



Hidden Valley Lake Community Services District

Finance Committee Meeting

AGENDA

DATE: January 15, 2020

TIME: 12:30 pm

PLACE: Hidden Valley Lake CSD
Administration Office, GM Office
19400 Hartmann Road
Hidden Valley Lake, CA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. APPROVAL OF AGENDA
5. DISCUSS: Financial Reports
6. DISCUSS: Draft Audit Review with Smith & Newell (Available by Phone)
7. DISCUSS: Coyote Valley Plaza
8. DISCUSS: CV Strategies Update
9. DISCUSS: Water / Sewer Availability Fees (Greg and Andrew from NBS available by phone)
10. DISCUSS: Tax Payers Bond
11. PUBLIC COMMENT
12. COMMITTEE MEMBER COMMENT
13. ITEMS FOR NEXT AGENDA
14. ADJOURN

Public records are available upon request. Board Packets are posted on our website at www.hvllcsd.org/Meetings.

In compliance to the Americans with Disabilities Act, if you need special accommodations to participate in or attend the meeting please contact the District Office at (707)987-9201 at least 48 hours prior to the scheduled meeting.

Public shall be given the opportunity to comment on each agenda item before the Governing Board acts on that item, G.C. 54953.3. All other comments will be taken under Public Comment.

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
 FINANCIAL SUMMARY

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|------------------------------------|---------------------|-------------------|------------------------|-------------------|----------------|
| <u>REVENUE SUMMARY</u> | | | | | |
| ALL REVENUE | <u>2,746,706.92</u> | <u>105,035.44</u> | <u>1,955,134.94</u> | <u>791,571.98</u> | <u>71.18</u> |
| TOTAL REVENUES | <u>2,746,706.92</u> | <u>105,035.44</u> | <u>1,955,134.94</u> | <u>791,571.98</u> | <u>71.18</u> |
| <u>EXPENDITURE SUMMARY</u> | | | | | |
| NON-DEPARTMENTAL | 654,560.00 | 117,336.52 | 462,601.55 | 191,958.45 | 70.67 |
| ADMINISTRATION | 443,138.00 | 21,467.92 | 249,147.62 | 193,990.38 | 56.22 |
| OFFICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FIELD | 338,928.00 | 21,340.16 | 147,307.35 | 191,620.65 | 43.46 |
| DIRECTORS | 49,730.00 | 146.04 | 16,014.65 | 33,715.35 | 32.20 |
| SPECIAL PROJECTS | 657,757.22 | 0.00 | 657,757.22 | 0.00 | 100.00 |
| CAPITAL PROJECTS & EQUIP | <u>201,000.00</u> | <u>0.00</u> | <u>200,160.19</u> | <u>839.81</u> | <u>99.58</u> |
| TOTAL EXPENDITURES | <u>2,345,113.22</u> | <u>160,290.64</u> | <u>1,732,988.58</u> | <u>612,124.64</u> | <u>73.90</u> |
| REVENUES OVER/(UNDER) EXPENDITURES | 401,593.70 | (55,255.20) | 222,146.36 | 179,447.34 | 55.32 |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND

REVENUES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|-----------------------------------------|---------------------|-------------------|------------------------|-------------------|----------------|
| 120-4020 INSPECTION FEES | 500.00 | 100.00 | 300.00 | 200.00 | 60.00 |
| 120-4036 DEVELOPER SEWER FEES | 15,200.00 | 0.00 | 0.00 | 15,200.00 | 0.00 |
| 120-4040 LIEN RECORDING FEES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-4045 AVAILABILITY FEES | 5,000.00 | 135.00 | 360.00 | 4,640.00 | 7.20 |
| 120-4050 SALES OF RECLAIMED WATER | 118,000.00 | 1,875.92 | 83,546.47 | 34,453.53 | 70.80 |
| 120-4111 COMM SEWER USE | 36,959.00 | 2,961.46 | 18,001.76 | 18,957.24 | 48.71 |
| 120-4112 GOV'T SEWER USE | 855.00 | 71.21 | 427.26 | 427.74 | 49.97 |
| 120-4116 SEWER USE CHARGES | 1,167,934.00 | 98,104.35 | 590,629.44 | 577,304.56 | 50.57 |
| 120-4210 LATE FEE | 20,000.00 | 1,780.85 | 11,505.31 | 8,494.69 | 57.53 |
| 120-4300 MISC INCOME | 1,500.00 | 6.65 | 5,278.17 (| 3,778.17) | 351.88 |
| 120-4310 OTHER INCOME | 200.00 | 0.00 | 0.00 | 200.00 | 0.00 |
| 120-4320 FEMA/CalOES Grants | 1,083,419.00 | 0.00 | 948,419.00 | 135,000.00 | 87.54 |
| 120-4505 LEASE INCOME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-4550 INTEREST INCOME | 1,500.00 | 0.00 | 1,027.61 | 472.39 | 68.51 |
| 120-4580 TRANSFERS IN | 295,639.92 | 0.00 | 295,639.92 | 0.00 | 100.00 |
| 120-4591 INCOME APPLICABLE TO PRIOR YRS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-4955 Gain/Loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL REVENUES | 2,746,706.92 | 105,035.44 | 1,955,134.94 | 791,571.98 | 71.18 |
| | ===== | ===== | ===== | ===== | ===== |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
 NON-DEPARTMENTAL
 EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|------------------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 120-5-00-5010 SALARY & WAGES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5020 EMPLOYEE BENEFITS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5021 RETIREMENT BENEFITS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5024 WORKERS' COMP INSURANCE | 11,770.00 | 0.00 | 13,925.92 (| 2,155.92) | 118.32 |
| 120-5-00-5025 RETIREE HEALTH BENEFITS | 22,840.00 (| 587.78) | 3,049.02 | 19,790.98 | 13.35 |
| 120-5-00-5026 COBRA Health & Dental | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5040 ELECTION EXPENSE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5050 DEPRECIATION | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5060 GASOLINE, OIL & FUEL | 12,000.00 | 3,181.66 | 12,719.64 (| 719.64) | 106.00 |
| 120-5-00-5061 VEHICLE MAINT | 15,000.00 | 311.80 | 5,099.52 | 9,900.48 | 34.00 |
| 120-5-00-5062 TAXES & LIC | 800.00 | 0.00 | 0.00 | 800.00 | 0.00 |
| 120-5-00-5074 INSURANCE | 27,000.00 | 0.00 | 35,055.52 (| 8,055.52) | 129.84 |
| 120-5-00-5075 BANK FEES | 21,000.00 | 1,679.66 | 9,633.19 | 11,366.81 | 45.87 |
| 120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS | 7,500.00 | 0.00 | 5,414.00 | 2,086.00 | 72.19 |
| 120-5-00-5092 POSTAGE & SHIPPING | 7,000.00 | 937.85 | 3,257.83 | 3,742.17 | 46.54 |
| 120-5-00-5110 CONTRACTUAL SERVICES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5121 LEGAL SERVICES | 5,000.00 | 2,144.25 | 6,198.70 (| 1,198.70) | 123.97 |
| 120-5-00-5122 ENGINEERING SERVICES | 27,000.00 | 0.00 | 8,424.50 | 18,575.50 | 31.20 |
| 120-5-00-5123 OTHER PROFESSIONAL SERVICE | 30,000.00 | 24,986.58 | 48,771.74 (| 18,771.74) | 162.57 |
| 120-5-00-5126 AUDIT SERVICES | 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 |
| 120-5-00-5130 PRINTING & PUBLICATION | 5,000.00 | 683.88 | 1,902.46 | 3,097.54 | 38.05 |
| 120-5-00-5135 NEWSLETTER | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 |
| 120-5-00-5140 RENTS & LEASES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5145 EQUIPMENT RENTAL | 5,000.00 | 134.53 | 1,294.83 | 3,705.17 | 25.90 |
| 120-5-00-5148 OPERATING SUPPLIES | 40,000.00 | 6,374.77 | 30,153.56 | 9,846.44 | 75.38 |
| 120-5-00-5150 REPAIR & REPLACE | 142,000.00 | 8,112.31 | 73,825.06 | 68,174.94 | 51.99 |
| 120-5-00-5155 MAINT BLDG & GROUNDS | 5,500.00 | 207.50 | 6,763.31 (| 1,263.31) | 122.97 |
| 120-5-00-5156 CUSTODIAL SERVICES | 16,500.00 | 0.00 | 6,275.00 | 10,225.00 | 38.03 |
| 120-5-00-5157 SECURITY | 5,000.00 | 0.00 | 264.00 | 4,736.00 | 5.28 |
| 120-5-00-5160 SLUDGE DISPOSAL | 45,000.00 | 20,134.52 | 36,222.02 | 8,777.98 | 80.49 |
| 120-5-00-5165 TERTIARY POND MAINTENANCE | 35,000.00 | 0.00 | 35,000.00 | 0.00 | 100.00 |
| 120-5-00-5180 UNCOLLECTABLE ACCOUNTS | 0.00 | 0.00 | 182.43 (| 182.43) | 0.00 |
| 120-5-00-5191 TELEPHONE | 9,500.00 | 785.58 | 4,820.92 | 4,679.08 | 50.75 |
| 120-5-00-5192 ELECTRICITY | 60,000.00 | 0.00 | 23,675.29 | 36,324.71 | 39.46 |
| 120-5-00-5193 OTHER UTILITIES | 2,600.00 | 241.91 | 1,210.57 | 1,389.43 | 46.56 |
| 120-5-00-5194 IT SERVICES | 45,000.00 | 955.50 | 26,148.23 | 18,851.77 | 58.11 |
| 120-5-00-5195 ENV/MONITORING | 32,000.00 | 1,908.00 | 16,000.00 | 16,000.00 | 50.00 |
| 120-5-00-5196 RISK MANAGEMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5198 ANNUAL OPERATING FEES | 2,000.00 | 0.00 | 1,822.00 | 178.00 | 91.10 |
| 120-5-00-5310 EQUIPMENT - FIELD | 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 |
| 120-5-00-5311 EQUIPMENT - OFFICE | 1,300.00 | 0.00 | 107.25 | 1,192.75 | 8.25 |
| 120-5-00-5312 TOOLS - FIELD | 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 |
| 120-5-00-5315 SAFETY EQUIPMENT | 3,500.00 | 0.00 | 120.04 | 3,379.96 | 3.43 |
| 120-5-00-5510 SEWER OUTREACH | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5545 RECORDING FEES | 250.00 | 0.00 | 121.00 | 129.00 | 48.40 |
| 120-5-00-5580 TRANSFERS OUT | 0.00 | 45,144.00 | 45,144.00 (| 45,144.00) | 0.00 |
| 120-5-00-5590 NON-OPERATING OTHER | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5591 EXPENSES APPLICABLE TO PRI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5600 CONTINGENCY | 5,000.00 | 0.00 | 0.00 | 5,000.00 | 0.00 |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
 NON-DEPARTMENTAL
 EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|----------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 120-5-00-5650 OPERATING RESERVES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-00-5700 OVER / SHORT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL NON-DEPARTMENTAL | 654,560.00 | 117,336.52 | 462,601.55 | 191,958.45 | 70.67 |

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
ADMINISTRATION
EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|------------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 120-5-10-5010 SALARIES & WAGES | 281,602.00 | 16,539.86 | 185,520.95 | 96,081.05 | 65.88 |
| 120-5-10-5020 EMPLOYEE BENEFITS | 93,979.00 | 291.00 | 30,822.98 | 63,156.02 | 32.80 |
| 120-5-10-5021 RETIREMENT BENEFITS | 57,507.00 | 4,242.42 | 28,408.54 | 29,098.46 | 49.40 |
| 120-5-10-5063 CERTIFICATIONS | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 |
| 120-5-10-5090 OFFICE SUPPLIES | 4,000.00 | 82.70 | 1,437.31 | 2,562.69 | 35.93 |
| 120-5-10-5170 TRAVEL MILEAGE | 1,200.00 | 16.61 | 663.03 | 536.97 | 55.25 |
| 120-5-10-5175 EDUCATION / SEMINARS | 4,000.00 | 295.33 | 2,294.81 | 1,705.19 | 57.37 |
| 120-5-10-5179 ADM MISC EXPENSES | 350.00 | 0.00 | 0.00 | 350.00 | 0.00 |
| TOTAL ADMINISTRATION | 443,138.00 | 21,467.92 | 249,147.62 | 193,990.38 | 56.22 |

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
OFFICE
EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|---------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 120-5-20-5010 SALARIES & WAGES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-20-5020 EMPLOYEE BENEFITS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OFFICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
FIELD
EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|------------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 120-5-30-5010 SALARIES & WAGES | 215,150.00 | 17,000.99 | 93,408.31 | 121,741.69 | 43.42 |
| 120-5-30-5020 EMPLOYEE BENEFITS | 68,254.00 | 112.86 | 27,725.79 | 40,528.21 | 40.62 |
| 120-5-30-5021 RETIREMENT BENEFITS | 46,724.00 | 3,971.36 | 24,624.08 | 22,099.92 | 52.70 |
| 120-5-30-5022 CLOTHING ALLOWANCE | 1,800.00 | 250.00 | 1,099.50 | 700.50 | 61.08 |
| 120-5-30-5063 CERTIFICATIONS | 1,500.00 | 0.00 | 90.00 | 1,410.00 | 6.00 |
| 120-5-30-5090 OFFICE SUPPLIES | 1,000.00 | 0.00 | 328.89 | 671.11 | 32.89 |
| 120-5-30-5170 TRAVEL MILEAGE | 500.00 | 4.95 | 30.78 | 469.22 | 6.16 |
| 120-5-30-5175 EDUCATION / SEMINARS | 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 |
| TOTAL FIELD | 338,928.00 | 21,340.16 | 147,307.35 | 191,620.65 | 43.46 |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
 DIRECTORS
 EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|----------------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 120-5-40-5010 DIRECTORS COMPENSATION | 3,000.00 | 258.37 | 1,426.39 | 1,573.61 | 47.55 |
| 120-5-40-5020 DIRECTOR BENEFITS | 90.00 | 13.69 | 62.19 | 27.81 | 69.10 |
| 120-5-40-5030 DIRECTOR HEALTH BENEFITS | 41,340.00 (| 126.02) | 14,199.34 | 27,140.66 | 34.35 |
| 120-5-40-5170 TRAVEL MILEAGE | 200.00 | 0.00 | 0.00 | 200.00 | 0.00 |
| 120-5-40-5175 EDUCATION / SEMINARS | 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 |
| 120-5-40-5176 DIRECTOR TRAINING | 3,600.00 | 0.00 | 326.73 | 3,273.27 | 9.08 |
| TOTAL DIRECTORS | 49,730.00 | 146.04 | 16,014.65 | 33,715.35 | 32.20 |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
 SPECIAL PROJECTS
 EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|-------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 120-5-60-6001 PW LKHVA01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-60-6002 PW LKHVB02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-60-6003 PW LKHVA81 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-60-6004 PW LKHVB82 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-60-6005 PW LKHVF84 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-60-6006 PW LKHVF83 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 120-5-60-6007 RAINS 2019 | 657,757.22 | 0.00 | 657,757.22 | 0.00 | 100.00 |
| TOTAL SPECIAL PROJECTS | 657,757.22 | 0.00 | 657,757.22 | 0.00 | 100.00 |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

120-SEWER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|-------------------------------------------|---------------------|---------------------|------------------------|-------------------|----------------|
| 120-5-70-7101 VAC TRUCK | 201,000.00 | 0.00 | 200,125.92 | 874.08 | 99.57 |
| 120-5-70-7201 I & I | 0.00 | 0.00 | 34.27 (| 34.27) | 0.00 |
| 120-5-70-7203 HEADWORKS RAKE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL CAPITAL PROJECTS & EQUIP | 201,000.00 | 0.00 | 200,160.19 | 839.81 | 99.58 |
| TOTAL EXPENDITURES | 2,345,113.22 | 160,290.64 | 1,732,988.58 | 612,124.64 | 73.90 |
| REVENUES OVER/(UNDER) EXPENDITURES | 401,593.70 | (55,255.20) | 222,146.36 | 179,447.34 | 55.32 |

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND
 FINANCIAL SUMMARY

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|-------------------------------------|---------------------|-------------------|------------------------|---------------------|----------------|
| <u>REVENUE SUMMARY</u> | | | | | |
| ALL REVENUE | <u>2,256,021.80</u> | <u>153,817.55</u> | <u>1,228,194.10</u> | <u>1,027,827.70</u> | <u>54.44</u> |
| TOTAL REVENUES | <u>2,256,021.80</u> | <u>153,817.55</u> | <u>1,228,194.10</u> | <u>1,027,827.70</u> | <u>54.44</u> |
| <u>EXPENDITURE SUMMARY</u> | | | | | |
| NON-DEPARTMENTAL | 873,602.00 | 166,817.49 | 463,428.07 | 410,173.93 | 53.05 |
| ADMINISTRATION | 443,438.00 | 21,467.97 | 249,188.36 | 194,249.64 | 56.19 |
| OFFICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| FIELD | 339,528.00 | 21,751.52 | 177,959.26 | 161,568.74 | 52.41 |
| DIRECTORS | 54,530.00 | 168.67 | 16,182.75 | 38,347.25 | 29.68 |
| CAPITAL PROJECTS & EQUIP | <u>158,988.00</u> | <u>0.00</u> | <u>158,138.12</u> | <u>849.88</u> | <u>99.47</u> |
| TOTAL EXPENDITURES | <u>1,870,086.00</u> | <u>210,205.65</u> | <u>1,064,896.56</u> | <u>805,189.44</u> | <u>56.94</u> |
| REVENUES OVER/ (UNDER) EXPENDITURES | 385,935.80 | (56,388.10) | 163,297.54 | 222,638.26 | 42.31 |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND

REVENUES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|-----------------------------------------|---------------------|-------------------|------------------------|---------------------|----------------|
| 130-4035 RECONNECT FEE | 12,000.00 | 2,275.00 | 10,220.00 | 1,780.00 | 85.17 |
| 130-4038 COMM WATER METER INSTALL | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-4039 WATER METER INST | 1,000.00 | 170.00 | 340.00 | 660.00 | 34.00 |
| 130-4040 LIEN RECORDING FEES | 500.00 | 176.75 | 962.90 (| 462.90) | 192.58 |
| 130-4045 AVAILABILITY FEES | 25,000.00 | 0.00 | 900.00 | 24,100.00 | 3.60 |
| 130-4110 COMM WATER USE | 104,000.00 | 7,045.11 | 55,679.08 | 48,320.92 | 53.54 |
| 130-4112 GOV'T WATER USE | 6,000.00 | 426.13 | 2,934.86 | 3,065.14 | 48.91 |
| 130-4115 WATER USE | 1,940,435.00 | 141,855.18 | 996,310.36 | 944,124.64 | 51.34 |
| 130-4117 WATER OVERAGE FEE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-4118 WATER OVERAGE COMM | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-4119 WATER OVERAGE GOV | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-4210 LATE FEE | 25,000.00 | 2,508.37 | 19,003.68 | 5,996.32 | 76.01 |
| 130-4215 RETURNED CHECK FEE | 1,000.00 | 150.00 | 850.00 | 150.00 | 85.00 |
| 130-4300 MISC INCOME | 2,000.00 (| 788.99) | 2,139.62 (| 139.62) | 106.98 |
| 130-4310 OTHER INCOME | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 |
| 130-4505 LEASE INCOME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-4550 INTEREST INCOME | 2,000.00 | 0.00 | 1,866.80 | 133.20 | 93.34 |
| 130-4580 TRANSFER IN | 136,986.80 | 0.00 | 136,986.80 | 0.00 | 100.00 |
| 130-4591 INCOME APPLICABLE TO PRIOR YRS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-4955 Gain/Loss | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL REVENUES | 2,256,021.80 | 153,817.55 | 1,228,194.10 | 1,027,827.70 | 54.44 |
| | ===== | ===== | ===== | ===== | ===== |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND
 NON-DEPARTMENTAL
 EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|------------------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 130-5-00-5010 SALARY & WAGES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5020 EMPLOYEE BENEFITS | 0.00 | 0.00 | 93.64 (| 93.64) | 0.00 |
| 130-5-00-5021 RETIREMENT BENEFITS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5024 WORKERS' COMP INSURANCE | 11,770.00 | 0.00 | 13,925.92 (| 2,155.92) | 118.32 |
| 130-5-00-5025 RETIREE HEALTH BENEFITS | 22,840.00 (| 587.77) | 3,049.05 | 19,790.95 | 13.35 |
| 130-5-00-5026 COBRA Health & Dental | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5040 ELECTION EXPENSE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5050 DEPRECIATION | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5060 GASOLINE, OIL & FUEL | 11,000.00 | 3,181.63 | 10,856.34 | 143.66 | 98.69 |
| 130-5-00-5061 VEHICLE MAINT | 24,292.00 | 311.78 | 5,099.44 | 19,192.56 | 20.99 |
| 130-5-00-5062 TAXES & LIC | 1,200.00 | 0.00 | 0.00 | 1,200.00 | 0.00 |
| 130-5-00-5074 INSURANCE | 27,000.00 | 0.00 | 35,055.52 (| 8,055.52) | 129.84 |
| 130-5-00-5075 BANK FEES | 21,000.00 | 1,679.63 | 9,310.67 | 11,689.33 | 44.34 |
| 130-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS | 24,000.00 | 0.00 | 20,154.00 | 3,846.00 | 83.98 |
| 130-5-00-5092 POSTAGE & SHIPPING | 6,000.00 | 937.83 | 3,257.78 | 2,742.22 | 54.30 |
| 130-5-00-5110 CONTRACTUAL SERVICES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5121 LEGAL SERVICES | 10,000.00 | 1,716.75 | 5,771.20 | 4,228.80 | 57.71 |
| 130-5-00-5122 ENGINEERING SERVICES | 60,000.00 | 0.00 | 50.00 | 59,950.00 | 0.08 |
| 130-5-00-5123 OTHER PROFESSIONAL SERVICE | 40,000.00 | 11,077.50 | 30,680.85 | 9,319.15 | 76.70 |
| 130-5-00-5124 WATER RIGHTS | 70,000.00 | 805.00 | 3,298.56 | 66,701.44 | 4.71 |
| 130-5-00-5126 AUDIT SERVICES | 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 |
| 130-5-00-5130 PRINTING & PUBLICATION | 7,500.00 | 683.88 | 1,902.43 | 5,597.57 | 25.37 |
| 130-5-00-5135 NEWSLETTER | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 |
| 130-5-00-5140 RENT & LEASES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5145 EQUIPMENT RENTAL | 35,000.00 | 134.52 | 2,870.04 | 32,129.96 | 8.20 |
| 130-5-00-5148 OPERATING SUPPLIES | 5,000.00 | 0.00 | 1,785.50 | 3,214.50 | 35.71 |
| 130-5-00-5150 REPAIR & REPLACE | 185,000.00 | 1,968.11 | 40,067.95 | 144,932.05 | 21.66 |
| 130-5-00-5155 MAINT BLDG & GROUNDS | 12,000.00 | 207.50 | 5,486.95 | 6,513.05 | 45.72 |
| 130-5-00-5156 CUSTODIAL SERVICES | 4,200.00 | 0.00 | 1,525.00 | 2,675.00 | 36.31 |
| 130-5-00-5157 SECURITY | 5,000.00 | 0.00 | 264.00 | 4,736.00 | 5.28 |
| 130-5-00-5180 UNCOLLECTABLE ACCOUNTS | 0.00 | 0.00 | 227.51 (| 227.51) | 0.00 |
| 130-5-00-5191 TELEPHONE | 9,500.00 | 785.58 | 4,824.83 | 4,675.17 | 50.79 |
| 130-5-00-5192 ELECTRICITY | 150,000.00 | 0.00 | 65,457.77 | 84,542.23 | 43.64 |
| 130-5-00-5193 OTHER UTILITIES | 2,200.00 | 241.90 | 1,210.52 | 989.48 | 55.02 |
| 130-5-00-5194 IT SERVICES | 40,000.00 | 3,304.50 | 28,497.19 | 11,502.81 | 71.24 |
| 130-5-00-5195 ENV/MONITORING | 20,000.00 | 1,181.00 | 7,910.00 | 12,090.00 | 39.55 |
| 130-5-00-5196 RISK MANAGEMENT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5198 ANNUAL OPERATING FEES | 30,000.00 | 12,294.15 | 30,103.15 (| 103.15) | 100.34 |
| 130-5-00-5310 EQUIPMENT - FIELD | 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 |
| 130-5-00-5311 EQUIPMENT - OFFICE | 1,000.00 | 0.00 | 107.24 | 892.76 | 10.72 |
| 130-5-00-5312 TOOLS - FIELD | 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 |
| 130-5-00-5315 SAFETY EQUIPMENT | 2,500.00 | 0.00 | 120.02 | 2,379.98 | 4.80 |
| 130-5-00-5505 WATER CONSERVATION | 9,000.00 | 0.00 | 3,450.00 | 5,550.00 | 38.33 |
| 130-5-00-5545 RECORDING FEES | 100.00 | 0.00 | 121.00 (| 21.00) | 121.00 |
| 130-5-00-5580 TRANSFERS OUT | 0.00 | 126,894.00 | 126,894.00 (| 126,894.00) | 0.00 |
| 130-5-00-5590 NON-OPERATING OTHER | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5591 EXPENSES APPLICABLE TO PRI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-00-5600 CONTINGENCY | 20,000.00 | 0.00 | 0.00 | 20,000.00 | 0.00 |
| 130-5-00-5650 OPERATING RESERVES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| TOTAL NON-DEPARTMENTAL | 873,602.00 | 166,817.49 | 463,428.07 | 410,173.93 | 53.05 |

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND
ADMINISTRATION
EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|------------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 130-5-10-5010 SALARIES & WAGES | 281,602.00 | 16,539.98 | 185,180.30 | 96,421.70 | 65.76 |
| 130-5-10-5020 EMPLOYEE BENEFITS | 93,979.00 | 290.99 | 30,822.81 | 63,156.19 | 32.80 |
| 130-5-10-5021 RETIREMENT BENEFITS | 57,507.00 | 4,242.38 | 28,369.63 | 29,137.37 | 49.33 |
| 130-5-10-5063 CERTIFICATIONS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-10-5090 OFFICE SUPPLIES | 4,000.00 | 82.68 | 1,437.16 | 2,562.84 | 35.93 |
| 130-5-10-5170 TRAVEL MILEAGE | 2,000.00 | 16.61 | 1,083.66 | 916.34 | 54.18 |
| 130-5-10-5175 EDUCATION / SEMINARS | 4,000.00 | 295.33 | 2,294.80 | 1,705.20 | 57.37 |
| 130-5-10-5179 ADM MISC EXPENSES | 350.00 | 0.00 | 0.00 | 350.00 | 0.00 |
| 130-5-10-5505 WATER CONSERVATION | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL ADMINISTRATION | 443,438.00 | 21,467.97 | 249,188.36 | 194,249.64 | 56.19 |

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND
OFFICE
EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|---------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 130-5-20-5010 SALARIES & WAGES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-20-5020 EMPLOYEE BENEFITS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OFFICE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND
FIELD
EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|------------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 130-5-30-5010 SALARIES & WAGES | 215,150.00 | 17,001.17 | 120,739.89 | 94,410.11 | 56.12 |
| 130-5-30-5020 EMPLOYEE BENEFITS | 68,254.00 | 112.85 | 27,632.08 | 40,621.92 | 40.48 |
| 130-5-30-5021 RETIREMENT BENEFITS | 46,724.00 | 4,382.55 | 27,941.37 | 18,782.63 | 59.80 |
| 130-5-30-5022 CLOTHING ALLOWANCE | 1,800.00 | 250.00 | 1,099.48 | 700.52 | 61.08 |
| 130-5-30-5063 CERTIFICATIONS | 600.00 | 0.00 | 190.00 | 410.00 | 31.67 |
| 130-5-30-5090 OFFICE SUPPLIES | 1,000.00 | 0.00 | 328.86 | 671.14 | 32.89 |
| 130-5-30-5170 TRAVEL MILEAGE | 2,000.00 | 4.95 | 27.58 | 1,972.42 | 1.38 |
| 130-5-30-5175 EDUCATION / SEMINARS | 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 |
| TOTAL FIELD | 339,528.00 | 21,751.52 | 177,959.26 | 161,568.74 | 52.41 |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND

DIRECTORS

EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|-----------------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 130-5-40-5010 DIRECTORS COMPENSATION | 3,000.00 | 279.88 | 1,587.81 | 1,412.19 | 52.93 |
| 130-5-40-5020 DIRECTOR BENEFITS | 90.00 | 14.81 | 68.91 | 21.09 | 76.57 |
| 130-5-40-5030 DIRECTOR HEALTH BENEFITS | 41,340.00 (| 126.02) | 14,199.30 | 27,140.70 | 34.35 |
| 130-5-40-5080 MEMBERSHIP & SUBSCRIPTION | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 130-5-40-5170 TRAVEL MILEAGE | 200.00 | 0.00 | 0.00 | 200.00 | 0.00 |
| 130-5-40-5175 EDUCATION / SEMINARS | 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 |
| 130-5-40-5176 DIRECTOR TRAINING | 8,400.00 | 0.00 | 326.73 | 8,073.27 | 3.89 |
| TOTAL DIRECTORS | 54,530.00 | 168.67 | 16,182.75 | 38,347.25 | 29.68 |

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: DECEMBER 31ST, 2019

130-WATER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

| | CURRENT BUDGET | CURRENT PERIOD | YEAR TO DATE ACTUAL | BUDGET BALANCE | % OF BUDGET |
|-------------------------------------------|---------------------|-------------------|------------------------|-------------------|----------------|
| 130-5-70-7101 VAC TRUCK | 134,000.00 | 0.00 | 133,417.28 | 582.72 | 99.57 |
| 130-5-70-7202 GENERATORS | 24,988.00 | 0.00 | 16,953.39 | 8,034.61 | 67.85 |
| 130-5-70-7204 TANK 9 | 0.00 | 0.00 | 1,860.00 (| 1,860.00) | 0.00 |
| 130-5-70-7205 MMN WTR MAIN | 0.00 | 0.00 | 5,907.45 (| 5,907.45) | 0.00 |
| TOTAL CAPITAL PROJECTS & EQUIP | 158,988.00 | 0.00 | 158,138.12 | 849.88 | 99.47 |
| TOTAL EXPENDITURES | 1,870,086.00 | 210,205.65 | 1,064,896.56 | 805,189.44 | 56.94 |
| REVENUES OVER/(UNDER) EXPENDITURES | 385,935.80 (| 56,388.10) | 163,297.54 | 222,638.26 | 42.31 |

*** END OF REPORT ***



Hidden Valley Lake Community Services District
Financial Activity, Cash and Investment Summary
As of December 31, 2019
(Rounded and Unaudited)

| | Operating Checking | Money Market | LAIF | Bond Trustee | Total All Cash/Investment Accounts |
|-----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------|-------------------------|---------------------------------------------------|
| | West America Bank 1010 | West America Bank 1130 | State Treasurer 1133 | US Bank 1200 | |
| Financial Activity of Cash/Investment Accounts in General Ledger [1] | | | | | |
| Beginning Balances | \$ 639,662.34 | \$ 467,472.83 | \$ 615,424.57 | \$ 178,941.69 | \$ 1,901,501.43 |
| Cash Receipts | | | | | |
| Utility Billing Deposits | 294,513.13 | 16,629.04 | - | - | |
| Electronic Fund Deposits | - | - | - | - | |
| Other Deposits | - | 29.79 | - | 165.69 | |
| Total Cash Receipts | \$ 294,513.13 | \$ 16,658.83 | \$ - | \$ 179,107.38 | |
| Cash Disbursements | | | | | |
| Accounts Payable Checks issued | 116,135.35 | - | - | - | |
| Electronic Fund/Bank Draft Disbursements | 87,942.18 | - | - | - | |
| Payroll Checks issued - net | 45,895.77 | - | - | - | |
| Bank Fees | 3,359.29 | - | - | - | |
| Other Disbursements | - | - | - | - | |
| Total Disbursements | \$ 253,332.59 | \$ - | \$ - | \$ - | |
| Transfers Between Accounts | | | | | |
| Transfers In | - | - | - | - | |
| Transfers Out | - | - | - | - | |
| Total Transfers Between Accounts | \$ - | \$ - | \$ - | \$ - | |
| Ending Balances in General Ledger | \$ 680,842.88 | \$ 484,131.66 | \$ 615,424.57 | \$ 179,107.38 | \$ 1,959,506.49 |
| Reconciling Adjustments to Financial Institutions [2] | - | - | - | - | |
| Financial Institution Ending Balances | \$ 693,777.57 | \$ 484,131.66 | \$ 615,424.57 | \$ 179,107.38 | \$ 1,972,441.18 |

Ending Balances General Ledger Distribution by District Funds

| | | | | | |
|------------------------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| 100 Operating | - | - | - | - | - |
| 120 Wastewater Operating | 192,507.09 | 61,997.46 | 71,087.62 | - | 325,592.17 |
| 130 Water Operating | 154,196.57 | 165,143.35 | 105,940.73 | - | 425,280.65 |
| 140 Flood Enterprise | 388.45 | - | - | - | 388.45 |
| 215 2016 Sewer Refinancing Bond | (1,393.74) | 123,200.35 | 92,970.27 | 179,107.38 | 393,884.26 |
| 218 2002 CIEDB Loan | 118,128.79 | - | 12,162.59 | - | 130,291.38 |
| 219 2012 USDA Solar COP | 0.23 | 22,495.00 | 865.57 | - | 23,360.80 |
| 313 Wastewater Operating Reserve | 22,572.00 | 22,801.54 | 57,906.94 | - | 103,280.48 |
| 314 Wastewater CIP | 22,572.00 | (7,858.78) | 93,629.67 | - | 108,342.89 |
| 319 2012 USDA Solar COP Reserve | - | 31,292.25 | - | - | 31,292.25 |
| 320 Water CIP | 74,407.20 | 3.07 | - | - | 74,410.27 |
| 325 Water Operating Reserve | 97,464.29 | - | - | - | 97,464.29 |
| 350 2002 CIEDB Loan Reserve | - | - | 180,861.18 | - | 180,861.18 |
| 711 2016 Bond Administration | - | - | - | - | - |
| 712 Bond Revolving | - | 65,057.42 | - | - | 65,057.42 |
| Total Ending Balances in General Ledger | \$ 680,842.88 | \$ 484,131.66 | \$ 615,424.57 | \$ 179,107.38 | \$ 1,959,506.49 |

[1] From General Ledger activity by Financial Institution accounts with District Fund accounts consolidated. Checking and Money Market accounts are with West America Bank, Local Agency Investment Account (LAIF) is held by the State Treasurer on behalf of the District and US Bank is the Bond Trustee for the the 2016 Refunding >>>>>>. All cash accounts have been reconciled to the ending Financial Institution statements.

[2] See Reconciliation Detail Summary for details



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

CAPITAL EXPENDITURES

2019 - 2020

DECEMBER

| SEWER CIP/OP EXPENSES | FUND | Budget | Year to Date Actual |
|---------------------------------|-------------|-------------------|----------------------------|
| I & I Study (Intern/Fellowship) | 313 | 60,000 | - |
| IT Upgrades | 313 | 5,000 | 4,160 |
| Vac Truck (60%) | 712 | 201,000 | 200,126 |
| I & I Repair | 314 | 100,000 | - |
| Chlorine tank auto shutoff | 314 | 32,000 | - |
| SCADA | 712 | 30,000 | - |
| Chlorine Disinfection Facility | 314 | 45,000 | - |
| Aquatic Harvesting | 314 | 35,000 | 35,000 |
| Total | | \$ 508,000 | \$ 239,286 |

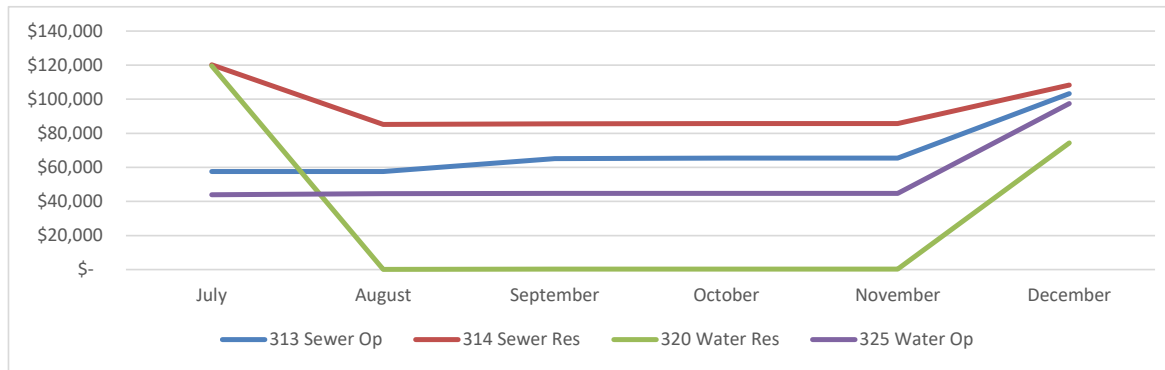
| SEWER CIP/OP REVENUE TRANSFERS | FUND | Budgeted Transfers In | Year to Date Transfer In |
|---------------------------------------|-------------|------------------------------|---------------------------------|
| Sewer Op Reserve (3%) | 313 | 45,147 | 22,572 |
| FEMA/CalOES | 313 | | - |
| Sewer CIP (3%) | 314 | 45,147 | 22,572 |
| FEMA/CalOES | 314 | | - |
| Total | | \$ 90,294 | \$ 45,144.00 |

| WATER CIP/OP EXPENSES | FUND | Budget | Year to Date Actual |
|----------------------------------------|-------------|-------------------|----------------------------|
| Unit 9 Tank Replacement 1,700,000 (*1) | 320/325/130 | 220,000 | - |
| AMI | 320/325/130 | 100,000 | - |
| Vac Truck (40%) | 320 | 134,000 | 133,417 |
| Repair Water Main Line | 320 | 200,000 | 2,712 |
| IT Upgrades | 320 | 5,000 | 4,160 |
| Total | | \$ 659,000 | \$ - |

| WATER CIP/OP REVENUE TRANSFERS | FUND | Budgeted Transfer In | Yr to Date Transfer In |
|---------------------------------------|-------------|-----------------------------|-------------------------------|
| Water CIP (8%) | 320 | 148,243 | 74,118 |
| Water OP Reserve Fund (5%) | 325 | 105,548 | 52,776 |
| Total | | \$ 253,792 | \$ 126,894 |

*1 Financial Options Funds \$220,000 FY 19/20 & 20/21 plus HMGP 75%

| Fund | July | August | September | October | November | December |
|---------------|------------|-----------|-----------|-----------|-----------|------------|
| 313 Sewer Op | \$ 57,553 | \$ 57,553 | \$ 65,153 | \$ 65,508 | \$ 65,508 | \$ 103,281 |
| 314 Sewer Res | \$ 120,197 | \$ 85,198 | \$ 85,498 | \$ 85,771 | \$ 85,771 | \$ 108,343 |
| 320 Water Res | \$ 119,601 | \$ 101 | \$ 240 | \$ 266 | \$ 266 | \$ 74,410 |
| 325 Water Op | \$ 43,928 | \$ 44,587 | \$ 44,658 | \$ 44,672 | \$ 44,673 | \$ 97,464 |



| Activity | July | August | September | October | November | December |
|----------------------------|----------------------|--------------------------|-----------|---------|----------|-----------|
| 313 Sewer Op Transfer In | | | | | | 1 & 2 Qtr |
| 313 Sewer Op Transfer Out | | | | | | |
| 314 Sewer Res Transfer In | | | | | | 1 & 2 Qtr |
| 314 Sewer Res Transfer Out | | Head Rake & Aqua Harvest | | | | |
| 320 Water Res Transfer In | | | | | | 1 & 2 Qtr |
| 320 Water Res Transfer Out | Coastland Generators | Vac Truck | | | | |
| 325 Water Op Transfer In | | | | | | 1 & 2 Qtr |
| 325 Water Op Transfer Out | | | | | | |

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

**Draft Report
For Internal
Use Only**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2019**

COMMUNITY SERVICES DISTRICT
CALIFORNIA

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Draft Report For Internal Use Only

COMMUNITY SERVICES DISTRICT
CALIFORNIA

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Annual Financial Report
For the Year Ended June 30, 2019

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INTRODUCTORY SECTION

- List of Officials

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

List of Officials

For the Year Ended June 30, 2019

Board of Directors

| | |
|----------------|----------------|
| Linda Herndon | President |
| Judy Mirbegian | Vice President |
| Jim Liberman | Director |
| Carolyn Graham | Director |
| Jim Freeman | Director |

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2011-12 FINANCIAL STATEMENTS

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District, California (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 opinions.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, District Pension Plan information and District OPEB Plan information as listed in the table of contents 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated XXX, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Smith & Newell CPAs
Yuba City, California
XXX, 2019

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2024-2025

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

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STATE OF CALIFORNIA - DEPARTMENT OF REVENUE

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Basic Financial Statements

- **Government-Wide Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Statement of Net Position

June 30, 2019

| | Business-Type Activities |
|---------------------------------------------|-------------------------------------|
| ASSETS | |
| Cash and investments | \$ 1,959,534 |
| Investments with fiscal agent | 177,580 |
| Receivables: | |
| Accounts (net of allowance) | 325,778 |
| Assessments | 5,395 |
| Delinquent assessments | 109,360 |
| Intergovernmental | 1,012,484 |
| Interest | 5,023 |
| Prepaid costs | 34,938 |
| Capital assets: | |
| Non-depreciable | 607,918 |
| Depreciable, net | 5,742,979 |
| Total capital assets | <u>6,350,897</u> |
| Total Assets | <u>9,980,989</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred pension adjustments | 449,116 |
| Deferred OPEB adjustments | 35,000 |
| Total Deferred Outflows of Resources | <u>484,116</u> |
| LIABILITIES | |
| Accounts payable | 744,932 |
| Salaries and benefits payable | 39,231 |
| Interest payable | 67,269 |
| Long-term liabilities: | |
| Due within one year | 337,364 |
| Due in more than one year | 5,157,857 |
| Net pension liability | 1,403,810 |
| Net OPEB liability | 1,310,799 |
| Total Liabilities | <u>9,061,262</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred pension adjustments | 97,020 |
| Deferred OPEB adjustments | 81,389 |
| Total Deferred Inflows of Resources | <u>178,409</u> |
| NET POSITION | |
| Net investment in capital assets | 915,280 |
| Restricted for debt service | 910,609 |
| Restricted for capital facilities | 195,422 |
| Unrestricted | (795,877) |
| Total Net Position | <u>\$ 1,225,434</u> |

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Statement of Activities

For the Year Ended June 30, 2019

| Functions/Programs: | Expenses | Program Revenues | | Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|-------------------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | | |
| Business-type activities: | | | | | |
| Sewer | \$ 2,157,432 | \$ 1,349,156 | \$ 281,018 | \$ - | \$ (527,258) |
| Water | 1,775,684 | 1,865,070 | - | - | 89,386 |
| Flood control | 2,329 | - | - | - | (2,329) |
| Total Business-Type Activities | 3,935,445 | 3,214,226 | 281,018 | - | (440,201) |
| Total | \$ 3,935,445 | \$ 3,214,226 | \$ 281,018 | \$ - | (440,201) |
| General revenues: | | | | | |
| Interest and investment earnings | | | | | 26,643 |
| Miscellaneous | | | | | 90,787 |
| Special items: | | | | | |
| Storms emergency response and repair proceeds | | | | | 1,087,144 |
| Storms emergency response and repair expenses | | | | | (1,068,253) |
| Total General Revenues and Special Items | | | | | 136,321 |
| Change in Net Position | | | | | (303,880) |
| Net Position - Beginning | | | | | 1,529,314 |
| Net Position - Ending | | | | | \$ 1,225,434 |

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Account 1475 - 2014-15 - 1475 - 1475 - 1475 - 1475

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Basic Financial Statements

- **Fund Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Statement of Net Position

Enterprise Funds

June 30, 2019

| | Sewer Operations | Water Operations | Flood Control | Totals |
|---------------------------------------------|---------------------|---------------------|------------------|-------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and investments | \$ 1,154,902 | \$ 804,070 | \$ 562 | \$ 1,959,534 |
| Investments with fiscal agent | 177,580 | - | - | 177,580 |
| Receivables: | | | | |
| Accounts (net of allowance) | 118,554 | 207,224 | - | 325,778 |
| Assessments | 5,395 | - | - | 5,395 |
| Intergovernmental | 1,012,484 | - | - | 1,012,484 |
| Interest | 2,409 | 2,614 | - | 5,023 |
| Prepaid costs | 17,469 | 17,469 | - | 34,938 |
| Total Current Assets | 2,488,793 | 1,031,377 | 562 | 3,520,732 |
| Noncurrent Assets: | | | | |
| Advances to other funds | 40,000 | - | - | 40,000 |
| Delinquent assessments receivable | 109,360 | - | - | 109,360 |
| Capital assets, net | 3,047,228 | 3,303,669 | - | 6,350,897 |
| Total Noncurrent Assets | 3,196,588 | 3,303,669 | - | 6,500,257 |
| Total Assets | 5,685,381 | 4,335,046 | 562 | 10,020,989 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred pension adjustments | 224,558 | 224,558 | - | 449,116 |
| Deferred OPEB adjustments | 16,313 | 18,687 | - | 35,000 |
| Total Deferred Outflows of Resources | 240,871 | 243,245 | - | 484,116 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 697,524 | 47,408 | - | 744,932 |
| Salaries and benefits payable | 18,621 | 20,610 | - | 39,231 |
| Interest payable | 42,450 | 24,819 | - | 67,269 |
| Compensated absences | 19,039 | 14,199 | - | 33,238 |
| Bonds payable | 181,263 | - | - | 181,263 |
| Loans payable | - | 106,363 | - | 106,363 |
| Certificates of participation | 16,500 | - | - | 16,500 |
| Total Current Liabilities | 975,397 | 213,399 | - | 1,188,796 |

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

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Net Position
Enterprise Funds
June 30, 2019

| | <u>Sewer Operations</u> | <u>Water Operations</u> | <u>Flood Control</u> | <u>Totals</u> |
|--------------------------------------------|-----------------------------|-----------------------------|--------------------------|---------------------|
| LIABILITIES (CONTINUED) | | | | |
| Noncurrent Liabilities: | | | | |
| Advances from other funds | - | 40,000 | - | 40,000 |
| Compensated absences | 15,102 | 11,264 | - | 26,366 |
| Bonds payable | 3,009,161 | - | - | 3,009,161 |
| Loans payable | - | 1,605,330 | - | 1,605,330 |
| Certificates of participation | 517,000 | - | - | 517,000 |
| Net pension liability | 701,905 | 701,905 | - | 1,403,810 |
| Net OPEB liability | 591,264 | 719,535 | - | 1,310,799 |
| Total Noncurrent Liabilities | <u>4,834,432</u> | <u>3,078,034</u> | <u>-</u> | <u>7,912,466</u> |
| Total Liabilities | <u>5,809,829</u> | <u>3,291,433</u> | <u>-</u> | <u>9,101,262</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred pension adjustments | 48,510 | 48,510 | - | 97,020 |
| Deferred OPEB adjustments | 41,023 | 40,366 | - | 81,389 |
| Total Deferred Inflows of Resources | <u>89,533</u> | <u>88,876</u> | <u>-</u> | <u>178,409</u> |
| NET POSITION | | | | |
| Net investment in capital assets | (676,696) | 1,591,976 | - | 915,280 |
| Restricted for debt service | 730,855 | 179,754 | - | 910,609 |
| Restricted for capital facilities | 57,553 | 137,869 | - | 195,422 |
| Unrestricted | (84,822) | (711,617) | 562 | (795,877) |
| Total Net Position | <u>\$ 26,890</u> | <u>\$ 1,197,982</u> | <u>\$ 562</u> | <u>\$ 1,225,434</u> |

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

Continued (Page 2 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

**Statement of Revenues, Expenses
and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2019**

| | <u>Sewer Operations</u> | <u>Water Operations</u> | <u>Flood Control</u> | <u>Totals</u> |
|---------------------------------------------------------|-----------------------------|-----------------------------|--------------------------|------------------|
| OPERATING REVENUES | | | | |
| Assessments | \$ 281,018 | \$ - | \$ - | \$ 281,018 |
| Permits and inspections | 37,570 | - | - | 37,570 |
| Charges for services | 1,311,586 | 1,865,070 | - | 3,176,656 |
| Miscellaneous | 47,172 | 43,615 | - | 90,787 |
| Total Operating Revenues | <u>1,677,346</u> | <u>1,908,685</u> | <u>-</u> | <u>3,586,031</u> |
| OPERATING EXPENSES | | | | |
| Salaries and benefits | 721,447 | 796,097 | - | 1,517,544 |
| Insurance | 72,430 | 24,209 | - | 96,639 |
| Office expenses | 25,226 | 25,670 | - | 50,896 |
| Continuing education | 6,194 | 14,504 | - | 20,698 |
| Dues and subscriptions | 5,897 | 19,304 | - | 25,201 |
| Postage | 6,397 | 6,397 | - | 12,794 |
| Repairs and maintenance | 300,100 | 153,122 | - | 453,222 |
| Gas, fuel and oil | 10,430 | 10,413 | - | 20,843 |
| Supplies | 61,619 | 49,782 | - | 111,401 |
| Professional services | 165,514 | 126,972 | - | 292,486 |
| Rents and leases | 22,641 | - | - | 22,641 |
| Travel | 2,273 | 2,272 | - | 4,545 |
| Telephone | 10,624 | 10,624 | - | 21,248 |
| Power | 44,846 | 137,757 | 2,329 | 184,932 |
| Other utilities | 2,599 | 2,598 | - | 5,197 |
| Depreciation | 225,322 | 165,356 | - | 390,678 |
| Other operating | 297,277 | 2,364 | - | 299,641 |
| Office and safety equipment | 14,841 | 52,080 | - | 66,921 |
| Director's compensation | - | 2,002 | - | 2,002 |
| Environmental monitoring | 35,041 | 22,768 | - | 57,809 |
| Water conservation | - | 8,156 | - | 8,156 |
| Water rights | - | 49,308 | - | 49,308 |
| Annual operating fees | 1,830 | 32,277 | - | 34,107 |
| Total Operating Expenses | <u>2,032,548</u> | <u>1,714,032</u> | <u>2,329</u> | <u>3,748,909</u> |
| Operating Income (Loss) | <u>(355,202)</u> | <u>194,653</u> | <u>(2,329)</u> | <u>(162,878)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Interest income | 17,861 | 8,782 | - | 26,643 |
| Interest expense | (124,884) | (61,652) | - | (186,536) |
| Total Non-Operating Revenues (Expenses) | <u>(107,023)</u> | <u>(52,870)</u> | <u>-</u> | <u>(159,893)</u> |
| Income (Loss) Before Special Items and Transfers | <u>(462,225)</u> | <u>141,783</u> | <u>(2,329)</u> | <u>(322,771)</u> |

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

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses
and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2019

| | <u>Sewer Operations</u> | <u>Water Operations</u> | <u>Flood Control</u> | <u>Totals</u> |
|-------------------------------------------------------|-----------------------------|-----------------------------|--------------------------|---------------------|
| Proceeds for the storms emergency response and repair | 1,087,144 | - | - | 1,087,144 |
| Expenses for the storms emergency response and repair | (1,068,253) | - | - | (1,068,253) |
| Transfers in | 1,312,127 | 100,722 | - | 1,412,849 |
| Transfers out | (1,312,127) | (100,722) | - | (1,412,849) |
| Change in Net Position | (443,334) | 141,783 | (2,329) | (303,880) |
| Total Net Position - Beginning | 470,224 | 1,056,199 | 2,891.00 | 1,529,314 |
| Total Net Position - Ending | <u>\$ 26,890</u> | <u>\$ 1,197,982</u> | <u>\$ 562</u> | <u>\$ 1,225,434</u> |

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

Continued (Page 2 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2019

| | Sewer Operations | Water Operations | Flood Control | Totals |
|-----------------------------------------------------------------------------|---------------------|---------------------|------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers | \$ 1,670,906 | \$ 1,895,533 | \$ - | \$ 3,566,439 |
| Cash paid to suppliers | (340,427) | (643,034) | (2,329) | (985,790) |
| Cash paid to employees | (770,711) | (864,610) | - | (1,635,321) |
| Net Cash Provided (Used) by Operating Activities | <u>559,768</u> | <u>387,889</u> | <u>(2,329)</u> | <u>945,328</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Special project amounts paid | (698,612) | - | - | (698,612) |
| Interfund loan repayments received | 50,000 | - | - | 50,000 |
| Interfund loan repayments made | - | (50,000) | - | (50,000) |
| Transfer in from other funds | 1,312,127 | 100,722 | - | 1,412,849 |
| Transfer out to other funds | (1,312,127) | (100,722) | - | (1,412,849) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>(648,612)</u> | <u>(50,000)</u> | <u>-</u> | <u>(698,612)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets | (119,021) | (38,915) | - | (157,936) |
| Principal paid on debt | (191,263) | (102,787) | - | (294,050) |
| Interest paid on debt | (127,237) | (63,144) | - | (190,381) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(437,521)</u> | <u>(204,846)</u> | <u>-</u> | <u>(642,367)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on investments | 18,711 | 7,537 | - | 26,248 |
| Net Cash Provided (Used) by Investing Activities | <u>18,711</u> | <u>7,537</u> | <u>-</u> | <u>26,248</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (507,654) | 140,580 | (2,329) | (369,403) |
| Balances - Beginning | <u>1,840,136</u> | <u>663,490</u> | <u>2,891</u> | <u>2,506,517</u> |
| Balances - Ending | <u>\$ 1,332,482</u> | <u>\$ 804,070</u> | <u>\$ 562</u> | <u>\$ 2,137,114</u> |

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

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2019

| | Sewer Operations | Water Operations | Flood Control | Totals |
|--------------------------------------------------------------------------------------------------------------|---------------------|---------------------|-------------------|-------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ (355,202) | \$ 194,653 | \$ (2,329) | \$ (162,878) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation/amortization | 225,322 | 165,356 | - | 390,678 |
| Decrease (increase) in: | | | | |
| Accounts receivable | (13,442) | (13,152) | - | (26,594) |
| Assessments receivable | 7,003 | - | - | 7,003 |
| Prepaid costs | 3,020 | 3,194 | - | 6,214 |
| Pension adjustment - deferred outflows | (32,815) | (25,303) | - | (58,118) |
| OPEB adjustment - deferred outflows | (675) | (732) | - | (1,407) |
| Increase (decrease) in: | | | | |
| Accounts payable | 656,243 | 20,264 | - | 676,507 |
| Salaries and benefits payable | 1,651 | 1,893 | - | 3,544 |
| Compensated absences | 2,802 | 2,090 | - | 4,892 |
| Net pension liability | (14,909) | (47,326) | - | (62,235) |
| Net OPEB liability | 72,547 | 78,593 | - | 151,140 |
| Pension adjustment - deferred inflows | 9,111 | 9,322 | - | 18,433 |
| OPEB adjustment - deferred inflows | (888) | (963) | - | (1,851) |
| Net Cash Provided (Used) by Operating Activities | \$ 559,768 | \$ 387,889 | \$ (2,329) | \$ 945,328 |

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

Continued (Page 2 of 2)

2023-24 - 1. Financial Statements

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Component Units

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

Joint Agencies

The District is a participant in the Special District Risk Management Authority (SDRMA), which is a joint powers agency organized for the purpose of pooled joint-protection coverage to member entities. SDRMA operates public entity pools for auto and general liability coverage, plus workers compensation and errors and omissions coverage and pool purchases excess insurance for members. Complete audited financial statements of SDRMA can be obtained at 1112 I Street, Suite 300, Sacramento, CA 95814. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

The District reports the following major proprietary funds:

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

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange include revenue from grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

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

E. Investments

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

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

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

F. Receivables

Receivables consist mainly of user fees, interest, intergovernmental, assessments, and delinquent assessments. Although Management believes all assessments are ultimately collectible because they are collected with property taxes, management has established an allowance for doubtful accounts of \$430 for the Sewer Operations fund and \$0 for the Water Operations fund. Accounts receivables are stated net of these amounts.

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

G. Other Assets

Inventory

Inventory items are recorded as expenses at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Costs

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

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

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

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

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

I. Assessment Revenue

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

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

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

J. Interfund Transactions

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

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

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

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Interfund Transactions (Continued)

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

K. Compensated Absences

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

L. Pension

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

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

| | |
|--------------------|--------------------------------|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Measurement Period | June 30, 2017 to June 30, 2018 |

M. Other Postemployment Benefits (OPEB)

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

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

| | |
|--------------------|--------------------------------|
| Valuation Date | June 30, 2019 |
| Measurement Date | June 30, 2018 |
| Measurement Period | June 30, 2017 to June 30, 2018 |

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources

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

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

O. Estimates

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

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

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

Statement No. 83, Certain Asset Retirement Obligations (AROs). This statement enhances the comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs including obligations that may not have been previously reported. This statement also enhances the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing, and Direct Placements. This statement improves financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risk associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 2: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2019, the District's cash and investments consisted of the following:

| | |
|-------------------------------------|---------------------|
| Cash: | |
| Cash on hand | \$ 600 |
| Deposits (less outstanding checks) | <u>1,351,877</u> |
| Total Cash | <u>1,352,477</u> |
| Investments: | |
| Investments with fiscal agent | 177,580 |
| Local Agency Investment Fund (LAIF) | <u>607,057</u> |
| Total Investments | <u>784,637</u> |
| Total Cash and Investments | <u>\$ 2,137,114</u> |

B. Cash

At year end, the carrying amount of the District's cash deposits (including amounts in checking and money market accounts) was \$1,351,877, and the bank balance was \$1,443,277. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$600.

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

C. Investments

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

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

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

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

At June 30, 2019, the District had the following recurring fair value measurements:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Fair Value Measurements Using</u> | | |
|------------------------------------------------|-------------------|--------------------------------------|----------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Investments by Fair Value Level | | | | |
| Money market mutual funds | \$ 177,580 | \$ 177,580 | \$ - | \$ - |
| Total Investments Measured at Fair Value | 177,580 | \$ 177,580 | \$ - | \$ - |
| Investments in External Investment Pool | | | | |
| LAIF | 607,057 | | | |
| Total Investments | \$ 784,637 | | | |

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

As of June 30, 2019, the District had the following investments, all of which had a maturity of 5 years or less:

| <u>Investment Type</u> | <u>Interest Rates</u> | <u>Maturities</u> | | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|------------------------------------------|-----------------------|-------------------|------------------|-------------------|------------------------------------------|
| | | <u>0-1 year</u> | <u>1-5 years</u> | | |
| Investments Held by Fiscal Agents | | | | | |
| Money market mutual funds | Variable | \$ 177,580 | \$ - | \$ 177,580 | - |
| Total Investments Held by Fiscal Agents | | 177,580 | - | 177,580 | |
| Pooled Investments | | | | | |
| LAIF | Variable | 607,057 | - | 607,057 | - |
| Total Pooled Investments | | 607,057 | - | 607,057 | - |
| Total Investments | | \$ 784,637 | \$ - | \$ 784,637 | - |

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2019

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

| <u>Investment Type</u> | <u>Minimum Legal Rating</u> | <u>Standard & Poor's Rating</u> | <u>Moody's Rating</u> | <u>% of Portfolio</u> |
|---------------------------|-------------------------------------|---------------------------------------------|---------------------------|---------------------------|
| Money Market Mutual Funds | A | AAAm | Aaa-mf | 22.63% |
| LAIF | N/A | Unrated | Unrated | 77.37% |
| Total | | | | <u>100.00%</u> |

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

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

D. Investment in External Investment Pool

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2019, the District's investment in LAIF valued at amortized cost was \$607,057 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$105.7 billion. Of that amount, 98.23 percent is invested in non-derivative financial products and 1.77 percent in structured notes and asset-backed securities.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

| | <u>Balance</u> <u>July 1, 2018</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>June 30, 2019</u> |
|----------------------------------------------|---------------------------------------|---------------------|--------------------|----------------------------------------|
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 607,918 | \$ - | \$ - | \$ 607,918 |
| Total Capital Assets, Not Being Depreciated | <u>607,918</u> | <u>-</u> | <u>-</u> | <u>607,918</u> |
| Capital Assets, Being Depreciated: | | | | |
| Structures and Improvements | 3,811,950 | - | - | 3,811,950 |
| Equipment | 1,745,985 | 157,936 | (1,177) | 1,902,744 |
| Infrastructure | 25,967,744 | - | - | 25,967,744 |
| Total Capital Assets, Being Depreciated | <u>31,525,679</u> | <u>157,936</u> | <u>(1,177)</u> | <u>31,682,438</u> |
| Less Accumulated Depreciation For: | | | | |
| Structures and Improvements | (1,530,282) | (120,420) | - | (1,650,702) |
| Equipment | (1,524,176) | (78,868) | 1,177 | (1,601,867) |
| Infrastructure | (22,495,500) | (191,390) | - | (22,686,890) |
| Total Accumulated Depreciation | <u>(25,549,958)</u> | <u>(390,678)</u> | <u>1,177</u> | <u>(25,939,459)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>5,975,721</u> | <u>(232,742)</u> | <u>-</u> | <u>5,742,979</u> |
| Total Capital Assets, Net | <u>\$ 6,583,639</u> | <u>(\$ 232,742)</u> | <u>\$ -</u> | <u>\$ 6,350,897</u> |

Depreciation

Depreciation expense was charged to operations as follows:

| | |
|----------------------------|-------------------|
| Sewer Operations | \$ 225,322 |
| Water Operations | <u>165,356</u> |
| Total Depreciation Expense | <u>\$ 390,678</u> |

NOTE 4: INTERFUND TRANSACTIONS

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans. The following are advances to/from other funds as of June 30, 2019:

| | <u>Advances To</u> <u>Other funds</u> | <u>Advances From</u> <u>Other funds</u> |
|------------------|------------------------------------------|--------------------------------------------|
| Sewer Operations | \$ 40,000 | \$ - |
| Water Operations | <u>-</u> | <u>40,000</u> |
| Total | <u>\$ 40,000</u> | <u>\$ 40,000</u> |

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2019

NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, and subsidies of various District operations. The following are interfund transfers for the fiscal year ended June 30, 2019:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------|-------------------------|--------------------------|
| Sewer Operations | \$ 1,312,127 | \$ 1,312,127 |
| Water Operations | <u>100,722</u> | <u>100,722</u> |
| Total | <u>\$ 1,412,849</u> | <u>\$ 1,412,849</u> |

NOTE 5: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

| <u>Type of Indebtedness</u> | <u>Balance July 1, 2018</u> | <u>Additions</u> | <u>Adjustments/ Retirements</u> | <u>Balance June 30, 2019</u> | <u>Amounts Due Within One Year</u> |
|------------------------------------------------|---------------------------------|------------------|-------------------------------------|----------------------------------|--------------------------------------------|
| Bonds | \$ 3,334,000 | \$ - | (\$ 173,000) | \$ 3,161,000 | \$ 179,000 |
| Unamortized premium | <u>31,688</u> | - | (2,264) | <u>29,424</u> | <u>2,263</u> |
| Bonds, net | 3,365,688 | - | (175,264) | 3,190,424 | 181,263 |
| Direct borrowing loans | 1,814,480 | - | (102,787) | 1,711,693 | 106,363 |
| Direct borrowing certificates of participation | 549,500 | - | (16,000) | 533,500 | 16,500 |
| Compensated absences | <u>54,712</u> | <u>51,235</u> | <u>(46,343)</u> | <u>59,604</u> | <u>33,238</u> |
| Total Business-Type Activities | <u>\$ 5,784,380</u> | <u>\$ 51,235</u> | <u>(\$ 340,394)</u> | <u>\$ 5,495,221</u> | <u>\$ 337,364</u> |

Individual issues of debt payable outstanding at June 30, 2019, are as follows:

Bonds:

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

\$ 3,161,000

Total Bonds

3,161,000

Loans:

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

1,711,693

Total Loans

1,711,693

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Certificates of Participation:

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

| | |
|-------------------------------------|---------------------|
| | <u>533,500</u> |
| Total Certificates of Participation | <u>533,500</u> |
| Total | <u>\$ 5,406,193</u> |

Following is a schedule of debt payment requirements of business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, net pension liability which is reported in Note 8, and net OPEB liability, which is reported in Note 9.

| Year Ended <u>June 30</u> | Bonds | | |
|------------------------------|---------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2020 | \$ 179,000 | \$ 105,272 | \$ 284,272 |
| 2021 | 185,000 | 99,357 | 284,357 |
| 2022 | 192,000 | 93,231 | 285,231 |
| 2023 | 199,000 | 86,728 | 285,728 |
| 2024 | 206,000 | 79,843 | 285,843 |
| 2025-2029 | 1,137,000 | 287,170 | 1,424,170 |
| 2030-2033 | <u>1,063,000</u> | <u>76,038</u> | <u>1,139,038</u> |
| Total | <u>\$ 3,161,000</u> | <u>\$ 827,639</u> | <u>\$ 3,988,639</u> |

| Year Ended <u>June 30</u> | Loans from Direct Borrowings | | |
|------------------------------|------------------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2020 | \$ 106,363 | \$ 59,567 | \$ 165,930 |
| 2021 | 110,065 | 55,865 | 165,930 |
| 2022 | 113,895 | 52,035 | 165,930 |
| 2023 | 117,859 | 48,071 | 165,930 |
| 2024 | 121,960 | 43,969 | 165,929 |
| 2025-2029 | 676,497 | 153,155 | 829,652 |
| 2030-2032 | <u>465,054</u> | <u>32,738</u> | <u>497,792</u> |
| Total | <u>\$ 1,711,693</u> | <u>\$ 445,400</u> | <u>\$ 2,157,093</u> |

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2019

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

| Year Ended June 30 | Certificates of Participation from Direct Borrowings | | |
|-----------------------|---------------------------------------------------------|-------------------|-------------------|
| | Principal | Interest | Total |
| 2020 | \$ 16,500 | \$ 15,757 | \$ 32,257 |
| 2021 | 17,000 | 15,255 | 32,255 |
| 2022 | 17,500 | 14,738 | 32,238 |
| 2023 | 18,000 | 14,205 | 32,205 |
| 2024 | 18,500 | 13,658 | 32,158 |
| 2025-2029 | 101,000 | 59,520 | 160,520 |
| 2030-2034 | 117,500 | 43,148 | 160,648 |
| 2035-2039 | 136,000 | 24,180 | 160,180 |
| 2040-2042 | 91,500 | 4,177 | 95,677 |
| Total | <u>\$ 533,500</u> | <u>\$ 204,638</u> | <u>\$ 738,138</u> |

NOTE 6: NET POSITION

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

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

Net Position Flow Assumption

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

Summary of Rate of Tiers and Eligible Participants

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2019, are summarized as follows:

| | <u>Benefit Formula</u> | <u>Retirement Age</u> | <u>Monthly Benefits as a % of Eligible Compensation</u> |
|---------------------|----------------------------|---------------------------|-----------------------------------------------------------------|
| Miscellaneous | 2.5% @ 55 | 50-55 | 1.42% to 2.418% |
| Miscellaneous PEPRA | 2.0% @ 62 | 50-62 | 1.000% to 2.500% |

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

| | <u>Employer Contribution Rates</u> | <u>Employee Contribution Rates</u> | <u>Employer Paid Member Contribution Rates</u> |
|---------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------------------|
| Miscellaneous | 10.609% | 8.000% | 0.000% |
| Miscellaneous PEPRA | 6.842% | 6.250% | 0.000% |

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan was as follows:

| | <u>Contributions-Employer</u> | <u>Contributions-Employee (Paid by Employer)</u> |
|---------------|-------------------------------|------------------------------------------------------|
| Miscellaneous | \$ 167,312 | \$ - |

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

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

| | <u>Proportion June 30, 2018</u> | <u>Proportion June 30, 2019</u> | <u>Change- Increase (Decrease)</u> |
|---------------|-------------------------------------|-------------------------------------|----------------------------------------|
| Miscellaneous | .03719% | .03725% | .00006% |

As of June 30, 2019, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

| | <u>Proportionate Share of Net Pension Liability</u> |
|-----------------------------|-------------------------------------------------------------|
| Miscellaneous | \$ 1,403,810 |
| Total Net Pension Liability | \$ 1,403,810 |

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2019 the District recognized pension expense of \$91,295. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|-------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Pension contributions subsequent to the measurement date | \$ 193,214 | \$ - |
| Changes of assumptions | 160,039 | (39,222) |
| Difference between expected and actual experience | 53,862 | (18,329) |
| Difference between projected and actual earnings on pension plan investments | 6,940 | - |
| Difference between District contributions and proportionate share of contributions. | 7,200 | (4,553) |
| Change in employers proportion | <u>27,861</u> | <u>(34,916)</u> |
| Total | <u>\$ 449,116</u> | <u>(\$ 97,020)</u> |

\$193,214 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended June 30</u> | |
|-------------------------------|-------------------|
| 2020 | \$ 135,185 |
| 2021 | 81,313 |
| 2022 | (48,991) |
| 2023 | (12,625) |
| Thereafter | <u>-</u> |
| Total | <u>\$ 158,882</u> |

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

| | |
|----------------------------------|---------------------------------------------------------------------------------------------------------|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Salary Increase | Varies by entry-age and service |
| Mortality Rate Table | Derived using CalPERS membership data for all funds |
| Post-Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies |

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 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) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the 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.

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

| Asset Class | Assumed Asset Allocation | Real Return Years 1 – 10(a) | Real Return Years 11+(b) |
|------------------|--------------------------------|--------------------------------|-----------------------------|
| Global Equity | 50.0% | 4.80% | 5.98% |
| Fixed Income | 28.0% | 1.00% | 2.62% |
| Inflation Assets | 0.0% | 0.77% | 1.81% |
| Private Equity | 8.0% | 6.30% | 7.23% |
| Real Assets | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| Total | <u>100.0%</u> | | |

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

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN (CONTINUED)

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

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

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

| | 1% Decrease <u>6.15%</u> | Discount Rate <u>7.15%</u> | 1% Increase <u>8.15%</u> |
|---------------|--------------------------------|----------------------------------|---------------------------------|
| Miscellaneous | \$ 2,162,621 | \$ 1,403,810 | \$ 77,424 997,424 |

Pension Plan Fiduciary Net Position

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

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The District provides a single-employer defined benefit healthcare plan (the "Retiree Health Plan") for eligible employees. The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees through Special District Risk Management Authority (SDRMA) the District's group health insurance plan. The Board of Directors reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the District. No assets were accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

The coverage requires the employee to meet the following requirements:

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

Benefits Provided

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

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

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

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

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

The 2018 monthly healthcare premium rates are shown below:

| SDRMA 2018 Rates Northern California | | | |
|---------------------------------------------|----------------------|---------------------|--------------------|
| Plan | Employee Only | Employee + 1 | Employee +2 |
| Blue Shield PPO Gold | \$ 814.98 | \$ 1,630.98 | \$ 2,117.52 |
| Gold PPO Medicare | 523.26 | 1,046.52 | 1,569.78 |

Employees Covered By Benefit Terms

At June 30, 2019 the following employees were covered by the benefit terms:

| | |
|------------------------------------------------------------------|------------------|
| Inactive employees or beneficiaries currently receiving benefits | 4 |
| Active employees | <u>12</u> |
| Total | <u><u>16</u></u> |

B. Net OPEB Liability

The District's net OPEB liability of \$1,310,799, was measured as of June 30, 2018, and was determined by the actuarial valuation as of that date.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Funding method | Entry-Age Normal Cost, level percent of pay |
| Asset valuation method | Market value of assets |
| Salary increases | 3.25% per year, since benefits do not depend on salary, this used only to allocate the cost of benefits between services years |
| Discount rate | 3.62% as of June 30, 2018 |
| Healthcare cost trend rates | 7.5% for 2019, decreasing .5% per year to an ultimate rate of 5.0% for 2024 and later years |
| General inflation rate | 2.75% per year |

The discount rate was based on the Fidelity Muni Go AA 20 Year Index.

Mortality rates were based on the mortality rates published by CalPERS adjusted to back out 20 years of Scale BB to central year 2008 and then projected forward 6 years using MacLeod Watts Scale 2017 to year 2014.

All actuarial assumptions used in the June 30, 2019 valuation were based on the results of the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements.

C. Changes in the Net OPEB Liability

| | <u>Net OPEB Liability</u> |
|--------------------------|-------------------------------|
| Balance at June 30, 2018 | \$ <u>1,159,659</u> |
| Changes for the year: | |
| Services cost | 150,829 |
| Interest | 46,055 |
| Change of assumptions | (12,151) |
| Benefit payments | <u>(33,593)</u> |
| Net changes | <u>151,140</u> |
| Balance at June 30, 2019 | \$ <u><u>1,310,799</u></u> |

Changes of assumptions reflects a change in the discount rate from 3.56 percent to 3.62 percent.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

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

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

| | <u>1% Decrease</u> <u>(2.62%)</u> | <u>Current Rate</u> <u>(3.62%)</u> | <u>1% Increase</u> <u>(4.62%)</u> |
|--------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| Net OPEB liability | \$ 1,537,085 | \$ 1,310,799 | \$ 1,130,566 |

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

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

| | <u>Current Trend</u> <u>-1%</u> | <u>Current Trend</u> | <u>Current Trend</u> <u>+1%</u> |
|--------------------|------------------------------------|----------------------|------------------------------------|
| Net OPEB Liability | \$ 1,082,090 | \$ 1,310,799 | \$ 1,629,485 |

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$182,882. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows</u> <u>of Resources</u> | <u>Deferred Inflows</u> <u>of Resources</u> |
|-------------------------------------------------------|-------------------------------------------------|------------------------------------------------|
| Contributions made subsequent to the measurement date | \$ 35,000 | \$ - |
| Changes of assumptions | - | (81,389) |
| Total | <u>\$ 35,000</u> | <u>(\$ 81,389)</u> |

\$35,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended</u> <u>June 30</u> | |
|-------------------------------------|--------------------|
| 2020 | (\$ 14,002) |
| 2021 | (14,002) |
| 2022 | (14,002) |
| 2023 | (14,002) |
| 2024 | (14,002) |
| Thereafter | (11,379) |
| | <u>(\$ 81,389)</u> |

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 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 has joined together with other municipalities to participate in the Special District Risk Authority Management (SDRMA) for general liability, vehicle liability, and errors and omissions purposes. SDRMA is a public entity risk pool which serves as a common risk management and insurance program. The District pays an annual premium to SDRMA for its insurance coverage. The agreements with SDRMA provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

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

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

NOTE 10: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2019 through XXX, 2019, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

B. Federal Emergency Management Administration (FEMA)/Office of Emergency Services (OES) Application and Reimbursement Status for 2017 Storm Emergency

In January and February 2017, there were storm events that resulted in emergency response costs and damage to infrastructure. A formal disaster emergency was declared by the District and County. The State and federal governments subsequently adopted an emergency declaration that provided for federal and State assistance in reimbursement of certain eligible costs incurred by the District. The District submitted several applications to FEMA/OES representatives.

FEMA/OES reviewed and approved the requests for reimbursement in May 2019, and the District recorded a receivable of \$1,012,484 as of June 30, 2019.

2025-26 Financial Statements of the Government of Ontario

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**Required Supplementary Information
(Unaudited)**

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CONFIDENTIAL AND PROPRIETARY INFORMATION
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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2019
Last 10 Years*

| Measurement Period | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 |
|----------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Miscellaneous Plan | | | | | |
| Proportion of the net pension liability | 0.01414% | 0.01560% | 0.01480% | 0.01480% | 0.03725% |
| Proportionate share of the net pension liability | \$ 880,120 | \$ 1,071,015 | \$ 1,282,357 | \$ 1,466,045 | \$ 1,403,810 |
| Covered payroll | 641,041 | 758,445 | 794,520 | 746,828 | 773,598 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 137.30% | 141.21% | 161.40% | 196.30% | 181.47% |
| Plan fiduciary net position as a percentage of the total pension liability | 77.74% | 73.61% | 71.62% | 72.91% | 74.97% |

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*The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only five years are shown.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2019
Last 10 Years*

| Fiscal Year | <u>2014/2015</u> | <u>2015/2016</u> | <u>2016/2016</u> | <u>2017/2018</u> | <u>2018/2019</u> |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Miscellaneous Plan | | | | | |
| Contractually required contribution (actuarially determined) | \$ 68,280 | \$ 65,481 | \$ 65,481 | \$ 67,344 | \$ 67,063 |
| Contributions in relation to the actuarially determined contributions | <u>(146,425)</u> | <u>(154,320)</u> | <u>(154,320)</u> | <u>(166,813)</u> | <u>(166,679)</u> |
| Contribution deficiency (excess) | <u>\$ (78,145)</u> | <u>\$ (88,839)</u> | <u>\$ (88,839)</u> | <u>\$ (99,469)</u> | <u>\$ (99,616)</u> |
| Covered payroll | \$ 758,445 | \$ 794,520 | \$ 746,828 | \$ 773,598 | \$ 858,574 |
| Contributions as a percentage of covered payroll | 18.37% | 19.42% | 20.66% | 21.56% | 19.41% |

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*The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only five years are shown.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Notes to District Pension Plan
For the Year Ended June 30, 2019

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

Change of assumptions: For the measurement date of June 30, 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

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

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Valuation Date | June 30, 2016 |
| Actuarial cost method | Entry Age Normal |
| Amortization method/period | For details, see June 30, 2016 Funding Valuation Report |
| Asset valuation method | Market value |
| Inflation | 2.75% |
| Salary increases | Varies by entry age and service |
| Discount rate | 7.375% |
| Retirement age | The probabilities of retirement are based on the January 2014 CalPERS Experience Study and Review of Actuarial Assumptions |

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2019
Last 10 Years*

| Fiscal Year | 2017/2018 | 2018/2019 |
|-------------------------------------------------------|---------------------|---------------------|
| Net OPEB Liability | | |
| Service Cost | \$ 168,137 | \$ 150,829 |
| Interest | 35,914 | 46,055 |
| Changes of assumptions | (95,664) | (12,151) |
| Benefit payments | (20,997) | (33,593) |
| Net Change in Net OPEB Liability | 87,390 | 151,140 |
| Net OPEB Liability - Beginning | 1,072,269 | 1,159,659 |
| Net OPEB Liability - Ending | \$ 1,159,659 | \$ 1,310,799 |
| Covered payroll | \$ 770,191 | \$ 804,618 |
| Net OPEB liability as a percentage of covered payroll | 150.57% | 162.91% |

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Note to District OPEB Plan
For the Year Ended June 30, 2019**

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

The Discount rate was changed to 3.56 percent as of June 30, 2017, to 3.62 percent as of June 30, 2018.

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2022-23 FINANCIAL STATEMENTS

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Combining Fund Financial Statements

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Sewer Operations
June 30, 2019

| | Sewer | 1995-2 Bond Redemption | USDA Solar Loan | Wastewater Capital Facilities Reserved |
|---------------------------------------------|------------------|------------------------------|-----------------------|-------------------------------------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and investments | \$ 130,905 | \$ 442,603 | \$ 47,841 | \$ 57,120 |
| Investments with fiscal agent | - | 177,580 | - | - |
| Receivables: | | | | |
| Accounts (net of allowance) | 118,554 | - | - | - |
| Assessments | - | 5,395 | - | - |
| Intergovernmental | 1,012,484 | - | - | - |
| Interest | 575 | 695 | 6 | 433 |
| Prepaid costs | 17,469 | - | - | - |
| Total Current Assets | 1,279,987 | 626,273 | 47,847 | 57,553 |
| Noncurrent Assets: | | | | |
| Advances to other funds | - | - | - | - |
| Delinquent assessments receivable | - | 109,360 | - | - |
| Capital assets, net | 3,047,228 | - | - | - |
| Total Noncurrent Assets | 3,047,228 | 109,360 | - | - |
| Total Assets | 4,327,215 | 735,633 | 47,847 | 57,553 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred pension adjustments | 224,558 | - | - | - |
| Deferred OPEB adjustments | 16,313 | - | - | - |
| Total Deferred Outflows of Resources | 240,871 | - | - | - |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 697,524 | - | - | - |
| Salaries and benefits payable | 18,621 | - | - | - |
| Interest payable | - | 36,060 | 6,390 | - |
| Compensated absences | 19,039 | - | - | - |
| Bonds payable | - | 181,263 | - | - |
| Certificates of participation | - | - | 16,500 | - |
| Total Current Liabilities | 735,184 | 217,323 | 22,890 | - |
| Noncurrent Liabilities: | | | | |
| Compensated absences | 15,102 | - | - | - |
| Bonds payable | - | 3,009,161 | - | - |
| Certificates of participation | - | - | 517,000 | - |
| Net pension liability | 701,905 | - | - | - |
| Net OPEB liability | 591,264 | - | - | - |
| Total Noncurrent Liabilities | 1,308,271 | 3,009,161 | 517,000 | - |
| Total Liabilities | 2,043,455 | 3,226,484 | 539,890 | - |

Continued (Page 1 of 2)

| Wastewater Capital Facilities Unreserved | USDA Reserve Fund | All Bonds Administration | All Bonds Assessment Revolving Fund | Total Sewer Operations |
|---------------------------------------------------|-------------------------|-----------------------------|----------------------------------------------|------------------------------|
| \$ 125,188 | \$ 31,282 | \$ - | \$ 319,963 | \$ 1,154,902 |
| - | - | - | - | 177,580 |
| - | - | - | - | 118,554 |
| - | - | - | - | 5,395 |
| - | - | - | - | 1,012,484 |
| 700 | - | - | - | 2,409 |
| - | - | - | - | 17,469 |
| <u>125,888</u> | <u>31,282</u> | <u>-</u> | <u>319,963</u> | <u>2,488,793</u> |
| - | - | - | 40,000 | 40,000 |
| - | - | - | - | 109,360 |
| - | - | - | - | 3,047,228 |
| - | - | - | 40,000 | 3,196,588 |
| <u>125,888</u> | <u>31,282</u> | <u>-</u> | <u>359,963</u> | <u>5,685,381</u> |
| - | - | - | - | 224,558 |
| - | - | - | - | 16,313 |
| - | - | - | - | 240,871 |
| - | - | - | - | 697,524 |
| - | - | - | - | 18,621 |
| - | - | - | - | 42,450 |
| - | - | - | - | 19,039 |
| - | - | - | - | 181,263 |
| - | - | - | - | 16,500 |
| - | - | - | - | 975,397 |
| - | - | - | - | 15,102 |
| - | - | - | - | 3,009,161 |
| - | - | - | - | 517,000 |
| - | - | - | - | 701,905 |
| - | - | - | - | 591,264 |
| - | - | - | - | 4,834,432 |
| - | - | - | - | 5,809,829 |

Draft Report
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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Sewer Operations
June 30, 2019

| | <u>Sewer</u> | <u>1995-2 Bond Redemption</u> | <u>USDA Solar Loan</u> | <u>Wastewater Capital Facilities Reserved</u> |
|--------------------------------------------|---------------------|---------------------------------------|--------------------------------|-----------------------------------------------------------|
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred pension adjustments | 48,510 | - | - | - |
| Deferred OPEB adjustments | 41,023 | - | - | - |
| Total Deferred Inflows of Resources | <u>89,533</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 3,047,228 | (3,190,424) | (533,500) | - |
| Restricted for debt service | - | 699,573 | - | - |
| Restricted for capital facilities | - | - | - | 57,553 |
| Unrestricted | (612,130) | - | 41,457 | - |
| Total Net Position | <u>\$ 2,435,098</u> | <u>\$ (2,490,851)</u> | <u>\$ (492,043)</u> | <u>\$ 57,553</u> |

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| Wastewater Capital Facilities Unreserved | USDA Reserve Fund | All Bonds Administration | All Bonds Assessment Revolving Fund | Total Sewer Operations |
|-------------------------------------------------------------|----------------------------------|-------------------------------------|--------------------------------------------------------|---------------------------------------|
| - | - | - | - | 48,510 |
| - | - | - | - | 41,023 |
| - | - | - | - | 89,533 |
| - | - | - | - | (676,696) |
| - | 31,282 | - | - | 730,855 |
| - | - | - | - | 57,553 |
| 125,888 | - | - | 359,963 | (84,822) |
| \$ 125,888 | \$ 31,282 | \$ - | \$ 359,963 | \$ 26,890 |

**Draft Report
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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
and Changes in Net Position
Sewer Operations
For the Year Ended June 30, 2019

| | Sewer | 1995-2 Bond Redemption | USDA Solar Loan | Wastewater Capital Facilities Reserved |
|---------------------------------------------------------|------------------|------------------------------|-----------------------|-------------------------------------------------|
| OPERATING REVENUES | | | | |
| Assessments | \$ - | \$ 281,018 | \$ - | \$ - |
| Permits and inspections | 7,170 | - | - | 30,400 |
| Charges for services | 1,311,586 | - | - | - |
| Miscellaneous | 23,122 | 24,050 | - | - |
| Total Operating Revenues | 1,341,878 | 305,068 | - | 30,400 |
| OPERATING EXPENSES | | | | |
| Salaries and benefits | 721,447 | - | - | - |
| Insurance | 72,430 | - | - | - |
| Office expenses | 25,226 | - | - | - |
| Continuing education | 6,194 | - | - | - |
| Dues and subscriptions | 5,897 | - | - | - |
| Postage | 6,397 | - | - | - |
| Repairs and maintenance | 300,100 | - | - | - |
| Gas, fuel and oil | 10,430 | - | - | - |
| Supplies | 61,619 | - | - | - |
| Professional services | 156,069 | 2,087 | - | - |
| Rents and leases | 22,641 | - | - | - |
| Travel | 2,273 | - | - | - |
| Telephone | 10,624 | - | - | - |
| Power | 44,846 | - | - | - |
| Other utilities | 2,599 | - | - | - |
| Depreciation | 225,322 | - | - | - |
| Other operating | 297,277 | - | - | - |
| Office and safety equipment | 14,841 | - | - | - |
| Environmental monitoring | 35,041 | - | - | - |
| Annual operating fees | 1,830 | - | - | - |
| Total Operating Expenses | 2,023,103 | 2,087 | - | - |
| Operating Income (Loss) | (681,225) | 302,981 | - | 30,400 |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Interest income | 1,988 | 5,195 | 64 | 4,079 |
| Interest expense | - | (109,118) | (15,766) | - |
| Total Non-Operating Revenues (Expenses) | 1,988 | (103,923) | (15,702) | 4,079 |
| Income (Loss) Before Special Items and Transfers | (679,237) | 199,058 | (15,702) | 34,479 |

Continued (Page 1 of 2)

| Wastewater Capital Facilities Unreserved | USDA Reserve Fund | All Bonds Administration | All Bonds Assessment Revolving Fund | Total Sewer Operations |
|---------------------------------------------------|-------------------------|-----------------------------|----------------------------------------------|------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 281,018 |
| - | - | - | - | 37,570 |
| - | - | - | - | 1,311,586 |
| - | - | - | - | 47,172 |
| - | - | - | - | 1,677,346 |
| - | - | - | - | 721,447 |
| - | - | - | - | 72,430 |
| - | - | - | - | 25,226 |
| - | - | - | - | 6,194 |
| - | - | - | - | 5,897 |
| - | - | - | - | 6,397 |
| - | - | - | - | 300,100 |
| - | - | - | - | 10,430 |
| - | - | - | - | 61,619 |
| - | - | 7,358 | - | 165,514 |
| - | - | - | - | 22,641 |
| - | - | - | - | 2,273 |
| - | - | - | - | 10,624 |
| - | - | - | - | 44,846 |
| - | - | - | - | 2,599 |
| - | - | - | - | 225,322 |
| - | - | - | - | 297,277 |
| - | - | - | - | 14,841 |
| - | - | - | - | 35,041 |
| - | - | - | - | 1,830 |
| - | - | 7,358 | - | 2,032,548 |
| - | - | (7,358) | - | (355,202) |
| 5,875 | 22 | 534 | 104 | 17,861 |
| - | - | - | - | (124,884) |
| 5,875 | 22 | 534 | 104 | (107,023) |
| 5,875 | 22 | (6,824) | 104 | (462,225) |

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
and Changes in Net Position
Sewer Operations
For the Year Ended June 30, 2019

| | <u>Sewer</u> | <u>1995-2 Bond Redemption</u> | <u>USDA Solar Loan</u> | <u>Wastewater Capital Facilities Reserved</u> |
|-------------------------------------------------------|---------------------|---------------------------------------|--------------------------------|-----------------------------------------------------------|
| Proceeds for the storms emergency response and repair | 1,087,144 | - | - | - |
| Expenses for the storms emergency response and repair | (1,068,253) | - | - | - |
| Transfers in | 873,934 | 29,381 | - | 18,000 |
| Transfers out | (401,454) | (7,358) | - | (322,104) |
| Change in Net Position | (187,866) | 221,081 | (15,702) | (269,625) |
| Total Net Position - Beginning | 2,622,964 | (2,711,932) | (476,341) | 327,178 |
| Total Net Position - Ending | <u>\$ 2,435,098</u> | <u>\$ (2,490,851)</u> | <u>\$ (492,043)</u> | <u>\$ 57,553</u> |

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| Wastewater Capital Facilities Unreserved | USDA Reserve Fund | All Bonds Administration | All Bonds Assessment Revolving Fund | Total Sewer Operations |
|-------------------------------------------------------------|----------------------------------|-------------------------------------|--------------------------------------------------------|---------------------------------------|
| - | - | - | - | 1,087,144 |
| - | - | - | - | (1,068,253) |
| 383,454 | - | 7,358 | - | 1,312,127 |
| (551,829) | - | (29,382) | - | (1,312,127) |
| (162,500) | 22 | (28,848) | 104 | (443,334) |
| 288,388 | 31,260 | 28,848 | 359,859 | 470,224 |
| <u>\$ 125,888</u> | <u>\$ 31,282</u> | <u>\$ -</u> | <u>\$ 359,963</u> | <u>\$ 26,890</u> |

**Draft Report
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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Sewer Operations
For the Year Ended June 30, 2019

| | Sewer | 1995-2 Bond Redemption | USDA Solar Loan | Wastewater Capital Facilities Reserved |
|---------------------------------------------------------------------------------|-------------------|------------------------------|-----------------------|-------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers | \$ 1,328,436 | \$ 312,070 | \$ - | \$ 30,400 |
| Cash paid to suppliers | (330,983) | (2,086) | - | - |
| Cash paid to employees | (770,711) | - | - | - |
| Net Cash Provided (Used) by Operating Activities | 226,742 | 309,984 | - | 30,400 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Special project storms emergency response and repair | (698,612) | - | - | - |
| Interfund loan repayments received | - | - | - | - |
| Transfer in from other funds | 873,934 | 29,381 | - | 18,000 |
| Transfer out to other funds | (401,454) | (7,358) | - | (322,104) |
| Net Cash Provided (Used) by Noncapital Financing Activities | (226,132) | 22,023 | - | (304,104) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets | (119,021) | - | - | - |
| Principal paid on debt | - | (175,263) | (16,000) | - |
| Interest paid on debt | - | (110,993) | (16,244) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (119,021) | (286,256) | (32,244) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on investments | 1,739 | 4,791 | 58 | 4,895 |
| Net Cash Provided (Used) by Investing Activities | 1,739 | 4,791 | 58 | 4,895 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (116,672) | 50,542 | (32,186) | (268,809) |
| Balances - Beginning | 247,577 | 569,641 | 80,027 | 325,929 |
| Balances - Ending | \$ 130,905 | \$ 620,183 | \$ 47,841 | \$ 57,120 |

Continued (Page 1 of 2)

| Wastewater Capital Facilities Unreserved | USDA Reserve Fund | All Bonds Administration | All Bonds Assessment Revolving Fund | Total Sewer Operations |
|---------------------------------------------------|-------------------------|-----------------------------|----------------------------------------------|------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 1,670,906 |
| - | - | (7,358) | - | (340,427) |
| - | - | - | - | (770,711) |
| - | - | (7,358) | - | 559,768 |
| - | - | - | - | (698,612) |
| - | - | - | 50,000 | 50,000 |
| 383,454 | - | 7,358 | - | 1,312,127 |
| (551,829) | - | (29,382) | - | (1,312,127) |
| (168,375) | - | (22,024) | 50,000 | (648,612) |
| - | - | - | - | (119,021) |
| - | - | - | - | (191,263) |
| - | - | - | - | (127,237) |
| - | - | - | - | (437,521) |
| 6,437 | 22 | 665 | 104 | 18,711 |
| 6,437 | 22 | 665 | 104 | 18,711 |
| (161,938) | 22 | (28,717) | 50,104 | (507,654) |
| 287,126 | 31,260 | 28,717 | 269,859 | 1,840,136 |
| \$ 125,188 | \$ 31,282 | \$ - | \$ 319,963 | \$ 1,332,482 |

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Sewer Operations
For the Year Ended June 30, 2019

| | <u>Sewer</u> | <u>1995-2 Bond Redemption</u> | <u>USDA Solar Loan</u> | <u>Wastewater Capital Facilities Reserved</u> |
|--------------------------------------------------------------------------------------------------------------|-------------------|---------------------------------------|--------------------------------|-----------------------------------------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ (681,225) | \$ 302,981 | \$ - | \$ 30,400 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation/amortization | 225,322 | - | - | - |
| Decrease (increase) in: | | | | |
| Accounts receivable | (13,442) | - | - | - |
| Assessments receivable | - | 7,003 | - | - |
| Prepaid costs | 3,020 | - | - | - |
| Pension adjustment - deferred outflows | (32,815) | - | - | - |
| OPEB adjustment - deferred outflows | (675) | - | - | - |
| Increase (decrease) in: | | | | |
| Accounts payable | 656,243 | - | - | - |
| Salaries and benefits payable | 1,651 | - | - | - |
| Compensated absences | 2,802 | - | - | - |
| Net pension liability | (14,909) | - | - | - |
| Net OPEB liability | 72,547 | - | - | - |
| Pension adjustment - deferred inflows | 9,111 | - | - | - |
| OPEB adjustment - deferred inflows | (888) | - | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 226,742</u> | <u>\$ 309,984</u> | <u>\$ -</u> | <u>\$ 30,400</u> |

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| <u>Wastewater Capital Facilities Unreserved</u> | <u>USDA Reserve Fund</u> | <u>All Bonds Administration</u> | <u>All Bonds Assessment Revolving Fund</u> | <u>Total Sewer Operations</u> |
|-------------------------------------------------------------|----------------------------------|-------------------------------------|--------------------------------------------------------|---------------------------------------|
| \$ - | \$ - | \$ (7,358) | \$ - | \$ (355,202) |
| - | - | - | - | 225,322 |
| - | - | - | - | (13,442) |
| - | - | - | - | 7,003 |
| - | - | - | - | 3,020 |
| - | - | - | - | (32,815) |
| - | - | - | - | (675) |
| - | - | - | - | 656,243 |
| - | - | - | - | 1,651 |
| - | - | - | - | 2,802 |
| - | - | - | - | (14,909) |
| - | - | - | - | 72,547 |
| - | - | - | - | 9,111 |
| - | - | - | - | (888) |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ (7,358)</u> | <u>\$ -</u> | <u>\$ 559,768</u> |

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Water Operations
June 30, 2019

| | Water | CIEDB Loan Redemption | CIEDB Loan Reserve |
|---------------------------------------------|------------------|-----------------------------|--------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and investments | \$ 333,747 | \$ 126,807 | \$ 178,402 |
| Receivables: | | | |
| Accounts (net of allowance) | 161,487 | 28,077 | - |
| Interest | 1,171 | 91 | 1,352 |
| Prepaid costs | 17,469 | - | - |
| Total Current Assets | 513,874 | 154,975 | 179,754 |
| Noncurrent Assets: | | | |
| Capital assets, net | 3,303,669 | - | - |
| Total Noncurrent Assets | 3,303,669 | - | - |
| Total Assets | 3,817,543 | 154,975 | 179,754 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred pension adjustments | 224,558 | - | - |
| Deferred OPEB adjustments | 18,687 | - | - |
| Total Deferred Outflows of Resources | 243,245 | - | - |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 47,408 | - | - |
| Salaries and benefits payable | 20,610 | - | - |
| Interest payable | - | 24,819 | - |
| Compensated absences | 14,199 | - | - |
| Loans payable | - | 106,363 | - |
| Total Current Liabilities | 82,217 | 131,182 | - |
| Noncurrent Liabilities: | | | |
| Advances from other funds | - | 40,000 | - |
| Compensated absences | 11,264 | - | - |
| Loans payable | - | 1,605,330 | - |
| Net pension liability | 701,905 | - | - |
| Net OPEB liability | 719,535 | - | - |
| Total Noncurrent Liabilities | 1,432,704 | 1,645,330 | - |
| Total Liabilities | 1,514,921 | 1,776,512 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred pension adjustments | 48,510 | - | - |
| Deferred OPEB adjustments | 40,366 | - | - |
| Total Deferred Inflows of Resources | 88,876 | - | - |

Continued (Page 1 of 2)

| Water Operations Reserve | Water Capital Fund | Total Water Operations |
|-----------------------------------------|-----------------------------------|---------------------------------------|
| \$ 38,237 | \$ 126,877 | \$ 804,070 |
| 6,668 | 10,992 | 207,224 |
| - | - | 2,614 |
| - | - | 17,469 |
| <u>44,905</u> | <u>137,869</u> | <u>1,031,377</u> |
| - | - | 3,303,669 |
| - | - | 3,303,669 |
| <u>44,905</u> | <u>137,869</u> | <u>4,335,046</u> |
| - | - | 224,558 |
| - | - | 18,687 |
| - | - | 243,245 |
| - | - | 47,408 |
| - | - | 20,610 |
| - | - | 24,819 |
| - | - | 14,199 |
| - | - | 106,363 |
| - | - | 213,399 |
| - | - | 40,000 |
| - | - | 11,264 |
| - | - | 1,605,330 |
| - | - | 701,905 |
| - | - | 719,535 |
| - | - | 3,078,034 |
| - | - | 3,291,433 |
| - | - | 48,510 |
| - | - | 40,366 |
| - | - | 88,876 |

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Water Operations
June 30, 2019

| NET POSITION | Water | CIEDB Loan Redemption | CIEDB Loan Reserve |
|-----------------------------------|---------------------|--------------------------------------|-----------------------------------|
| Net investment in capital assets | 3,303,669 | (1,711,693) | - |
| Restricted for debt service | - | - | 179,754 |
| Restricted for capital facilities | - | - | - |
| Unrestricted | (846,678) | 90,156 | - |
| Total Net Position | \$ 2,456,991 | \$ (1,621,537) | \$ 179,754 |

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| Water Operations Reserve | Water Capital Fund | Total Water Operations |
|-----------------------------------------|-----------------------------------|---------------------------------------|
| - | - | 1,591,976 |
| - | - | 179,754 |
| - | 137,869 | 137,869 |
| 44,905 | - | (711,617) |
| <u>\$ 44,905</u> | <u>\$ 137,869</u> | <u>\$ 1,197,982</u> |

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
And Changes in Net Position
Water Operations
For the Year Ended June 30, 2019

| | <u>Water</u> | <u>CIEDB Loan Redemption</u> | <u>CIEDB Loan Reserve</u> |
|------------------------------------------------|---------------------|--------------------------------------|-----------------------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 1,427,852 | \$ 271,032 | \$ - |
| Miscellaneous | 43,615 | - | - |
| Total Operating Revenues | <u>1,471,467</u> | <u>271,032</u> | <u>-</u> |
| OPERATING EXPENSES | | | |
| Salaries and benefits | 796,097 | - | - |
| Insurance | 24,209 | - | - |
| Office expenses | 25,670 | - | - |
| Continuing education | 14,504 | - | - |
| Dues and subscriptions | 19,304 | - | - |
| Postage | 6,397 | - | - |
| Repairs and maintenance | 153,122 | - | - |
| Gas, fuel and oil | 10,413 | - | - |
| Supplies | 49,782 | - | - |
| Professional services | 126,972 | - | - |
| Travel | 2,272 | - | - |
| Telephone | 10,624 | - | - |
| Power | 137,757 | - | - |
| Other utilities | 2,598 | - | - |
| Depreciation | 165,356 | - | - |
| Other operating | 2,364 | - | - |
| Office and safety equipment | 52,080 | - | - |
| Director's compensation | 2,002 | - | - |
| Environmental monitoring | 22,768 | - | - |
| Water conservation | 8,156 | - | - |
| Water rights | 49,308 | - | - |
| Annual operating fees | 26,834 | 5,443 | - |
| Total Operating Expenses | <u>1,708,589</u> | <u>5,443</u> | <u>-</u> |
| Operating Income (Loss) | <u>(237,122)</u> | <u>265,589</u> | <u>-</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest income | 3,725 | 315 | 4,709 |
| Interest expense | - | (61,652) | - |
| Total Non-Operating Revenues (Expenses) | <u>3,725</u> | <u>(61,337)</u> | <u>4,709</u> |
| Income (Loss) Before Transfers | <u>(233,397)</u> | <u>204,252</u> | <u>4,709</u> |
| Transfers in | 100,722 | - | - |
| Transfers out | - | - | - |
| Change in Net Position | <u>(132,675)</u> | <u>204,252</u> | <u>4,709</u> |
| Total Net Position - Beginning | <u>2,589,666</u> | <u>(1,825,789)</u> | <u>175,045</u> |
| Total Net Position - Ending | <u>\$ 2,456,991</u> | <u>\$ (1,621,537)</u> | <u>\$ 179,754</u> |

| Water Operating Reserve | Water Capital Fund | Total Water Operations |
|-------------------------------|--------------------------|------------------------------|
| \$ 63,915 | \$ 102,271 | \$ 1,865,070 |
| - | - | 43,615 |
| <u>63,915</u> | <u>102,271</u> | <u>1,908,685</u> |
| - | - | 796,097 |
| - | - | 24,209 |
| - | - | 25,670 |
| - | - | 14,504 |
| - | - | 19,304 |
| - | - | 6,397 |
| - | - | 153,122 |
| - | - | 10,413 |
| - | - | 49,782 |
| - | - | 126,972 |
| - | - | 2,272 |
| - | - | 10,624 |
| - | - | 137,757 |
| - | - | 2,598 |
| - | - | 165,356 |
| - | - | 2,364 |
| - | - | 52,080 |
| - | - | 2,002 |
| - | - | 22,768 |
| - | - | 8,156 |
| - | - | 49,308 |
| - | - | 32,277 |
| - | - | <u>1,714,032</u> |
| <u>63,915</u> | <u>102,271</u> | <u>194,653</u> |
| - | 33 | 8,782 |
| - | - | (61,652) |
| - | <u>33</u> | <u>(52,870)</u> |
| 63,915 | 102,304 | 141,783 |
| - | - | 100,722 |
| <u>(19,010)</u> | <u>(81,712)</u> | <u>(100,722)</u> |
| 44,905 | 20,592 | 141,783 |
| - | 117,277 | 1,056,199 |
| <u>\$ 44,905</u> | <u>\$ 137,869</u> | <u>\$ 1,197,982</u> |

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Water Operations
For the Year Ended June 30, 2019

| | <u>Water</u> | <u>CIEDB Loan Redemption</u> | <u>CIEDB Loan Reserve</u> |
|------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ 1,466,177 | \$ 269,048 | \$ - |
| Cash paid to suppliers | (637,591) | (5,443) | - |
| Cash paid to employees | (864,610) | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>(36,024)</u> | <u>263,605</u> | <u>-</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Interfund loan repayments paid | - | (50,000) | - |
| Transfers in other funds | 100,722 | - | - |
| Transfers out other funds | - | - | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>100,722</u> | <u>(50,000)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition of capital assets | (38,915) | - | - |
| Principal paid on debt | - | (102,787) | - |
| Interest paid on debt | - | (63,144) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(38,915)</u> | <u>(165,931)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on investments | 3,038 | 280 | 4,185 |
| Net Cash Provided (Used) by Investing Activities | <u>3,038</u> | <u>280</u> | <u>4,185</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 28,821 | 47,954 | 4,185 |
| Balances - Beginning | 304,926 | 78,853 | 174,217 |
| Balances - Ending | <u>\$ 333,747</u> | <u>\$ 126,807</u> | <u>\$ 178,402</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ (237,122) | \$ 265,589 | \$ - |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation/amortization | 165,356 | - | - |
| Decrease (increase) in: | | | |
| Accounts receivable | (5,290) | (1,984) | - |
| Prepaid costs | 3,194 | - | - |
| Pension adjustment - deferred outflows | (25,303) | - | - |
| OPEB adjustment - deferred outflows | (732) | - | - |
| Increase (decrease) in: | | | |
| Accounts payable | 20,264 | - | - |
| Salaries and benefits payable | 1,893 | - | - |
| Compensated absences | 2,090 | - | - |
| Net pension liability | (47,326) | - | - |
| Net OPEB liability | 78,593 | - | - |
| Pension adjustment - deferred inflows | 9,322 | - | - |
| OPEB adjustment - deferred inflows | (963) | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (36,024)</u> | <u>\$ 263,605</u> | <u>\$ -</u> |

| Water Operating Reserve | Water Capital Fund | Total Water Operations |
|----------------------------------------|-----------------------------------|---------------------------------------|
| \$ 57,247 | \$ 103,061 | \$ 1,895,533 |
| - | - | (643,034) |
| - | - | (864,610) |
| <u>57,247</u> | <u>103,061</u> | <u>387,889</u> |
| - | - | (50,000) |
| - | - | 100,722 |
| <u>(19,010)</u> | <u>(81,712)</u> | <u>(100,722)</u> |
| <u>(19,010)</u> | <u>(81,712)</u> | <u>(50,000)</u> |
| - | - | (38,915) |
| - | - | (102,787) |
| - | - | (63,144) |
| - | - | <u>(204,846)</u> |
| - | 34 | 7,537 |
| - | 34 | 7,537 |
| 38,237 | 21,383 | 140,580 |
| - | 105,494 | 663,490 |
| <u>\$ 38,237</u> | <u>\$ 126,877</u> | <u>\$ 804,070</u> |
| | | |
| \$ 63,915 | \$ 102,271 | \$ 194,653 |
| - | - | 165,356 |
| (6,668) | 790 | (13,152) |
| - | - | 3,194 |
| - | - | (25,303) |
| - | - | (732) |
| - | - | 20,264 |
| - | - | 1,893 |
| - | - | 2,090 |
| - | - | (47,326) |
| - | - | 78,593 |
| - | - | 9,322 |
| - | - | (963) |
| <u>\$ 57,247</u> | <u>\$ 103,061</u> | <u>\$ 387,889</u> |

Draft Report
For Internal
Use Only

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Draft Report For Internal Use Only

**AGREEMENT FOR COLLECTION OF
SPECIAL TAXES, ASSESSMENTS, FEES, CHARGES, AND ABATEMENTS**

THIS AGREEMENT is made and entered into this 13 day of September, 2018, by and between the County of Lake, a political subdivision of the State of California, hereinafter referred to as "County" and the Hidden Valley Lake Community Services District, hereinafter referred to as "District".

WHEREAS, various California statutes (including but not limited to Government Code Sections 50077(b), 50078.17, and 53340(g)) authorize the County to recoup its collection costs when the County collects taxes, fees, or assessments for any School District, Special District, zone or improvement District thereof; and


WHEREAS, when requested by District, it is in the public interest that the County collect on the County tax rolls the special taxes, fees, and assessments for District.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. County agrees, when requested by District as hereinafter provided, or as required by law, to collect on the County tax rolls the special taxes, fees, and assessments of District, and of each zone or improvement District thereof.
2. When County is to collect District's special taxes, fees, and assessments, District agrees to notify the Auditor-Controller of the County on or before the 10th day of August of each fiscal year of the Assessor's parcel numbers and the amount of each special tax, fee, or assessment to County, and including, but not limited to, any act of omission or assessment to be so collected. Provided, however, to be effective, the notice must be received by the Auditor-Controller by said date.
3. County may recover costs based on the current fee schedule as of the date the District levy will be placed on the tax roll for each special tax, fee, or assessment that is to be collected on the County tax rolls by the County for the District. District agrees that County shall retain all penalties and interest on said accounts in the event of delinquencies. County may recover cost of \$15 per special tax, fee, or assessment for changes requested by District between September 1 and April 10 annually.
4. District certifies that the taxes, fees, or assessments imposed by District and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218). District has requested, on County's behalf, an opinion from their legal advisor listing each tax, fee, or assessment and stating that each tax, fee, or assessment complies with state law, and specifically analyzing compliance with Proposition 218. Said opinion is attached hereto as "Exhibit A" and incorporated by reference into this Agreement.
5. District hereby releases and forever discharges County and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of District's responsibility under this agreement, or other action taken by District in establishing a special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement.
6. District agrees to and shall defend, indemnify and save harmless County and its officers, agents and employees ("indemnified parties") from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of any of District's responsibility under this agreement, or other action taken by District in establishing a special tax, fee,

or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement. If any judgment is entered against any indemnified party as a result of action taken to implement this Agreement, District agrees that County may offset the amount of any judgment paid by County or by any indemnified party from any monies collected by County on District's behalf, including property taxes, special taxes, fees, or assessments. County may, but is not required to, notify District of its intent to implement any offset authorized by this paragraph.

7. District agrees that its officers, agents and employees will cooperate with County by answering inquiries made to District by any person concerning District's special tax, fee, or assessment, and District agrees that its officers, agents and employees will not refer such individuals making inquiries to County officers or employees for response.

 District Initial Here

_____ Lake County Initial Here

8. District shall not assign or transfer this agreement or any interest herein and any such assignment or transfer or attempted assignment or transfer of this agreement or any interest herein by District shall be void and shall immediately and automatically terminate this agreement.

9. This agreement shall be effective for the fiscal year and shall be automatically renewed for each fiscal year thereafter unless terminated as hereinafter provided.


10. Either party may terminate this agreement for any reason for any ensuing fiscal year by giving written notice thereof to the other party prior to May 1st of the preceding fiscal year.

11. County's waiver of breach of any one term, covenant, or other provision of this agreement, is not a waiver of breach of any other term, nor subsequent breach of the term or provision waived.

12. District agrees to submit to the County Auditor-Controller a completed Annual Certification of Assessment, on the form provided by the Auditor-Controller, on or before the 10th day of August of each fiscal year. Provided, however, to be effective, the notice must be received by the Auditor-Controller by said date.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

DISTRICT:


President, Carolyn Graham
Board of Directors

Attest: Secretary to the Board
of Directors



APPROVED AS TO FORM:
ANITA GRANT
County Counsel

COUNTY OF LAKE

Chair, Board of Supervisors

Attest:
Clerk to the Board of Supervisors



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

Exhibit A

PROPOSITION 218 CERTIFICATION OF ASSESSMENT

The Hidden Valley Lake CSD hereby certifies that the special assessment(s) to be placed on the 2018/19 Secured Tax bill by Lake County meets the requirements of Proposition 218 that added Articles XIIC and XIID to the State Constitution.

The Hidden Valley Lake CSD agrees to defend, indemnify and hold harmless the County of Lake, the Board of Supervisors, the Auditor-Controller/County Clerk, its officers and employees, from litigation over whether the requirements of proposition 218 were met with respect to such assessment(s).

If any judgement is entered against any indemnified party as a result of not meeting the requirements of Proposition 218 for such assessment(s), the Hidden Valley Lake CSD agrees that County of Lake may offset the amount of any judgement paid by an indemnified party from any monies collected by County of Lake on Hidden Valley Lake CSD's behalf, including property taxes, special taxes, fees, or assessments.

DISTRICT:

BY: *Kirk Cloyd*

PRINT NAME: Kirk Cloyd

TITLE: General Manager

DATE: Sept. 17, 2018

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

AN ORDINANCE ADOPTING WATER STANDBY/AVAILABILITY FEES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT AS FOLLOWS:

Section 1: The owner of property located within District boundaries shall pay a water availability fee of \$48 per year per parcel if the owner's property meets all of the following criteria:

- a. The property is not currently being billed for water service;
- b. The property is eligible to receive water service as part of the original water service to the subdivision;
- c. The property is within Units 1 through 11, inclusive, of the Hidden Valley Lake subdivision; and
- d. The property has water distribution service stubbed to its property line.

Section 2: This ordinance and the various sections thereof are hereby declared to be severable. To the extent the terms and provisions of this ordinance are in conflict or otherwise are inconsistent with the terms and provisions of any prior District ordinances, resolutions, rules, and other actions, the terms and provisions of this ordinance shall prevail with respect thereto.

Section 3: If any section or provision of this ordinance shall be found unenforceable, unlawful, or invalid, then the other sections and provisions of this ordinance shall be considered valid and enforceable, notwithstanding the partial invalidity of such other portion(s) of the ordinance.

Section 4: The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by this ordinance are for the purpose of meeting operating expenses, including employees' wage rates and fringe benefits; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain service within existing service areas.

Amended

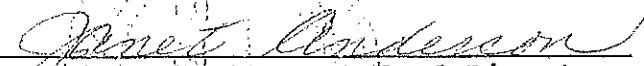
Section 5: Within ten days of adoption, this ordinance shall be published in a newspaper of general circulation within the Hidden Valley Lake area. The ordinance shall take effect upon the 30th day after its adoption. The charges imposed for this ordinance shall be for service beginning July 1, 1994 and collected as part of the tax roll. This ordinance and the charges referenced therein shall remain in effect for the current and future years and future collection on tax rolls until repealed by the Board of Directors.

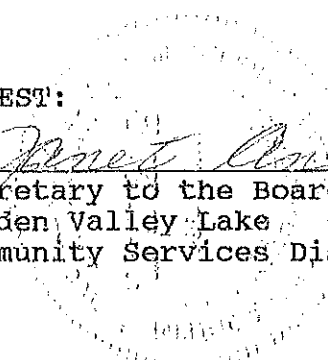
PASSED AND ADOPTED ON SEPTEMBER 22, 1994, by the following vote:

| | | |
|----------|------------|--------------------------------------|
| AYES: | DIRECTORS: | SAUNDERS, KNIGHT, SHARPEN, PETKOVICH |
| NOES: | DIRECTORS: | NONE |
| ABSENT: | DIRECTORS: | ALVERSON |
| ABSTAIN: | DIRECTORS: | NONE |


President, Board of Directors

ATTEST:


Secretary to the Board of Directors
Hidden Valley Lake
Community Services District



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

AN ORDINANCE ADOPTING SEWER STANDBY/AVAILABILITY FEES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT AS FOLLOWS:

Section 1: The owner of property within the boundaries of the district shall pay a sewer availability fee of \$30.00 per year per parcel if the owner's property meets all of the following criteria:

- a. The property is eligible to receive sewer service due to the District's Water Reclamation Project.
- b. The property is currently undeveloped.
- c. The property is within Hidden Valley Lake subdivision, Units 1, 2, 5, portions of 3, 6, and 10; and
- d. The property has a sewer collection service stubbed to its property line.

Section 2: This ordinance and the various sections thereof are hereby declared to be severable. To the extent the terms and provisions of this ordinance are in conflict or otherwise are inconsistent with the terms and provisions of any prior District ordinances, resolutions, rules, or other actions, the terms and provisions of this ordinance shall prevail with respect thereto.

Section 3: If any section or provision of this ordinance shall be found unenforceable, unlawful, or invalid, then the other sections and provisions of this ordinance shall be considered valid and enforceable, notwithstanding the partial invalidity of such other portion (s) of the ordinance.

Section 4: The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by this ordinance are for the purpose of meeting operating expenses, including employees' wage rates and fringe benefits; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain service within existing service areas.

Section 5: Within ten days of adoption, this ordinance shall be published in a newspaper of general circulation within the Hidden Valley Lake Area. The ordinance shall take effect upon the 30th day after its adoption. The charges imposed for this ordinance shall be for service beginning July 1, 1995 and collected as part of the tax roll. This ordinance and the charges referenced therein shall remain in effect for the current and future years and on future collection on tax rolls until repealed by the Board of Directors.

PASSED AND ADOPTED ON AUGUST 4, 1995, 1995, by the following vote:

| | | |
|----------|------------|------------------------------------------------|
| AYES: | DIRECTORS: | ALVERSON, SAUNDERS, KNIGHT, SHARPEN, PETKOVICH |
| NOES: | DIRECTORS: | NONE |
| ABSENT: | DIRECTORS: | NONE |
| ABSTAIN: | DIRECTORS: | NONE |



President, Board of Directors
Hidden Valley Lake
Community Services District

ATTEST:



Secretary to the Board of Directors
Hidden Valley Lake
Community Services District

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

AN ORDINANCE ADOPTING WATER STANDBY/AVAILABILITY FEES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT AS FOLLOWS:

Section 1: The owner of property located within District boundaries shall pay a water availability fee of \$48 per year per parcel if the owner's property meets all of the following criteria:

- a. The property is not currently being billed for water service;
- b. The property is eligible to receive water service as part of the original water service to the subdivision;
- c. The property is within Units 1 through 11, inclusive, of the Hidden Valley Lake subdivision; and
- d. The property has water distribution service stubbed to its property line.

Section 2: This ordinance and the various sections thereof are hereby declared to be severable. To the extent the terms and provisions of this ordinance are in conflict or otherwise are inconsistent with the terms and provisions of any prior District ordinances, resolutions, rules, and other actions, the terms and provisions of this ordinance shall prevail with respect thereto.

Section 3: If any section or provision of this ordinance shall be found unenforceable, unlawful, or invalid, then the other sections and provisions of this ordinance shall be considered valid and enforceable, notwithstanding the partial invalidity of such other portion(s) of the ordinance.

Section 4: The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by this ordinance are for the purpose of meeting operating expenses, including employees' wage rates and fringe benefits; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain service within existing service areas.

Amended


Section 5: Within ten days of adoption, this ordinance shall be published in a newspaper of general circulation within the Hidden Valley Lake area. The ordinance shall take effect upon the 30th day after its adoption. The charges imposed for this ordinance shall be for service beginning July 1, 1994 and collected as part of the tax roll. This ordinance and the charges referenced therein shall remain in effect for the current and future years and future collection on tax rolls until repealed by the Board of Directors.

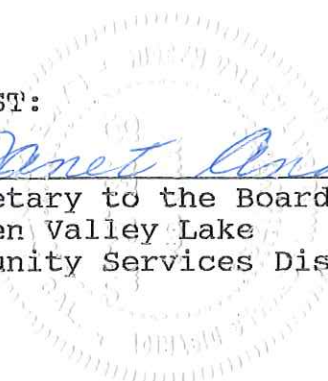
PASSED AND ADOPTED ON SEPTEMBER 22, 1994, by the following vote:

| | | |
|----------|------------|--------------------------------------|
| AYES: | DIRECTORS: | SAUNDERS, KNIGHT, SHARPEN, PETKOVICH |
| NOES: | DIRECTORS: | NONE |
| ABSENT: | DIRECTORS: | ALVERSON |
| ABSTAIN: | DIRECTORS: | NONE |


President, Board of Directors

ATTEST:


Secretary to the Board of Directors
Hidden Valley Lake
Community Services District



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

AN ORDINANCE ADOPTING SEWER STANDBY/AVAILABILITY FEES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT AS FOLLOWS:

Section 1: The owner of property within the boundaries of the district shall pay a sewer availability fee of \$30.00 per year per parcel if the owner's property meets all of the following criteria:

- a. The property is eligible to receive sewer service due to the District's Water Reclamation Project.
- b. The property is currently undeveloped.
- c. The property is within Hidden Valley Lake subdivision, Units 1, 2, 5, portions of 3, 6, and 10; and
- d. The property has a sewer collection service stubbed to its property line.

Section 2: This ordinance and the various sections thereof are hereby declared to be severable. To the extent the terms and provisions of this ordinance are in conflict or otherwise are inconsistent with the terms and provisions of any prior District ordinances, resolutions, rules, or other actions, the terms and provisions of this ordinance shall prevail with respect thereto.

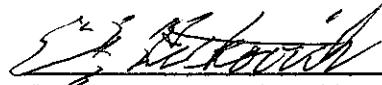
Section 3: If any section or provision of this ordinance shall be found unenforceable, unlawful, or invalid, then the other sections and provisions of this ordinance shall be considered valid and enforceable, notwithstanding the partial invalidity of such other portion (s) of the ordinance.

Section 4: The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by this ordinance are for the purpose of meeting operating expenses, including employees' wage rates and fringe benefits; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain service within existing service areas.

Section 5: Within ten days of adoption, this ordinance shall be published in a newspaper of general circulation within the Hidden Valley Lake Area. The ordinance shall take effect upon the 30th day after its adoption. The charges imposed for this ordinance shall be for service beginning July 1, 1995 and collected as part of the tax roll. This ordinance and the charges referenced therein shall remain in effect for the current and future years and on future collection on tax rolls until repealed by the Board of Directors.

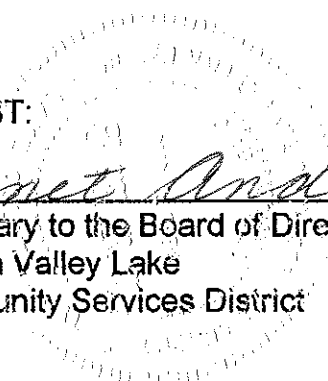
PASSED AND ADOPTED ON AUGUST 4, 1995, 1995, by the following vote:

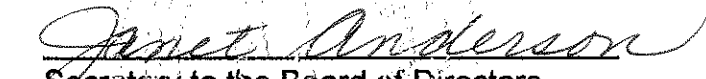
| | | |
|----------|------------|------------------------------------------------|
| AYES: | DIRECTORS: | ALVERSON, SAUNDERS, KNIGHT, SHARPEN, PETKOVICH |
| NOES: | DIRECTORS: | NONE |
| ABSENT: | DIRECTORS: | NONE |
| ABSTAIN: | DIRECTORS: | NONE |



President, Board of Directors
Hidden Valley Lake
Community Services District

ATTEST:





Secretary to the Board of Directors
Hidden Valley Lake
Community Services District