

**SIERRA LAKES
COUNTY WATER DISTRICT**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
for the year ended June 30, 2022**

ROBERT W. JOHNSON
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sierra Lakes County Water District
Soda Springs, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary fund of Sierra Lakes County Water District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary fund of Sierra Lakes County Water District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and State Regulations governing Special Districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the State Controller's Minimum Audit Requirements for California Special Districts. 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 Sierra Lakes County Water 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.

Emphasis of Matter and Restatement

During the year ended June 30, 2022, management restated the fiduciary fund financial statements pursuant to Governmental Accounting Standards Board Statement No. 84 – Fiduciary Activities, as described in Note 12.

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 Sierra Lakes County Water District's ability to continue as a going concern for twelve months after the date that financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgement 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 Sierra Lakes County Water 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sierra Lakes County Water 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 Management's Discussion and Analysis, and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Management has omitted the Management's Discussion and Analysis. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the other required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Sierra Lakes County Water District's basic financial statements. The accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Robert W. Johnson, An Accountancy Corporation

Citrus Heights, California
October 20, 2022

SIERRA LAKES COUNTY WATER DISTRICT
 PROPRIETARY FUND – WATER & SEWER
 STATEMENT OF NET POSITION
 for the year ended June 30, 2022

ASSETS AND DEFERRED OUTFLOWS

Current assets:		
Cash (Note 3)		\$ 3,641,447
Accounts receivable, billings		31,870
Interest receivable		2,826
Prepaid expenses		<u>4,967</u>
Total current assets		3,681,110
Noncurrent assets:		
Net pension asset (Note 7)		260,083
Capital assets, at cost (Note 4):		
Water plant	\$ 7,587,416	
Sewer plant	<u>4,612,501</u>	
	12,199,917	
Less accumulated depreciation	<u>(7,496,619)</u>	
	4,703,298	
Construction in progress	562,565	
Land	<u>157,035</u>	
		5,422,898
Restricted assets (Note 3):		
Cash in OPEB account		804,178
Deferred outflows (Notes 7 and 8):		
Pension related amounts	102,231	
OPEB related amounts	<u>193,996</u>	
		<u>296,227</u>
		<u>\$10,464,496</u>

See notes to financial statements

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

Current liabilities:		
Current portion of long-term debt (Note 5)	\$	157,115
Accounts payable and accrued charges		176,062
Prepaid water/sewer service fees		82,859
Accrued interest		29,101
Compensated absences		<u>4,303</u>
Total current liabilities		<u>449,440</u>
Non-current liabilities:		
Notes payable, net of current portion (Note 5)		3,959,989
Total OPEB liability (Note 8)		<u>1,532,763</u>
Total non-current liabilities		<u>5,492,752</u>
Total liabilities		<u>5,942,192</u>
Deferred inflows (Notes 7 and 8):		
Pension related amounts	\$	288,864
OPEB related amounts		<u>39,112</u>
		327,976
Net position:		
Net investment in capital assets	5,422,898	
Restricted (Note 6)	-	
Unrestricted	<u>(1,228,570)</u>	
		<u>4,194,328</u>
		<u>\$10,464,496</u>

SIERRA LAKES COUNTY WATER DISTRICT
 PROPRIETARY FUND – WATER & SEWER
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 for the year ended June 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues:			
Water sales	\$ 866,378	\$ -	\$ 866,378
Sewer service	-	1,198,732	1,198,732
Connection fees	20,075	88,433	108,508
Penalties and costs	2,986	2,986	5,972
Other	<u>1,290</u>	<u>1,290</u>	<u>2,580</u>
Total operating revenues	<u>890,729</u>	<u>1,291,441</u>	<u>2,182,170</u>
Operating expenses:			
Pumping	61,699	-	61,699
Treatment	422,559	-	422,559
Transmission and distribution	287,625	-	287,625
Administrative and general	199,856	199,856	399,712
Depreciation	143,770	114,261	258,031
Collection	-	711,980	711,980
Disposal	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,115,510</u>	<u>1,026,097</u>	<u>2,141,607</u>
Operating income (loss)	<u>(224,780)</u>	<u>265,344</u>	<u>40,563</u>
Non-operating revenues (expenses):			
Property taxes	259,744	259,744	519,488
Interest income	5,903	5,903	11,806
Interest expense	(3,225)	(117,235)	(120,460)
Capital processing costs	<u>-</u>	<u>(34,308)</u>	<u>(34,308)</u>
	<u>262,422</u>	<u>114,104</u>	<u>376,526</u>
Income before capital contributions (carried forward)	37,641	379,448	417,089

See notes to financial statements

SIERRA LAKES COUNTY WATER DISTRICT
 PROPRIETARY FUND – WATER & SEWER
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued
 for the year ended June 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Income before capital contributions (brought forward)	\$ 37,641	\$ 379,448	\$ 417,089
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>\$ 37,641</u>	<u>\$ 379,448</u>	417,089
Total net position:			
Beginning of year			<u>3,777,239</u>
End of year			<u>\$4,194,328</u>

See notes to financial statements

SIERRA LAKES COUNTY WATER DISTRICT
 PROPRIETARY FUND – WATER & SEWER
 STATEMENT OF CASH FLOWS
 for the year ended June 30, 2022

Cash flows from operating activities:		
Receipts from customers		\$ 2,255,130
Payments to suppliers		(1,615,332)
Payments to employees		<u>(320,855)</u>
Net cash provided by operating activities		318,943
Cash flows from noncapital financing activities:		
Receipts from property taxes and other operating income		519,488
Cash flows from capital and related financing activities:		
Property additions, including work in progress	\$(599,794)	
Principal payments on long-term debt	(431,198)	
Interest payments on long-term debt	(120,460)	
Capital processing costs	<u>(34,308)</u>	
		(1,185,760)
Cash flows from investing activities:		
Interest income		<u>11,806</u>
Net increase/(decrease) in cash and cash equivalents		(335,523)
Cash and cash equivalents:		
Beginning of year		<u>4,781,148</u>
End of year		<u>\$ 4,445,625</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents		\$ 3,641,447
Restricted - cash and cash equivalents		<u>804,178</u>
		<u>\$ 4,445,625</u>

See notes to financial statements

SIERRA LAKES COUNTY WATER DISTRICT
 PROPRIETARY FUND – WATER & SEWER
 STATEMENT OF CASH FLOWS, continued
 for the year ended June 30, 2022

Reconciliation of operating income to net cash
 provided by operating activities:

Operating income (loss) \$ 40,563

Adjustments to reconcile operating income (loss)
 to net cash provided by operating activities:

Depreciation \$ 258,031

Changes in operating assets, liabilities, deferred
 inflows and deferred outflows:

Receivables	70,773
Prepays	(193)
Payables	112,096
Prepaid water and sewer service fees	(203,098)
Compensated absences	(3,544)
Net pension liability	(295,691)
Total OPEB liability	69,193
Deferred outflows of resources - pension	(1,424)
Deferred outflows of resources - OPEB	90,283
Deferred inflows of resources - pension	196,997
Deferred inflows of resources - OPEB	<u>(15,043)</u>

278,380

Net cash provided by operating activities

\$ 318,943

Supplemental information:

Cash paid for interest

\$ 117,200

See notes to financial statements

SIERRA LAKES COUNTY WATER DISTRICT
FIDUCIARY FUND – ASSESSMENT DISTRICT NO. 2011-1
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

ASSETS

Assets:		
Cash – checking		\$ <u>636,619</u>
Total assets		\$ <u>636,619</u>
Liabilities:		\$ <u> -</u>
Net Position:		
Restricted		\$ <u>636,619</u>

See notes to financial statements

SIERRA LAKES COUNTY WATER DISTRICT
 FIDUCIARY FUND – ASSESSMENT DISTRICT NO. 2011-1
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 for the year ended June 30, 2022

Additions:		
Assessments from landowners		\$ 359,152
Assessment admin. fee		10,595
Interest income		<u>24</u>
Total additions		\$ 369,771
Deductions:		
Principal and interest payments	\$ 330,132	
Administrative expense	<u>3,742</u>	
		<u>333,874</u>
Change in net position		35,897
Total net position:		
Beginning	\$ 224,889	
Restatement, GASB 84 implementation (Note 12)	<u>375,833</u>	
Beginning, as adjusted		<u>600,722</u>
Ending		\$ <u>636,619</u>

See notes to financial statements

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2022

1. Organization:

Sierra Lakes County Water District (the “District”) was formed in 1961 and provides water service/distribution and sewer collection to residents of the District. The District’s financial and administrative functions are governed by a five member Board of Directors elected by the landowners and residents of the District. The District’s mission statement is to provide quality water treatment/distribution and sewer collection services at the lowest possible cost.

2. Summary of Significant Accounting Policies:

The basic financial statements of Sierra Lakes County Water District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

Fund Accounting

The fund financial statements provide information about the District’s funds. Separate statements for each fund category – proprietary and fiduciary, are presented.

The District reports the following proprietary fund:

Enterprise Fund – The enterprise fund is used to account for water and sewer operations that are financed and operated in a manner similar to private business enterprises. The intent of the District is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The District also reports the following fiduciary fund:

Custodial Fund – The District has one fiduciary fund that is custodial in nature, Assessment District 2011-1. The custodial fund is used to account for resources held by the District in a custodial capacity that are used to collect property assessments which are used to pay special assessment debt with no government commitment.

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the fund are included on the balance sheet. Net position is segregated into amounts recorded as net investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The records are maintained and the accompanying financial statements 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 the economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the District are charges to customers for water and sewer sales and services. Operating expenses for enterprise funds include source of supply, water treatment, transmission and distribution, customer accounts, collection, disposal, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

Depreciation

Property, plant and equipment is recorded on the basis of purchase cost. Assets acquired by contributions are recorded at estimated cost or fair market value at the date of acquisition.

Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets.

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, including restricted assets. Cash in banks, deposits in the State of California Local Agency Investment Fund (LAIF), Placer County Treasurer's Pooled Investment and deposits with fiscal agents are considered to be cash and cash equivalents.

Compensated Absences

Vested or accumulated vacation and comp. time (non-exempt employees) that is expected to be liquidated with expendable available financial resources is reported as an expense and as a current liability. Sick pay is not vested.

Sewage Processing-Accounting

Contract costs of the service agreement with Donner Summit Public Utility District for processing sewage generated by the District are expensed as incurred; also expensed are the improvement project costs for the wastewater treatment plant. Regular processing costs including prior year adjustments received are recorded as operating expenses; capital processing costs are recorded as non-operating expense.

Budget and Budgetary Accounting

The Board of Directors annually adopts an operating budget. The operating budgets are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Investments

Investments consist of LAIF (State of California pooled investment fund) and Placer County Treasurer's Investment Pool. Investments are stated at fair value. Such investments are within the State statutes and the District's investment policy.

Property Taxes

The District receives property taxes from Placer County. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of September 1 of the preceding fiscal year. They become a lien on the first day of the year they are levied. Secured property tax is levied on September 1 and due in two installments, on November 1 and March 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this Program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS' Financial Office. 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.

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Other Postemployment Benefits (“OPEB”)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the net position of the District’s OPEB plan and additions to/deductions from the OPEB plan’s net position have been determined on the same basis as they are reported by the plan. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Gains and losses related to changes in total OPEB liability and net position are recognized in OPEB expense systematically over time. The amortized amounts are recognized in OPEB expense for the year gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Net Position

Net position is classified in the following categories:

Net Investment in capital assets – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted – presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – represents the net position of the District, which are not restricted or invested in capital assets net of related debt.

3. Cash and Cash Equivalents:

Proprietary Fund – Water and Sewer:

Cash and cash equivalents as of June 30, 2022 consisted of the following:

Cash on hand	\$ 50
Deposits with financial institutions	<u>632,069</u>
Total cash	<u>632,119</u>
Investments in Local Agency Investment Fund (LAIF) – OPEB funds	\$ 804,178
Placer County Treasurer’s Pooled Investment	<u>3,009,328</u>
Total investments	<u>3,813,506</u>
Total cash and investments	<u>\$4,445,625</u>

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

3. Cash and Cash Equivalents, continued:

Cash and cash equivalents are classified in the accompanying financial statements as follows:

Cash and investments	\$3,641,447
Restricted cash and investments	<u>804,178</u>
	<u>\$4,445,625</u>

At June 30, 2022, the carrying amount of the District's deposits was \$632,069 and the balance in financial institutions was \$656,488. Of the balance in the financial institutions, \$250,000 was covered by federal depository insurance and \$406,488 was collateralized as required by State Law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other agencies, but not in the name of the District.

Investments:

California statutes authorize the District to invest in a variety of credit instruments as provided for in the California Government Code Section 53600, Chapter 4 – Financial Affairs. The Government Code allows investments in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, medium-term corporate notes, mutual funds and the State Treasurer's Local Agency Investment Fund (LAIF). The investments at June 30, 2022 consist of:

	<u>Carrying Amount</u>	<u>Maturity - 12 Months or Less</u>
Local Agency Investment Fund (LAIF)	\$ 804,178	\$ 804,178
Placer County Treasurer's Pooled Investment	<u>3,009,328</u>	<u>3,009,328</u>
	<u>\$3,813,506</u>	<u>\$3,813,506</u>

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

3. Cash and Cash Equivalents, continued:

Pursuant to Government Accounting Standards Board Statement 3, the investment in LAIF and Placer County Treasury are not classified in categories of credit risk. The District's funds in LAIF and Placer County Treasurer's Pooled Investment are invested in a diversified portfolio (of underlying investments e.g. U.S. Treasury obligations) such that it considers the risk of material loss to be minimal. The funds held in LAIF and Placer County Treasurer's Pooled Investment can be withdrawn on demand. The District reports its investments in LAIF and Placer County Treasurer's investment pool at fair value.

Restricted Cash:

The District had \$804,178 in cash at June 30, 2022 established for OPEB (Post Employment Benefits) funding. The funds are held in LAIF.

Fiduciary Fund – Assessment District No. 2011-1:

Cash is classified in the accompanying fiduciary statement of net position as follows:

Restricted cash	\$ <u>636,619</u>
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At June 30, 2022, the carrying amount of the Assessment District's deposits in the fiduciary fund was \$636,619 and the balance in financial institutions was \$636,619. Of the balance in the financial institutions, \$250,000 was covered by federal depository insurance and \$386,619 was collateralized as required by State Law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the Assessment District and other agencies, but not in the name of the Assessment District.

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

4. Capital Assets:

At June 30, 2022 changes in capital assets are as follows:

	<u>Balance</u> <u>6-30-21</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance</u> <u>6-30-22</u>
Water:				
Source of supply	\$ 49,687	\$ -	\$ -	\$ 49,687
Pumping plant	174,278	-	-	174,278
Water treatment	683,796	-	-	683,796
Transmission and distribution	4,730,701	-	-	4,730,701
General plant	232,794	-	-	232,794
Filter plant	904,122	-	-	904,122
Wells/post chlorination	628,830	-	-	628,830
Arsenic filter installation	-	95,189	-	95,189
Filter plant modification	<u>88,019</u>	<u>-</u>	<u>-</u>	<u>88,019</u>
	<u>7,492,227</u>	<u>95,189</u>	<u>-</u>	<u>7,587,416</u>
Sewer:				
Inspection camera	10,427	-	-	10,427
Vehicles	358,123	-	-	358,123
Collection system	1,143,857	19,369	-	1,163,226
Filter plant modification	88,019	-	-	88,019
Export line	1,772,116	-	-	1,772,116
Waste disposal utility plant	796,300	-	-	796,300
Parallel sewer force main	217,842	-	-	217,842
Sewage export project	<u>206,448</u>	<u>-</u>	<u>-</u>	<u>206,448</u>
	<u>4,593,132</u>	<u>19,369</u>	<u>-</u>	<u>4,612,501</u>
Construction in progress	77,329	599,793	114,557	562,565
Land	<u>157,035</u>	<u>-</u>	<u>-</u>	<u>157,035</u>
Totals	<u>\$12,319,723</u>	<u>\$ 714,351</u>	<u>\$ 114,557</u>	<u>\$12,919,517</u>

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

5. Long-term Debt:

The following is a summary of the long-term debt activities for the year ended June 30, 2022:

	<u>2021</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>2022</u>	<u>Current Portion</u>
DHS loan	\$ 278,289	\$ -	\$ 278,289	\$ -	\$ -
USDA/Revenue Bond	4,261,800	-	152,700	4,109,100	156,900
Bond Fund	<u>8,213</u>	<u>-</u>	<u>209</u>	<u>8,004</u>	<u>215</u>
	<u>\$4,548,302</u>	<u>\$ -</u>	<u>\$ 431,198</u>	<u>\$4,117,104</u>	<u>\$ 157,115</u>

DHS Loan

The District entered into a Safe Drinking Water State Revolving Fund loan with the State of California, Department of Health Services for \$1,307,195 at 2.5132% interest. The purpose of the loan is to assist in financing construction of a project to enable the District to meet safe drinking water standards.

The \$1,307,195 loan is payable in semi-annual payments of \$41,779 commencing January 1, 2005 through January 1, 2025.

The District paid of the loan early – in December 2021.

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

5. Long-term Debt (continued):

USDA/Revenue Bond

On March 28, 2014 the District issued revenue bonds in the amount of \$5,222,000 for purposes of improving the sewer facility. The bonds bear interest at 2.75% and mature on March 28, 2042. Interest is payable March 28 and September 28 (principal is payable annually commencing March 28, 2015). No debt service reserve is required for the revenue bond.

Bond Fund

The District purchased a vacant lot which carried a liability to the Assessment District of \$9,384. This liability is payable through 2053 in annual payments of \$444 through 2024 and \$403 through 2053 respectively, including 2.75% interest.

The future annual maturities of all long-term borrowings as of June 30, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 157,115	\$ 113,229	\$ 270,344
2024	161,420	108,910	270,330
2025	165,784	104,472	270,256
2026	170,389	99,913	270,302
2027	174,994	95,227	270,221
2028-2032	950,052	401,239	1,351,291
2033-2037	1,088,004	263,227	1,351,231
2038-2042	1,245,979	105,166	1,351,145
2043-2047	1,579	436	2,015
2048-2052	1,400	205	1,605
2053-2054	<u>388</u>	<u>11</u>	<u>398</u>
	<u>\$4,117,104</u>	<u>\$1,292,035</u>	<u>\$5,409,139</u>

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

6. Restricted Net Position:

At June 30, 2022 the District had no accumulated restricted improvement reserves since approximately \$1,800,000 was due the operating fund from future collection of facility fees.

7. Defined Benefit Retirement Plan:

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit pension plan. The District participates in the miscellaneous 2% at 60 risk pool. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS require agencies with less than 100 active members in the plan to participate in the risk pool. All District permanent employees are eligible to participate in the System. Benefits vest after five years of service. District employees who retire at age 50 to 63 and with over 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.426 to 2.418 percent of their average salary during their last 36 months of employment. A menu of benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California, 95814.

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

7. Defined Benefit Retirement Plan, continued:

Funding Policy

Covered employees are required by statute to contribute 7.0 percent of their salary to the plan after a formula to coordinate with Social Security. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The District is required to contribute at an actuarially determined rate.

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

	<u>Classic</u>	<u>PEPRA</u>
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55+	55+
Required employee contribution rates	7%	6.75%
Required employer contribution rates	8.65%	7.59%

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 both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

7. Defined Benefit Retirement Plan, continued:

For the year ended June 30, 2022, the District's contributions recognized as part of pension expense were as follows:

Contributions - employer	\$ <u>20,812</u>
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A. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:*

As of June 30, 2022, the District reported net pension liability (asset) as follows:

Net pension liability (asset)	\$(<u>260,083</u>)
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The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 was as follows:

	Miscellaneous <u>Plan</u>
Proportion June 30, 2020	0.00084%
Proportion June 30, 2021	<u>-0.01370%</u>
Change – Increase/(Decrease)	<u>(0.01286)%</u>

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

7. Defined Benefit Retirement Plan, continued:

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in employer's proportion Differences between projected and actual earnings on pension plan investments	\$ 58,573	\$ -
Difference between expected and actual experience	-	182,994
Difference between actual and proportionate share	23,508	-
Pension contributions subsequent to measurement date	-	105,870
	<u>20,150</u>	<u>-</u>
	<u>\$ 102,231</u>	<u>\$ 288,864</u>

\$20,150 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2023	\$(60,751)
2024	(49,856)
2025	(45,606)
2026	(50,570)
2027	-

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

7. Defined Benefit Retirement Plan, continued:

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	3.3%-14.2%
Investment Rate of Return	7.15%

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

7. Defined Benefit Retirement Plan, continued:

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

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

The table below reflects the expected real rate of return by asset class.

<u>Asset Class (a)</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10(b)</u>	<u>Real Return Years 11+(c)</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the System's AFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

7. Defined Benefit Retirement Plan, continued:

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability (Asset)	\$ 38,392
Current Discount Rate	7.15%
Net Pension Liability (Asset)	\$(260,083)
1% Increase	8.15%
Net Pension Liability (Asset)	\$(621,133)

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

8. Other Postemployment Benefits "OPEB":

Plan Description

In addition to pension benefits, the District provides certain healthcare benefits through CalPERS for retired employees and their survivor dependents, subject to certain conditions. The District's employees become eligible for benefits "after retirement in accordance with regulations prescribed by CalPERS." At June 30, 2021, seven retired employees and three active employees (and their eligible spouses, if applicable) met those eligibility requirements. Covered employees are not required to make contributions to receive the benefits.

Total OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Discount rate	2.16%
Inflation	2.50%
Payroll Increase	3.00%
Healthcare Cost Trend Rate	5.7% (increase effective January 1, 2022) fluctuating down to 3.9% for years 2076 and later

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16%. The discount rate is based on an index of 20-year General Obligation Municipal Bond Index.

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

8. Other Postemployment Benefits "OPEB", continued:

Change in Total OPEB Liability as of June 30, 2021

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Total OPEB Liability</u>
Rollback balance at June 30, 2020	\$ <u>1,463,570</u>	\$ <u>-</u>	\$ <u>1,463,570</u>
Changes recognized for the measurement period:			
Service cost	66,586	-	66,586
Interest on total OPEB liability	33,350	-	33,350
Change due to updated discount rate	11,502	-	11,502
Benefit payments	<u>(42,245)</u>	<u>-</u>	<u>(42,245)</u>
Net changes during July 1, 2020 to June 30, 2021	<u>69,193</u>	<u>-</u>	<u>69,193</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$1,532,763</u>	<u>\$ -</u>	<u>\$1,532,763</u>

SIERRA LAKES COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

8. Other Postemployment Benefits "OPEB", continued:

Sensitivity of the Total OPEB liability to changes in the discount rate

The following presents the total OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation:

	Discount Rate <u>1% Lower</u>	Valuation Discount Rate 2.16%	Discount Rate <u>1% Higher</u>
Total OPEB liability	<u>\$1,792,720</u>	<u>\$1,532,763</u>	<u>\$1,325,506</u>

Sensitivity of the Total OPEB liability to changes in healthcare cost trend rates

The following presents the total OPEB liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation:

	Trend <u>1% Lower</u>	Current <u>Trend</u>	Trend <u>1% Higher</u>
Total OPEB liability	<u>\$1,310,462</u>	<u>\$1,532,763</u>	<u>\$1,819,378</u>

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

8. Other Postemployment Benefits "OPEB", continued:

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 183,804	\$ -
Difference between expected and actual experience	-	39,112
Net difference between projected and actual earnings on investments	-	-
Deferred contributions	<u>10,192</u>	<u>-</u>
Total	<u>\$ 193,996</u>	<u>\$ 39,112</u>

\$10,192 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>For the Fiscal Year Ended June 30</u>	<u>Recognized Net Deferred Outflows (Inflows) of Resources</u>
2023	54,689
2024	54,689
2025	33,812
2026	1,502
2027	-

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

8. Other Postemployment Benefits "OPEB", continued:

Funding Policy

The District has no plan assets in a CERBT trust fund. The District did, however, establish a cash reserve fund (requiring board action and two board signatures to access funds). The 2021-22 annual OPEB contribution of \$54,000 was made in July 2022. At June 30, 2022 cash held in OPEB bank account (LAIF) was \$804,178.

9. Risk of Loss:

Sierra Lakes County Water District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2022 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

10. Capital Improvement Reserves:

The District currently has 183 vacant lots resulting in potential connection permit fees, as follows:

Sewer connection fees 183 x \$7,800	\$1,427,400
Water connection fees 183 x 1,825	<u>333,975</u>
	<u>\$1,761,375</u>

These fees were established to refund the District's General Fund for expenditures already made during infrastructure construction that included hook ups to the District's water distribution and wastewater export systems. Given that the expenditures were paid by the General Fund, during the infrastructure construction, a reserve would not be appropriate.

SIERRA LAKES COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

11. Subsequent Events:

Management has evaluated subsequent events through October 20, 2022, the date these June 30, 2022 financial statements were available to be issued.

12. Restatement:

The District adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, which was implemented during the year ended June 30, 2022. The intention of the statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The implementation of the statement required the Assessment District to record a prior period adjustment. As a result, the beginning net position of the Custodial Fund, Assessment District 2009-1, was restated in the amount of \$375,833.

13. COVID-19:

In March 2020, the World Health Organization declared a global health pandemic of the Coronavirus Disease COVID-19. The District is committed to maintaining water delivery and sewer services to customers in its community. To date there has been very little adverse effect on the District's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

SIERRA LAKES COUNTY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE TOTAL
PENSION LIABILITY AND RELATED RATIOS

As of June 30, 2022

Last 10 years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability	-0.01370%	0.000084%	-0.00009%	-0.00019%
Proportionate share of the net pension liability (asset)	\$(260,083)	\$ 35,608	\$(8,792)	\$(17,915)
Covered – employee payroll	\$ 261,345	\$ 253,749	\$ 249,154	\$ 211,176
Proportionate Share of the net pension liability as percentage of covered-employee payroll	-99.517%	14.033%	-3.529%	-8.483%
Plan's fiduciary net position	\$2,464,174	\$2,142,134	\$2,091,361	\$2,043,164
Plan fiduciary net position as a percentage of the total pension liability	111.80%	98.36%	100.42%	100.88%

Changes in assumptions: None

(1) Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

(2) In August 2017 the District paid \$487,963 to CalPERS to reduce unfunded net pension liability for both classic and PEPRA plans.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.013117%	0.01301%	0.01255%	0.00625%
\$ 517,076 (2)	\$ 452,044	\$ 344,382	\$ 388,716
\$ 214,138	\$ 204,488	\$ 209,197	\$ 199,147
241.47%	221.06%	164.620%	195.19%
\$1,529,839	\$1,475,762	\$1,535,687	\$1,476,608
74.74%	76.55%	81.68%	79.16%

SIERRA LAKES COUNTY WATER DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR PENSIONS

As of June 30, 2022

Last 10 years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution (actuarially determined)	\$ 20,150	\$ 20,812	\$ 18,399	\$ 16,436
Contributions in relation to the actuarially determined contributions	<u>20,150</u>	<u>20,812</u>	<u>18,399</u>	<u>16,436</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered – employee payroll	\$ 261,345	\$ 253,749	\$ 249,154	\$ 211,176
Contributions as a percentage of covered employee payroll	7.71%	8.20%	7.38%	7.78%
Notes to Schedule:				
Valuation date:	6/30/20	6/30/19	6/30/18	6/30/17

Methods and assumptions used to determine contribution rates:

Amortization method	Entry Age Normal Cost Method
Remaining amortization period	15 years
Asset valuation method	Market Value
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Discount rate	7.15% Net of Pension Plan Investment and Admin. Expenses

(1) Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 15,002	\$ 40,812	\$ 43,307	\$ 26,862
<u>15,002</u>	<u>40,812</u>	<u>53,204</u>	<u>26,862</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>(9,897)</u>	\$ <u>-</u>
\$ 214,138	\$ 204,488	\$ 209,197	\$ 199,147
7.01%	19.96%	25.43%	13.49%
6/30/16	6/30/15	6/30/14	6/30/13

SIERRA LAKES COUNTY WATER DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
As of June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability:				
Service cost	\$ 66,586	\$ 51,827	\$ 45,410	\$ 24,702
Interest on total OPEB liability	33,350	42,239	42,700	25,539
Differences between expected and actual experience	-	(69,198)	-	214,739
Changes of assumptions	11,502	309,266	55,326	141,212
Benefit payments	<u>(42,245)</u>	<u>(44,265)</u>	<u>(55,326)</u>	<u>(38,682)</u>
Net change in total OPEB liability	69,193	289,869	88,074	367,510
Total OPEB liability, beginning	<u>1,463,570</u>	<u>1,173,701</u>	<u>1,085,627</u>	<u>718,117</u>
Total OPEB liability, ending	1,532,763	1,463,570	1,173,701	1,085,627
OPEB Fiduciary net position, beginning and ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total OPEB liability	<u>\$1,532,763</u>	<u>\$1,463,570</u>	<u>\$1,173,701</u>	<u>\$1,085,627</u>
Covered-employee payroll	\$ 297,439	\$ 284,028	\$ 274,331	\$ 252,812
Plan total OPEB liability as a percentage of covered-employee payroll	515.32%	515.29%	427.84%	429.42%

Notes to Schedule:

Changes in assumptions: none

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

SUPPLEMENTAL DATA

SIERRA LAKES COUNTY WATER DISTRICT
PRINCIPAL OFFICIALS
for the year ended June 30, 2022

Board of Directors:

Dan Stockton	President
David Keatley	Director
Jennifer Jackson	Director
Karen Heald	Director
Jon Harvey	Director

Management:

Paul Schultz	General Manager
Anna Nickerson	Financial Consultant/ Secretary of the Board