

CAMBRIA COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

CAMBRIA COMMUNITY SERVICES DISTRICT
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JUNE 30, 2024

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Directors of Cambria Community Services District
Cambria, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Cambria Community Services District, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Cambria 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, the business-type activities, and each major fund of the Cambria Community Services District, as of June 30, 2024, and the respective changes in financial position and cash flows where applicable 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 Cambria 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 Cambria 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2025, on our consideration of the Cambria 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, Renz & Hartgeim LLP

Santa Maria, California
May 28, 2025

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

This section presents an overview and analysis of the Cambria Community Services District’s (CCSD) financial performance for the fiscal year ending June 30, 2024. It is to be read in conjunction with the with the accompanying financial statements that follow.

The Cambria Community Services District is a multi-purpose special district formed on December 9, 1976. Formation occurred under the Community Services District Law, Section 61000, et. seq. of the California Government Code. At the time of formation, it absorbed and combined the responsibilities of five existing special districts. These independently operated districts were as follows:

- Cambria Community Services District – Moonstone Beach Drive area
- Cambria County Water District
- Cambria Fire Protection District
- Cambria Garbage Disposal District
- San Luis Obispo County Service Area No. 6 – Street Lighting Service

As a political subdivision of the State of California, the CCSD operates under a Board of Directors–Manager form of government. The five-member Board of Directors is elected by the community, with each member serving a four-year term.

The CCSD serves approximately 5,700 residents within its jurisdiction. Seasonal tourism during summer and holiday weekends significantly increases the local population, creating fluctuations in demand for community services.

Services Provided

The CCSD is responsible for delivering a broad range of public services, including:

- Water
- Wastewater
- Fire Protection
- Facilities and Resources
- Parks and Recreation
- Administration

Fund Financial Statements

The Cambria Community Services District (CCSD) organizes and operates its accounting system on a fund basis. A fund is a separate, self-balancing accounting entity that records assets, liabilities, fund equity, revenues, and expenditures or expenses. Each fund is maintained to ensure accountability and to demonstrate compliance with finance-related legal requirements.

The basis of accounting—which determines the timing of when revenues and expenditures or expenses are recognized—varies depending on the type of fund.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

Governmental Funds

Governmental funds use the modified accrual basis of accounting. Under this method:

- Revenues are recognized when they are both measurable and available to finance expenditures of the current period.
 - Measurable means the amount can be reasonably estimated.
 - Available means the revenue is collected during the current period or soon enough thereafter to be used to pay liabilities of the current period.
- Expenditures are generally recognized when the related liability is incurred.

This basis of accounting is used for funds that account for typical governmental activities, such as public safety and parks and recreation.

Enterprise Funds

Enterprise, or business-type, funds use the accrual basis of accounting, similar to private-sector accounting. Under this method:

- Revenues are recognized when earned, regardless of when cash is received.
- Expenses are recognized when incurred, regardless of when payment is made.
- All assets and liabilities associated with the operation of these funds are included on the statement of net position.

This basis is used for services that are financed and operated in a manner similar to private businesses, such as water and wastewater operations.

Financial Statements

The CCSD's financial reporting includes two government-wide financial statements that incorporate all of the District's funds:

- Statement of Net Position
- Statement of Activities

Statement of Net Position

The Statement of Net Position presents a snapshot of the District's financial condition at the end of the fiscal year. It serves as a foundation for:

- Computing the rate of return on the CCSD's assets,
- Evaluating the capital structure, and
- Assessing liquidity and financial flexibility.

This statement includes all of the District's assets and liabilities, both current and long-term, and is prepared using the accrual basis of accounting.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

Statement of Activities

The Statement of Activities reports the results of all the CCSD’s operations during the fiscal year. It is presented using the accrual basis of accounting and provides a detailed view of:

- The cost of each function provided by the District,
- The revenues generated by those functions (e.g., service charges, grants, and contributions), and
- The net cost of each function, illustrating the financial burden placed on the general revenues of the District.

One of the key objectives of this statement is to identify the degree to which each function supports itself financially versus the level of support required from general revenues.

Fund-Level Categories

The remainder of the CCSD’s financial statements is organized into two primary categories:

- Governmental Activities – These are typically supported by taxes and intergovernmental revenues and include services such as fire protection, parks and recreation, and administration.
- Business-Type Activities – These are financed predominantly through user fees and charges, and include services such as water and wastewater operations.

Governmental Activities

The CCSD’s governmental activities are reported through a single governmental fund:

- General Fund

The General Fund encompasses the following departments:

- Fire Department
- Administration
- Facilities and Resources

Components of Governmental Financial Statements

The financial statements for the CCSD’s governmental activities include six key components:

1. Balance Sheet – Governmental Funds
2. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
3. Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

4. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
5. Notes to the Financial Statements
6. Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Governmental Funds
(Presented as Required Supplementary Information)

Balance Sheet – Governmental Funds

The Balance Sheet presents the District’s current assets, liabilities, and fund balance as of the end of the fiscal year. Assets represent resources controlled by the District, liabilities are financial obligations, and the fund balance reflects the residual amount (assets minus liabilities). As this statement uses the modified accrual basis of accounting, only current assets and liabilities are reported—capital assets and long-term liabilities are not included.

The fund balance is reported in the following classifications to provide insight into the nature and constraints on available resources:

- Non-spendable – Amounts not in a spendable form (e.g., prepaid expenses, deposits)
- Restricted – Amounts restricted to specific purposes by external sources or laws
- Committed – Amounts formally set aside by the District’s highest decision-making authority for specific purposes
- Assigned – Amounts the District intends to use for specific purposes
- Unassigned – Residual amounts available for any purpose (only reported in the General Fund)

Reconciliation to the Statement of Net Position

Following the Balance Sheet is a reconciliation to the government-wide Statement of Net Position. This reconciliation explains the differences between the two presentations, primarily due to the inclusion of capital assets and long-term liabilities in the government-wide statement, which are excluded from the governmental fund statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances

This statement functions as the income statement for governmental funds, detailing the inflow of resources (revenues) and the outflow (expenditures). In addition to these, the statement includes:

- Other Financing Sources (Uses) – such as interfund transfers
- Special Items – including prior period adjustments, which are significant corrections of errors from previous periods

Transfers and special items are reported separately to help assess the sustainability of the District’s core operational funding.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

Reconciliation to the Statement of Activities

This reconciliation explains the differences between the change in fund balances and the change in net position reported in the government-wide Statement of Activities. These differences are itemized to provide transparency into how modified accrual accounting converts into the full accrual basis used in government-wide reporting.

Notes to the Financial Statements

The Notes provide essential disclosures that help readers understand the context, accounting policies, and specific details behind the amounts reported in the financial statements.

Budgetary Comparison Schedule

The Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Governmental Funds compares the District’s final budget to actual results. This schedule provides insight into how well the District adhered to its financial plan and supports accountability in public resource management

Business-Type Activities

The Cambria Community Services District (CCSD) reports its business-type activities through two proprietary funds:

- Water Fund
- Wastewater (Sewer) Fund

These funds operate in a manner similar to private-sector enterprises and are financed primarily through user charges.

Water Fund Departments

The Water Fund comprises the following operational departments:

- Water
- Water Reclamation Facility

Components of Business-Type Financial Statements

The financial statements for the Water and Wastewater Funds include the following components:

1. Statement of Net Position – Proprietary Funds
2. Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
3. Statement of Cash Flows – Proprietary Funds
4. Notes to the Financial Statements

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

Statement of Net Position – Proprietary Funds

This statement presents the financial position of the Water and Wastewater Funds at year-end, including all assets, liabilities, and net position. It provides a basis for:

- Computing the rate of return on invested assets
- Evaluating the capital structure of the enterprise funds
- Assessing liquidity and financial flexibility

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

This statement reports how the net position of the Water and Wastewater Funds changed during the fiscal year. Prepared on the accrual basis of accounting, it recognizes revenues when earned and expenses when incurred—regardless of cash flow timing.

It serves as a measure of the District’s operational effectiveness, helping stakeholders evaluate whether the enterprise funds recovered their operating costs through user fees, property taxes, and other sources of revenue.

Statement of Cash Flows – Proprietary Funds

The Statement of Cash Flows provides a detailed view of cash inflows and outflows during the year, grouped into three key activities:

- Operating Activities – Cash flows from the core operations of providing water and wastewater services
- Capital and Related Financing Activities – Cash flows related to the acquisition and financing of capital assets
- Investing and Non-Operating Activities – Cash flows from investments and other non-operating sources

This statement is essential for assessing the cash-generating ability of the enterprise funds and their capacity to meet obligations, invest in infrastructure, and support long-term planning.

Notes to the Financial Statements

The Notes accompanying the proprietary fund statements offer critical context and detailed explanations regarding accounting policies, capital assets, debt obligations, and other financial disclosures relevant to the Water and Wastewater operations.

Required Supplementary Information

This section of the financial report includes important schedules that support transparency and accountability, as required by the Governmental Accounting Standards Board (GASB).

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

This budgetary comparison statement presents the original and final budgeted amounts alongside actual revenues and expenditures for the General Fund. It allows stakeholders to assess:

- How well the CCSD adhered to its financial plan,
- The effectiveness of resource allocation,
- Variances between budgeted and actual performance.

This comparison supports fiscal responsibility by highlighting areas where adjustments may be needed in future budgeting cycles.

Required Supplementary Information – GASB 75 and GASB 68

As required by GASB Statement No. 75 (for Other Post-Employment Benefits) and GASB Statement No. 68 (for Pensions), the following schedules are included:

- Schedule of Changes in the Other Post-Employment Benefits (OPEB) Liability and Related Ratios
 - Shows changes in the District’s total OPEB liability over time, along with coverage and funding status.
- Schedule of OPEB Contributions
 - Presents the District’s contributions toward OPEB benefits compared to the actuarially determined contributions, helping evaluate funding sufficiency.
- Schedule of the Proportionate Share of the Net Pension Liability
 - Provides the CCSD’s share of the net pension liability in relation to its covered payroll and includes historical data for trend analysis.
- Schedule of Pension Contributions
 - Details contributions made toward pension obligations and compares them to actuarially determined contribution amounts.

These schedules are critical for assessing the CCSD’s long-term financial health and its ability to meet retirement-related obligations. They also enhance comparability and transparency for stakeholders and regulatory bodies.

Overview of Activities During Fiscal Year Ending June 30, 2024

The Fire Suppression Benefit Assessment is a parcel assessment; property value fluctuations do not impact it. If approved annually by the CCSD Board of Directors, it can increase by the annual increase in the consumer price index up to a maximum of 5.4%. This parcel assessment increased by \$21,888 (4.2%) in fiscal year 2023-2024 compared to fiscal year 2022-2023. This parcel assessment represents approximately 18% of the Fire Department’s revenue in the CCSD’s fiscal year 2023-2024 budget.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

The Water and Wastewater Standby or Availability Charge is a parcel assessment based on parcel size. If approved annually by the CCSD Board of Directors, this parcel assessment generates approximately \$178,000 for the Water Fund and \$116,000 for the Wastewater Fund revenue. This revenue is used for capital outlay and major maintenance projects in the Water and Wastewater Funds.

A rate analysis for Water, Water Reclamation Facility (WRF), and Wastewater user fees was completed in July 2018, with a 3-year rate increase implementation plan. The final rate increase became effective September 1, 2020. An updated rate analysis for Water, Water WRF, and Wastewater user fees was completed in May and June 2022, respectively. The CCSD Board adopted a 3-year user fee & charges rate increase for Water and Wastewater, with future annual inflationary rate adjustments to Water, WRF, and Wastewater. The first increase is effective July 1, 2022, for only Water and Wastewater user fees. The increase in user fees provides adequate support for operations & maintenance costs, capital improvement funding for an aging infrastructure, and current and future debt service obligations.

As of June 30, 2024, inter-fund advances from the General Fund to the Water Fund total \$157,726, and the Wastewater Fund total \$192,331 (see Note #3).

For active employees, there are three different employee-represented groups: the International Association of Firefighters (IAFF), the Service Employees International Union (SEIU), and the non-represented Management/Confidential (MCE) employees.

The following table shows the year-to-year increases and decreases in total salaries and wages:

Fiscal Year	Wages and Salaries	Year-to-Year Increase / (Decrease)
2018-2019	3,141,181	
2019-2020	3,126,247	(14,934)
2020-2021	3,390,865	264,618
2021-2022	3,643,369	252,504
2022-2023	3,732,481	89,112
2023-2024	3,150,067	(582,414)

The employees in each group pay the full employee portion of their pension based on their CalPERS service history and cost-sharing of medical and dental insurance premiums. During the fiscal year 2019-2020, both the SEIU and IAFF employees negotiated an updated memorandum of understanding (MOU) for a five-year period, and during the fiscal year 2020-2021, the MCE employees negotiated salary increases for three years. These updates include salary and benefit changes, depending on the job classification grouping. In addition, CCSD received a Staffing for Adequate Fire and Emergency Response (SAFER) grant, adding three limited-term fire department employees. This SAFER grant began on January 1, 2022, and continues over a three-year period.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

Retirement is the most significant cost related to employee benefits at the CCSD. The annual pension cost decreased from \$535,257 in the fiscal year 2022-2023 to \$168,050 in the fiscal year 2023-2024, including a pension audit adjustment. Various factors will impact retirement rates and costs in the future. Such factors include total salaries, inflation rates, investment returns, and the three agreement tiers with employees. The reporting requirements for the pension plan were amended by GASB Statement Nos. 67 & 68. A current period adjustment is required in each reporting period (see Note 7 and 8) to comply with these changes.

Employee health insurance is another significant cost related to benefits at the CCSD. The annual employee medical insurance cost decreased from \$387,769 in the fiscal year 2022-2023 to \$383,795 in the fiscal year 2023-2024. This is an overall decrease of \$3,974 or 1%. Agreements with MCE, SEIU, and IAFF employees have also provided for increased premium contributions made by employees.

Retiree health insurance is another significant cost related to employee benefits at the CCSD. These costs decreased from \$630,241 in the fiscal year 2022-2023 to \$281,988 in the fiscal year 2023-2024. Agreements with MCE, SEIU, and IAFF employees provide for increased premium contributions to be made by retirees. Newly hired employees will receive a reduced health insurance premium benefit equal to the Public Employees’ Medical and Hospital Care Act (PEMHCA) minimum, which was \$151 during the calendar year 2023 and is currently \$157 for calendar year 2024. These changes are expected to result in a significant reduction in retiree health insurance costs in the future. The reporting requirements for OPEB were amended by GASB No. 75. To comply with these changes, a current period adjustment is required in each reporting period (see Note 8).

Personnel costs represent 38% of the CCSD’s fiscal year 2023-2024 expenditures. Several steps, the most significant discussed above, have been taken to control these costs. Maintenance and repair costs decreased from \$1,232,383 for the fiscal year 2022-2023 to \$1,035,292 for the fiscal year 2023-2024. Most of these costs are related to the maintenance and repair of water and sewer infrastructure.

The following table shows the year-to-year increases and decreases in the CCSD’s total maintenance and repair costs:

Fiscal Year	Total Maintenance and Repair Costs	Year-to-Year Increase / (Decrease)
2018-2019	620,496	
2019-2020	893,325	272,829
2020-2021	679,322	(214,003)
2021-2022	1,036,186	356,864
2022-2023	1,232,383	196,197
2023-2024	1,035,292	(197,091)

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

Significant deferred maintenance in the Water and Wastewater Funds continues to occur. The adopted 2018 and 2022 increases in user fees & charges will assist in funding the deferred maintenance in the Water and Wastewater Funds. CCSD continues to explore funding opportunities to address the General Fund’s deferred maintenance of the Veteran’s Hall and the ongoing maintenance of the Fiscalini Ranch and Open Space Lots.

The following table shows the year-to-year increases and decreases in the CCSD’s total cash and investments:

Fiscal Year	Total Cash and Investments	Year-to-Year Increase / (Decrease)
2018-2019	3,136,367	
2019-2020	4,675,532	1,539,165
2020-2021	8,658,134	3,982,602
2021-2022	9,044,035	385,901
2022-2023	20,003,164	10,959,129
2023-2024	18,470,123	(1,533,041)

The significant increase in CCSD’s total cash & investments for the fiscal year 2020-2021 is the result of litigation proceeds received from the WRF settlement and a minimal amount of capital project activity. During the fiscal year 2021-2022, minimal capital project activity continued in the General, Water, WRF, and Wastewater Funds, as much of this activity is for multi-year capital projects scheduled to begin in the fiscal year 2022-2023. Fiscal year 2022-2023 includes \$10,271,492 in bond funds held by the trustee to fund Wastewater infrastructure projects. The reduction in cash & investments in fiscal year 2023-2024 is due to the spending of the bond funds on the Wastewater infrastructure projects.

The Board of Directors approved the operating budget for the fiscal year 2024-2025 on August 15, 2024. Projected activity for all funds is as follows:

- Water: balanced budget.
- Water Reclamation Facility: a surplus of \$190,000
- Wastewater (Sewer): a surplus of \$58,258.
- General Fund (Governmental): a surplus of \$220,511.

CAMBRIA COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 3,062,311	\$ 15,407,812	\$ 18,470,123
Accounts receivable, net	512,997	1,550,537	2,063,534
Deposits		447,344	447,344
Prepaid expenses	268	7,697	7,965
Internal balances	350,057	(350,057)	
Capital assets:			
Non Depreciable	15,778,470	12,907,656	28,686,126
Depreciable, net	1,664,225	11,382,094	13,046,319
Intangible asset - water master plan		429,679	429,679
Total assets	<u>21,368,328</u>	<u>41,782,762</u>	<u>63,151,090</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred pensions	2,183,749	1,282,519	3,466,268
Deferred OPEB	8,732	4,702	13,434
Total deferred outflow of resources	<u>2,192,481</u>	<u>1,287,221</u>	<u>3,479,702</u>
LIABILITIES			
Accounts payable	142,882	328,121	471,003
Accrued liabilities	9,700	68,388	78,088
Accrued interest payable		291,784	291,784
Unearned revenue	60,641		60,641
Deposits	12,926	106,044	118,970
Noncurrent liabilities:			
Due within one year	25,580	813,576	839,156
Due in more than one year	9,212,249	21,926,070	31,138,319
Total liabilities	<u>9,463,978</u>	<u>23,533,983</u>	<u>32,997,961</u>
DEFERRED INFLOW OF RESOURCES			
Deferred pensions	248,351	145,857	394,208
Deferred OPEB	1,185,484	638,337	1,823,821
Total deferred inflow of resources	<u>1,433,835</u>	<u>784,194</u>	<u>2,218,029</u>
NET POSITION			
Net investment in capital assets	17,365,079	16,225,394	33,590,473
Unrestricted	(4,702,083)	1,268,556	(3,433,527)
Total net position	<u>\$ 12,662,996</u>	<u>\$ 17,493,950</u>	<u>\$ 30,156,946</u>

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

CAMBRIA COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>
Governmental activities:			
Administration	\$ 2,595,288	\$ 2,362,562	\$ -
Fire	3,394,428	93,537	307,751
Parks and recreation	37,285		
Facilities and resources	868,024	2,400	
Interest on long-term debt	4,325		
Depreciation (unallocated)	207,464		
Total governmental activities	<u>7,106,814</u>	<u>2,458,499</u>	<u>307,751</u>
Business-type activities:			
Water	4,745,554	4,851,415	
Wastewater	3,643,594	3,578,960	
Total business-type activities	<u>8,389,148</u>	<u>8,430,375</u>	
Total governmental	<u>\$ 15,495,962</u>	<u>\$ 10,888,874</u>	<u>\$ 307,751</u>

General Revenues:

- Taxes:
 - Property
 - Availability charges
- Franchise fees
- Investment income
- 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.

<u>Program Revenues</u> <u>Capital</u> <u>Contributions</u> <u>and Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
\$ -	\$ (232,726)	\$ -	\$ (232,726)
	(2,993,140)		(2,993,140)
14,655	(22,630)		(22,630)
	(865,624)		(865,624)
	(4,325)		(4,325)
	(207,464)		(207,464)
<u>14,655</u>	<u>(4,325,909)</u>		<u>(4,325,909)</u>
		105,861	105,861
		(64,634)	(64,634)
		41,227	41,227
<u>\$</u>	<u>(4,325,909)</u>	<u>41,227</u>	<u>(4,284,682)</u>
	3,570,463	16,878	3,587,341
		289,578	289,578
	139,157		139,157
	171,548	204,962	376,510
	29,417		29,417
	<u>3,910,585</u>	<u>511,418</u>	<u>4,422,003</u>
	(415,324)	552,645	137,321
	<u>13,078,320</u>	<u>16,941,305</u>	<u>30,019,625</u>
	<u>\$ 12,662,996</u>	<u>\$ 17,493,950</u>	<u>\$ 30,156,946</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUND
BALANCE SHEET
June 30, 2024

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 3,062,311
Accounts receivable	512,997
Prepaid expenditures	268
Advances receivable	<u>350,057</u>
Total assets	<u><u>\$ 3,925,633</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 142,882
Accrued liabilities	9,700
Deposits	12,926
Unearned revenue	<u>60,641</u>
Total liabilities	<u>226,149</u>
Fund Balances:	
Nonspendable	350,325
Assigned	<u>3,349,159</u>
Total fund balances	<u>3,699,484</u>
Total liabilities and fund balances	<u><u>\$ 3,925,633</u></u>

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

CAMBRIA COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total fund balances - governmental funds \$ 3,699,484

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	\$	21,332,511	
Accumulated depreciation		<u>(3,889,816)</u>	
Net			17,442,695

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	\$	209,850	
Loans payable		77,616	
Other post employment benefits obligation		3,611,389	
Net pension liability		<u>5,338,974</u>	
Total			(9,237,829)

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	\$	(248,351)	
Deferred outflows of resources relating to pensions		2,183,749	
Deferred outflows of resources relating to OPEB		8,732	
Deferred inflows of resources relating to OPEB		<u>(1,185,484)</u>	
			<u>758,646</u>

Total net position - governmental activities \$ 12,662,996

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

CAMBRIA COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024

	<u>General Fund</u>
Revenues:	
Property taxes and assessments	\$ 3,570,463
Weed abatement	93,537
Franchise fees	139,157
Intergovernmental	307,751
Use of money and property	173,948
Charges for administrative services	2,362,562
Miscellaneous income	44,072
	<hr/>
Total revenues	6,691,490
	<hr/>
Expenditures:	
Current:	
Administration	2,414,488
Fire	3,082,679
Parks and recreation	37,285
Facilities and resources	812,619
Debt service:	
Principal	26,699
Interest	4,325
Capital outlay	376,905
	<hr/>
Total expenditures	6,755,000
	<hr/>
Excess of revenues over (under) expenditures	(63,510)
	<hr/>
Change in fund balance	(63,510)
	<hr/>
Fund balance - July 1	3,762,994
	<hr/>
Fund balance - June 30	\$ 3,699,484
	<hr/> <hr/>

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

CAMBRIA COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental funds	\$ (63,510)
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 \$376,905 is more than depreciation expense \$(207,464) in the period.	169,441
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 earned exceeded the amounts used by \$24,123.	(24,123)
In governmental funds, repayments of long-term debt are reported as expenditures. In government-wide statements, repayments of long-term debt are reported as reductions of liabilities.	26,699
In the statement of activities, 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:	(58,401)
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:	<u>(465,430)</u>
Change in net position - governmental activities	<u>\$ (415,324)</u>

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

CAMBRIA COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

	Water Fund	Wastewater Fund	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 5,958,084	9,449,728	\$ 15,407,812
Accounts receivable, net	879,712	670,825	1,550,537
Deposits	445,213	2,131	447,344
Prepaid expenses	7,697		7,697
Total current assets	<u>7,290,706</u>	<u>10,122,684</u>	<u>17,413,390</u>
Noncurrent assets:			
Nondepreciable	7,429,941	5,477,715	12,907,656
Capital assets, net of accumulated depreciation	9,499,334	1,882,760	11,382,094
Intangible - water master plan	429,679		429,679
Total noncurrent assets	<u>17,358,954</u>	<u>7,360,475</u>	<u>24,719,429</u>
Total assets	<u>24,649,660</u>	<u>17,483,159</u>	<u>42,132,819</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	727,916	554,603	1,282,519
Deferred OPEB	2,015	2,687	4,702
Total deferred outflows of resources	<u>729,931</u>	<u>557,290</u>	<u>1,287,221</u>
LIABILITIES			
Current liabilities:			
Accounts payable	44,640	283,481	328,121
Accrued liabilities	31,970	36,418	68,388
Accrued interest payable	94,471	197,313	291,784
Deposits payable	106,044		106,044
COP payable - current portion		155,000	155,000
COP premium - current portion		8,159	8,159
Loan payable - current portion	560,045	90,372	650,417
Total current liabilities	<u>837,170</u>	<u>770,743</u>	<u>1,607,913</u>
Noncurrent liabilities:			
Advances payable	157,726	192,331	350,057
Compensated absences	82,879	68,915	151,794
COP payable		12,020,000	12,020,000
COP premium		221,639	221,639
Loans payable	5,710,312		5,710,312
OPEB payable	833,397	1,111,196	1,944,593
Net pension liability	1,779,658	1,355,930	3,135,588
Total noncurrent liabilities	<u>8,563,972</u>	<u>14,970,011</u>	<u>23,533,983</u>
Total liabilities	<u>9,401,142</u>	<u>15,740,754</u>	<u>25,141,896</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	82,784	63,073	145,857
Deferred OPEB	273,573	364,764	638,337
Total deferred inflows of resources	<u>356,357</u>	<u>427,837</u>	<u>784,194</u>
NET POSITION			
Net investment in capital assets	11,088,597	5,136,797	16,225,394
Unrestricted (deficit)	4,533,495	(3,264,939)	1,268,556
Total net position	<u>\$ 15,622,092</u>	<u>\$ 1,871,858</u>	<u>\$ 17,493,950</u>

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

CAMBRIA COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2024

	Water Fund	Wastewater Fund	Totals
Operating Revenues:			
Utility	\$ 3,418,498	\$ 3,571,502	\$ 6,990,000
Service charges and fees	1,418,529		1,418,529
Miscellaneous	14,388	7,458	21,846
Total operating revenues	<u>4,851,415</u>	<u>3,578,960</u>	<u>8,430,375</u>
Operating Expenses:			
Salaries and wages	695,891	686,291	1,382,182
Payroll taxes and benefits	476,697	466,399	943,096
Maintenance and repairs	371,258	387,093	758,351
Office supplies, publications, and dues	35,708	11,056	46,764
Licenses and fees	74,154	39,572	113,726
Rent	302,697		302,697
Professional services	109,345	11,971	121,316
Operating supplies	141,608	67,524	209,132
Employee travel and training	9,400	9,027	18,427
Utilities	212,674	383,695	596,369
General and administrative overhead	1,137,341	599,637	1,736,978
Amortization	107,420		107,420
Depreciation	835,463	388,686	1,224,149
Total operating expenses	<u>4,509,656</u>	<u>3,050,951</u>	<u>7,560,607</u>
Operating income	<u>341,759</u>	<u>528,009</u>	<u>869,768</u>
Non-Operating Revenues (Expenses):			
Availability charges	175,489	114,089	289,578
Investment income	173,141	31,821	204,962
Property taxes		16,878	16,878
Interest expense	(235,898)	(592,643)	(828,541)
Total non-operating revenues (expenses)	<u>112,732</u>	<u>(429,855)</u>	<u>(317,123)</u>
Change in net position	454,491	98,154	552,645
Net position - July 1	<u>15,167,601</u>	<u>1,773,704</u>	<u>16,941,305</u>
Net position - June 30	<u>\$ 15,622,092</u>	<u>\$ 1,871,858</u>	<u>\$ 17,493,950</u>

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

CAMBRIA COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2024

	Water Fund	Wastewater Fund	Totals
Cash Flows From Operating Activities:			
Receipts from customers	\$ 4,829,555	\$ 3,531,847	\$ 8,361,402
Payments to suppliers	(2,848,601)	(1,509,571)	(4,358,172)
Payments to employees	(1,108,280)	(1,110,427)	(2,218,707)
Net cash provided by operating activities	<u>872,674</u>	<u>911,849</u>	<u>1,784,523</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(846,747)	(2,011,489)	(2,858,236)
Proceeds from debt issuance	692,500		692,500
Principal paid on debt	(433,516)	(95,647)	(529,163)
Interest paid on debt	(242,846)	(594,281)	(837,127)
Net cash (used) by capital and related financing activities	<u>(830,609)</u>	<u>(2,701,417)</u>	<u>(3,532,026)</u>
Cash Flows from Noncapital Financing Activities:			
Availability charges	175,489	114,089	289,578
Property taxes		16,878	16,878
Net cash provided by noncapital financing activities	<u>175,489</u>	<u>130,967</u>	<u>306,456</u>
Cash Flows From Investing Activities:			
Interest income	173,141	31,821	204,962
Net cash provided by investing activities	<u>173,141</u>	<u>31,821</u>	<u>204,962</u>
Net increase (decrease) in cash and cash equivalents	390,695	(1,626,780)	(1,236,085)
Cash and cash equivalents - July 1	5,567,389	11,076,508	16,643,897
Cash and cash equivalents - June 30	<u>\$ 5,958,084</u>	<u>\$ 9,449,728</u>	<u>\$ 15,407,812</u>
Reconciliation to Statement of Net Position:			
Cash and investments	<u>\$ 5,958,084</u>	<u>\$ 9,449,728</u>	<u>\$ 15,407,812</u>

(Continued)

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

CAMBRIA COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2024

	Water Fund	Wastewater Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 341,759	\$ 528,009	\$ 869,768
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	835,463	388,686	1,224,149
Amortization expense	107,420		107,420
Change in assets, liabilities, deferred inflows of resources, and deferred outflows of resources:			
Receivables, net	(28,083)	(47,113)	(75,196)
Deposits	(443,079)	3	(443,076)
Prepaid expenses	(1,275)		(1,275)
Deferred outflows- pension	(67,520)	(40,722)	(108,242)
Deferred outflows- OPEB	28,603	38,138	66,741
Accounts payable	(10,062)	1	(10,061)
Accrued liabilities	(2,845)	(2,700)	(5,545)
Deposits payable	6,223		6,223
Compensated absences	(9,604)	(3,834)	(13,438)
OPEB payable	(98,228)	(130,964)	(229,192)
Net pension liability	171,850	104,830	276,680
Deferred inflows- pension	(41,047)	(33,285)	(74,332)
Deferred inflows- OPEB	83,099	110,800	193,899
Net cash provided by operating activities	<u>\$ 872,674</u>	<u>\$ 911,849</u>	<u>\$ 1,784,523</u>

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

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The Cambria Community Services District (District) is a multi-purpose special district established on December 9, 1976. 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 water, wastewater, fire protection, parks and recreation, open space, street lighting, conservation, 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:

General Fund – The primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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.

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.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 XIII A 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.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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. 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 or 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 Items

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.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 expensed 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:

Improvements other than buildings	5-20 years
Equipment and systems	3-10 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 their 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 8 and Note 9 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 8 and Note 9 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.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.
Statement No. 102	"Certain Risk Disclosures"	The provisions of this statement are effective for fiscal years beginning after June 15, 2024.
Statement No. 103	"Financial Reporting Model Improvements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.
Statement No. 104	"Disclosure of Certain Capital Assets"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.

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. 72. On June 30, 2024, the District had the following cash and investments on hand:

Cash on hand	\$ 600
Cash in checking accounts	(111,712)
Cash with fiscal agent (bond trustees)	8,266,354
Investments	10,314,881
Total	<u>\$ 18,470,123</u>

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

Cash and investments	<u>\$ 18,470,123</u>
Total	<u>\$ 18,470,123</u>

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 had investments measured as shown on the following page.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments by fair value level		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
CAMP Investment Pool	\$ 3,839,249	\$ 3,839,249	\$ -	\$ -
Government fixed income	4,524,039	4,524,039		
Corporate certificates of deposit	1,751,421	1,751,421		
Money market funds	136,089	136,089		
Total investments measured at fair value	10,250,798	\$ 10,250,798	\$ -	\$ -

Investments measured at amortized cost

Money market funds	8,270,781
State Investment Pool (LAIF)	59,656
Total Investments	\$ 18,581,235

Investments Authorized by the California Government Code

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, whichever 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	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	5 years	15%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
CAMP Investment Pool	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 75,000,000
State Registered Warrants, Notes, or Bonds	5 years	None	None
Notes and Bonds of other Local California Agencies	5 years	None	None

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.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH AND INVESTMENTS (Continued)

Disclosure Relating to Interest Rate Risk (Continued)

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, 2024:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
State Investment Pool (LAIF)	\$ 59,656	\$ 59,656	\$ -	\$ -	\$ -
CAMP Investment Pool	3,839,249	3,839,249			
Government fixed income	4,524,039	1,249,278	731,222	2,543,539	
Corporate certificates of deposit	1,751,421		494,265	1,257,156	
Money market funds	140,516	140,516			
Held by bond trustees:					
Money market funds	8,266,354	8,266,354			
	<u>\$ 18,581,235</u>	<u>\$ 13,555,053</u>	<u>\$ 1,225,487</u>	<u>\$ 3,800,695</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by 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, 2024 for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Rating as of Fiscal Year End			
			Aaa	Aa	A	Not Rated
State Investment Pool (LAIF)	\$ 59,656	N/A	\$ -	\$ -	\$ -	\$ 59,656
CAMP Investment Pool	3,839,249		3,839,249			
Government fixed income	4,524,039		4,524,039			
Corporate certificates of deposit	1,751,421					1,751,421
Money market funds	140,516					140,516
Held by bond trustees:						
Money market funds	8,266,354					8,266,354
	<u>\$ 18,581,235</u>		<u>\$ 8,363,288</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,217,947</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

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.

At June 30, 2024, none of the District's deposits with financial institutions in excess of Federal depository insurance limits were held in uncollateralized accounts.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment in State Pool (LAIF)

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

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.

Advances receivable and payable

Advances receivable and payable constitute long-term borrowing between funds. Each advance carries a stated interest rate and has scheduled debt service payments. Interfund advances receivable and payable at June 30, 2023, are as follows:

<u>Fund</u>	<u>Advances Receivable</u>	<u>Advances Payable</u>
Major Governmental Fund:		
General Fund	\$ 350,057	\$ -
Proprietary Funds:		
Water Fund		157,726
Wastewater Fund		<u>192,331</u>
Totals	<u>\$ 350,057</u>	<u>\$ 350,057</u>

NOTE 4 – CAPITAL ASSETS

Governmental activities:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets not being depreciated				
Land	\$ 14,990,732	\$ -	\$ -	\$ 14,990,732
Construction in progress	537,111	250,627		787,738
Total capital assets not being depreciated	<u>\$ 15,527,843</u>	<u>\$ 250,627</u>	<u>\$ -</u>	<u>\$ 15,778,470</u>
Capital assets being depreciated				
Buildings, structures, and improvements	\$ 2,505,522	\$ -	\$ -	\$ 2,505,522
Equipment	2,983,881	126,278	61,640	3,048,519
Total capital assets being depreciated	<u>5,489,403</u>	<u>126,278</u>	<u>61,640</u>	<u>5,554,041</u>
Less accumulated depreciation	3,743,992	207,464	61,640	3,889,816
Total capital assets being depreciated, net	<u>\$ 1,745,411</u>	<u>\$ (81,186)</u>	<u>\$ -</u>	<u>\$ 1,664,225</u>
Net capital assets	<u>\$ 17,273,254</u>	<u>\$ 169,441</u>	<u>\$ -</u>	<u>\$ 17,442,695</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – CAPITAL ASSETS (Continued)

Business-type activities:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets not being depreciated				
Land	\$ 1,821,427	\$ -	\$ -	\$ 1,821,427
Construction in progress	8,570,515	2,515,714		11,086,229
Total capital assets not being depreciated	<u>\$ 10,391,942</u>	<u>\$ 2,515,714</u>	<u>\$ -</u>	<u>\$ 12,907,656</u>
Capital assets being depreciated				
Building and improvements	\$ 54,849,126	\$ 197,862	\$ -	\$ 55,046,988
Plant and equipment	2,772,674	144,660		2,917,334
Total capital assets being depreciated	<u>57,621,800</u>	<u>342,522</u>		<u>57,964,322</u>
Less accumulated depreciation	<u>45,358,079</u>	<u>1,224,149</u>		<u>46,582,228</u>
Total capital assets being depreciated, net	<u>\$ 12,263,721</u>	<u>\$ (881,627)</u>	<u>\$ -</u>	<u>\$ 11,382,094</u>
Net capital assets	<u>\$ 22,655,663</u>	<u>\$ 1,634,087</u>	<u>\$ -</u>	<u>\$ 24,289,750</u>

Governmental Activities:

Unallocated	<u>\$ 207,464</u>
Total governmental activities depreciation expense	<u>\$ 207,464</u>

Business-type Activities:

Water services	\$ 835,463
Wastewater services	388,686
Total business-type activities depreciation expense	<u>\$ 1,224,149</u>

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, 2024:

	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024	Current Portion
Governmental Activities:					
Compensated absences	\$ 185,727	\$ 167,294	\$ 143,171	\$ 209,850	\$ -
Loans payable	104,315		26,699	77,616	25,580
Other post employment benefits obligation	4,037,033		425,644	3,611,389	
Net pension liability	4,922,692	416,282		5,338,974	
Total Governmental Activities	<u>\$ 9,249,767</u>	<u>\$ 583,576</u>	<u>\$ 595,514</u>	<u>\$ 9,237,829</u>	<u>\$ 25,580</u>
Business-Type Activities:					
Compensated absences	\$ 165,232	\$ 93,105	\$ 106,543	\$ 151,794	\$ -
Certificates of Participation	12,175,000			12,175,000	155,000
Premium on Certificates of Participation	237,957		8,159	229,798	8,159
Loans payable	6,189,233	692,500	521,004	6,360,729	650,417
Other post employment benefits obligation	2,173,785		229,192	1,944,593	
Net pension liability	2,858,908	276,680		3,135,588	
Total Business-Type Activities	<u>\$ 23,800,115</u>	<u>\$ 1,062,285</u>	<u>\$ 864,898</u>	<u>\$ 23,997,502</u>	<u>\$ 813,576</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – LOANS PAYABLE

Governmental Activities

Ford Motor Credit Company

On August 1, 2021, the District entered in a loan agreement for \$40,545 with Ford Motor Credit Company to purchase a 2021 Ford F-350. The interest rate on the loan is 5.35%. At June 30, 2024, the principal balance outstanding was \$10,913. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 9,981	\$ 315	\$ 10,296
2026	932	4	936
Total	<u>\$ 10,913</u>	<u>\$ 319</u>	<u>\$ 11,232</u>

Western Financial Corporation

On November 1, 2018, the District entered into a loan agreement with Western Financial Corporation to purchase an utility vehicle. The interest rate on the loan is 3.90%. During the fiscal year ended June 30, 2024, the remaining balance was paid in full.

Municipal Finance Corporation (Direct borrowing)

On February 22, 2023, the District entered into a loan agreement with Municipal Finance Corporation for \$81,706 to purchase a Chevy Tahoe. The interest rate on the loan was 4.50%. In the event of default, all remaining principal becomes due. At June 30, 2024, the principal balance outstanding was \$66,703. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 15,599	\$ 2,832	\$ 18,431
2026	16,309	2,122	18,431
2027	17,051	1,380	18,431
2028	17,744	687	18,431
Total	<u>\$ 66,703</u>	<u>\$ 7,021</u>	<u>\$ 73,724</u>

Business Type Activities

Municipal Finance Corporation (Direct borrowing)

On November 15, 2018, the District entered into a loan agreement with Municipal Finance Corporation for \$74,871 to purchase a Ford 650 Dump Truck. The interest rate on the loan was 4.25%. In the event of default, all remaining principal becomes due. During the fiscal year ended June 30, 2024, the remaining balance was paid in full.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – LOANS PAYABLE (Continued)

Business Type Activities (Continued)

TPB Investments, Inc.

On August 7, 2014, the District entered into a loan agreement with TPB Investments, Inc. for \$8,939,000 with an interest rate at 4.11% to finance improvements to the Water System. The amount is secured by the net revenues of the Water System. At June 30, 2024, the principal outstanding was \$5,577,857. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 434,595	\$ 224,830	\$ 659,425
2026	452,640	206,784	659,424
2027	471,436	187,990	659,426
2028	491,011	168,414	659,425
2029	511,399	148,027	659,426
2030-2034	2,893,702	403,426	3,297,128
2035	323,074	6,639	329,713
Total	<u>\$ 5,577,857</u>	<u>\$ 1,346,110</u>	<u>\$ 6,923,967</u>

Municipal Finance Corporation (Direct borrowing)

On July 11, 2019, the District entered into a loan agreement with Municipal Finance Corporation for \$56,540 to purchase a Ford 350 Service Truck with Crane. The interest rate on the loan was 4.25%. In the event of default, all remaining principal becomes due. At June 30, 2024, the principal balance outstanding was \$12,269. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 12,269	\$ 521	\$ 12,790
Total	<u>\$ 12,269</u>	<u>\$ 521</u>	<u>\$ 12,790</u>

Municipal Finance Corporation (Direct borrowing)

On December 30, 2019, the District entered into a loan agreement with Municipal Finance Corporation for \$367,557 to purchase a Vac-Con Combination Sewer and Storm Drain Cleaner. The interest rate on the loan was 3.10%. In the event of default, all remaining principal becomes due. At June 30, 2024, the principal balance outstanding was \$78,103. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 78,103	\$ 2,384	\$ 80,487
Total	<u>\$ 78,103</u>	<u>\$ 2,384</u>	<u>\$ 80,487</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – LOANS PAYABLE (Continued)

Business Type Activities (Continued)

CSDA Finance Corporation (Direct borrowing)

On December 30, 2019, the District entered into a loan agreement with CSDA Finance Corporation for \$692,500 to purchase replacement water meters. The interest rate on the loan was 4.95%. In the event of default, all remaining principal becomes due. At June 30, 2024, the principal balance outstanding was \$692,500. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 125,450	\$ 34,279	\$ 159,729
2026	131,660	28,069	159,729
2027	138,177	21,552	159,729
2028	145,017	14,712	159,729
2029	152,196	7,533	159,729
Total	<u>\$ 692,500</u>	<u>\$ 106,145</u>	<u>\$ 798,645</u>

NOTE 7 – CERTIFICATES OF PARTICIPATION

On October 4, 2022, the 2022 Certificates of Participation Series A for \$12,175,000 at a premium of \$244,076 were issued to provide funding for wastewater infrastructure improvements. The District has pledged all net revenues to repay the 2022 Certificates of Participation. In the event of default, all principal and accrued interest becomes due. The certificates are payable semiannually on March 1 and September 1 of each year with interest rates varying from 3.27% to 4.86%. As of June 30, 2024, \$12,175,000 was still outstanding.

Future minimum payment obligations for the certificates at June 30, 2024 are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 155,000	\$ 591,101	\$ 746,101
2026	165,000	583,101	748,101
2027	175,000	574,601	749,601
2028	225,000	564,597	789,597
2029	235,000	553,097	788,097
2030-2034	1,380,000	2,570,630	3,950,630
2035-2039	1,770,000	2,178,142	3,948,142
2040-2044	2,285,000	1,657,761	3,942,761
2045-2049	2,910,000	1,035,111	3,945,111
2050-2053	2,875,000	281,083	3,156,083
Total	<u>\$ 12,175,000</u>	<u>\$ 10,589,224</u>	<u>\$ 22,764,224</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – 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 and Safety 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, 2024, are summarized as follows:

	Miscellaneous		
	Classic	2nd Tier	PEPRA
Hire Date	Member Hired Prior to October 1, 2012	Hired from October 1, 2012 to December 28, 2012	New Member Hired On or after January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	52-67
Required employee contribution rates	8%	7%	7.75%
Required employer contribution rates	17.26% + \$409,816	10.10% + \$0	7.68%+ \$0

	Safety		
	Classic	2nd Tier	PEPRA
Hire Date	Member Hired Prior to January 1, 2013	On or after December 28, 2012	New Member Hired On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	55	57
Required employee contribution rates	9%	9%	13.75%
Required employer contribution rates	27.11% + \$143,242	22.83% + \$0	13.54%+ \$0

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 fiscal 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 \$587,350 for the Miscellaneous Plan and \$331,367 for the Safety Plan for the fiscal year ended June 30, 2024.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – PENSION PLANS (Continued)

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

At June 30, 2024, the District reported net pension liabilities for its proportionate shares of the net position liability was \$6,060,166 for the Miscellaneous Plan and \$2,414,396 for the Safety Plan. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2023 and 2022, the District's proportions were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion-June 30, 2022	0.12142%	0.03056%
Proportion-June 30, 2023	0.12119%	0.03230%
Change-Increase (Decrease)	<u>-0.00023%</u>	<u>0.00174%</u>

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$168,050. 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, 2024, 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>
District contributions subsequent to the measurement date	\$ 918,717	\$ -
Changes in assumptions	506,787	
Differences between expected and actual experience	486,847	63,200
Net difference between projected and actual earnings on retirement plan investments	1,311,605	
Adjustment due to differences in proportion	207,324	159,134
Changes in proportion and differences between District contributions and proportionate share of contributions	34,988	171,874
	<u>\$ 3,466,268</u>	<u>\$ 394,208</u>

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.

\$918,717 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, 2025.

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:

<u>Fiscal year ending June 30,</u>	<u>Amount</u>
2025	\$ 638,012
2026	442,102
2027	1,035,852
2028	37,377
	<u>\$ 2,153,343</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – PENSION PLANS (Continued)

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

Actuarial Assumptions

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

	<u>Miscellaneous and Safety</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Long-term Expected Rate of Return

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)(b)</u>
Global Equity - cap-weighted	30.0%	4.54%
Global Equity -non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – 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 6.90%. 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.

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 6.90 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 (5.90 percent) or 1- percentage point higher (7.90 percent) than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 8,919,715	\$ 3,792,138
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 6,060,166	\$ 2,414,396
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 3,706,511	\$ 1,287,994

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, 2024, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2024.

NOTE 9 – 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. Employees may retire directly from the District under CalPERS and receive a District contribution. The District contributes the PEMHCA minimum employer contribution. The contribution is \$151 per month for retirees in 2023 and \$157 per month for retirees in 2024 and \$158 per month in 2025. Survivor benefits are available.

Employees hired before October 1, 2012 are eligible for a supplemental benefit. The District contribution is limited to 85% of the lowest cost PERS health plan, including the PEMHCA minimum. The supplemental benefit includes dependents and will continue for the lifetime of the employee and, if eligible, the surviving spouse.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Employees Covered

As of the June 30, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active plan members	22
Inactive employees or beneficiaries currently receiving benefits	32
Total	54

Contributions

The District's required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in an irrevocable OPEB trust.

OPEB Liability

The District's OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated June 30, 2024.

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	2.80%
Inflation rate	2.30%
Medical cost trend rate	5.50% for 2024 through 2034; 4.50% for 2035 through 2074; 4.00% for 2075 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the June 30, 2024 valuation were based on a review of plan experience during the period July 1, 2023 to June 30, 2024.

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 3.69 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, 2023	June 30, 2023	3.86%	3.86%
June 30, 2024	June 30, 2024	3.97%	3.97%

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Change of assumptions. For the June 30, 2024 measurement date, the discount rate was increased from 3.86% to 3.97%.

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023 (Valuation Date June 30, 2022)	\$ 6,210,818
Changes recognized for the measurement period:	
Service cost	231,652
Interest	245,006
Difference between expected and actual experience	(445,772)
Changes of assumptions	(493,583)
Benefit payments	(192,139)
Net Changes	<u>(654,836)</u>
Balance at June 30, 2024 (Measurement Date June 30, 2024)	<u>\$ 5,555,982</u>

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the 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 (2.97 percent) or 1-percentage-point higher (4.97 percent) than the current discount rate:

	1% Decrease 2.97%	Current Rate 3.97%	1% Increase 4.97%
OPEB Liability	\$ 6,288,087	\$ 5,555,982	\$ 4,954,885

Sensitivity of the OPEB liability to changes in the healthcare trend rates. The following presents the 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 (4.50 percent) or 1-percentage-point higher (6.50 percent) than the current healthcare cost trend rates:

	1% Decrease (4.50% decreasing to 3.00%)	Healthcare Cost Trend Rate (5.50% decreasing to 4.00%)	1% Increase (6.50% decreasing to 5.00%)
OPEB Liability	\$ 4,928,986	\$ 5,555,982	\$ 6,318,458

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$281,988. As of the fiscal year ended June 30, 2024, 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
Difference between expected and actual experience	\$ -	\$ 614,028
Change in assumptions	13,434	1,209,793
	<u>\$ 13,434</u>	<u>\$ 1,823,821</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expenses as follows:

<u>Fiscal year Ending June 30,</u>	<u>Amount</u>
2025	\$ (371,924)
2026	(385,358)
2027	(385,358)
2028	(285,381)
2029	(122,067)
2030	(260,299)
	<u>\$ (1,810,387)</u>

NOTE 10 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations for the fiscal year ended June 30, 2024 were as follows:

<u>Fund</u>	<u>Excess Expenditures</u>
General Fund:	
Administration	\$ 70,989
Fire	184,177
Debt service:	
Principal	2,015
Capital outlay	173,776

NOTE 11 – 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.

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REQUIRED SUPPLEMENTARY INFORMATION

CAMBRIA COMMUNITY SERVICES DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Property taxes and assessments	\$ 3,506,629	\$ 3,506,629	\$ 3,570,463	\$ 63,834
Weed abatement	43,924	43,924	93,537	49,613
Franchise fees	185,000	185,000	139,157	(45,843)
Intergovernmental	314,601	314,601	307,751	(6,850)
Use of money and property	46,400	46,400	173,948	127,548
Charges for administrative services	2,145,188	2,145,188	2,362,562	217,374
Miscellaneous income	16,045	16,045	44,072	28,027
Total revenues	<u>6,257,787</u>	<u>6,257,787</u>	<u>6,691,490</u>	<u>433,703</u>
Expenditures:				
Current:				
Administration	2,343,499	2,343,499	2,414,488	(70,989)
Fire	2,898,502	2,898,502	3,082,679	(184,177)
Parks and recreation	47,403	47,403	37,285	10,118
Facilities and resources	818,438	818,438	812,619	5,819
Debt service:				
Principal	24,684	24,684	26,699	(2,015)
Interest	4,978	4,978	4,325	653
Capital outlay	203,129	203,129	376,905	(173,776)
Total expenditures	<u>6,340,633</u>	<u>6,340,633</u>	<u>6,755,000</u>	<u>(414,367)</u>
Excess of revenues over (under) expenditures	<u>(82,846)</u>	<u>(82,846)</u>	<u>(63,510)</u>	<u>19,336</u>
Change in fund balance	(82,846)	(82,846)	(63,510)	19,336
Fund balance - July 1	<u>3,762,994</u>	<u>3,762,994</u>	<u>3,762,994</u>	
Fund balance - June 30	<u>\$ 3,680,148</u>	<u>\$ 3,680,148</u>	<u>\$ 3,699,484</u>	<u>\$ 19,336</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
 Last 10 Years*
 As of June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability					
Service cost	\$ 231,652	\$ 224,919	\$ 320,683	\$ 195,757	\$ 162,484
Interest on the total OPEB liability	245,006	231,624	153,564	172,980	197,339
Actual and expected experience difference	(445,772)		(406,932)		
Changes in assumptions	(493,583)	(142,295)	(1,242,727)	550,814	619,787
Benefit payments	(192,139)	(308,396)	(274,841)	(256,433)	(257,572)
Net change in total OPEB Liability	(654,836)	5,852	(1,450,253)	663,118	722,038
Total OPEB liability - beginning	6,210,818	6,204,966	7,655,219	6,992,101	6,270,063
Total OPEB liability - ending	<u>\$ 5,555,982</u>	<u>\$ 6,210,818</u>	<u>\$ 6,204,966</u>	<u>\$ 7,655,219</u>	<u>\$ 6,992,101</u>
Covered payroll:	\$ 2,951,527	\$ 936,083	\$ 951,393	\$ 945,482	\$ 977,879
Total OPEB Liability as a percentage of covered payroll:	188.24%	663.49%	652.20%	809.66%	715.03%

	<u>2019</u>
Total OPEB Liability	
Service cost	\$ 95,650
Interest on the total OPEB liability	211,024
Actual and expected experience difference	754,233
Changes in assumptions	1,589,401
Benefit payments	(239,592)
Net change in total OPEB Liability	2,410,716
Total OPEB liability - beginning	3,859,347
Total OPEB liability - ending	<u>\$ 6,270,063</u>
Covered payroll:	\$ 1,030,435
Total OPEB Liability as a percentage of covered payroll:	608.49%

Notes to Schedule:

Change in assumptions

For the fiscal year ending June 30, 2024, the discount rate was increased from 3.86% to 3.97%.

*- Fiscal year 2019 was the 1st year of implementation, therefore only six years are shown.

CAMBRIA COMMUNITY SERVICES DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
Last 10 Years*
As of June 30, 2024

The District's contribution for the fiscal year ended June 30, 2024 was \$192,139. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2024, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2023 was \$257,891. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2023, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2022 was \$235,697. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2022, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2021 was \$238,077. 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 Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2020 was \$239,135. 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 Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2019 was \$222,442. 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 Statement No. 75's Required Supplementary Information requirements.

*- Fiscal year 2019 was the 1st year of implementation, therefore only six years are shown.

CAMBRIA COMMUNITY SERVICES DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 Last 10 Years
 As of June 30, 2024

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability	0.06793%	0.06737%	0.07137%	0.06063%	0.05871%
Proportionate share of the net pension liability	\$ 8,474,562	\$ 7,781,600	\$ 3,860,125	\$ 6,596,272	\$ 6,016,139
Covered payroll	\$ 3,732,482	\$ 3,609,221	\$ 3,337,640	\$ 3,056,217	\$ 3,020,074
Proportionate share of the net pension liability as percentage of covered payroll	227.0%	215.6%	115.7%	215.8%	199.2%
Plan's total pension liability	\$52,441,984,274	\$49,525,975,138	\$46,174,942,264	\$43,702,930,887	\$41,426,453,489
Plan's fiduciary net position	\$39,966,633,692	\$37,975,170,163	\$40,766,653,876	\$32,822,501,335	\$31,179,414,067
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.05706%	0.05791%	0.05925%	0.06100%	0.06198%
Proportionate share of the net pension liability	\$ 5,498,358	\$ 5,742,951	\$ 5,126,647	\$ 4,186,773	\$ 3,856,693
Covered payroll	\$ 2,510,899	\$ 2,067,201	\$ 2,122,598	\$ 1,979,000	\$ 2,097,466
Proportionate share of the net pension liability as percentage of covered payroll	219.0%	277.8%	241.5%	211.6%	183.9%
Plan's total pension liability	\$38,944,855,364	\$37,161,348,332	\$33,358,627,624	\$31,771,217,402	\$30,829,966,631
Plan's fiduciary net position	\$29,308,589,559	\$27,244,095,376	\$24,705,532,291	\$24,907,305,871	\$24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

Change in assumptions

In 2023, the discount rate was decreased to 6.90% and the inflation rate was decreased to 2.30%.

CAMBRIA COMMUNITY SERVICES DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
 Last 10 Years
 As of June 30, 2024

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

	2024	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	\$ 918,717	\$ 978,523	\$ 898,273	\$ 825,844	\$ 711,306
Contribution in relation to the actuarially determined contributions	918,717	978,523	898,273	825,844	711,306
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,025,261	\$ 3,732,482	\$ 3,609,221	\$ 3,337,640	\$ 3,056,217
Contributions as a percentage of covered payroll	30.37%	26.22%	24.89%	24.74%	23.27%
	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 603,260	\$ 552,669	\$ 662,293	\$ 574,845	\$ 486,960
Contribution in relation to the actuarially determined contributions	603,260	552,669	662,293	574,845	486,960
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,020,074	\$ 2,510,899	\$ 2,067,201	\$ 2,122,598	\$ 1,979,000
Contributions as a percentage of covered payroll	19.98%	22.01%	32.04%	27.08%	24.61%

Notes to Schedule:

Change in assumptions

There were no changes in assumptions in 2024.