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance</u> <u>June 30, 2024</u>
Capital Assets, Not Being Depreciated				
Land	\$ 607,918	\$ -	\$ -	\$ 607,918
Construction in progress	<u>-</u>	<u>2,362,236</u>	<u>-</u>	<u>2,362,236</u>
Total Capital Assets, Not Being Depreciated	<u>607,918</u>	<u>2,362,236</u>	<u>-</u>	<u>2,970,154</u>
Capital Assets, Being Depreciated				
Structures and improvements	3,821,643	-	( 638)	3,821,005
Equipment	2,764,582	280,570	676	3,045,828
Right-to-use leased equipment	16,333	-	-	16,333
Infrastructure	<u>26,509,431</u>	<u>96,583</u>	<u>6</u>	<u>26,606,020</u>
Total Capital Assets, Being Depreciated	<u>33,111,989</u>	<u>377,153</u>	<u>44</u>	<u>33,489,186</u>
Less Accumulated Depreciation For:				
Structures and improvements	( 2,133,928)	( 107,943)	-	( 2,241,871)
Equipment	( 2,070,887)	( 172,275)	167,768	( 2,075,394)
Right-to-use leased equipment	( 7,840)	( 3,920)	-	( 11,760)
Infrastructure	<u>( 23,495,417)</u>	<u>( 181,933)</u>	<u>1</u>	<u>( 23,677,349)</u>
Total Accumulated Depreciation	<u>( 27,708,072)</u>	<u>( 466,071)</u>	<u>167,769</u>	<u>( 28,006,374)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,403,917</u>	<u>( 88,918)</u>	<u>167,813</u>	<u>5,482,812</u>
Total Capital Assets, Net	<u>\$ 6,011,835</u>	<u>\$ 2,273,318</u>	<u>\$ 167,813</u>	<u>\$ 8,452,966</u>

**Depreciation**

Depreciation expense was charged to operations as follows:

Sewer Operations	\$ 260,672
Water Operations	<u>205,399</u>
Total Depreciation Expense	<u>\$ 466,071</u>



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

**Construction in Progress**

Construction in progress relates to work performed on the water tank and generator projects.

**NOTE 5: INTERFUND TRANSACTIONS**

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, and subsidies of various District operations. The following are interfund transfers for the fiscal year ended June 30, 2024:

	Transfers In	Transfers Out
Water Operations	\$ -	\$ 209
Flood Control	209	-
Total	\$ 209	\$ 209

**NOTE 6: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Bonds	\$ 2,406,000	\$ 5,000,000	(\$ 206,000)	\$ 7,200,000	\$ 233,000
Unamortized premium	20,371	-	( 2,264)	18,107	2,263
Unamortized discount	-	( 17,956)	-	( 17,956)	( 378)
Bonds, net	2,426,371	4,982,044	( 208,264)	7,200,151	234,885
Direct borrowing loans	1,263,511	-	( 121,960)	1,141,551	126,204
Direct borrowing certificates of participation	464,500	-	( 18,500)	446,000	19,000
Right-to-use leases	8,508	-	( 3,924)	4,584	3,924
Compensated absences	37,464	56,947	( 58,237)	36,174	28,364
Total Business-Type Activities	\$ 4,200,354	\$ 5,038,991	(\$ 410,885)	\$ 8,828,460	\$ 412,377

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 6: LONG-TERM LIABILITIES (CONTINUED)**

Individual issues of debt payable outstanding at June 30, 2024, are as follows:

**Business-Type Activities**

Bonds:

Sewer System Reassessment District No. 1 Limited Obligation Refunding Improvement Bonds Series 2026, issued March 9, 2016, in the amount of \$3,650,000, payable in annual installments of \$150,000 to \$280,000 with an interest rate of 3.25-3.50% and maturity on September 2, 2032. The bonds were used to refund the Improvement Bonds Series 1995-2 which were used to finance improvements to the sewer system. The bonds are secured by a pledge of reassessment revenues. \$ 2,200,000

Water Revenue Bonds 223A, issued October 25, 2023, in the amount of \$5,000,000, payable in annual installments of \$20,000 to \$420,000 with an interest rate of 4.00-5.00% and maturity on February 1, 2048. The bonds were used to finance improvements to the water distribution system. The bonds are secured by a pledge of reassessment revenues. 5,000,000

Total Bonds 7,200,000

Loans from Direct Borrowings:

California Infrastructure and Economic Bank direct borrowing loan, issued June 24, 2002, in the amount of \$3,000,000, payable in annual installments of \$61,530 to \$160,350 with an interest rate of 3.48% and maturity on February 1, 2032. The loan was used to finance the expansion and upgrade of the water system. Net system revenues and all amounts in the enterprise fund are pledged as collateral for the debt. In the event of default, the District agrees to pay accrued interest plus the principal of all unpaid installments under the related agreement. 1,141,550

Total Loans from Direct Borrowings 1,141,550

Certificates of Participation from Direct Borrowings:

2012 Series direct borrowing Certificates of Participation, Water Reclamation Plant Energy Sustainability Project, issued October 1, 2012, in the amount of \$640,000, payable in annual installments of \$14,000 to \$31,500 with an interest rate of 3.00% and maturity on August 1, 2041. The certificates of participation were used to finance the sewer system solar project. Net revenues are pledged as collateral for debt. In the event of default, the District agrees to pay accrued interest plus the principal of all unpaid installments under the related agreement. 446,000

Total Certificates of Participation from Direct Borrowings 446,000

Total Business-Type Activities \$ 8,787,550

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 6: LONG-TERM LIABILITIES (CONTINUED)**

Following is a schedule of debt payment requirements of business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, and right-to-use leases which are reported in Note 7.

Year Ended June 30	Bonds		
	Principal	Interest	Total
2025	\$ 233,000	\$ 324,345	\$ 557,345
2026	244,000	316,201	560,201
2027	252,000	307,619	559,619
2028	260,000	298,648	558,648
2029	273,000	289,283	562,283
2030-2034	1,568,000	1,289,963	2,857,963
2035-2039	1,225,000	988,775	2,213,775
2040-2044	1,575,000	636,250	2,211,250
2045-2048	<u>1,570,000</u>	<u>200,750</u>	<u>1,770,750</u>
Total	<u>\$ 7,200,000</u>	<u>\$ 4,651,834</u>	<u>\$ 11,851,834</u>

Year Ended June 30	Loans from Direct Borrowings		
	Principal	Interest	Total
2025	\$ 126,204	\$ 39,726	\$ 165,930
2026	130,596	35,334	165,930
2027	135,141	30,789	165,930
2028	139,844	26,086	165,930
2029	144,711	21,220	165,931
2030-2032	<u>465,054</u>	<u>32,738</u>	<u>497,792</u>
Total	<u>\$ 1,141,550</u>	<u>\$ 185,893</u>	<u>\$ 1,327,443</u>

Year Ended June 30	Certificates of Participation from Direct Borrowings		
	Principal	Interest	Total
2025	\$ 19,000	\$ 13,095	\$ 32,095
2026	19,500	12,518	32,018
2027	20,000	11,925	31,925
2028	21,000	11,310	32,310
2029	21,500	10,673	32,173
2030-2034	117,500	43,148	160,648
2035-2039	136,000	24,180	160,180
2040-2042	<u>91,500</u>	<u>4,177</u>	<u>95,677</u>
Total	<u>\$ 446,000</u>	<u>\$ 131,026</u>	<u>\$ 577,026</u>

**NOTE 7: LEASES**

**Right-to-Use Equipment Lease**

The District is the lessee under one equipment lease agreement, which meets the lease criteria as defined by GASB Statement No. 87, Leases.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 7: LEASES (CONTINUED)**

**Right-to-Use Equipment Lease (Continued)**

The lease agreement for the District’s copier expires in August 2025. As of June 30, 2024, the District’s lease liability was \$4,584. The District is required to make monthly principal and interest payments of \$328. The lease has an interest rate of 0.20%. The value of the right-to-use asset and accumulated amortization as of June 30, 2024 were \$19,680 and \$15,107, respectively.

The future principal and interest payments as of June 30, 2024, are as follows:

Year Ended June 30	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 3,930	\$ 6	\$ 3,936
2026	654	-	654
Total	\$ 4,584	\$ 6	\$ 4,590

**NOTE 8: NET POSITION**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Net Position Flow Assumption**

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 9: PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer-defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). 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.

Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District’s retirement costs.

**Summary of Rate of Tiers and Eligible Participants**

Open for New Enrollment Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Closed to New Enrollment Miscellaneous	Miscellaneous members hired before January 1, 2013

**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 (age 52 for Miscellaneous plan members if the membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 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.

Each Rate Tier’s specific provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.5% @ 55	50-55	2.000% to 2.500%
Miscellaneous PEPRA	2.0% @ 62	52-67	1.000% to 2.500%

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 9: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	14.060%	8.000%	0.000%
Miscellaneous PEPRA	7.680%	6.750%	0.000%

For the year ended June 30, 2024, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 223,591	\$ -

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension**

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

	<u>Proportion June 30, 2023</u>	<u>Proportion June 30, 2024</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.03944%	.04033%	.00089%

As of June 30, 2024, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 2,016,426
Total Net Pension Liability	<u>\$ 2,016,426</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 9: PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

For the year ended June 30, 2024 the District recognized pension expense of \$354,682. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 228,658	\$ -
Change of assumptions	121,741	-
Difference between expected and actual experience	103,010	( 15,979)
Difference between projected and actual earnings on pension plan investments	326,478	-
Difference between District contributions and proportionate share of contributions	-	( 68,979)
Change in employer's proportion	33,285	( 3,170)
Total	\$ 813,172	(\$ 88,128)

\$228,658 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended <u>June 30</u>		
2025		\$ 137,557
2026		101,349
2027		248,112
2028		9,368
Thereafter		-
Total		\$ 496,386

**Actuarial Assumptions**

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived 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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 9: PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

**Actuarial Assumptions (Continued)**

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

**Long-Term Expected Rate of Return**

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

<u>Asset Class</u>	<u>Assumed Asset 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	<u>100.0%</u>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management Study

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent. 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.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 9: PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)**

**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 for the Plan as of the measurement date, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Miscellaneous	\$ 3,097,695	\$ 2,016,426	\$ 1,126,447

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

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

**A. General Information about the OPEB Plan**

**Plan Description**

The District provides a single-employer defined benefit healthcare plan (the “Retiree Health Plan”) for eligible employees. The Retiree Health Plan provides lifetime retiree medical coverage for eligible retirees through Special District Risk Management Authority (SDRMA) the District’s group health insurance plan. The Board of Directors reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the District.

The coverage requires the employee to meet the following requirements:

- Satisfaction of requirements for retirement under CalPERS, and
- Retirement from the District having reached at least age 55 and completing a minimum of 5 years of service with the District.

**Benefits Provided**

The District provides the following benefits to qualifying retirees who elect to continue medical coverage offered by the District. The benefits continue for the retiree’s lifetime:

- 50 percent of the medical premiums for the retiree
- 50 percent of the medical premiums for the retiree’s spouse, if covered, while the retiree is living

A retiree may elect to cover eligible dependents other than a spouse, provided the retiree pays 100 percent of any additional premium for their coverage.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**A. General Information about the OPEB Plan (Continued)**

**Benefits Provided (Continued)**

Coverage and/or the premiums subsidy above are not available in retirement in these circumstances:

- For survivors, after the retiree’s death (other than as available under COBRA)
- For retirees eligible for PERS retirement from the District but failing to satisfy the age and service requirements above
- For retirees who meet the age and service requirements but do not continue their medical coverage through the District

The 2022 monthly healthcare premium rates are shown below:

<b>SDRMA 2022 Rates Northern California</b>			
<b>Plan</b>	<b>Employee Only</b>	<b>Employee + 1</b>	<b>Employee +2</b>
Blue Shield PPO Gold	\$ 990.86	\$ 1,981.72	\$ 2,575.00
Gold PPO Medicare	636.54	1,272.05	1,908.59

**Employees Covered by Benefit Terms**

At June 30, 2024 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries entitled to but not receiving benefits	7
Inactive employees or beneficiaries currently receiving benefits	4
Active employees	21
Total	32

**B. Net OPEB Liability**

The District’s net OPEB liability of \$1,230,204, was measured as of June 30, 2023, and was determined by the actuarial valuation as of June 30, 2023.

**Actuarial Assumptions and Other Inputs**

The net OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Funding method	Entry-Age Normal Cost, level percent of pay
Asset valuation method	Market value of assets (\$0 as of the valuation date)
Salary increases	3.00% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between services years
Discount rate	3.69% as of June 30, 2022 and 3.86% as of June 30, 2023
Healthcare cost trend rates	5.8% for 2023, decreasing to an ultimate rate of 3.9% for 2076 and later
General inflation rate	2.50% per year

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

**Actuarial Assumptions and Other Inputs (Continued)**

Demographic actuarial assumptions used in the valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvement.

**C. Changes in the Net OPEB Liability**

	Net OPEB Liability
Balance at June 30, 2023	\$ <u>1,131,152</u>
Changes for the year:	
Service cost	142,798
Interest	46,457
Net investment income	( 555)
Changes of assumptions	( 34,740)
Contributions – employer	( 54,911)
Administrative expenses	<u>3</u>
Net changes	<u>99,052</u>
Balance at June 30, 2024	\$ <u>1,230,204</u>

Changes of assumptions reflects a change in the discount rate from 3.69 percent to 3.86 percent.

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

The following presents the net OPEB liability of the District, as well as what the District’s 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 2.86%	Current Rate 3.86%	1% Increase 4.86%
Net OPEB liability	\$ 1,455,324	\$ 1,230,204	\$ 1,050,522

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates**

The following presents the net OPEB liability of the District, as well as what the District’s 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 rates:

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	\$ 1,025,467	\$ 1,230,204	\$ 1,494,270

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2024**

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense of \$80,802. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	\$ 60,042	\$ -
Changes of assumptions	132,428	( 256,258)
Differences between expected and actual experience	-	( 537,690)
Differences between projected and actual earnings on investments	176	-
Total	\$ 192,646	(\$ 793,948)

\$60,042 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30		
2025		(\$ 103,953)
2026		( 94,784)
2027		( 98,297)
2028		( 109,060)
2029		( 83,911)
Thereafter		( 171,339)
		(\$ 661,344)

**NOTE 11: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other municipalities to participate in the Special District Risk Authority Management (SDRMA) for general liability, vehicle liability, and errors and omissions purposes. SDRMA is a public entity risk pool which serves as a common risk management and insurance program. The District pays an annual premium to SDRMA for its insurance coverage. The agreements with SDRMA provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 12: OTHER INFORMATION**

**A. Subsequent Events**

Management has evaluated events subsequent to June 30, 2024 through December 3, 2024, the date on which the financial statements were available for issuance. Management has determined no other subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2024**  
**Last 10 Years**

<b>Measurement Period</b>	<u><b>2013/2014</b></u>	<u><b>2014/2015</b></u>	<u><b>2015/2016</b></u>	<u><b>2016/2017</b></u>
<b>Miscellaneous Plan</b>				
Proportion of the net pension liability	0.01414%	0.01560%	0.01480%	0.01480%
Proportionate share of the net pension liability	\$ 880,120	\$ 1,071,015	\$ 1,282,357	\$ 1,466,045
Covered payroll	641,041	758,445	794,520	746,828
Proportionate share of the net pension liability as a percentage of covered payroll	137.30%	141.21%	161.40%	196.30%
Plan fiduciary net position as a percentage of the total pension liability	77.74%	73.61%	71.62%	72.91%

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
0.03725%	0.03809%	0.03751%	0.04307%	0.03944%	0.04033%
\$ 1,403,810	\$ 1,525,450	\$ 1,582,280	\$ 817,874	\$ 1,845,298	\$ 2,016,426
773,598	858,574	784,205	851,369	999,422	1,021,003
181.47%	177.67%	201.77%	96.07%	184.64%	197.49%
74.97%	74.75%	75.65%	88.06%	75.36%	74.78%

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2024**  
**Last 10 Years**

<b>Fiscal Year</b>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
<b>Miscellaneous Plan</b>				
Contractually required contributions (actuarially determined)	\$ 134,328	\$ 146,971	\$ 154,945	\$ 167,579
Contributions in relation to the actuarially determined contributions	<u>(134,328)</u>	<u>(146,971)</u>	<u>(154,945)</u>	<u>(167,579)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 758,445	\$ 794,520	\$ 746,828	\$ 773,598
Contributions as a percentage of covered payroll	18.37%	18.50%	20.75%	21.66%

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
\$ 196,316	\$ 209,290	\$ 184,404	\$ 206,822	\$ 223,591	\$ 228,658
<u>(196,316)</u>	<u>(209,290)</u>	<u>(184,404)</u>	<u>(206,822)</u>	<u>(223,591)</u>	<u>(228,658)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 858,574 22.87%	\$ 784,205 26.69%	\$ 851,369 21.66%	\$ 999,422 20.69%	\$ 1,021,003 21.90%	\$ 1,061,460 21.54%

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Notes to District Pension Plan**  
**For the Year Ended June 30, 2024**

**NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Summary of Changes of Benefits or Assumptions**

Benefit Changes: None

Changes of Assumptions: None

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry Age
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	6.80%
Inflation	2.30%
Salary increases	Varies based on entry age and service
Investment rate of return	6.80%

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District OPEB Plan**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2024**  
**Last 10 Years\***

Fiscal Year	2017/2018	2018/2019	2019/2020	2020/2021
<b>Total OPEB Liability</b>				
Service Cost	\$ 168,137	\$ 150,829	\$ 153,728	\$ 176,637
Interest	35,914	46,055	52,382	55,105
Differences between expected and actual experience	-	-	-	(521,254)
Changes of assumptions	(95,664)	(12,151)	118,430	6,626
Benefit payments	(20,997)	(33,593)	(35,000)	(32,845)
<b>Net Change in Total OPEB Liability</b>	87,390	151,140	289,540	(315,731)
<b>Total OPEB Liability - Beginning</b>	1,072,269	1,159,659	1,310,799	1,600,339
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,159,659</u>	<u>\$ 1,310,799</u>	<u>\$ 1,600,339</u>	<u>\$ 1,284,608</u>
<b>Plan Fiduciary Net Position</b>				
Net investment income	\$ -	\$ -	\$ -	\$ -
Contributions - employer	20,997	33,593	35,000	32,845
Benefit payments	(20,997)	(33,593)	(35,000)	(32,845)
Investment experience	-	-	-	-
<b>Net Change in Plan Fiduciary Net position</b>	-	-	-	-
<b>Plan Fiduciary Net Position - Beginning</b>	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net OPEB Liability - Ending (a)-(b)</b>	<u>\$ 1,159,659</u>	<u>\$ 1,310,799</u>	<u>\$ 1,600,339</u>	<u>\$ 1,284,608</u>
Plan Fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 770,191	\$ 804,618	\$ 915,742	\$ 839,034
Net OPEB liability as a percentage of covered-employee payroll	150.57%	162.91%	174.76%	153.11%

\* The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only seven years are shown.



<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
\$ 134,517	\$ 157,571	\$ 142,798
34,433	32,785	46,457
-	(326,573)	-
134,336	(269,003)	(34,740)
<u>(24,320)</u>	<u>(27,202)</u>	<u>(29,911)</u>
278,966	(432,422)	124,604
<u>1,284,608</u>	<u>1,563,574</u>	<u>1,131,152</u>
<u>\$ 1,563,574</u>	<u>\$ 1,131,152</u>	<u>\$ 1,255,756</u>
\$ -	\$ -	\$ 555
24,321	27,202	54,911
(24,321)	(27,202)	(29,911)
<u>-</u>	<u>-</u>	<u>(3)</u>
-	-	25,552
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,552</u>
<u>\$ 1,563,574</u>	<u>\$ 1,131,152</u>	<u>\$ 1,230,204</u>
0.00%	0.00%	2.03%
\$ 937,333	\$ 1,027,052	\$ 1,189,353
166.81%	110.14%	103.43%

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District OPEB Plan**  
**Notes to District OPEB Plan**  
**For the Year Ended June 30, 2024**

**NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

The Discount rate was changed to 3.86 percent as of June 30, 2023, from 3.69 percent as of June 30, 2022.

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2022
Actuarial cost method	Entry age normal level percent of pay
Amortization method	Level Percentage of Payroll
Amortization period	30 years closed
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	5.60% in 2024, fluctuating down to 3.90% by 2076
Salary	3.00%
Investment rate of return	6.20%
Retirement age	From 50 to 75
Mortality	CalPERS 2021 Experience Study
Mortality improvement	MacLeod Watts Scale 2022 Generational

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## **Combining Fund Financial Statements**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Net Position**  
**Sewer Operations**  
**June 30, 2024**

	Sewer	1995-2 Bond Redemption	USDA Solar Loan	Wastewater Capital Facilities Reserved
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 397,184	\$ 548,050	\$ 9,321	\$ 226,540
Investments with fiscal agent	-	150,396	-	-
Receivables:				
Accounts (net of allowance)	222,784	-	-	-
Assessments	-	52,330	-	-
Interest	872	1,138	11	705
Prepaid costs	44,415	-	-	-
Inventory	19,315	-	-	-
<b>Total Current Assets</b>	<b>684,570</b>	<b>751,914</b>	<b>9,332</b>	<b>227,245</b>
Noncurrent Assets:				
Delinquent assessments receivable	-	318,867	-	-
Capital assets:				
Non-depreciable	585,464	-	-	-
Depreciable Net	2,095,268	-	-	-
Total capital assets	2,680,732	-	-	-
<b>Total Noncurrent Assets</b>	<b>2,680,732</b>	<b>318,867</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>3,365,302</b>	<b>1,070,781</b>	<b>9,332</b>	<b>227,245</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension adjustments	406,586	-	-	-
Deferred OPEB adjustments	96,323	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>502,909</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	57,572	-	-	-
Salaries and benefits payable	15,011	-	-	-
Interest payable	-	25,477	5,012	-
Compensated absences	14,182	-	-	-
Right-to-use lease payable	1,962	-	-	-
Bonds payable	-	215,263	-	-
Certificates of participation	-	-	19,000	-
<b>Total Current Liabilities</b>	<b>88,727</b>	<b>240,740</b>	<b>24,012</b>	<b>-</b>
Noncurrent Liabilities:				
Compensated absences	3,905	-	-	-
Right-to-use lease payable	330	-	-	-
Bonds payable	-	2,002,844	-	-
Certificates of participation	-	-	427,000	-
Net pension liability	1,008,213	-	-	-
Net OPEB liability	615,102	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>1,627,550</b>	<b>2,002,844</b>	<b>427,000</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,716,277</b>	<b>2,243,584</b>	<b>451,012</b>	<b>-</b>

<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>Total Sewer Operations</b>
\$ 586,825	\$ 31,397	\$ 1,799,317
-	-	150,396
-	-	222,784
-	-	52,330
1,141	-	3,867
-	-	44,415
-	-	19,315
<u>587,966</u>	<u>31,397</u>	<u>2,292,424</u>
-	-	318,867
-	-	585,464
-	-	2,095,268
-	-	<u>2,680,732</u>
-	-	2,999,599
<u>587,966</u>	<u>31,397</u>	<u>5,292,023</u>
-	-	406,586
-	-	<u>96,323</u>
-	-	<u>502,909</u>
-	-	57,572
-	-	15,011
-	-	30,489
-	-	14,182
-	-	1,962
-	-	215,263
-	-	<u>19,000</u>
-	-	<u>353,479</u>
-	-	3,905
-	-	330
-	-	2,002,844
-	-	427,000
-	-	1,008,213
-	-	<u>615,102</u>
-	-	<u>4,057,394</u>
-	-	<u>4,410,873</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Net Position**  
**Sewer Operations**  
**June 30, 2024**

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension adjustments	44,064	-	-	-
Deferred OPEB adjustments	396,974	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>441,038</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,678,440	(2,218,107)	(446,000)	-
Restricted for debt service	-	1,045,304	-	-
Restricted for capital facilities	-	-	-	227,245
Unrestricted	(967,544)	-	4,320	-
<b>Total Net Position</b>	<u>\$ 1,710,896</u>	<u>\$ (1,172,803)</u>	<u>\$ (441,680)</u>	<u>\$ 227,245</u>



<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>Total Sewer Operations</b>
-	-	44,064
-	-	396,974
-	-	441,038
-	-	14,333
-	31,397	1,076,701
-	-	227,245
587,966	-	(375,258)
<u>\$ 587,966</u>	<u>\$ 31,397</u>	<u>\$ 943,021</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Sewer Operations**  
**For the Year Ended June 30, 2024**

	Sewer	1995-2 Bond Redemption	USDA Solar Loan	Wastewater Capital Facilities Reserved
<b>OPERATING REVENUES</b>				
Assessments	\$ -	\$ 263,012	\$ -	\$ -
Permits and inspections	12,270	-	-	9,537
Charges for services	2,153,545	-	-	-
Miscellaneous	69,409	254,819	-	-
<b>Total Operating Revenues</b>	<u>2,235,224</u>	<u>517,831</u>	<u>-</u>	<u>9,537</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,048,974	-	-	-
Insurance	176,289	-	-	-
Office expenses	39,791	-	-	-
Continuing education	4,371	-	-	-
Dues and subscriptions	16,400	-	-	-
Postage	8,861	-	-	-
Repairs and maintenance	237,798	-	-	-
Gas, fuel and oil	17,297	-	-	-
Supplies	83,118	-	-	-
Professional services	183,849	10,617	-	-
Rents and leases	2,419	-	-	-
Travel	12,831	-	-	-
Telephone	21,027	-	-	-
Power	147,088	-	-	-
Other utilities	3,608	-	-	-
Depreciation	260,672	-	-	-
Other operating	1,827	-	-	-
Office and safety equipment	4,243	-	-	-
Director's compensation	3,230	-	-	-
Environmental monitoring	53,929	-	-	-
Disaster mitigation	78,664	-	-	-
Regulatory compliance	12,119	-	-	-
Annual operating fees	25,885	-	-	-
<b>Total Operating Expenses</b>	<u>2,444,290</u>	<u>10,617</u>	<u>-</u>	<u>-</u>
<b>Operating Income (Loss)</b>	<u>(209,066)</u>	<u>507,214</u>	<u>-</u>	<u>9,537</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	5,339	12,065	44	2,646
Intergovernmental revenues	(3,564)	-	-	-
Interest expense	(7)	(79,618)	(13,143)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,768</u>	<u>(67,553)</u>	<u>(13,099)</u>	<u>2,646</u>
<b>Income (Loss) Before Transfers</b>	<u>(207,298)</u>	<u>439,661</u>	<u>(13,099)</u>	<u>12,183</u>

<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>Total Sewer Operations</b>
\$ -	\$ -	\$ 263,012
-	-	21,807
-	-	2,153,545
-	-	324,228
-	-	2,762,592
-	-	1,048,974
-	-	176,289
-	-	39,791
-	-	4,371
-	-	16,400
-	-	8,861
-	-	237,798
-	-	17,297
-	-	83,118
-	-	194,466
-	-	2,419
-	-	12,831
-	-	21,027
-	-	147,088
-	-	3,608
-	-	260,672
-	-	1,827
-	-	4,243
-	-	3,230
-	-	53,929
-	-	78,664
-	-	12,119
-	-	25,885
-	-	2,454,907
-	-	307,685
4,460	24	24,578
-	-	(3,564)
-	-	(92,768)
4,460	24	(71,754)
4,460	24	235,931

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Sewer Operations**  
**For the Year Ended June 30, 2024**

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
Transfers in (out)	(32,158)	-	32,158	-
<b>Change in Net Position</b>	<u>(239,456)</u>	<u>439,661</u>	<u>19,059</u>	<u>12,183</u>
<b>Total Net Position - Beginning</b>	1,841,237	(1,612,464)	(460,739)	215,062
Prior period adjustment	109,115	-	-	-
<b>Total Net Position - Beginning, Restated</b>	<u>1,950,352</u>	<u>(1,612,464)</u>	<u>(460,739)</u>	<u>215,062</u>
<b>Total Net Position - Ending</b>	<u>\$ 1,710,896</u>	<u>\$ (1,172,803)</u>	<u>\$ (441,680)</u>	<u>\$ 227,245</u>

<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>Total Sewer Operations</b>
-	-	-
4,460	24	235,931
583,506	31,373	597,975
-	-	109,115
583,506	31,373	707,090
<u>\$ 587,966</u>	<u>\$ 31,397</u>	<u>\$ 943,021</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Cash Flows**  
**Sewer Operations**  
**For the Year Ended June 30, 2024**

	Sewer	1995-2 Bond Redemption	USDA Solar Loan	Wastewater Capital Facilities Reserved
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 2,243,499	\$ 348,789	\$ -	\$ 9,537
Cash paid to suppliers	(1,123,264)	(10,617)	-	-
Cash paid to employees	(975,147)	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>145,088</b>	<b>338,172</b>	<b>-</b>	<b>9,537</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grants received	(3,564)	-	-	-
Transfers from/to other funds	(32,158)	-	32,158	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(35,722)</b>	<b>-</b>	<b>32,158</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(91,632)	-	-	-
Principal paid on debt	(1,962)	(208,263)	(18,500)	-
Interest paid on debt	(7)	(79,843)	(13,658)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(93,601)</b>	<b>(288,106)</b>	<b>(32,158)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	5,054	11,689	40	2,414
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>5,054</b>	<b>11,689</b>	<b>40</b>	<b>2,414</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalentents</b>	<b>20,819</b>	<b>61,755</b>	<b>40</b>	<b>11,951</b>
<b>Balances - Beginning</b>	<b>376,365</b>	<b>636,691</b>	<b>9,281</b>	<b>214,589</b>
<b>Balances - Ending</b>	<b>\$ 397,184</b>	<b>\$ 698,446</b>	<b>\$ 9,321</b>	<b>\$ 226,540</b>

<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>Total Sewer Operations</b>
\$ -	\$ -	\$ 2,601,825
-	-	(1,133,881)
-	-	(975,147)
-	-	492,797
-	-	(3,564)
-	-	-
-	-	(3,564)
-	-	(91,632)
-	-	(228,725)
-	-	(93,508)
-	-	(413,865)
4,083	24	23,304
4,083	24	23,304
4,083	24	98,672
582,742	31,373	1,851,041
<u>\$ 586,825</u>	<u>\$ 31,397</u>	<u>\$ 1,949,713</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Cash Flows**  
**Sewer Operations**  
**For the Year Ended June 30, 2024**

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (209,066)	\$ 507,214	\$ -	\$ 9,537
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	260,672	-	-	-
Decrease (increase) in:				
Accounts receivable	8,275	-	-	-
Assessments receivable	-	(169,042)	-	-
Prepaid costs	(4,265)	-	-	-
Inventory	(19,315)	-	-	-
Pension adjustment - deferred outflows	(4,434)	-	-	-
OPEB adjustment - deferred outflows	13,252	-	-	-
Increase (decrease) in:				
Accounts payable	34,960	-	-	-
Salaries and benefits payable	1,080	-	-	-
Compensated absences	(645)	-	-	-
Net pension liability	85,564	-	-	-
Net OPEB liability	49,526	-	-	-
Pension adjustment - deferred inflows	(18,118)	-	-	-
OPEB adjustment - deferred inflows	(52,398)	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 145,088</u>	<u>\$ 338,172</u>	<u>\$ -</u>	<u>\$ 9,537</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Amoritzation of discount	\$ -	\$ 2,263	\$ -	\$ -



<u>Wastewater Capital Facilities Unreserved</u>	<u>USDA Reserve Fund</u>	<u>Total Sewer Operations</u>
\$ -	\$ -	\$ 307,685
-	-	260,672
-	-	8,275
-	-	(169,042)
-	-	(4,265)
-	-	(19,315)
-	-	(4,434)
-	-	13,252
-	-	34,960
-	-	1,080
-	-	(645)
-	-	85,564
-	-	49,526
-	-	(18,118)
-	-	(52,398)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,797</u>

\$ -      \$ -      \$ 2,263

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Net Position**  
**Water Operations**  
**June 30, 2024**

	<u>Water</u>	<u>CIEDB Loan Redemption</u>	<u>CIEDB Loan Reserve</u>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 417,175	\$ 95,332	\$ 186,476
Investments with fiscal agent	-	-	-
Receivables:			
Accounts (net of allowance)	442,713	-	-
Interest	1,347	2,345	-
Intergovernmental	1,046,252	-	-
Prepaid costs	44,415	-	-
Inventory	285,383	-	-
<b>Total Current Assets</b>	<u>2,237,285</u>	<u>97,677</u>	<u>186,476</u>
Noncurrent Assets:			
Restricted cash and investments	59,638	-	-
Capital assets:			
Non-depreciable	2,384,690	-	-
Depreciable, net	3,387,544	-	-
Total capital assets	<u>5,772,234</u>	<u>-</u>	<u>-</u>
<b>Total Noncurrent Assets</b>	<u>5,831,872</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>8,069,157</u>	<u>97,677</u>	<u>186,476</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	406,586	-	-
Deferred OPEB adjustments	96,323	-	-
<b>Total Deferred Outflows of Resources</b>	<u>502,909</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	549,753	-	-
Salaries and benefits payable	15,186	-	-
Retention payable	78,574	-	-
Interest payable	-	14,431	-
Compensated absences	14,182	-	-
Right-to-use lease payable	1,962	-	-
Bonds payable	-	-	-
Loans payable	-	126,204	-
<b>Total Current Liabilities</b>	<u>659,657</u>	<u>140,635</u>	<u>-</u>
Noncurrent Liabilities:			
Compensated absences	3,905	-	-
Right-to-use lease payable	330	-	-
Bonds payable	-	-	-
Loans payable	-	1,015,347	-
Net pension liability	1,008,213	-	-
Net OPEB liability	615,102	-	-
<b>Total Noncurrent Liabilities</b>	<u>1,627,550</u>	<u>1,015,347</u>	<u>-</u>
<b>Total Liabilities</b>	<u>2,287,207</u>	<u>1,155,982</u>	<u>-</u>

<b>Water Bond 2023A</b>	<b>Water Operations Reserve</b>	<b>Water Capital Fund</b>	<b>Total Water Operations</b>
\$ -	\$ 180,318	\$ 2,575,890	\$ 3,455,191
3,537,128	-	-	3,537,128
-	-	-	442,713
-	-	-	3,692
-	-	-	1,046,252
-	-	-	44,415
-	-	-	285,383
<u>3,537,128</u>	<u>180,318</u>	<u>2,575,890</u>	<u>8,814,774</u>
-	-	-	59,638
-	-	-	2,384,690
-	-	-	<u>3,387,544</u>
-	-	-	<u>5,772,234</u>
-	-	-	5,831,872
<u>3,537,128</u>	<u>180,318</u>	<u>2,575,890</u>	<u>14,646,646</u>
-	-	-	406,586
-	-	-	<u>96,323</u>
-	-	-	502,909
-	-	-	549,753
-	-	-	15,186
-	-	-	78,574
104,844	-	-	119,275
-	-	-	14,182
-	-	-	1,962
19,622	-	-	19,622
-	-	-	<u>126,204</u>
<u>124,466</u>	<u>-</u>	<u>-</u>	<u>924,758</u>
-	-	-	3,905
-	-	-	330
4,962,422	-	-	4,962,422
-	-	-	1,015,347
-	-	-	1,008,213
-	-	-	<u>615,102</u>
<u>4,962,422</u>	<u>-</u>	<u>-</u>	<u>7,605,319</u>
<u>5,086,888</u>	<u>-</u>	<u>-</u>	<u>8,530,077</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Net Position**  
**Water Operations**  
**June 30, 2024**

	<u>Water</u>	<u>CIEDB Loan Redemption</u>	<u>CIEDB Loan Reserve</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	44,064	-	-
Deferred OPEB adjustments	396,974	-	-
<b>Total Deferred Inflows of Resources</b>	<u>441,038</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,769,942	(1,141,551)	-
Restricted for debt service	-	-	186,476
Restricted for capital facilities	-	-	-
Unrestricted	73,879	83,246	-
<b>Total Net Position</b>	<u>\$ 5,843,821</u>	<u>\$ (1,058,305)</u>	<u>\$ 186,476</u>

<b>Water Bond 2023A</b>	<b>Water Operations Reserve</b>	<b>Water Capital Fund</b>	<b>Total Water Operations</b>
-	-	-	44,064
-	-	-	396,974
-	-	-	441,038
(4,982,044)	-	-	(353,653)
-	-	-	186,476
-	-	2,575,890	2,575,890
3,432,284	180,318	-	3,769,727
<u>\$ (1,549,760)</u>	<u>\$ 180,318</u>	<u>\$ 2,575,890</u>	<u>\$ 6,178,440</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Water Operations**  
**For the Year Ended June 30, 2024**

	Water	CIEDB Loan Redemption	CIEDB Loan Reserve
<b>OPERATING REVENUES</b>			
Charges for services	\$ 3,241,934	\$ 36,548	\$ -
Miscellaneous	82,110	-	-
<b>Total Operating Revenues</b>	<u>3,324,044</u>	<u>36,548</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,020,978	-	-
Insurance	151,289	-	-
Office expenses	39,768	-	-
Continuing education	5,645	-	-
Dues and subscriptions	35,060	-	-
Postage	9,077	-	-
Repairs and maintenance	223,615	-	-
Gas, fuel and oil	17,275	-	-
Supplies	8,703	-	-
Professional services	140,033	-	-
Rents and leases	6,070	-	-
Travel	13,433	-	-
Telephone	20,695	-	-
Power	231,454	-	-
Other utilities	3,608	-	-
Depreciation	205,399	-	-
Other operating	9,689	-	-
Office and safety equipment	4,243	-	-
Director's compensation	3,229	-	-
Environmental monitoring	14,555	-	-
Water conservation	5,219	-	-
Water rights	695	-	-
Disaster mitigation	78,664	-	-
Reliable water supply	352,665	-	-
Annual operating fees	9,679	3,791	-
<b>Total Operating Expenses</b>	<u>2,610,740</u>	<u>3,791</u>	<u>-</u>
<b>Operating Income (Loss)</b>	<u>713,304</u>	<u>32,757</u>	<u>-</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	8,262	6,605	1,855
Intergovernmental revenue	1,844,478	-	-
Interest expense	(7)	(40,080)	-
Costs of issuance	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,852,733</u>	<u>(33,475)</u>	<u>1,855</u>
<b>Income (Loss) Before Transfers</b>	<u>2,566,037</u>	<u>(718)</u>	<u>1,855</u>

<b>Water Bond 2023</b>	<b>Water Operating Reserve</b>	<b>Water Capital Fund</b>	<b>Total Water Operations</b>
\$ -	\$ -	\$ -	\$ 3,278,482
-	-	-	82,110
-	-	-	3,360,592
-	-	-	1,020,978
-	-	-	151,289
-	-	-	39,768
-	-	-	5,645
-	-	-	35,060
-	-	-	9,077
-	-	-	223,615
-	-	-	17,275
-	-	-	8,703
-	-	-	140,033
-	-	-	6,070
-	-	-	13,433
-	-	-	20,695
-	-	-	231,454
-	-	-	3,608
-	-	-	205,399
-	-	-	9,689
-	-	-	4,243
-	-	-	3,229
-	-	-	14,555
-	-	-	5,219
-	-	-	695
-	-	-	78,664
-	-	-	352,665
-	-	-	13,470
-	-	-	2,614,531
-	-	-	746,061
70,085	137	1,305	88,249
-	-	-	1,844,478
(157,266)	-	-	(197,353)
(200,127)	-	-	(200,127)
(287,308)	137	1,305	1,535,247
(287,308)	137	1,305	2,281,308

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Water Operations**  
**For the Year Ended June 30, 2024**

	<b>Water</b>	<b>CIEDB Loan Redemption</b>	<b>CIEDB Loan Reserve</b>
Transfers in (out)	208,369	129,462	-
<b>Change in Net Position</b>	<b>2,774,406</b>	<b>128,744</b>	<b>1,855</b>
<b>Total Net Position - Beginning</b>	2,933,260	(1,187,049)	184,621
Prior period adjustment	136,155	-	-
<b>Total Net Position - Beginning, Restated</b>	<b>3,069,415</b>	<b>(1,187,049)</b>	<b>184,621</b>
<b>Total Net Position - Ending</b>	<b>\$ 5,843,821</b>	<b>\$ (1,058,305)</b>	<b>\$ 186,476</b>



<b>Water Bond 2023</b>	<b>Water Operating Reserve</b>	<b>Water Capital Fund</b>	<b>Total Water Operations</b>
(1,262,452)	-	924,412	(209)
(1,549,760)	137	925,717	2,281,099
-	180,181	1,650,173	3,761,186
-	-	-	136,155
-	180,181	1,650,173	3,897,341
<u>\$ (1,549,760)</u>	<u>\$ 180,318</u>	<u>\$ 2,575,890</u>	<u>\$ 6,178,440</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Cash Flows**  
**Water Operations**  
**For the Year Ended June 30, 2024**

	<b>Water</b>	<b>CIEDB Loan Redemption</b>	<b>CIEDB Loan Reserve</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 3,515,183	\$ 36,548	\$ -
Cash paid to suppliers	(870,045)	(3,791)	-
Cash paid to employees	(945,779)	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,699,359</b>	<b>32,757</b>	<b>-</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants received	875,725	-	-
Transfers from/to other funds	208,369	129,462	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>1,084,094</b>	<b>129,462</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(2,628,862)	-	-
Issuance of debt	-	-	-
Principal paid on debt	(1,962)	(121,960)	-
Interest paid on debt	(7)	2,714	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,630,831)</b>	<b>(119,246)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	7,836	(40,853)	1,855
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>7,836</b>	<b>(40,853)</b>	<b>1,855</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>160,458</b>	<b>2,120</b>	<b>1,855</b>
<b>Balances - Beginning</b>	<b>316,355</b>	<b>93,212</b>	<b>184,621</b>
<b>Balances - Ending</b>	<b>\$ 476,813</b>	<b>\$ 95,332</b>	<b>\$ 186,476</b>

<b>Water Bond 2023A</b>	<b>Water Operating Reserve</b>	<b>Water Capital Fund</b>	<b>Total Water Operations</b>
\$ -	\$ -	\$ -	\$ 3,551,731
-	-	-	(873,836)
-	-	-	(945,779)
-	-	-	1,732,116
-	-	-	875,725
(1,262,452)	-	924,412	(209)
(1,262,452)	-	924,412	875,516
-	-	-	(2,628,862)
4,781,917	-	-	4,781,917
-	-	-	(123,922)
(52,422)	-	-	(49,715)
4,729,495	-	-	1,979,418
70,085	137	1,305	40,365
70,085	137	1,305	40,365
3,537,128	137	925,717	4,627,415
-	180,181	1,650,173	2,424,542
<u>\$ 3,537,128</u>	<u>\$ 180,318</u>	<u>\$ 2,575,890</u>	<u>\$ 7,051,957</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Cash Flows**  
**Water Operations**  
**For the Year Ended June 30, 2024**

	<b>Water</b>	<b>CIEDB Loan Redemption</b>	<b>CIEDB Loan Reserve</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 713,304	\$ 32,757	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation/amortization	205,399	-	-
Decrease (increase) in:			
Accounts receivable	191,139	-	-
Prepaid costs	(4,265)	-	-
Inventory	4,878	-	-
Pension adjustment - deferred outflows	(4,434)	-	-
OPEB adjustment - deferred outflows	13,252	-	-
Increase (decrease) in:			
Accounts payable	454,067	-	-
Salaries and benefits payable	2,452	-	-
Retention payable	59,638	-	-
Compensated absences	(645)	-	-
Net pension liability	85,564	-	-
Net OPEB liability	49,526	-	-
Pension adjustment - deferred inflows	(18,118)	-	-
OPEB adjustment - deferred inflows	(52,398)	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,699,359</b>	<b>\$ 32,757</b>	<b>\$ -</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Amortization of discount	\$ -	\$ -	\$ -

<u>Water Bond 2023A</u>	<u>Water Operating Reserve</u>	<u>Water Capital Fund</u>	<u>Total Water Operations</u>
\$ -	\$ -	\$ -	\$ 746,061
-	-	-	205,399
-	-	-	191,139
-	-	-	(4,265)
-	-	-	4,878
-	-	-	(4,434)
-	-	-	13,252
-	-	-	454,067
-	-	-	2,452
-	-	-	59,638
-	-	-	(645)
-	-	-	85,564
-	-	-	49,526
-	-	-	(18,118)
-	-	-	(52,398)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,732,116</u>

\$ 17,956    \$ -    \$ -    \$ 17,956

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