SAN MIGUEL COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

SAN MIGUEL COMMUNITY SERVICES DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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REQUIRED SUPPLEMENTARY INFORMATION

FINANCIAL SECTION

Moss, Levy & Hartzheim LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors of San Miguel Community Services District
San Miguel, California

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the San Miguel Community Services District, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the San Miguel Community Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the San Miguel Community Services District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the San Miguel Community Services District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the San Miguel Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the San Miguel Community Services District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of changes in OPEB liability and related ratios, the schedule of OPEB contributions, the schedule of proportionate share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries of the basis 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United State of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated April 7, 2023, on our consideration of the San Miguel Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
April 7, 2023

SAN MIGUEL COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 1,773,064	$ 3,483,366	$ 5,256,430
Cash in escrow	164,324		164,324
Accounts receivable, net	25,079	192,322	217,401
Interest receivable	624		624
Deposits	107,055		107,055
Capital assets:			
Non Depreciable:			
Land	76,926	301,889	378,815
Construction in progress	4,378	596,780	601,158
Depreciable:			
Buildings, structures, and improvements	499,610	9,033,020	9,532,630
Equipment	1,538,989	753,799	2,292,788
Accumulated depreciation	(1,424,818)	(4,283,949)	(5,708,767)
Total assets	2,765,231	10,077,227	12,842,458
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	26,879	107,520	134,399
Deferred OPEB	19,510	78,042	97,552
Total deferred outflows of resources	46,389	185,562	231,951
LIABILITIES			
Accounts payable	7,547	21,871	29,418
Accrued liabilities	7,071	15,816	22,887
Accrued interest payable	13,132	20,087	33,219
Deposits		19,396	19,396
Noncurrent liabilities:			
Due within one year	60,510	74,009	134,519
Due in more than one year	675,713	1,503,990	2,179,703
Total liabilities	763,973	1,655,169	2,419,142
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	21,274	85,098	106,372
Deferred OPEB	6,020	24,082	30,102
Total deferred inflows of resources	27,294	109,180	136,474
NET POSITION			
Net investment in capital assets	329,223	5,216,689	5,545,912
Restricted for:			
Fire and emergency services	1,063,867		1,063,867
Street lighting	720,282		720,282
Capital expansion		1,409,982	1,409,982
Capital project	271,379	201,234	472,613
Debt service		77,836	77,836
Unrestricted	(364,398)	1,592,699	1,228,301
Total net position	$ 2,020,353	$ 8,498,440	$ 10,518,793

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
Public safety	$ 566,458	$ 11,215	$ 167,590	$ -
Street lighting	56,095	200	12	
Depreciation (unallocated)	98,388			
Total governmental activities	720,941	11,415	167,602	
Business-type activities:				
Water	1,060,659	974,138		17,773
Wastewater treatment project	756,756	1,195,295		60,244
Total business-type activities	1,817,415	2,169,433		78,017
Total governmental	$ 2,538,356	$ 2,180,848	$ 167,602	$ 78,017

General Revenues:
Taxes:
Property
Investment income
Gain/(loss) on disposal of capital assets
Other general revenues

Total general revenues

Change in net position

Net position - beginning of fiscal year

Net position - end of fiscal year

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (387,653)	$ -	$ (387,653)
(55,883)		(55,883)
(98,388)		(98,388)
(541,924)		(541,924)
	(68,748)	(68,748)
	498,783	498,783
	430,035	430,035
(541,924)	430,035	(111,889)
535,249	226,765	762,014
(755)	18,087	17,332
53,000		53,000
389	19,780	20,169
587,883	264,632	852,515
45,959	694,667	740,626
1,974,394	7,803,773	9,778,167
$ 2,020,353	$ 8,498,440	$ 10,518,793

SAN MIGUEL COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022

	Special Revenue Funds		
	Fire Fund	Street Lighting Fund	Totals
ASSETS			
Cash and investments	$ 1,057,089	$ 715,975	$ 1,773,064
Cash in escrow	164,324		164,324
Accounts receivable	20,454	4,625	25,079
Interest receivable		624	624
Deposits	107,055		107,055
Total assets	$ 1,348,922	$ 721,224	$ 2,070,146
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 7,025	$ 522	$ 7,547
Accrued liabilities	6,651	420	7,071
Total liabilities	13,676	942	14,618
Fund Balances:			
Restricted:			
Fire and emergency services	1,063,867		1,063,867
Modular building project	271,379		271,379
Street lighting		720,282	720,282
Total fund balances	1,335,246	720,282	2,055,528
Total liabilities and fund balances	$ 1,348,922	$ 721,224	$ 2,070,146

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - governmental funds			$	2,055,528
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.				
Capital assets at historical cost	$	2,119,903		
Accumulated depreciation		(1,424,818)		
Net				695,085
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:				
Compensated absences payable	$	7,229		
Capital lease		637,241		
Other post employment benefits obligation		67,383		
Net pension liability		24,370		
Total				(736,223)
In governmental funds, interest on long-term liabilities is not recognized until the period in which it matures and is paid. In government-wide statement of net position, it is recognized in the period that is incurred.				(13,132)
Deferred outflows and inflows relating to pensions and OPEB: In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported.				
Deferred inflows of resources relating to pensions	$	(21,274)		
Deferred inflows of resources relating to OPEB		(6,020)		
Deferred outflows of resources relating to pensions		26,879		
Deferred outflows of resources relating to OPEB		19,510		
				19,095
Total net position - governmental activities			$	2,020,353

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds		
	Fire Fund	Street Lighting Fund	Totals
Revenues:			
Property taxes	$ 413,538	$ 121,711	$ 535,249
Service charges and fees	11,215	200	11,415
Mutual aid	167,452		167,452
Grants	138	12	150
Investment income	6,308	(7,063)	(755)
Miscellaneous income	362	27	389
Total revenues	599,013	114,887	713,900
Expenditures:			
Salaries and wages	300,671	13,103	313,774
Payroll taxes and benefits	29,311	4,488	33,799
Workers compensation	8,735	350	9,085
Maintenance and repairs	42,822	5,705	48,527
Miscellaneous	21,682	985	22,667
Office supplies and expense	6,165	630	6,795
Supplies	32,367	1,655	34,022
Professional services	49,063	3,768	52,831
Dues, permits, and fees	15,079	224	15,303
Communications	27,250	1,285	28,535
Employee travel and training	9,239	220	9,459
Utilities	3,723	23,385	27,108
Bank fees	7	1	8
Debt Service:			
Principal	34,208		34,208
Interest	12,875		12,875
Total expenditures	593,197	55,799	648,996
Excess of revenues over (under) expenditures	5,816	59,088	64,904
Other financing sources (uses):			
Proceeds from capital lease	274,379		274,379
Proceeds from sale of capital asset	53,000		53,000
Total other financing sources (uses)	327,379		327,379
Change in fund balances	333,195	59,088	392,283
Fund balances - July 1, 2021	1,002,051	661,194	1,663,245
Fund balances - June 30, 2022	$ 1,335,246	$ 720,282	$ 2,055,528

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Total net change in fund balances - governmental funds	$	392,283
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay of $0 is less than depreciation expense $(98,388) in the period.		(98,388)
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation used exceeded the amounts earned by $632.		632
In governmental funds, proceeds from a lease purchase are recognized as other financing sources. In the government-wide statements, proceeds from a lease purchase are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from the lease purchase was:		(274,379)
In governmental funds, interest in long-term liabilities is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:		(689)
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities.		34,208
In the statement of activities, other postemployment benefits are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, the difference between accrual-basis postemployment benefit costs and actual employer contributions was:		(8,890)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:		1,182
Changes in net position - governmental activities	$	45,959

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2022

	Wastewater Fund	Water Fund	Totals
ASSETS			
Current assets:			
Cash and investments	$ 2,801,376	$ 681,990	$ 3,483,366
Accounts receivable, net	106,009	86,313	192,322
Due from other funds	44,669		44,669
Total current assets	2,952,054	768,303	3,720,357
Noncurrent assets:			
Land	282,660	19,229	301,889
Construction in progress	596,780		596,780
Depreciable capital assets, net of accumulated depreciation	1,025,650	4,477,220	5,502,870
Total noncurrent assets	1,905,090	4,496,449	6,401,539
Total assets	4,857,144	5,264,752	10,121,896
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	53,760	53,760	107,520
Deferred OPEB	39,021	39,021	78,042
Total deferred outflows of resources	92,781	92,781	185,562
LIABILITIES			
Current liabilities:			
Accounts payable	12,476	9,395	21,871
Accrued liabilities	6,790	9,026	15,816
Accrued interest payable		20,087	20,087
Deposits payable	8,932	10,464	19,396
Due to other funds		44,669	44,669
Compensated absences - current portion	3,570	4,269	7,839
Note payable - current portion		45,173	45,173
Bond payable - current portion		20,997	20,997
Total current liabilities	31,768	164,080	195,848
Noncurrent liabilities:			
Compensated absences	8,331	9,959	18,290
Note payable		94,552	94,552
OPEB payable	134,768	134,768	269,536
Bond payable		1,024,128	1,024,128
Net pension liability	48,742	48,742	97,484
Total noncurrent liabilities	191,841	1,312,149	1,503,990
Total liabilities	223,609	1,476,229	1,699,838
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	42,549	42,549	85,098
Deferred OPEB	12,041	12,041	24,082
Total deferred inflows of resources	54,590	54,590	109,180
NET POSITION			
Net investment in capital assets	1,905,090	3,311,599	5,216,689
Restricted for debt service		77,836	77,836
Restricted for capital project		201,234	201,234
Restricted for capital expansion	491,642	918,340	1,409,982
Unrestricted (deficit)	2,274,994	(682,295)	1,592,699
Total net position	$ 4,671,726	$ 3,826,714	$ 8,498,440

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2022

	Wastewater Fund	Water Fund	Totals
Operating Revenues:			
Utility	$ 1,195,295	$ 974,138	$ 2,169,433
Total operating revenues	1,195,295	974,138	2,169,433
Operating Expenses:			
Salaries and wages	222,179	273,042	495,221
Payroll taxes and benefits	82,456	95,911	178,367
Workers compensation	8,428	8,131	16,559
Maintenance and repairs	80,726	124,703	205,429
Miscellaneous	14,858	23,280	38,138
Office supplies and expense	5,754	6,000	11,754
Supplies	30,848	40,898	71,746
Professional services	91,830	142,612	234,442
Dues, permits, and fees	56,709	10,885	67,594
Communications	7,605	4,651	12,256
Employee travel and training	944	591	1,535
Utilities	79,959	48,307	128,266
Bank fees	14	15	29
Depreciation	74,446	198,556	273,002
Total operating expenses	756,756	977,582	1,734,338
Operating profit (loss)	438,539	(3,444)	435,095
Non-Operating Revenues (Expenses):			
Property taxes and assessments	177,785	48,980	226,765
Investment income	9,562	8,525	18,087
Other non-operating revenue	16,121	3,659	19,780
Loss on disposal of capital assets		(32,495)	(32,495)
Interest expense		(50,582)	(50,582)
Total non-operating revenues (expenses)	203,468	(21,913)	181,555
Capital Contributions:			
Intergovernmental revenues	47,211	4,518	51,729
Connection fees	13,033	13,255	26,288
Total capital contributions	60,244	17,773	78,017
Change in net position	702,251	(7,584)	694,667
Net position - July 1, 2021	3,969,475	3,834,298	7,803,773
Net position - June 30, 2022	$ 4,671,726	$ 3,826,714	$ 8,498,440

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022

	Wastewater Fund	Water Fund	Totals
Cash Flows From Operating Activities:			
Receipts from customers	$ 1,193,559	$ 975,387	$ 2,168,946
Payments to suppliers	(492,402)	(555,890)	(1,048,292)
Payments to employees	(198,592)	(248,601)	(447,193)
Net cash provided by operating activities	502,565	170,896	673,461
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(261,918)	(180,711)	(442,629)
Capital contributions	60,244	17,773	78,017
Principal paid on capital debt		(63,984)	(63,984)
Interest paid on capital debt		(51,273)	(51,273)
Net cash used by capital and related financing activities	(201,674)	(278,195)	(479,869)
Cash Flows from Noncapital Financing Activities:			
Property taxes and assessments	177,785	48,980	226,765
Other revenue	16,121	3,659	19,780
Net cash provided by noncapital financing activities	193,906	52,639	246,545
Cash Flows From Investing Activities:			
Interest income	9,560	8,527	18,087
Net cash provided by investing activities	9,560	8,527	18,087
Net increase (decrease) in cash and cash equivalents	504,357	(46,133)	458,224
Cash and cash equivalents - July 1, 2021	2,297,019	728,123	3,025,142
Cash and cash equivalents - June 30, 2022	$ 2,801,376	$ 681,990	$ 3,483,366
Reconciliation to Statement of Net Position:			
Cash and investments	$ 2,801,376	$ 681,990	$ 3,483,366

(Continued)

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

SAN MIGUEL COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2022

	Wastewater Fund	Water Fund	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 438,539	$ (3,444)	$ 435,095
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation expense	74,446	198,556	273,002
Change in assets, liabilities, deferred inflows of resources, and deferred outflows of resources:			
Receivables, net	(2,708)	260	(2,448)
Deferred outflows- pension	(3,788)	(3,788)	(7,576)
Deferred outflows- OPEB	(22,790)	(22,790)	(45,580)
Accounts payable	(32,271)	(49,906)	(82,177)
Accrued liabilities	3,908	5,696	9,604
Deposits	972	989	1,961
Compensated absences	2,812	1,878	4,690
OPEB payable	42,929	42,929	85,858
Net pension liability	(39,866)	(39,866)	(79,732)
Deferred inflows- pension	41,291	41,291	82,582
Deferred inflows- OPEB	(909)	(909)	(1,818)
Net cash provided by operating activities	$ 502,565	$ 170,896	$ 673,461

(Concluded)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The San Miguel Community Services District (District) is a multi-purpose special district established on February 1, 2000, by the consolidation of the San Miguel Fire Protection District, which was established in 1941, the Water Works District #1, and the San Miguel Lighting District. The San Miguel Sanitation District was dissolved in April 2001 and incorporated into the San Miguel Community Services District. The District is a political subdivision of the State of California and operates under a Board of Directors- Manager form of government. The District provides fire protection, street lighting, water, wastewater, solid waste, and general administrative services.

There are no component units included in this report which meet the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statements No. 39, No. 61, No. 80, and No. 90.

B. Basis of Presentation

Fund Financial Statements:

The fund financial statements provide information about the District's funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column.

Major Funds

The District reported the following major governmental funds in the accompanying financial statements:

Fire Fund - This fund accounts for activities of the Fire Station. The fire department provides fire suppression, emergency paramedic services, and fire prevention including public education.

Street Lighting Fund – The fund accounts for activities for the maintenance of the street lights in San Miguel.

The District reports the following major proprietary funds in the accompanying financial statements:

Water Fund - This fund accounts for the operation and maintenance of the District's water distribution system. The water department is responsible for the operation and maintenance of five groundwater supply wells providing treatment, monitoring, and distribution services.

Wastewater Fund – This fund accounts for the operation and maintenance of the District's wastewater system.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or non-current) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District defines available to be within 60 days of fiscal year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent that they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest, and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. 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 revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Property Taxes

The County levies, bills, and collects property taxes and special assessments for the District. Property taxes levied are recorded as revenue in the fiscal year of levy, due to the adoption of the "alternate method of property tax distribution," known as the Teeter Plan, by the District and the County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, excluding unitary tax (whether paid or unpaid). The County remits tax monies to the District every month and twice a month in December and April. The final amount which is "teetered" is remitted in August each year.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County for the secured and unsecured property tax rolls. Under the provisions of Article XIIIA of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

The District pools the cash of all funds, except for monies that are reserved for specific purposes. The cash and investments balance in each fund represents that fund's equity share of the District's cash and investment pool.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on month-end balances. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The District's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from Securities and Exchange Commission (SEC) registered securities exchanges or NASDAQ dealers. The County Treasurer of San Luis Obispo County determines the fair value of their portfolio quarterly and reports a factor to the District. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the District has defined cash and cash equivalents to be change and petty cash funds, equity in the District's cash and investment pool, and restricted non-pooled investments with initial maturities of three months of less.

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at fiscal year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities may include sales taxes, property taxes, grants, and other fees, if any. Business-type activities report utilities as their major receivables.

In the fund financial statements, material receivables in governmental funds may include revenue accruals such as franchise tax, grants, service charges and other similar intergovernmental revenues that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned and if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at fiscal year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables.

G. Prepaid Expenses

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets

Funds that are under the control of external parties are restricted.

I. Capital Assets

The accounting treatment over property, plant, and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations. The presentation and recording of governmental assets are described below.

Government-Wide Statements

In the government-wide financial statements, capital assets with a historical cost of $5,000 or more are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, if any, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Improvements other than buildings	5-25 years
Equipment and systems	5-30 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are capitalized when purchased.

J. Accumulated Compensated Absences

Compensated absences comprise unused vacation leave, sick leave, and compensatory time off, which are accrued as earned. Vacation can accrue no more than a maximum of two times the employees' annual entitlement to vacation pay. Upon termination, all accumulated vacation hours can be paid for the regular employees. The District's liability for the current and long-term portions of compensated absences is shown in the government-wide Statement of Net Position for both governmental funds and proprietary funds. Only proprietary funds reflect the long-term portion in the fund financials report, the Statement of Net Position. The short-term portion is reflected for both governmental and proprietary funds in the fund financial statements. Computation was based on rates in effect as of the fiscal year-end.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing source, and the proprietary fund types report long-term debt and other long-term obligations as liabilities.

L. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category, refer to Note 9 and Note 10 for a detailed listing of the deferred outflows of resources the District has recognized.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 9 and Note 10 for a detailed listing of the deferred inflows of resources the District has recognized.

M. Interfund Transactions

Following is a description of the three basic types of interfund transactions that can be made during the fiscal year and the related accounting policies:

1. Interfund services provided and used - transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund.

2. Reimbursements (expenditure transfers) - transactions to reimburse a fund for specific expenditures incurred for the benefit of another fund. These transactions are recorded as expenditures in the disbursing fund and a reduction of expenditures in the receiving fund.

3. Transfers - all interfund transactions which allocate resources from one fund to another fund. These transactions are recorded as transfers in and out.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classifications

Government-Wide Statements

GASB Statement No. 63 requires that the difference between assets and the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is *net investment in capital assets* consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. *Restricted net position* is the portion of the net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. *Unrestricted net position* consists of net position that does not meet the definition of net investments in capital assets or restricted net position.

O. Fund Balances

Fund balance of the governmental fund is classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provisions of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

Q. Pensions

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

R. Use of Estimates

The financial statements have been prepared in accordance with principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from these amounts.

S. Other Postemployment Benefits (OPEB)

For the purposes of measuring the net OPEB liability and deferred outflows/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 Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND INVESTMENTS

Investments are carried at fair value in accordance with GASB Statement No. 31. On June 30, 2022, the District had the following cash and investments on hand:

Cash in checking accounts	$	1,257,961
Cash in escrow account		164,324
Cash in money market account		3,766,998
Cash and investments with County of San Luis Obispo		77,836
Investments		153,635
Total	$	5,420,754

Cash and investments listed above are presented on the accompanying basic financial statements, as follows:

Cash and investments	$	5,256,430
Cash in escrow		164,324
Total	$	5,420,754

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2022:

		Fair Value Measurement Using		
Investments by fair value level		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Negotiable certificate of deposit	$ 139,375	$ 139,375	$ -	$ -
San Luis Obispo County Investment Pool	77,836		77,836	
Total investments measured at fair value	217,211	$ 139,375	$ 77,836	$ -
Investments measured at amortized cost				
Money market funds	14,260			
Total Investments	$ 231,471			

Investments of the District are governed by the California Government Code and by the District's investment policy. The General Manager of the District acts as the District Finance Officer and Treasurer who is tasked to perform investment functions in accordance with the investment policy. The objectives of the policy are safety, liquidity, yield, and compliance with State and Federal laws and regulations.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments of the District as of June 30, 2022

The table below identifies the investment types the District has that are authorized for the District by the California Government Code or the District's investment policy, where more restrictive, that addresses interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	5%
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	None
Commercial Paper	270 days	25-40%	None
Negotiable Certificates of Deposit	5 years	30%	5%
Non-negotiable Certificates of Deposit	5 years	$250,000	None
Medium-Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund	N/A	None	$75,000,000

Disclosure Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2022:

		Remaining Maturity (in Months)			
Investment Type	Carrying Amount	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Negotiable certificates of deposit	$ 139,375	$ -	$ 139,375	$ -	$ -
Money market funds	14,260	14,260			
San Luis Obispo County Investment Pool	77,836	77,836			
	$ 231,471	$ 92,096	$ 139,375	$ -	$ -

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District has no investments that are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organizations. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year ended June 30, 2022 for each investment type.

			Rating as of Fiscal Year End			
Investment Type	Carrying Amount	Minimum Legal Rating	AAA	AA+	AA-	Not Rated
Negotiable certificates of deposit	$ 139,375	N/A	$ -	$ -	$ -	$ 139,375
Money market funds	14,260	N/A				14,260
San Luis Obispo County Investment Pool	77,836	N/A				77,836
	$ 231,471		$ -	$ -	$ -	$ 231,471

NOTE 2 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments is as follows:

>5% issuer:

Investment Type	Reported Amount
Negotiable certificates of deposit	$ 139,375

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Deposits are insured up to $250,000 by the FDIC.

At June 30, 2022, none of the District's deposits with financial institutions in excess of Federal depository insurance limits were held in uncollateralized accounts.

NOTE 3 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Due From/Due to Other Funds

Individual fund interfund receivable and payable balances at June 30, 2022, are as follows:

Fund	Interfund Receivables	Interfund Payables
Proprietary Funds:		
Wastewater Fund	$ 44,669	$ -
Water Fund		44,669
Totals	$ 44,669	$ 44,669

NOTE 4 – CAPITAL ASSETS

Governmental activities:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets not being depreciated				
Land	$ 76,926	$ -	$ -	$ 76,926
Construction in progress	4,378			4,378
Total capital assets not being depreciated	$ 81,304	$ -	$ -	$ 81,304
Capital assets being depreciated				
Buildings, structures, and improvements	$ 499,610	$ -	$ -	$ 499,610
Equipment	1,741,789		202,800	1,538,989
Total capital assets being depreciated	2,241,399		202,800	2,038,599
Less accumulated depreciation	1,529,230	98,388	202,800	1,424,818
Total capital assets being depreciated, net	$ 712,169	$ (98,388)	$ -	$ 613,781
Net capital assets	$ 793,473	$ (98,388)	$ -	$ 695,085

Business-type activities:

	Balance at July 1, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Capital assets not being depreciated					
Land	$ 301,889	$ -	$ -	$ -	$ 301,889
Construction in progress	426,458	413,543	32,495	(210,726)	596,780
Total capital assets not being depreciated	$ 728,347	$ 413,543	$ 32,495	$ (210,726)	$ 898,669
Capital assets being depreciated					
Building and improvements	$ 8,822,294	$ -	$ -	$ 210,726	$ 9,033,020
Plant and equipment	724,713	29,086			753,799
Total capital assets being depreciated	9,547,007	29,086		210,726	9,786,819
Less accumulated depreciation	4,010,947	273,002			4,283,949
Total capital assets being depreciated, net	$ 5,536,060	$ (243,916)	$ -	$ 210,726	$ 5,502,870
Net capital assets	$ 6,264,407	$ 169,627	$ 32,495	$ -	$ 6,401,539

Governmental Activities:	
Unallocated	$ 98,388
Total governmental activities depreciation expense	$ 98,388
Business-type Activities:	
Water services	$ 198,556
Wastewater services	74,446
Total business-type activities depreciation expense	$ 273,002

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of changes in the District's long-term liabilities for the fiscal year ended June 30, 2022:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Current Portion
Governmental Activities:					
Compensated Absences	$ 7,861	$ 5,789	$ 6,421	$ 7,229	$ 2,169
Lease payable	397,070	274,379	34,208	637,241	58,340
Other Post Employment Benefits Obligation	45,916	21,467		67,383	
Net Pension Liability	44,304		19,934	24,370	
Total Governmental Activities	$ 495,151	$ 301,635	$ 60,563	$ 736,223	$ 60,509
Business-Type Activities:					
Compensated Absences	$ 21,439	$ 23,517	$ 18,827	$ 26,129	$ 7,839
Notes Payable	183,592		43,867	139,725	45,173
Bonds Payable	1,065,242		20,117	1,045,125	20,997
Other Post Employment Benefits Obligation	183,678	85,858		269,536	
Net Pension Liability	177,216		79,732	97,484	
Total Business-Type Activities	$ 1,631,167	$ 109,375	$ 162,543	$ 1,577,999	$ 74,009

NOTE 6 – NOTE PAYABLE

In October 1994, the District was issued a note payable from the State of California totaling $969,969, payable in semiannual payments of $24,486 with an interest rate of 2.955% due April 1, 2025. The note is secured by water revenues. At June 30, 2022, the principal balance outstanding was $139,725. The required note principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 45,173	$ 3,798	$ 48,971
2024	46,513	2,458	48,971
2025	48,039	1,067	49,106
Total	$ 139,725	$ 7,323	$ 147,048

NOTE 7 – BONDS PAYABLE

2008 Certificate of Participation Bonds

United States Department of Agriculture Certificate of Participation Bonds were issued on August 1, 2008 totaling $1,250,000, payable in semiannual payments, with an interest rate of 4.375%, due August 1, 2048. The CoP's are secured by water revenues. At June 30, 2022, the bonds principal balance outstanding was $1,045,125. The required bond principal and interest payments are as shown on the following page:

NOTE 7 – BONDS PAYABLE (Continued)

2008 Certificate of Participation Bonds (Continued)

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 20,997	$ 45,265	$ 66,262
2024	21,916	44,326	66,242
2025	22,875	43,346	66,221
2026	23,875	42,324	66,199
2027	24,920	41,256	66,176
2028-2032	141,939	188,563	330,502
2033-2037	175,826	153,935	329,761
2038-2042	217,804	111,038	328,842
2043-2047	269,804	57,901	327,705
2048-2049	125,169	5,535	130,704
Total	$ 1,045,125	$ 733,489	$ 1,778,614

NOTE 8 – LEASES PAYABLE

In July 2020, the District entered into a lease purchase agreement with PNC Equipment Finance, LLC for a fire engine for a total of $397,070. Annual payments are to be made in the amount of $47,192 through July 2030. Any time over the course of the lease, the District may exercise the purchase option based on the value of the fire engine. At the end of the lease agreement, the purchase option is $1. In the event of default of the lease, the District must pay all lease payments for that fiscal year and the lessor may opt to retake possession of the fire engine.

The required lease principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 35,327	$ 11,865	$ 47,192
2024	36,482	10,710	47,192
2025	37,675	9,517	47,192
2026	38,907	8,286	47,193
2027	40,179	7,013	47,192
2028-2031	174,292	14,478	188,770
Total	$ 362,862	$ 61,869	$ 424,731

In April 2022, the District entered into a lease purchase agreement with Holman Capital Corporation for a modular building to be used for a fire station for a total of $274,379. Annual payments are to be made in the amount of $33,576 through April 2032. In the event of default of the lease, the District must pay all lease payments for that fiscal year and the lessor may opt to retake possession of the building.

The required lease principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 23,013	$ 10,564	$ 33,577
2024	23,899	9,677	33,576
2025	24,819	8,757	33,576
2026	25,774	7,802	33,576
2027	26,767	6,810	33,577
2028-2032	150,107	17,774	167,881
Total	$ 274,379	$ 61,384	$ 335,763

NOTE 9 – PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Pre-Retirement Option Settlement. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
Hire Date	Classic Member Hired Prior to January 1, 2013	New Member Hired On or after January 1, 2013
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.46% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%
Required employer contribution rates	14.340%	7.650% + $6,013

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. Contributions to the pension plan from the District were $74,225 for the Miscellaneous Plan for the fiscal year ended June 30, 2022.

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

At June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net position liability was $121,854. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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 Pension Plan participants, actuarially determined. At June 30, 2021, the District's proportion was 0.00642%, which increased by 0.00117% from June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized pension expense of $68,316. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

NOTE 9 – PENSION PLANS (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	$ 74,225	$ -
Differences between expected and actual experience	13,665	
Net difference between projected and actual earnings on retirement plan investments		106,372
Adjustment due to differences in proportion	4,776	
Changes in proportion and differences between District contributions and proportionate share of contributions	41,733	
	$ 134,399	$ 106,372

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

$74,225 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

Fiscal year ending June 30,	Amount
2023	$ 6,156
2024	(5,473)
2025	(17,485)
2026	(29,396)
	$ (46,198)

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality (1)	Derived using CalPERS' Membership Data for all Funds

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% Scale MP 2016 published by the Society of Actuaries. For more details on this table please refer to the 2017 experience study report.

NOTE 9 – PENSION PLANS (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to completed in be February 2022. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statements No. 67 and No. 68 calculations through at least the 2021-22 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net 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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(a) An expected inflation of 2.00% was used for this period.
(b) An expected inflation of 2.92% was used for this period.

NOTE 9 – PENSION PLANS (Continued)

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

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, 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 (6.15 percent) or 1- percentage point higher (8.15 percent) than the current rate:

1% Decrease		6.15%
Net Pension Liability	$	248,380
Current Discount Rate		7.15%
Net Pension Liability	$	121,854
1% Increase		8.15%
Net Pension Liability	$	17,258

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plan

At June 30, 2022, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2022.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

Plan Description

Plan administration. The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

Benefits provided. Active employees are subject to 70% of the premium, up to a $900 cap. The District joined PEMHCA in 2001 and is under the unequal method, where the District contributes up to a cap equal to 5% times the number of years the District in PEMHCA, times the active contribution cap. Survivor benefits are available. The District does not contribute dental, vision, or life insurance premiums towards retirees.

Active employees hired before May 1, 2013 may retire at age 55 with 5 years of service. The employer paid benefit is equal to 70% of the premium, up to a $900 cap. One active employee hired before May 1, 2013 has a special contract with the District providing paid benefit up to a cap of $1,400 per month.

Active employees hired after May 1, 2013 may retire at age 62 with 10 years of service. The employer paid benefit is equal to 70% of the premium, up to a $900 cap, with a vesting schedule ranging from 10 years of service at 50% to 20 years of service at 100% of benefit.

Employees Covered

As of the July 1, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active plan members	7
Inactive employees or beneficiaries currently receiving benefits	1
Total	8

The District currently finances benefits on a pay-as-you-go basis.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The District's Total OPEB liability was measured as of July 1, 2021 and the total OPEB liability used to calculate the Total OPEB liability was determined by an actuarial valuation dated July 1, 2021, standard actuarial update procedures were used to project/discount from the valuation date to the measurement date.

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

Salary increases	3.00%
Inflation rate	3.00%
Medical cost trend rate	6.00% for 2021 decreasing to 5.75% for 2022, 5.50% for 2023, 5.20% for 2024-2069, and 4.50% for all years 2070 and later

Pre-retirement and post-retirement public agency miscellaneous mortality rates were based on the 2021 CalPERS' Experience Study.

Actuarial assumptions used in the July 1, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 1.92 percent.

Discount rate. GASB Statement No. 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Municipal 20 Year High Grade Rate Index	Discount Rate
June 30, 2021	June 30, 2020	2.45%	2.45%
June 30, 2022	June 30, 2021	1.92%	1.92%

Change of assumptions. For the June 30, 2021 measurement date, the discount rate was decreased from 2.45% to 1.92%.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021 (Valuation Date July 1, 2019)	$ 229,594
Changes recognized for the measurement period:	
Service cost	40,020
Interest	6,556
Difference between expected and actual experience	(1,658)
Changes of assumptions	66,470
Benefit payments	(4,063)
Net Changes	107,325
Balance at June 30, 2022 (Measurement Date June 30, 2021)	$ 336,919

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the total OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.92 percent) or 1 percentage-point higher (2.92 percent) than the current discount rate:

	1% Decrease 0.92%	Current Rate 1.92%	1% Increase 2.92%
OPEB Liability	$ 412,687	$ 336,919	$ 277,958

Sensitivity of the OPEB liability to changes in the healthcare trend rates. The following presents the total OPEB liability, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower (5.00 percent) or 1 percentage point higher (7.00 percent) than the current healthcare cost trend rates:

	5.00% (Decreasing to 3.50%)	Current Rate 6.00% (Decreasing to 4.50%)	7.00% (Decreasing to 5.50%)
OPEB Liability	$ 285,324	$ 336,919	$ 389,146

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of $52,085. As of the fiscal year ended June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 3,582	$ -
Difference between expected and actual experience		23,577
Change in assumptions	93,970	6,525
	$ 97,552	$ 30,102

The $3,582 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the OPEB liability during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expenses as follows:

Fiscal year Ending June 30,	Amount
2023	$ 5,509
2024	5,509
2025	5,509
2026	5,509
2027	5,509
Afterwards	36,323
	$ 63,868

NOTE 11 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Fund	Excess Expenditures
Fire Fund	
Salaries and wages	$ 84,291
Payroll taxes and benefits	8,057
Workers compensation	735
Professional services	24,713
Dues, permits, and fees	1,859
Communications	6,314
Employee travel and training	3,239
Bank fees	7
Debt Service:	
Principal	34,208
Interest	12,875

NOTE 12 – CONTINGENCIES AND COMMITMENTS

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

REQUIRED SUPPLEMENTARY INFORMATION

SAN MIGUEL COMMUNITY SERVICES DISTRICT
FIRE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget Positive (Negative)**
Revenues:				
Property taxes	$ 425,798	$ 425,798	$ 413,538	$ (12,260)
Service charges and fees	9,900	9,900	11,215	1,315
Mutual aid			167,452	167,452
Grant income	35,000	35,000	138	(34,862)
Investment income			6,308	6,308
Miscellaneous income	9,750	9,750	362	(9,388)
Total revenues	480,448	480,448	599,013	118,565
Expenditures:				
Salaries and wages	206,380	216,380	300,671	(84,291)
Payroll taxes and benefits	21,254	21,254	29,311	(8,057)
Workers compensation	8,000	8,000	8,735	(735)
Maintenance and repairs	52,000	52,000	42,822	9,178
Miscellaneous	33,600	33,600	21,682	11,918
Office supplies and expense	7,375	7,375	6,165	1,210
Supplies	83,700	71,700	32,367	39,333
Professional services	24,350	24,350	49,063	(24,713)
Dues, permits, and fees	13,220	13,220	15,079	(1,859)
Communications	20,936	20,936	27,250	(6,314)
Employee travel and training	4,000	6,000	9,239	(3,239)
Utilities	5,120	5,120	3,723	1,397
Bank fees			7	(7)
Debt Service:				
Principal			34,208	(34,208)
Interest			12,875	(12,875)
Total expenditures	479,935	479,935	593,197	(113,262)
Excess of revenues over (under) expenditures	513	513	5,816	5,303
Other Financing Sources (Uses):				
Proceed from capital lease			274,379	274,379
Sale of capital asset			53,000	53,000
Total other financing sources (uses)			327,379	327,379
Change in fund balance	513	513	333,195	332,682
Fund balance - July 1, 2021	1,002,051	1,002,051	1,002,051	
Fund balance - June 30, 2022	$ 1,002,564	$ 1,002,564	$ 1,335,246	$ 332,682

SAN MIGUEL COMMUNITY SERVICES DISTRICT
STREET LIGHTING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Property taxes	$ 135,740	$ 135,740	$ 121,711	$ (14,029)
Service charges and fees		50	200	150
Grants		12	12	
Investment income		1,417	(7,063)	(8,480)
Miscellaneous income		11	27	16
Total revenues	135,740	137,230	114,887	(22,343)
Expenditures:				
Salaries and wages	15,740	15,740	13,103	2,637
Payroll taxes and benefits	5,550	6,286	4,488	1,798
Workers compensation	500	370	350	20
Maintenance and repairs	24,350	26,850	5,705	21,145
Miscellaneous	1,775	1,575	985	590
Office supplies and expense	2,350	2,550	630	1,920
Supplies	6,400	6,400	1,655	4,745
Professional services	18,190	15,000	3,768	11,232
Dues, permits, and fees	300	400	224	176
Communications	2,900	2,509	1,285	1,224
Employee travel and training	4,000	2,000	220	1,780
Utilities	35,450	35,450	23,385	12,065
Bank fees		15	1	14
Capital outlay	15,000	15,000		15,000
Total expenditures	132,505	130,145	55,799	74,346
Excess of revenues over (under) expenditures	3,235	7,085	59,088	52,003
Fund balance - July 1, 2021	661,194	661,194	661,194	
Fund balance - June 30, 2022	$ 664,429	$ 668,279	$ 720,282	$ 52,003

SAN MIGUEL COMMUNITY SERVICES DISTRICT
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*
As of June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 40,020	$ 40,592	$ 36,290	$ 13,857	$ 13,453
Interest on the total OPEB liability	6,556	6,217	6,132	4,091	3,674
Actual and expected experience difference	(1,658)		(29,504)	(11,745)	
Changes in assumptions	66,470	26,617	15,099		
Benefit payments	(4,063)	(3,681)	(2,525)	(5,049)	(2,562)
Net change in total OPEB Liability	107,325	69,745	25,492	1,154	14,565
Total OPEB liability - beginning	229,594	159,849	134,357	133,203	118,638
Total OPEB liability - ending	$ 336,919	$ 229,594	$ 159,849	$ 134,357	$ 133,203
Covered payroll:	$ 500,343	$ 346,086	$ 354,500	$ 375,473	$ 344,324
Total OPEB Liability as a percentage of covered payroll:	67.34%	66.34%	45.09%	35.78%	38.69%

Notes to Schedule:

The discount rate was changed from 2.45% to 1.92% for the July 1, 2021 measurement date.

*- Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

SAN MIGUEL COMMUNITY SERVICES DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
Last 10 Years*
As of June 30, 2022

The District's contribution for the fiscal year ended June 30, 2022 was $3,582. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2021, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2021 was $2,910. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2021, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2020 was $2,438. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2020, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2019 was $1,588. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2019, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2018 was $3,904. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2018, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

*- Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

SAN MIGUEL COMMUNITY SERVICES DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2022

The following table provides required supplementary information regarding the District's Pension Plan.

	2022	2021	2020	2019	2018
Proportion of the net pension liability	0.00225%	0.00204%	0.00200%	0.00196%	0.00191%
Proportionate share of the net pension liability	$ 121,854	$ 221,520	$ 205,120	$ 188,568	$ 189,718
Covered payroll	$ 510,668	$ 500,343	$ 354,500	$ 274,239	$ 190,663
Proportionate share of the net pension liability as percentage of covered payroll	23.9%	44.3%	57.9%	68.8%	99.5%
Plan's total pension liability	$ 46,174,942,264	$ 43,702,930,887	$ 41,426,453,489	$ 38,944,855,364	$ 37,161,348,332
Plan's fiduciary net position	$ 40,766,653,876	$ 32,822,501,335	$ 31,179,414,067	$ 29,308,589,559	$ 27,244,095,376
Plan fiduciary net position as a percentage of the total pension liability	88.29%	75.10%	75.26%	75.26%	73.31%

	2017	2016	2015
Proportion of the net pension liability	0.00200%	0.00211%	0.00201%
Proportionate share of the net pension liability	$ 173,264	$ 145,045	$ 125,163
Covered payroll	$ 140,038	$ 174,026	$ 205,120
Proportionate share of the net pension liability as percentage of covered payroll	123.7%	83.3%	61.0%
Plan's total pension liability	$ 33,358,627,624	$ 31,771,217,402	$ 30,829,966,631
Plan's fiduciary net position	$ 24,705,532,291	$ 24,907,305,871	$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	74.06%	78.40%	79.82%

Notes to Schedule:

There were no changes in assumptions for the June 30, 2021 Measurement Date.

*- Fiscal year 2015 was the 1st year of implementation, thus only eight years are shown.

SAN MIGUEL COMMUNITY SERVICES DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2022

The following table provides required supplementary information regarding the District's Pension Plan.

	2022	2021	2020	2019	2018
Contractually required contribution (actuarially determined)	$ 74,225	$ 62,323	$ 54,268	$ 58,116	$ 28,201
Contribution in relation to the actuarially determined contributions	74,225	62,323	54,268	58,116	28,201
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 508,988	$ 510,668	$ 500,343	$ 354,500	$ 274,239
Contributions as a percentage of covered payroll	14.58%	12.20%	10.85%	16.39%	10.28%

	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 22,800	$ 19,438	$ 26,154
Contribution in relation to the actuarially determined contributions	22,800	19,438	26,154
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 190,663	$ 140,038	$ 174,026
Contributions as a percentage of covered payroll	11.96%	13.88%	15.03%

Notes to Schedule:

There were no changes in assumptions for the fiscal year ended June 30, 2022.

*- Fiscal year 2015 was the 1st year of implementation, thus only eight years are shown.