June Lake Public Utility District
Annual Financial Report
For the Fiscal Years Ended
June 30, 2021 and 2020

June Lake Public Utility District

Board of Directors as of June 30, 2021

Name	Title	Elected/ Appointed	Current Term
Jerry Hallum	President	Appointed	11/2024
Barbara Miller	Director	Elected	11/2022
Sarah Minich	Director	Appointed	11/2022
Bill Hunt	Director	Appointed	11/2022
Justin Walsh	Director	Appointed	11/2024

June Lake Public Utility District
Todd M. Kidwell, General Manager
2380 Highway 158
June Lake, California 93529
(760) 648-7778

June Lake Public Utility District

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Financial Section

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An Accountancy Corporation

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Independent Auditor's Report

Board of Directors
June Lake Public Utility District
June Lake, California

Report on the Financial Statements

We have audited the accompanying financial statements of the June Lake Public Utility District (District) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the June Lake Public Utility District, as of June 30, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 8 to the financial statements, in fiscal year 2020, the beginning position was restated to correct prior year's deferred outflows of resources. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7, and required supplementary information on pages 34 and 36, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

The supplemental information schedules on pages 37 through 42 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 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 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 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. This report can be found on pages 43 and 44.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
January 10, 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the June Lake Public Utility District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased 1.86% or $110,656 to $6,057,190. In fiscal year 2020, net position decreased 1.86% or $112,572 to $5,946,534.
- Total revenues increased 8.92% or $156,265 to $1,907,293. Total operating revenues increased 14.57% or $143,693 to $1,129,722. Total non-operating revenues increased 1.64% or $12,572 to $777,571.
- In fiscal year 2020, total revenues increased 6.88% or $112,649 to $1,751,028. Total operating revenues increased 21.16% or $172,229 to $986,029. Total non-operating revenues decreased 7.23% or $59,580 to $764,999.
- Total expenses increased 0.86% or $15,375 to $1,796,637. Total operating expenses increased 2.05% or $28,544 to $1,422,711. Total non-operating expenses decreased 100% or $15,211 to $0.
- In fiscal year 2020, total expenses increased 10.79% or $173,538 to $1,781,262. Total operating expenses increased 14.35% or $174,969 to $1,394,167. Total non-operating expenses decreased 44.03% or $11,967 to $15,211.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. They also provide the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provide information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to questions such as: where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These statements report the District's *net position* and changes in them. One can think of the District's net position (the difference between assets and deferred outflows, and liabilities and deferred inflows), as one way to measure the District's financial health or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 13 through 33.

Statements of Net Position

A summary of the statements of net position is as follows:

Condensed Statements of Net Position

	2021	2020	Change	2019	Change
Assets:					
Current assets	$ 2,815,888	1,856,170	959,718	2,060,760	(204,590)
Non-current assets	837,253	1,228,311	(391,058)	1,122,484	105,827
Capital assets, net	4,005,367	4,376,551	(371,184)	4,679,296	(302,745)
Total assets	7,658,508	7,461,032	197,476	7,862,540	(401,508)
Deferred outflows of resources	296,311	274,149	22,162	265,410	8,739
Liabilities:					
Current liabilities	345,461	325,397	20,064	594,881	(269,484)
Non-current liabilities	1,477,231	1,376,323	100,908	1,411,549	(35,226)
Total liabilities	1,822,692	1,701,720	120,972	2,006,430	(304,710)
Deferred inflows of resources	74,937	86,927	(11,990)	62,414	24,513
Net position:					
Net investment in capital assets	4,005,367	4,376,551	(371,184)	4,679,296	(302,745)
Restricted	2,525,651	1,585,687	939,964	665,277	920,410
Unrestricted (deficit)	(473,828)	(15,704)	(458,124)	714,533	(730,237)
Total net position	$ 6,057,190	5,946,534	110,656	6,059,106	(112,572)

Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $6,057,190 and $5,946,534 as of June 30, 2021 and 2020, respectively. Compared to prior year, net position of the District increased by 1.86% or $110,656. The District's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

By far the largest portion of the District's net position (66.13% and 73.60% as of June 30, 2021 and 2020, respectively) A portion of the District's net position reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending. At the end of fiscal year 2021, and 2020, the District showed a deficit in its unrestricted net position of $473,828 and $15,704, respectively. See note 7 for further discussion.

Statement of Revenues, Expenses, and Changes in Net Position

A summary of the statements of revenues, expenses, and changes in net position is as follows:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

		2021	2020	Change	2019	Change
Revenues:						
Operating revenues	$	1,129,722	986,029	143,693	813,800	172,229
Non-operating revenues		777,571	764,999	12,572	824,579	(59,580)
Total revenues		1,907,293	1,751,028	156,265	1,638,379	112,649
Expenses:						
Operating expenses		1,422,711	1,394,167	28,544	1,219,198	174,969
Non-operating expenses		-	15,211	(15,211)	27,178	(11,967)
Depreciation		373,926	371,884	2,042	361,348	10,536
Total expenses		1,796,637	1,781,262	15,375	1,607,724	173,538
Changes in net position		110,656	(30,234)	140,890	30,655	(60,889)
Net position, beginning of year, as previously stated		5,946,534	6,059,106	(112,572)	6,028,451	30,655
Prior period adjustment (note 8)		-	(82,338)	82,338	-	(82,338)
Net position, beginning of year as restated		5,946,534	5,976,768	(30,234)	6,028,451	(51,683)
Net position, end of year	$	6,057,190	5,946,534	110,656	6,059,106	(112,572)

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years.

A closer examination of the sources of changes in net position reveals that:

the District's net position increased 1.86% or $110,656 to from $5,946,534 to $6,057,190, primarily due to an increase of $110,656, in ongoing operations.

In fiscal year 2020, the District's net position decreased 1.86% or $112,572 from $6,059,106 to $5,946,534, primarily due to a decrease of $30,234 in operations and an $82,338 decrease in prior period adjustment. Please see Note 7 and 8 for further discussion on net position and the prior period adjustment.

Statement of Revenues, Expenses, and Changes in Net Position, continued

The District's total revenues increased 8.92% or $156,265 to $1,907,293.

Operating revenues increased 14.57% or $143,693 to $1,129,722, due primarily to increases of $94,636, and $49,057 in charges for services - water, and charges for services - sewer, respectively. Non-operating revenues increased 1.64% or $12,572 to $777,571, due primarily to increases of $47,476, and $36,973 in property taxes, and miscellaneous revenues, respectively; which were offset by a decrease of $71,877 in investment earnings.

In fiscal year 2020, total revenues increased 6.88% or $112,649 to $1,751,028.

In fiscal year 2020, operating revenues increased 21.16% or $172,229 to $986,029, due primarily to increases of $100,291, and $71,938 in charges for services - sewer, and charges for services - water, respectively. In fiscal year 2020, non-operating revenues decreased 7.23% or $59,580 to $764,999, due primarily to a decrease of $58,533 in property taxes.

The District's total expenses increased 0.86% or $15,375 to $1,796,637.

Operating expenses increased 2.05% or $28,544 to $1,422,711, due primarily to increases of $11,169, $9,378, and $8,059 in professional services, utilities and dues and subscriptions, respectively. Non-operating expenses decreased 100% or $15,211 to $0.

In fiscal year 2020, total expenses increased 10.79% or $173,538 to $1,781,262.

In fiscal year 2020, operating expenses increased 14.35% or $174,969 to $1,394,167, due primarily to increases of $136,735 and $45,115 in professional services, and small tools and supplies; which were offset by a decrease of $9,280 in utilities. In fiscal year 2020, non-operating expenses decreased 44.03% or $11,967 to $15,211 due to a decrease in interest expense.

Capital Asset Administration

At the end of fiscal year 2021 and 2020, the District's investment in capital assets amounted to $4,005,367, and $4,376,551 (net of accumulated depreciation), respectively. These investment in capital assets include the water facility, sewer facility, water general plant and sewer general plant.

Changes in capital assets for 2021, were as follows:

		Balance 2020	Additions/ Transfers	Deletions/ Transfers	Balance 2021
Non-depreciable assets	$	37,430	-	-	37,430
Depreciable assets		14,891,133	2,742	-	14,893,875
Accumulated depreciation		(10,552,012)	(373,926)	-	(10,925,938)
Total capital assets, net	$	4,376,551	(371,184)	-	4,005,367

Capital Asset Administration

Changes in capital assets for 2020, were as follows:

		Balance 2019	Additions/ Transfers	Deletions/ Transfers	Balance 2020
Non-depreciable assets	$	-	37,430	-	37,430
Depreciable assets		14,859,424	69,139	(37,430)	14,891,133
Accumulated depreciation		(10,180,128)	(371,884)	-	(10,552,012)
Total capital assets, net	$	4,679,296	(265,315)	(37,430)	4,376,551

Debt Administration

Changes in long-term debt in 2020, were as follows:

		Balance 2019	Additions/ Transfers	Principal Payments	Balance 2020
Bonds payable	$	400,000	-	(400,000)	-
Total long-term debt	$	400,000	-	(400,000)	-

Conditions Affecting Current Financial Position

Management does not foresee any conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager at 2380 Highway 158, June Lake, California 93529.

Basic Financial Statements

June Lake Public Utility District
Statements of Net Position
June 30, 2021 and 2020

		2021	2020
Current assets:			
Cash and cash equivalents (note 2)	$	161,788	160,390
Cash and cash equivalents – restricted (note 2)		2,525,651	1,585,687
Accounts receivable - water		67,116	48,071
Accounts receivable - sewer		47,378	41,533
Property tax receivable		9,794	13,108
Accrued interest receivable		1,806	4,531
Other current assets		2,355	2,850
Total current assets		2,815,888	1,856,170
Non-current assets:			
Investments (note 2)		837,253	1,228,311
Capital assets, not being depreciated (note 3)		37,430	37,430
Capital assets, being depreciated, net (note 3)		3,967,937	4,339,121
Total non-current assets		4,842,620	5,604,862
Total assets		7,658,508	7,461,032
Deferred outflows of resources:			
Deferred pension outflows (note 6)		296,311	274,149
Total deferred outflows of resources	$	296,311	274,149

Continued on next page

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statements of Net Position, continued
June 30, 2021 and 2020

		2021	2020
Current liabilities:			
Accounts payable and accrued expenses	$	43,205	33,735
Accrued wages and related payables		20,249	17,715
Customer advances and deposits		259,780	250,638
Long-term liabilities – due within one year:			
Compensated absences (note 4)		22,227	23,309
Total current liabilities		345,461	325,397
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences (note 4)		66,681	69,927
Net pension liability (note 6)		1,410,550	1,306,396
Total non-current liabilities		1,477,231	1,376,323
Total liabilities		1,822,692	1,701,720
Deferred inflows of resources:			
Deferred pension inflows (note 6)		74,937	86,927
Total deferred inflows of resources		74,937	86,927
Net position: (note 7)			
Net investment in capital assets		4,005,367	4,376,551
Restricted		2,525,651	1,585,687
Unrestricted		(473,828)	(15,704)
Total net position	$	6,057,190	5,946,534

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

		2021	2020
Operating revenues:			
Charges for services - sewer	$	543,903	494,846
Charges for services - water		585,819	491,183
Total operating revenues		1,129,722	986,029
Operating expenses:			
Salaries and benefits		844,173	811,326
Professional services		263,015	251,846
Utilities		93,368	83,990
Small tools and supplies		64,678	105,928
Dues and subscriptions		67,286	59,227
Communication and travel		36,749	33,534
Insurance		29,064	22,967
Maintenance and repairs		13,974	16,778
Office expenses		10,404	7,750
Other		-	821
Total operating expenses		1,422,711	1,394,167
Operating loss before depreciation		(292,989)	(408,138)
Depreciation		(373,926)	(371,884)
Operating loss		(666,915)	(780,022)
Non-operating revenue(expense):			
Property taxes		719,661	672,185
Cell tower income		13,200	13,200
Investment earnings		7,737	79,614
Interest expense		-	(15,211)
Miscellaneous revenues		36,973	-
Total non-operating revenues, net		777,571	749,788
Changes in net position		110,656	(30,234)
Net position, beginning of year, as previously stated		5,946,534	6,059,106
Prior period adjustment (note 8)		-	(82,338)
Net position, beginning of year, as restated		5,946,534	5,976,768
Net position, end of year	$	6,057,190	5,946,534

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2021 and 2020

		2021	2020
Cash flows from operating activities:			
Receipts from customers for charges for services	$	1,123,939	941,583
Payments to employees for salaries		(845,967)	(783,617)
Payments to vendors for materials and services		(508,536)	(541,197)
Net cash used in operating activities		(230,564)	(383,231)
Cash flows from non-capital financing activities:			
Proceeds from property taxes		722,975	677,653
Proceeds from cell tower income		13,200	13,200
Proceeds from miscellaneous revenues		36,973	-
Net cash provided by non-capital financing activities		773,148	690,853
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets		(2,742)	(69,139)
Principal paid on long-term debt		-	(400,000)
Interest paid on long-term debt		-	(15,211)
Net cash used in capital and related financing activities		(2,742)	(484,350)
Cash flows from investing activities:			
Purchase of investments		391,058	(105,827)
Interest earnings		10,462	89,386
Net cash provided by (used in) investing activities		401,520	(16,441)
Net increase (decrease) in cash and cash equivalents		941,362	(193,169)
Cash and cash equivalents, beginning of year		1,746,077	1,939,246
Cash and cash equivalents, end of year	$	2,687,439	1,746,077
Reconciliation of cash and cash equivalents to statement of net position:			
Cash and cash equivalents	$	161,788	160,390
Cash and cash equivalents – restricted		2,525,651	1,585,687
Total cash and cash equivalents	$	2,687,439	1,746,077

Continued on next page

See accompanying notes to the basic financial statements

June Lake Public Utility District
Statement of Cash Flows, continued
For the Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (666,915)	(780,022)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	373,926	371,884
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase)decrease in assets:		
Accounts receivable	(24,890)	(4,215)
Other current assets	495	396
(Increase)decrease deferred outflows of resources:		
Deferred pension outflows	(22,162)	(91,077)
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	9,470	(39,527)
Accrued wages and related payables	2,534	5,621
Customer advances and deposits	9,142	(1,100)
Compensated absences	(4,328)	22,088
Net pension liability	104,154	108,208
Increase(decrease) deferred inflows of resources::		
Deferred pension inflows	(11,990)	24,513
Total adjustments	436,351	396,791
Net cash used in operating activities	$ (230,564)	(383,231)

See accompanying notes to the basic financial statements

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The June Lake Public Utility District (District) was setup to provide water distribution and sewage disposal services for the residents and businesses of the June Lake area in 1947. The District's treatment facilities were constructed in 1972. The District acquired the Down-Canyon water systems from Williams Tract County Water District in April of 1990. The District is governed by a five-member Board of Directors who serves overlapping four-year terms.

For financial reporting purposes, the June Lake PUD's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the District's activities. Component units are legally separate organizations for which the District's elected officials are financially accountable. The District's component unit has a June 30 year-end.

The June Lake Public Financing Authority (the ″Authority″) is a joint exercise of powers authority established pursuant to that certain Joint Exercise of Powers Agreement dated as of March 2, 2001, by and between the District and the Auburn Valley Community Services District. The Agreement was entered in to pursuant to the provision of Articles 1 through 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with §6500. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting the District in financing capital projects. The Authority is governed by a five (5) member board of directors that is the Board of Directors of the District (the "Board"). Since the Authority provides financing services solely to the District, these financial transactions are reported as part of the primary government using the blended method.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as sewer and water fees, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as property taxes and investment income, result from non-exchange transactions, which the District gives (receives) value without directly receiving (giving) value in exchange.

The District recognizes revenue from water and sewer service charges based on cycle billings performed every month. The District accrues revenues with respect to water and sewer service sold, but not billed, at the end of a fiscal period.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources; and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the District and the duration cannot be estimated at this time.

3. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

4. Investments

The District has adopted an investment policy directing the General Manager to deposit and invest funds in financial institutions in accordance with California Government Code section 53635. The investment policy applies to all financial assets and investment activities of the District.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

5. Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of assets as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of default, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

6. Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

7. Property Taxes and Assessments

Property taxes attach an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1, and are payable in two installments, on December 10 and April 10. The County of Mono Assessor's Office assesses all real and personal property within the County each year. The County of Mono Tax Collector's Office bills and collects the District's share of property taxes. The County of Mono Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of Mono, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

8. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $1,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of 5 to 40 years.

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

9. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources applicable to future periods.

10. Compensated Absences

The District's policy is to permit employees to accumulate earned comprehensive leave up to four hundred and fifty hours. Upon termination of employment, employees are paid all unused comprehensive leave.

11. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources applicable to future periods.

12. Pensions

For the purpose of measuring net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' 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. GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For fiscal year 2020, the following timeframes are used:

- Valuation Date: June 30, 2019 and 2018
- Measurement Date: June 30, 2020 and 2019
- Measurement Period: July 1, 2018 to June 30, 2019; and July 1, 2019 to June 30, 2020

13. Sewer and Water Sales

The District recognizes sewer and water service charges based on cycle billings rendered to customers each month.

14. Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, are included in this component of net position.

- *Restricted component of net position* – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.

- *Unrestricted component of net position* – the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

(2) Cash and Cash Equivalents

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

		2021	2020
Cash and cash equivalents	$	161,788	160,390
Cash and cash equivalents - restricted		2,525,651	1,585,687
Investments		837,253	1,228,311
Total	$	3,524,692	2,974,388

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

		2021	2020
Deposits with bank	$	161,788	160,390
Investments		3,362,904	2,813,998
Total	$	3,524,692	2,974,388

As of June 30, the District's authorized deposit had the following maturities:

	2021	2020
Deposits in California Local Agency Investment Fund (LAIF)	291 days	191 days

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District; rather, the table addresses the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	None
Money market mutual funds	N/A	20%	None
U.S. Treasury Bills	5 years	None	None
Certificates of Deposit	5 years	30%	10%
U.S. Government Sponsored Obligations	5 years	None	None
Medium Term Corporate Notes	5 years or less	30%	None
Supranational Obligations	5 years or less	30%	None

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits, or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal and policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. As of June 30, 2021, bank balances are federally insured up to $250,000. The remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of $5,000, in increments of $1,000.
- Withdrawals of $10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Interest Rate Risk

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

(2) Cash and Cash Equivalents, continued

As of June 30, 2021, the District investments are scheduled to mature as follows:

Investment Type		Amount	Remaining Maturity 12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	$	2,525,651	2,525,651	-	-
Money market deposit account		3,453	3,453	-	-
Certificate of deposit		833,800	512,002	321,798	-
Total		3,362,904	3,041,106	321,798	-

As of June 30, 2020, the District investments are scheduled to mature as follows:

Investment Type		Amount	Remaining Maturity 12 Months or Less	More than 12 Months	25 to 60 Months
Local Agency Investment Fund	$	1,585,687	1,585,687	-	-
Money market deposit account		70,827	70,827	-	-
Certificate of deposit		1,157,484	101,273	522,385	533,826
Total		2,813,998	1,757,787	522,385	533,826

Credit Risk

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

Credit ratings as of June 30, 2021, were as follows:

Investment Type		Amount	Minimum Legal Rating	Recognized Statistical Rating
Local Agency Investment Fund	$	2,525,651	N/A	N/A
Money market deposit account		3,453	N/A	N/A
Certificate of deposit		833,800	N/A	N/A
Total		3,362,904		

Credit ratings as of June 30, 2020, were as follows:

Investment Type		Amount	Minimum Legal Rating	Recognized Statistical Rating
Local Agency Investment Fund	$	1,585,687	N/A	N/A
Money market deposit account		70,827	N/A	N/A
Certificate of deposit		1,157,484	N/A	N/A
Total		2,813,998		

(2) Cash and Cash Equivalents, continued

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total District's investments at June 30, 2021 and 2020.

Fair Value Measurement

As of June 30, 2021, investment measured at fair value on a non-recurring and non-recurring basis, are as follows:

		Fair Value Measurements Using		
Investment Type	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Certificates-of-deposit	$ 833,800	-	833,800	-
	833,800	-	833,800	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	2,525,651			
Money market deposit account	3,453			
Total	$ 3,362,904			

As of June 30, 2020, investment measured at fair value on a non-recurring and non-recurring basis, are as follows:

		Fair Value Measurements Using		
Investment Type	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Certificates-of-deposit	$ 1,157,484	-	1,157,484	-
	1,157,484	-	1,157,484	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	1,585,687			
Money market deposit account	70,827			
Total	$ 2,813,998			

(3) Capital Assets

The changes in capital assets for 2021, were as follows:

		Balance 2020	Additions/ Transfers	Deletions/ Transfers	Balance 2021
Non-depreciable assets:					
Land and land development	$	37,430	-	-	37,430
Total non-depreciable assets		37,430	-	-	37,430
Depreciable assets:					
Sewage facility	$	5,343,748	-	-	5,343,748
Water facility		8,713,579	-	(117,116)	8,596,463
Sewage general plant		414,479	2,742	-	417,221
Water general plant		419,327	-	117,116	536,443
Total depreciable assets		14,891,133	2,742	-	14,893,875
Accumulated depreciation:					
Sewage facility		(5,045,867)	(115,766)	-	(5,161,633)
Water facility		(4,997,879)	(212,783)	117,116	(5,093,546)
Sewage general plant		(346,717)	(9,125)	-	(355,842)
Water general plant		(161,549)	(36,252)	(117,116)	(314,917)
Total accumulated depreciation		(10,552,012)	(373,926)	-	(10,925,938)
Total depreciable assets, net		4,339,121	(371,184)	-	3,967,937
Total capital assets, net	$	4,376,551			4,005,367

Major capital assets additions during the year include improvements to the District's sewage general plant.

(3) Capital Assets, continued

The changes in capital assets for 2020, were as follows:

	Balance 2019	Additions/ Transfers	Deletions/ Transfers	Balance 2020
Non-depreciable assets:				
Land	$ -	37,430	-	37,430
Total non-depreciable assets	-	37,430	-	37,430
Depreciable assets:				
Sewage facility	$ 5,469,999	-	(126,251)	5,343,748
Water facility	8,713,579	-	-	8,713,579
Sewage general plant	325,658	-	88,821	414,479
Water general plant	350,188	69,139	-	419,327
Total depreciable assets	14,859,424	69,139	(37,430)	14,891,133
Accumulated depreciation:				
Sewage facility	(4,959,216)	(115,765)	29,114	(5,045,867)
Water facility	(4,785,094)	(212,785)	-	(4,997,879)
Sewage general plant	(308,845)	(8,758)	(29,114)	(346,717)
Water general plant	(126,973)	(34,576)	-	(161,549)
Total accumulated depreciation	(10,180,128)	(371,884)	-	(10,552,012)
Total depreciable assets, net	4,679,296	(302,745)	(37,430)	4,339,121
Total capital assets, net	$ 4,679,296			4,376,551

Major capital assets additions during the year include improvements to the District's water general plant.

(4) Compensated Absences

The changes in compensated absences balance in 2021, were as follows:

Balance 2020	Additions	Deletions	Balance 2021	Due Within One Year	Due in More Than One Year
$ 93,236	46,686	(51,014)	88,908	22,227	66,681

The changes in compensated absences balance in 2020, were as follows:

Balance 2019	Additions	Deletions	Balance 2020	Due Within One Year	Due in More Than One Year
$ 71,148	46,686	(24,598)	93,236	23,309	69,927

(5) Long-Term Debt

The changes in long-term debt in 2020, were as follows:

	Balance 2019	Additions/ Transfers	Principal Payments	Balance 2020
Bonds Payable:				
Local Agency Refunding Revenue Bond	$ 245,000	-	(245,000)	-
2001 Limited Obligation Improvement Bond	155,000	-	(155,000)	-
Total long-term debt	400,000	-	(400,000)	-
Current portion	(240,000)			-
Non-current portion	$ 160,000			-

The 2001 Limited Obligation Improvement Bond was fully paid as of June 30, 2020.

(6) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the District's 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 or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 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. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect on January 1, 2013. The new legislation closed the District's CalPERS 2.7% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

(6) Defined Benefit Pension Plan, continued

Benefits Provided, continued

The District participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect as June 30, 2021 and 2020, are summarized as follows:

	2021		2020	
	New Classic	**PEPRA**	**New Classic**	**PEPRA**
Hire date	Prior to December 31, 2012	On or after January 1, 2013	Prior to December 31, 2012	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service		5 years of service	
Benefit payments	monthly for life		monthly for life	
Retirement age	50 - 55	52 - 67	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.00%	2.00%	2.00%	2.00%
Required employee contribution rates	7.954%	6.75%	7.954%	6.75%
Required employer contribution rates	12.514%	6.985%	12.514%	6.985%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1, following notice of a change in rates. Funding contributions for the Plan are 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.

For the years ended June 30, 2021 and 2020, contribution recognized as part of pension expense for the Plan were as follows:

	2021	2020
Contribution - employer	$ 145,192	123,647

Net Pension Liability

As of the fiscal year ended June 30, 2021 and 2020, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2021	2020
Proportionate share of net pension liability	$ 1,410,550	1,306,396

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2021 and 2020, the net pension liability of the Plan is measured as of June 30, 2020 and 2019 (the measurement dates). The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 and 2018 (the valuation dates), rolled forward to June 30, 2020 and 2019, using standard update procedures.

(6) Defined Benefit Pension Plan, continued

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 changes in proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement date June 30, 2020 and 2019, were as follows:

	Proportionate Share	
Proportion – June 30, 2019	0.01275	%
Proportion – June 30, 2020	0.01296	
Change in proportion	0.00022	%

Deferred Pension Outflows(Inflows) of Resources

For the year ended June 30, 2021 and 2020, the District recognized pension expense of $215,194, and $181,370.

As of the fiscal year ended June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

		2021		2020	
Description		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$	145,192	-	123,647	-
Differences between actual and expected experience		72,690	-	83,705	-
Changes in assumptions		-	(10,061)	40,212	-
Differences between projected and actual investment earnings		41,903	-	-	(22,840)
Differences between employer's contribution and proportionate share of contribution		-	(64,876)	-	(64,087)
Change in employer's proportion		36,526	-	26,585	-
Total	$	296,311	(74,937)	274,149	(86,927)

As of June 30, 2021 and 2020, the District reported $145,192 and $123,647, as deferred outflows of resources related to contributions subsequent to the measurement date, respectively. Pension contributions subsequent to the measurement date for the year ended June 30, 2021, will be recognized as a reduction of the net pension liability for the year ended June 30, 2022 and 2021, respectively.

(6) Defined Benefit Pension Plan, continued

Deferred Pension Outflows(Inflows) of Resources, continued

As of June 30, 2021 and 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2022	$ (769)
2023	29,874
2024	26,980
2025	20,098

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 and 2018, actuarial valuation report was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019 and 2018
Measurement Date	June 30, 2020 and 2019
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

* The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017, experience study report (based on CalPERS demographic data from 1997 to 2015) available online on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2021 and 2020, for the PERF C was 7.15%. This discount rate is not adjusted for administrative expenses.

The PERF C 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 for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

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

(6) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Target Allocation	Real Return Years 1-10	Real Return Year 11+
Global Equity	50.0 %	4.80 %	5.93
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Asset	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)
Total	100.0 %		

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension liability for the Plan calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one-percentage point higher than the current rate.

As of June 30, 2021, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	$ 2,104,217	1,410,550	837,394

(6) Defined Benefit Pension Plan, continued

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate, continued

As of June 30, 2020, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

		Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	$	1,984,906	1,306,396	746,335

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 34 through 36 for the Required Supplementary Information.

(7) Net Position

Calculation of net position as of June 30, were as follows:

		2021	2020
Net investment in capital assets:			
Capital assets, not being depreciated	$	37,430	37,430
Capital assets, being depreciated, net		3,967,937	4,339,121
Total net investment in capital assets		4,005,367	4,376,551
Restricted:			
Cash and cash equivalents with fiscal agent		2,525,651	1,585,687
Total restricted net position		2,525,651	1,585,687
Unrestricted:			
Unrestricted net position		(473,828)	(15,704)
Total net position	$	6,057,190	5,946,534

(8) Prior Period Adjustment

In fiscal year 2020, the District determined that the deferred pension outflows account was overstated by $82,338. As a result, the District recorded a prior period adjustment to net position in the amount of $82,338.

The adjustment to net position is as follows:

Net position at July 1, 2019, as previously stated	$	6,059,106
Adjustment to net position:		
Effect of adjustment to deferred pension outflows		(82,338)
Net position at July 1, 2019, as restated	$	5,976,768

(9) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2021:

- Property and mobile equipment: $1,000,000,000 per occurrence.
- Boiler & Machinery: $100,000,000 per occurrence.
- Workers' Compensation: $5,000,000 per occurrence.
- Auto Liability: $2,500,000 per occurrence.
- Pollution: $2,000,000 per occurrence.
- General Liability: Various.

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 89, continued

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

(11) Commitments and Contingencies

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(12) Subsequent Events

Events occurring after June 30, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of January 10, 2024, which is the date the financial statements were available to be issued.

Required Supplementary Information

June Lake Public Utility District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2021
Last Ten Years*

Defined Benefit Plan

Description		Measurement Dates 06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14
District's proportion of the net pension liability		0.01296%	0.01275%	0.01243%	0.01228%	0.01313%	0.01877%	0.01840%
District's proportionate share of the net pension liability	$	1,410,550	1,306,396	1,198,188	1,217,879	1,135,765	1,288,472	1,116,702
District's covered payroll	$	430,782	431,876	487,594	432,538	298,564	434,759	434,759
District's proportionate share of the net pension liability as a percentage of its covered payroll		327.44%	302.49%	245.73%	281.57%	380.41%	296.36%	256.86%
Plan's proportionate share of fiduciary net position as a percentage of total pension liability		75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to the Schedules of the District's Proportionate Share of Net Pension Liability

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount.

In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting. In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

Notes to the Schedules of the District's Proportionate Share of Net Pension Liability, continued

Change of Assumptions and Methods

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%. The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

* The District has presented information for those years for which information is available until a full 10- year trend is compiled.

June Lake Public Utility District
Schedules of the Pension Plan Contributions
As of June 30, 2021
Last Ten Years*

Description		Fiscal Years Ended 06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
Actuarially determined contribution	$	145,192	123,647	108,693	95,442	86,633	156,318	148,840
Contributions in relation to the actuarially determined contribution		(145,192)	(123,647)	(108,693)	(95,442)	(86,633)	(156,318)	(148,840)
Contribution deficiency(excess)	$	-	-	-	-	-	-	-
District's covered payroll	$	430,782	431,876	487,594	432,538	298,564	434,759	434,759
Contribution's as a percentage of covered payroll		33.70%	28.63%	22.29%	22.07%	29.02%	35.96%	34.24%

Notes to the Schedules of Pension Plan Contributions

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Supplemental Information

June Lake Public Utilities District
Combining Schedule of Net Position
June 30, 2021

	Sewer Fund	Water Fund	Total
Current assets:			
Cash and cash equivalents	$ 9,657	152,131	161,788
Cash and cash equivalents – restricted	1,788,291	737,360	2,525,651
Accounts receivable - water	-	67,116	67,116
Accounts receivable - sewer	47,378	-	47,378
Property tax receivable	4,897	4,897	9,794
Accrued interest receivable	1,310	496	1,806
Other current assets	712	1,643	2,355
Total current assets	1,852,245	963,643	2,815,888
Non-current assets:			
Investments	837,253	-	837,253
Capital assets, not being depreciated	37,430	-	37,430
Capital assets, being depreciated, net	243,494	3,724,443	3,967,937
Total non-current assets	1,118,177	3,724,443	4,842,620
Total assets	2,970,422	4,688,086	7,658,508
Deferred outflows of resources:			
Deferred pension outflows	148,155	148,156	296,311
Total deferred outflows of resources	$ 148,155	148,156	296,311

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June Lake Public Utilities District
Combining Schedule of Net Position, continued
June 30, 2021

		Sewer Fund	Water Fund	Total
Current liabilities:	$			
Accounts payable and accrued expenses		23,527	19,678	43,205
Accrued wages and related payables		12,447	7,802	20,249
Customer advances and deposits		259,780	-	259,780
Long-term liabilities – due within one year:				
Compensated absences		11,113	11,114	22,227
Total current liabilities		306,867	38,594	345,461
Non-current liabilities:				
Long-term liabilities – due in more than one year:				
Compensated absences		33,340	33,341	66,681
Net pension liability		705,275	705,275	1,410,550
Total non-current liabilities		738,615	738,616	1,477,231
Total liabilities		1,045,482	777,210	1,822,692
Deferred inflows of resources:				
Deferred pension inflows		37,468	37,469	74,937
Total deferred inflows of resources		37,468	37,469	74,937
Net position:				
Net investment in capital assets		280,924	3,724,443	4,005,367
Restricted		1,788,291	737,360	2,525,651
Unrestricted		(33,588)	(440,240)	(473,828)
Total net position	$	2,035,627	4,021,563	6,057,190

June Lake Public Utilities District
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	Sewer Fund	Water Fund	Total
Operating revenues:			
Charges for services - sewer	$ 543,903	-	543,903
Charges for services - water	-	585,819	585,819
Total operating revenues	543,903	585,819	1,129,722
Operating expenses:			
Salaries and benefits	468,875	375,298	844,173
Professional services	130,900	132,115	263,015
Utilities	58,462	34,906	93,368
Small tools and supplies	22,336	42,342	64,678
Dues and subscriptions	39,181	28,105	67,286
Communication and travel	17,844	18,905	36,749
Insurance	14,532	14,532	29,064
Maintenance and repairs	8,662	5,312	13,974
Office expenses	5,202	5,202	10,404
Total operating expenses	765,994	656,717	1,422,711
Operating loss before depreciation	(222,091)	(70,898)	(292,989)
Depreciation	(124,891)	(249,035)	(373,926)
Operating loss	(346,982)	(319,933)	(666,915)
Non-operating revenue(expense)			
Property taxes	364,213	355,448	719,661
Cell tower income	13,200	-	13,200
Investment earnings	7,358	379	7,737
Miscellaneous revenues	36,973	-	36,973
Total non-operating revenues, net	421,744	355,827	777,571
Changes in net position	74,762	35,894	110,656
Net position, beginning of year	1,960,865	3,985,669	5,946,534
Net position, end of year	$ 2,035,627	4,021,563	6,057,190

June Lake Public Utilities District
Combining Schedule of Net Position
June 30, 2020

	Sewer Fund	Water Fund	Total
Current assets:			
Cash and cash equivalents	$ 160,390	-	160,390
Cash and cash equivalents – restricted	1,000,013	585,674	1,585,687
Accounts receivable - water	-	48,071	48,071
Accounts receivable - sewer	41,533	-	41,533
Property tax receivable	6,554	6,554	13,108
Accrued interest receivable	2,724	1,807	4,531
Other current assets	1,167	1,683	2,850
Total current assets	1,212,381	643,789	1,856,170
Non-current assets:			
Investments	1,228,311	-	1,228,311
Capital assets, not being depreciated	37,430	-	37,430
Capital assets, being depreciated, net	365,643	3,973,478	4,339,121
Total non-current assets	1,631,384	3,973,478	5,604,862
Total assets	2,843,765	4,617,267	7,461,032
Deferred outflows of resources:			
Deferred pension outflows	137,074	137,075	274,149
Total deferred outflows of resources	$ 137,074	137,075	274,149

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June Lake Public Utilities District
Combining Schedule of Net Position, continued
June 30, 2020

		Sewer Fund	Water Fund	Total
Current liabilities:	$			
Accounts payable and accrued expenses		15,756	17,979	33,735
Accrued wages and related payables		10,300	7,415	17,715
Customer advances and deposits		250,638	-	250,638
Long-term liabilities – due within one year:				
Compensated absences		11,655	11,654	23,309
Total current liabilities		288,349	37,048	325,397
Non-current liabilities:				
Long-term liabilities – due in more than one year:				
Compensated absences		34,964	34,963	69,927
Net pension liability		653,198	653,198	1,306,396
Total non-current liabilities		688,162	688,161	1,376,323
Total liabilities		976,511	725,209	1,701,720
Deferred inflows of resources:				
Deferred pension inflows		43,463	43,464	86,927
Total deferred inflows of resources		43,463	43,464	86,927
Net position:				
Net investment in capital assets		403,073	3,973,478	4,376,551
Restricted		1,000,013	585,674	1,585,687
Unrestricted		557,779	(573,483)	(15,704)
Total net position	$	1,960,865	3,985,669	5,946,534

June Lake Public Utilities District
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Sewer Fund	Water Fund	Total
Operating revenues:			
Charges for services - sewer	$ 494,846	-	494,846
Charges for services - water	-	491,183	491,183
Total operating revenues	494,846	491,183	986,029
Operating expenses:			
Salaries and benefits	451,665	359,661	811,326
Professional services	139,281	112,565	251,846
Utilities	52,724	31,266	83,990
Small tools and supplies	34,267	71,661	105,928
Dues and subscriptions	33,844	25,383	59,227
Communication and travel	15,480	18,054	33,534
Insurance	11,484	11,483	22,967
Maintenance and repairs	14,382	2,396	16,778
Office expenses	3,496	4,254	7,750
Other	821	-	821
Total operating expenses	757,444	636,723	1,394,167
Operating loss before depreciation	(262,598)	(145,540)	(408,138)
Depreciation	(124,525)	(247,359)	(371,884)
Operating loss	(387,123)	(392,899)	(780,022)
Non-operating revenue(expense)			
Property taxes	346,557	325,628	672,185
Cell tower income	13,200	-	13,200
Investment earnings	80,266	(652)	79,614
Interest expense	-	(15,211)	(15,211)
Total non-operating revenues, net	440,023	309,765	749,788
Other financing			
Transfers in(out)	(12,779)	12,779	-
Total other financing	(12,779)	12,779	-
Changes in net position	40,121	(70,355)	(30,234)
Net position, beginning of year, as previously stated	1,961,913	4,097,193	6,059,106
Prior period adjustment	(41,169)	(41,169)	(82,338)
Net position, beginning of year, as restated	1,920,744	4,056,024	5,976,768
Net position, end of year	$ 1,960,865	3,985,669	5,946,534

Report on Internal Controls and Compliance

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Independent Auditor's Report on Internal Controls Over Financial Reporting And on Compliance and Other Matters Based on the Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
June Lake Public Utility District
June Lake, California

We have audited, in accordance with the 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, the financial statements of the June Lake Public Utility District (District), as of and for the year June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 10, 2024.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report on Internal Controls Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards, (continued)*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
January 10, 2024