



REGULAR BOARD MEETING
Thursday, February 1, 2024, at 6:00 PM

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

This meeting of the Board of Directors of the Helendale Community Services District is Open to the public both in-person at the District Office located at 26540 Vista Road, Suite C, Helendale, California, and via teleconference by clicking the following link: www.zoom.com Meeting ID 463 173 8547 Passcode: HCS D. (Dial-in instructions will be provided after registering at the link)

Call to Order - Pledge of Allegiance

1. Discussion and Possible Action Regarding Director Remote Participation pursuant to AB2449 (Government Code Section 54953(f))

- a. Notification due to Just Cause
- b. Request due to Emergency Circumstances

2. Approval of Agenda

3. Public Participation

Anyone wishing to address any matter pertaining to District business listed on the agenda or not, may do so at this time. However, the Board of Directors may not take action on items that are not on the agenda. The public comment period may be limited to three (3) minutes per person. Any member wishing to make comments may do so by filling out the speaker's card in person or using the "raise the hand" or "chat" feature. If viewing remotely a speaker's card may be filled out at the following link: <https://www.surveymonkey.com/r/HKGNLL8> or use the features referenced above. The District requests that all speaker cards be submitted at any time prior to the close of public participation.

4. Consent Items

- a. Approval of Minutes: January 18, 2024, Regular Board Meeting and Special Board Meeting of January 25, 2024
- b. Bills Paid Report

5. Reports

- a. Directors' Reports
- b. General Manager's Report

Special Presentation:

6. Presentation by San Bernardino County Assistant Fire Chief Kelly Anderson Regarding FP-5

Regular Business:

7. Discussion and Possible Action Regarding Approval of Directors' Expense Reports
8. Discussion and Possible Action Regarding Acceptance of 2023 Fiscal Year Audit
9. Discussion Only Regarding Mid-Year Budget Review

Other Business

10. Requested items for next or future agendas (Directors and Staff only)

11. Adjournment

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above agenda public meeting should be directed to the District's General Manager's office at (760) 951-0006 at least 24 hours prior to said meeting. The regular session of the Board meeting will be recorded. Recordings of the Board meetings are kept for the Clerk of the Board's convenience. These recordings are not the official minutes of the Board meetings.



Helendale Community Services District

Date: February 1, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #1
Discussion and Possible Action Regarding Director Remote Participation
Pursuant to AB2449 (Government Code Section 54953(f))

NOTIFICATION OF REMOTE BOARD MEETING ATTENDANCE

Directors may not attend a meeting remotely on the basis of Just Cause or Emergency Circumstances for more than three consecutive months or more than 20% (up to four) meetings in a calendar year. A general description of the circumstances relating to the need to appear remotely at the meeting **must** be included.

JUST CAUSE

Each Director is responsible for notifying the General Manager at the earliest opportunity possible (including at the start of a regular meeting) of the need to participate remotely for Just Cause. Remote participation for Just Cause reasons shall not be utilized by any Director for more than two meetings per calendar year.

Just Cause means any of the following:

- A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.
- A contagious illness that prevents a member from attending in person
- A need related to a physical or mental disability not otherwise accommodated
- Travel while on official business of the legislative body or another state or local agency

A General description of the circumstances relating to the need to appear remotely at the meeting **MUST** be included.

EMERGENCY CIRCUMSTANCES

Each Director is responsible for notifying the General Manager as soon as possible (preferably before posting of the agenda but up to the start of the meeting) of the need to participate remotely due to Emergency Circumstances.

Emergency Circumstances means the following: A physical or family medical emergency that prevents a member from attending in person.

A general description of the circumstances relating to the need to appear remotely at the meeting **must** be included. The general description of the circumstances does not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act.



Helendale Community Services District

Date: February 1, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #4
Consent Items

CONSENT ITEMS

- a. Approval of Minutes: January 18, 2024, Regular Board Meeting and Special Board meeting held January 25, 2024
- b. Bills Paid Report



Helendale Community Services District

Date: February 1, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Cheryl Vermette
SUBJECT: Agenda item #4a
Minutes from Board meeting 1/18/2024 & Special Board meeting of 1/25/2024



**Minutes of the Helendale Community Services District
REGULAR BOARD OF DIRECTORS MEETING**

Date: January 18, 2024
 Time: 6:00 PM
 Meeting called to order by: President Henry Spiller

ATTENDANCE

President Henry Spiller	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Vice President Ron Clark	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input type="checkbox"/> In Person	<input checked="" type="checkbox"/> Remote
Secretary Sandy Haas	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> In Person	<input type="checkbox"/> Remote
Director George Cardenas	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Vacant				

Staff Members Present

Kimberly Cox, General Manager; Craig Carlson, Water Operations Manager; Alex Aviles, Wastewater Operations Manager; Cheryl Vermette, Parks, Recreation and Programs Supervisor

Consultants/Guests

Steven Kennedy, Legal Counsel
 Sandy Pena, Burrtec Waste
 Deputy Sheriff Richard Morales
 Deputy Sheriff Robert Sanchez
 Christopher Porter, Supervisor Cooks Office

Members of the public

There were eight members of the public attending in person.

1. DISCUSSION AND POSSIBLE ACTION REGARDING DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB2449 (GOVERNMENT CODE SECTION 54953(F)) OF AGENDA

- a. Notification due to Just Cause
- b. Request due to Emergency Circumstances

Discussion There was no need for this item.

1

2. APPROVAL OF AGENDA

Discussion None.

Motion Vice President Clark made a motion to approve the agenda as amended.

Second Director Cardenas

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

Secretary Sandy Haas Yes No Absent Abstain
Director George Cardenas Yes No Absent Abstain

3. PUBLIC PARTICIPATION

Deputy Sheriff Morales from the San Bernardino County Sheriff's Department addressed the Board and talked about changes in staffing. Later in the meeting after President Spiller asked for Sheriff's department statistics, he reported the latest statistics available.

Christopher Porter, Field Rep for Supervisor Cook's office – reported that the Supervisors office secured \$2 million in funding for paving from Vista to Darghty Rd.

Sandy Pena, Burrtec Waste – Presented "The Right Stuff" contest winners and an overview of the program.

Annette Roper, former Board Member – Ms. Roper informed the Board that recently her resident status changed, and her primary residence is no longer Helendale. With that change, she tendered her resignation from the Board as of January 18, 2024.

Dan Guinn, Resident – commented that his homeowners insurance doubled due to Helendale now being considered a high-risk fire zone.

Dave Hart – Resident – Expressed his interest in filling the vacant seat on the Board.

Bob Keeran, Resident – Spoke on his support for the District's annexation. He also asked what it would take to get the outlying areas to be considered Helendale through the post office.

Iris Gutierrez, Assemblyman Lackey's Office - The Legislature is now back in session and Members have started introducing bills for consideration. Assemblymember Lackey is finalizing his legislative package but has already agreed to partner with Supervisor Cook in San Bernardino County on improvements to the state's Amber Alert system. He has also agreed to run legislation to exempt from income taxation any settlement funds received by those who were impacted by the Bobcat Fire in 2020. The Assemblyman and his Legislative team are going through the Governor's proposals regarding the budget and will be involved in ongoing discussions about how the deficit will be reconciled. The Assemblyman encourages residents to stay involved and engaged in the decisions that come before the State Assembly and Senate and here is an example of why. The Assemblyman sits on a committee that was asked to hear discussions on AB 734, pertaining to youth tackle football. The Assemblyman is opposed to this bill as it takes the decision regarding participation in Youth Tackle Football away from the parents. Many parents, coaches, athletes, and advocates spoke out about this bill and organized a rally that the Assemblyman participated in. During the rally they found out that the Governor announced he would not sign this bill if it came to his desk. Tomorrow the Assemblyman is hosting a virtual Grant Writing Seminar on Facebook Live from 11-12:15. This will be for general grant writing for nonprofits, public safety, and education just to name a few. We hope you will join us tomorrow. Ms. Gutierrez had applications for the Assemblyman's Award "Everyday Hero." This month's award is for healthcare workers (from school nurse to brain surgeon). Three awards from the

Assemblyman's Student Art Competition have been awarded to Helendale students. The Award Presentation is on February 9th at the Victor Valley Museum.

4. CONSENT ITEMS

- a. Approval of Minutes: December 7, 2023
- b. Bills Paid Report
- c. November 2023 Financials

Discussion None

Motion Vice President Clark made the motion to approve the consent items as presented.

Second President Spiller

5. Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

6. REPORTS

a. Directors' Reports

President Spiller discussed his attendance at the District's youth basketball program, where he helped at the score table.

b. General Manager's Report

General Manager Cox reported that the LAFCO protest hearing is scheduled for January 29th in the Board Room at 6 pm.

SB 613 was signed into law this past fall and allows for a low population waiver from AB1383 requirements. Staff will be working with Burrtec and District Counsel on how to implement the waiver.

The front office enclosure should be completed by January 26th. The roof is substantially complete. We are waiting on some final items to be completed. There was one minor leak that will be repaired immediately. The manufacturer will perform an inspection once all items are complete.

San Bernardino Fire Chief Dan Munsey will be at the February 1st Board Meeting.

Operations Manager Aviles gave the wastewater report. Blower #1 failed, so Staff removed it from service, inspected, cleaned the bearings, checked clearances, rebuilt the blower and put it back into service. There have been no issues since. Staff made a confined space entry at the Smithson station to clean and inspect check valves. The secondary reuse meter at the park failed, which caused the meter the meter to flow when there was no flow. McCrometer and Staff are working to resolve the issue. Staff reinstalled cameras at the Community Center since the roof is nearly complete. Staff also worked on grading various areas around the plant which were eroded by the rain. A new warthog nozzle was purchased for the jetter to clean laterals at the Community Center. There have been multiple backups that have required the lines to be cleared. The pipe or line may need to be replaced. Staff captured and removed a raccoon from the new

wastewater treatment plant shop. Unfortunately, the racoon caused some damage to multiple sections of insulation.

REGULAR BUSINESS

7. Discussion and Possible Action Regarding Approval of Directors' Expense Reports

Discussion None.

Motion President Spiller made the motion to approve the Directors' Expense reports as presented.

Second Vice President Clark

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

8. Discussion and Possible Action Regarding Adoption of an Updated Personnel Manual

Discussion The District first adopted the County's personnel policies in 2006 for continuity. In May 2011 a new personnel manual was adopted. Minor modifications have occurred over time. Proposed for consideration is a new manual – it is not an update to the old manual.

July 19, 2012: Vacation leave buy-back policy amended.

Nov 5, 2015: Paid sick leave for part-time staff (AB1522)

Dec 3, 2015: Vacation Leave buy-back amendment.

Aug 17, 2017: Increase in On-Call pay for technical staff.

Aug 17, 2017: Revisions to the Driver's License Policy

Sep 21, 2017: Implementation of longevity Program

Sep 19, 2019: Modification to Tuition Reimbursement Policy

Oct 3, 2019: Various minor modifications including addition of harassment language and PEPPRA.

The proposed new manual has updated language to cover expanded information about FMLA and other types and uses of leave. It includes an expanded definitions section, adds accommodation for lactation, and expands on most sections for clarification.

Changes from the prior manual/policy include:

Vacation Leave Buy-Back not limited to one time per year.

Boot allowance increased from \$250 to \$275 per pair.

Modified Section 13.08 to address the retiree medical benefit approved by the Board in 2017.

Changes made since publication on Monday:

Page 28(K) – added "Designated Person" to FMLA Definitions

Page 41 – correct typo in Section 12

Page 46- corrected misstatement in 13.09: Standard and Long-Term Disability Insurance: Coverage is provided through the State Disability Insurance program for all eligible full time District employees and their dependents at no cost to the employee.

Page 47 - fixed alignment

Page 88 - removed extra words that did not belong in sentence.

Other various non-substantive changes to numbering and verbiage throughout for greater clarification.

Motion: Director Cardenas made the motion to adopt the new personnel manual including recent modifications outlined in the presentation.

Second: Vice President Clark

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Annette Roper	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

9. Discussion and Possible Action Regarding the Proposed Budget Calendar for FY25

Discussion Preparation of the FY25 Budget begins with the start of the new calendar year. Attached for the Board's consideration is the process by which Staff will walk through the various budget elements with the Board. Staff is suggesting a Budget workshop on April 11. Staff is seeking any requests for additional information or modifications to the budget process by the Board. The following schedule was proposed: February 15 review the wastewater CIP and the mid-year budget review; March 7 review the water CIP and cost of living consideration; March 16 review the park CIP and acceptance of the Burrtec annual request; March and April will be staff level work; April 11 the is the proposed budget workshop; May 4 will be the public review of the Draft Budget; and May 18th will be the public hearing for budget adoption. Director Cardenas indicated that he would like some additional time to think about questions he has and what he would like to see in the budget.

Motion There was no motion on this item.

OTHER BUSINESS

10. Requested items for next or future agendas (Directors and Staff only)

President Spiller requested statistics from the Sheriff's Department.

The Board requested to hold a Special meeting to determine the procedure for filling the Board vacancy. Legal Counsel Kennedy informed the Board that they have 60 days to appoint a new director, and that that person will hold office until the next election.

CLOSED SESSION

The closed session item was removed from the agenda.

11. Conference with Real Property Negotiators
(Government Code Section 54956.8)
Property: 15302 Smithson Road
District Negotiator: Kimberly Cox
Negotiating Parties: Vertical Bridge
Under Negotiation: Price and Terms of Payment

12. REPORT OF CLOSED SESSION ITEMS

Legal Counsel Kennedy reported that the Board met in closed session and discussed the agenda items. There was no reportable action resulting from any of the closed session items.

13. ADJOURNMENT

President Spiller adjourned the meeting at 7:13 pm.

Henry Spiller, President

Sandy Haas, Secretary

The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.



**Minutes of the Helendale Community Services District
SPECIAL BOARD OF DIRECTORS MEETING**

Date: January 25, 2024
 Time: 6:00 PM
 Meeting called to order by: President Henry Spiller

ATTENDANCE

President Henry Spiller	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Vice President Ron Clark	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input type="checkbox"/> In Person	<input checked="" type="checkbox"/> Remote
Secretary Sandy Haas	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> In Person	<input type="checkbox"/> Remote
Director George Cardenas	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Vacant				

Staff Members Present

Kimberly Cox, General Manager; Craig Carlson, Water Operations Manager; Alex Aviles, Wastewater Operations Manager; Cheryl Vermette, Parks, Recreation and Programs Supervisor; Jean Thomas, Customer Service Supervisor

Consultants/Guests

Steven Kennedy, Legal Counsel

Members of the public

There were eight members of the public attending in person.

1. DISCUSSION AND POSSIBLE ACTION REGARDING DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB2449 (GOVERNMENT CODE SECTION 54953(F)) OF AGENDA

- a. Notification due to Just Cause
- b. Request due to Emergency Circumstances

Discussion There was no need for this item.

1

2. APPROVAL OF AGENDA

Discussion None.

Motion Vice President Clark made a motion to approve the agenda as amended.

Second Director Cardenas

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

3. PUBLIC PARTICIPATION

None

REGULAR BUSINESS

4. Discussion and Possible Action Regarding Notification of Open Board Position and Review of Procedures for filling a Vacancy.

Discussion General Manager Cox and Legal Counsel Kennedy presented the requirements for filling a vacant Board position. The Board made a minor modification to the application allowing for two pages instead of one for the statement of qualification/resume. The Board also discussed the questions. The questions the Board decided to include in the application are: 1. Please describe what you envision your role is as a director for the Helendale CSD? 2)A. Are you aware of any issues the District is facing? B. How can we improve? 3)What do you feel you will be able to contribute to the Helendale Community as a Board member? 4)If appointed, will you be willing to run in the November 2024 election? The Board set the application deadline as February 16, 2024, at 5:30 pm.

OTHER BUSINESS

5. Requested items for next or future agendas (Directors and Staff only)
None

6. ADJOURNMENT

President Spiller adjourned the meeting at 3:49 pm.

Henry Spiller, President

Sandy Haas, Secretary

The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.



Helendale Community Services District

Date: February 01, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Sharon Kreinop, Senior Account Specialist
SUBJECT: Agenda item #4b
Consent Items: Bills Paid and Presented for Approval

STAFF RECOMMENDATION

Updated Report Only. Receive and File

STAFF REPORT:

Staff issued 44 checks and 10 EFT's totaling \$521,598.87

Total Cash Available:	<u>01/29/2024</u>	<u>01/11/2024</u>
Cash	\$ 7,085,546.97	\$ 7,398,714.20
Checks/EFT's Issued	\$ 521,598.87	\$ 363,719.27

INVESTMENT REPORT:

The Investment Report shows the status of the invested District funds. The interest rate is 3.929% for LAIF and 5.54% for CA Class for December 2023. Income earned December 2023 on CA Class account is \$12,349.84.



Helendale CSD

Bills Paid and Presented for Approval Transaction Detail

Issued Date Range: 01/11/2024 - 01/29/2024

Cleared Date Range: -

Issued Date	Number	Description	Amount	Type	Module
Bank Account: 251229590 - CBB Checking					
01/11/2024	27021	ASBCSD	-275.00	Check	Accounts Payable
01/11/2024	27022	Burrtec Waste Industries Inc	-1,674.71	Check	Accounts Payable
01/11/2024	27023	Choice Builder	-1,082.90	Check	Accounts Payable
01/11/2024	27024	Citizens Business Bank	-149,447.45	Check	Accounts Payable
01/11/2024	27025	Frontier Communications	-54.21	Check	Accounts Payable
01/11/2024	27026	Geo-Monitor, Inc.	-746.00	Check	Accounts Payable
01/11/2024	27027	Infosend, Inc	-1,993.91	Check	Accounts Payable
01/11/2024	27028	Lowe's Inc.	-699.75	Check	Accounts Payable
01/11/2024	27029	Parkhouse Tire, Inc.	-173.34	Check	Accounts Payable
01/11/2024	27030	Sierra Analytical Labs, Inc	-640.00	Check	Accounts Payable
01/11/2024	27031	SWRCB FEES	-20,911.24	Check	Accounts Payable
01/11/2024	27032	Trini Martin	-1,675.00	Check	Accounts Payable
01/11/2024	27033	Tyler Technologies, Inc.	-5,923.20	Check	Accounts Payable
01/11/2024	27034	Univar Solutions, USA	-3,496.55	Check	Accounts Payable
01/11/2024	27035	Western Water Works Supply Company	-3,010.32	Check	Accounts Payable
01/11/2024	27036	MWC Group, Inc	-2,541.54	Check	Accounts Payable
01/18/2024	27037	ACE High School	-300.00	Check	Accounts Payable
01/18/2024	27038	ACE/RMS ASB	-300.00	Check	Accounts Payable
01/18/2024	27039	ACI Payments, Inc	-56.50	Check	Accounts Payable
01/18/2024	27040	Beck Oil Inc	-3,103.73	Check	Accounts Payable
01/18/2024	27041	Burrtec Waste Group, Inc	-11,197.52	Check	Accounts Payable
01/18/2024	27042	Frontier Communications	-103.25	Check	Accounts Payable
01/18/2024	27043	Frontier Communications	-65.50	Check	Accounts Payable
01/18/2024	27044	Frontier Communications	-88.60	Check	Accounts Payable
01/18/2024	27045	Home Depot Credit Services	-721.23	Check	Accounts Payable
01/18/2024	27046	Konica Minolta	-732.87	Check	Accounts Payable
01/18/2024	27047	Sierra Analytical Labs, Inc	-180.00	Check	Accounts Payable
01/18/2024	27048	Verizon Wireless	-106.32	Check	Accounts Payable
01/18/2024	27049	Verizon Wireless	-713.86	Check	Accounts Payable
01/18/2024	27050	WaterMaster	-2,042.71	Check	Accounts Payable
01/19/2024	27051	California State Disbursement Unit	-230.76	Check	Accounts Payable
01/19/2024	27052	State of California - Franchise Tax Board	-150.00	Check	Accounts Payable
01/19/2024	27053	REDWOOD HOLDING, LLC	-272.93	Check	Utility Billing
01/23/2024	27054	AMS Construction	-238,454.61	Check	Accounts Payable
01/24/2024	27055	LUIZ MOURA	-59.86	Check	Utility Billing
01/24/2024	27056	ERIN SIMPSON	-4.13	Check	Utility Billing
01/25/2024	27057	California Association of Mutual Water Companies	-500.00	Check	Accounts Payable
01/25/2024	27058	Cardmember Services	-1,552.78	Check	Accounts Payable
01/25/2024	27059	Cashier, CDFA- Certified Farmer's Market	-572.00	Check	Accounts Payable
01/25/2024	27060	County of San Bernardino, Solid Waste Mgmt. Div.	-512.00	Check	Accounts Payable
01/25/2024	27061	Paul's Towing and Roadside Assistance	-400.00	Check	Accounts Payable
01/25/2024	27062	Western Water Works Supply Company	-6,045.31	Check	Accounts Payable
01/25/2024	27063	Eide Bailly LLP	-9,996.54	Check	Accounts Payable
01/25/2024	27064	Brax Process and Pump Equipment	-15,270.76	Check	Accounts Payable
01/22/2024	EFT0004887	SCE Street Lighting Acct # 700013030275	-1,705.91	EFT	General Ledger
01/22/2024	EFT0004888	SCE ACH Park Wellheads Acct 700448234519	-455.68	EFT	General Ledger

Bank Transaction Report

Issued Date	Number	Description	Amount	Type	Module
01/15/2024	EFT0004889	CalPERS Classic Pmt PPE 12/17/23	-9,456.18	EFT	General Ledger
01/15/2024	EFT0004890	CalPERS PEPRA Pmt PPE 12/17/23	-2,239.79	EFT	General Ledger
01/26/2024	EFT0004900	SCE ACH Sod Farm Acct 700255337588	-1,048.15	EFT	General Ledger
01/29/2024	EFT0004901	SCE ACH Well 6,7,8,9 & 2 Acct 700620711734	-1,296.85	EFT	General Ledger
01/19/2024	EFT0004903	CalPERS 457 Pmt PPE 1/14/24	-4,711.07	EFT	General Ledger
01/29/2024	EFT0004904	CalPERS Classic Pmt PPE 12/31/23	-9,456.18	EFT	General Ledger
01/29/2024	EFT0004905	CalPERS PEPRA Pmt PPE 12/31/23	-2,239.79	EFT	General Ledger
01/24/2024	EFT0004914	To record Tasc Flex Claim Pmt PPE 1/14/24	-910.38	EFT	General Ledger
			Bank Account 251229590 Total: (54)		-521,598.87
			Report Total: (54)		-521,598.87

Summary

Bank Account

[251229590 CBB Checking](#)

Count	Amount
54	-521,598.87
Report Total: 54	-521,598.87

Cash Account

[99 99-111000 Cash in CBB - Checking](#)

Count	Amount
54	-521,598.87
Report Total: 54	-521,598.87

Transaction Type

Transaction Type	Count	Amount
Check	44	-488,078.89
EFT	10	-33,519.98
Report Total: 54	54	-521,598.87



Helendale Community Services District

DATE: February 1, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #7
Discussion and Possible Action Regarding Approval of Directors' Expense Reports

STAFF RECOMMENDATION

None.

STAFF REPORT

This matter is at the discretion of the Board. Included herein for the Board's consideration are expense reports submitted since the last Board meeting.

FISCAL IMPACT: NA
POSSIBLE MOTION: At the discretion of the Board.
ATTACHMENTS: Expense Reports

HELENDALE COMMUNITY SERVICES DISTRICT BOARD MEMBER EXPENSE VOUCHER

Name: **George Cardenas**

Pay Period Endmg: **December 31, 2023**

Date	Expense Description/Explanation	Miles	Meals	Lodging	Other Expense	Reimburse Y/N	Phone Call Y/N	Expense Category	
October 19, 2023	Event HCSD Board Meeting		\$		\$	Yes	No	A	
	Description of Public Benefit Discussion and action taken (6:00pm to 7:10pm)								
November 14, 2023	Event Meeting with General Manager Mrs. Cox		\$		\$	No	Yes	G	
	Description of Public Benefit Discuss agenda (2:25pm-3:50pm)								
November 14, 2023	Event HCSD Park/Rec Committee Meeting		\$		\$	No	Yes	A	
	Description of Public Benefit Update Farmer's Market, Christmas giveaway, park use fees (3:00pm-3:40pm)								
November 16, 2023	Event MWA Board Meeting		\$		\$	No	No	J	
	Description of Public Benefit Zoom participation - Cadiz presentation and discussion								
November 16, 2023	Event HCSD Board Meeting		\$		\$	No	No	A	
	Description of Public Benefit Zoom meeting non-participation								
		Total Miles	\$ 0.00	Total Meals	\$ 0	Total Lodging	\$ 0	Total Other Expense	\$ 0
				Total # of Compensable Meetings	1	Meeting Total	\$ 150	Total	\$ 150

Signature: _____
Date: **January 15, 2024**

Expense Categories	
A: Public Meeting governed by Brown Act	
B: Public Event *	
C: Representation at Public Meeting/Event *	
D: Representation at 501C3 Board *	
E: Conference/seminar/Training Program related to District *	
F: Ad Hoc committee of the Board	
G: Meeting w/GM or Designee regarding District Operations	
H: Meeting w/auditors, attorney or consultant retained by District	
I: Meeting of Local, State or Federal body w/jurisdiction affecting HCSD	
J: Meeting w/organization with interests in matters involving functions or	
K: Meeting pre-approved by the Board of Directors	
* Written or verbal report required to be presented at the next Board meeting	
Mileage 65.5 ¢	

HELENDALE COMMUNITY SERVICES DISTRICT BOARD MEMBER EXPENSE VOUCHER

Name: **George Cardenas**

Pay Period Endng: **December 31, 2023**

Date	Expense Description/Explanation	Miles	Meals	Lodging	Other Expense	Reimburse Y/N	Phone Call Y/N	Expense Category
November 29, 2023	Event ACWA Fall Conference 2023		\$	\$	\$	No	No	E
November 30, 2023	Description of Public Benefit Water Tread - Leading the ReCharge / Geospatial Water assets							
November 30, 2023	Event ACWA Fall Conference 2023		\$	\$	\$	No	No	E
December 4, 2023	Description of Public Benefit Policy Storms Roundtable / Conservation Roundtable							
December 4, 2023	Event Meeting w/ GM Mr. Cox		\$	\$	\$	No	Yes	G
December 4, 2023	Description of Public Benefit Agenda review							
December 7, 2023	Event MWA TAC Meeting		\$	\$	\$	No	No	C
December 7, 2023	Description of Public Benefit Elections / Appointments / TAC Bylaws / Update New Production / Small Water Systems / Storm Update / RWQCB Update							
December 7, 2023	Event HCSD Board Meeting		\$	\$	\$	Yes	No	A
December 7, 2023	Description of Public Benefit Board Meeting agenda items							
		Total Miles	\$ 0.00	\$ 0	\$ 0	Total # of Compensable Meetings	1	Total
								\$ 150
								\$ 150

Signature: _____ Date: **January 15, 2024**

Expense Categories	
A: Public Meeting governed by Brown Act	
B: Public Event *	
C: Representation at Public Meeting/Event *	
D: Representation at 501C3 Board *	
E: Conference/seminar/Training Program related to District *	
F: Ad Hoc committee of the Board	
G: Meeting w/GM or Designee regarding District Operations	
H: Meeting w/auditors, attorney or consultant retained by District	
I: Meeting of Local, State or Federal body w/jurisdiction affecting HCSD	
J: Meeting w/organization with interests in matters involving functions or	
K: Meeting pre-approved by the Board of Directors	
* Written or verbal report required to be presented at the next Board meeting	
Mileage 65.5 ¢	

HELENDALE COMMUNITY SERVICES DISTRICT BOARD MEMBER EXPENSE VOUCHER

Pay Period Ending

Name	HELENDALE COMMUNITY SERVICES DISTRICT BOARD MEMBER EXPENSE VOUCHER									
Annette Roper										
Date	Expense Description/Explanation	Miles	Meals	Lodging	Other Expense	Reimburse Y/N	Phone Call Y/N	Expense Category		
10/14/23	Event Helendale CSD Giveaway		\$	\$	\$	Yes	No	B		
	Description of Public Benefit Giveaway for local residents									
10/16/23	Event Met with GM		\$	\$	\$	No	No	G		
	Description of Public Benefit Review of upcoming meeting agenda and business									
10/19/23	Event Regular CSD Meeting		\$	\$	\$	Yes	No	D		
	Description of Public Benefit Conducting business on behalf of Helendale District									
	Event		\$	\$	\$	Please Select	Please Select			
	Description of Public Benefit									
	Event		\$	\$	\$	Please Select	Please Select			
	Description of Public Benefit									
		Total Miles	\$ 0.00	\$ 0	\$ 0	Total # of Compensable Meetings	2	Meeting Total	\$ 300	Total
				\$ 0	\$ 0				\$ 300	\$ 300

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Date: 2024.01.10 13:45:05 -08'00'

Signature

Date

Expense Categories	
A: Public Meeting governed by Brown Act	G: Meeting w/GM or Designee regarding District Operations
B: Public Event *	H: Meeting w/auditors, attorney or consultant retained by District
C: Representation at Public Meeting/Event *	I: Meeting of Local, State or Federal body w/jurisdiction affecting HCSD
D: Representation at 501C3 Board *	J: Meeting w/organization with interests in matters involving functions or
E: Conference/seminar/Training Program related to District *	K: Meeting pre-approved by the Board of Directors
F: Ad Hoc committee of the Board	* Written or verbal report required to be presented at the next Board meeting
	Mileage 65.5 ¢

HELENDALE COMMUNITY SERVICES DISTRICT BOARD MEMBER EXPENSE VOUCHER

Name: Annette Roper
Pay Period Ending:

Date	Expense Description/Explanation	Miles	Meals	Lodging	Other Expense	Reimburse Y/N	Phone Call Y/N	Expense Category
11/01/23	Event Meeting with GM		\$	\$	\$	No	No	G
	Description of Public Benefit Reviewing agenda and business for upcoming meeting							
11/02/23	Event Regular CSD Board Meeting		\$	\$	\$	Yes	No	D
	Description of Public Benefit Conducting business on behalf of Helendale community in Board meeting							
11/14/23	Event Meeting with GM		\$	\$	\$	No	No	G
	Description of Public Benefit Review of agenda and upcoming meeting business							
11/16/23	Event Regular CSD Board Mtg		\$	\$	\$	Yes	No	D
	Description of Public Benefit Conducting business on behalf of Helendale community during Board meeting							
	Event		\$	\$	\$		Please Select	
	Description of Public Benefit							
		Total Miles	Total Meals	Total Lodging	Total Other Expense	Total # of Compensable Meetings	Meeting Total	Total
		\$ 0.00	\$ 0	\$ 0	\$ 0	2	\$ 300	\$ 300

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Date: 2024.01.10 13:53:52 -0600

Signature _____ Date _____

Expense Categories	Total
A: Public Meeting governed by Brown Act	
B: Public Event *	
C: Representation at Public Meeting/Event *	
D: Representation at 501 C3 Board *	
E: Conference/seminar/Training Program related to District *	
F: Ad Hoc committee of the Board	
G: Meeting w/GM or Designee regarding District Operations	
H: Meeting w/auditors, attorney or consultant retained by District	
I: Meeting of Local, State or Federal body w/jurisdiction affecting HCSD	
J: Meeting w/organization with interests in matters involving functions or	
K: Meeting pre-approved by the Board of Directors	
* Written or verbal report required to be presented at the next Board meeting	
Mileage 65.5 ¢	

HELENDALE COMMUNITY SERVICES DISTRICT BOARD MEMBER EXPENSE VOUCHER

Pay Period Ending

Name: Annette Roper

Date	Expense Description/Explanation	Miles	Meals	Lodging	Other Expense	Reimburse Y/N	Phone Call Y/N	Expense Category
12/05/23	Event Meeting with GM		\$	\$	\$	No	No	G
	Reviewing agenda and business for upcoming meeting							
12/07/23	Event Regular CSD Board Meeting		\$	\$	\$	Yes	No	D
	Conducting business on behalf of Helendale community in Board meeting							
	Event		\$	\$	\$	Please Select	Please Sell	
	Description of Public Benefit							
	Event		\$	\$	\$	Please Select	Please Sell	
	Description of Public Benefit							
	Event		\$	\$	\$	Please Select	Please Sell	
	Description of Public Benefit							
	Event		\$	\$	\$	Please Select	Please Sell	
	Description of Public Benefit							
		Total Miles	\$ 0.00	\$ 0	\$ 0	Total # of Compensable Meetings	Meeting Total	Total
						1	\$ 150	\$ 150

Digitally signed by Annette M Roper
Date: 2024.01.10 13:57:17 -0800

Signature

Date

Expense Categories

- A: Public Meeting governed by Brown Act
- B: Public Event *
- C: Representation at Public Meeting/Event *
- D: Representation at 501C3 Board *
- E: Conference/seminar/Training Program related to District *
- F: Ad Hoc committee of the Board
- G: Meeting w/GM or Designee regarding District Operations
- H: Meeting w/auditors, attorney or consultant retained by District
- I: Meeting of Local, State or Federal body w/jurisdiction affecting HCSD
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- K: Meeting pre-approved by the Board of Directors
- * Written or verbal report required to be presented at the next Board meeting
- Mileage 65.5 ¢

**BOARD COMPENSATION REPORT
ROLLING 12-MONTHS**

Name	Title	Type	12 2022	1 2023	2 2023	3 2023	4 2023	5 2023	6 2023	7 2023	8 2023	9 2023	10 2023	11 2023	12 2023	TOTAL
Spiller	President	Compensated	7	8	9	8	9	10	8	10	10	10	9	9	5	112
		Non-Comp											3	5	1	
Clark	Vice President	Compensated	4	4	3	5	4	6	4	4	3		5	4		49
		Non-Comp												3	4	
Haas	Secretary	Compensated	10	9	8	8	7	9	4	7	9		6	5	2	90
		Non-Comp														
Roper	Director	Compensated	4	2	2	2	3	3	2	2	2	2	2			24
		Non-Comp									2	5	3			
Cardano	Director	Compensated	2	2	1	1	3	2	2	1	2	2				18



Helendale Community Services District

Date: February 1, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #8
Discussion and Possible Action Regarding Acceptance of 2023 Fiscal Year Audit

STAFF RECOMMENDATION:

Review and accept the 2023 Fiscal Year Audit.

STAFF REPORT:

Typically, the audit is presented for review no later than December of each year. Due to some timing issues, the audit was delayed this year. Staff anticipates to present the FY23 audit in December 2024.

The District has contracted with the firm of Fedak and Brown (F&B) to prepare the audit for Fiscal Year 2023. Staff has enjoyed working with F&B and appreciates their thoroughness in evaluating the District's financial procedures and adherence to District policies. This is the sixth year that Fedak & Brown has provided audit services. Beginning last year we were assigned a new engagement partner from the firm, Jonathan Abadesco as recommended by best practices. In February 2022, the District elected to engage F&B for another three years (FY22, FY23 & FY24), as auditor with two additional optional years (FY25 & FY26) if the Board so desires. Next year the Board will be asked if they wish to exercise the two optional years.

Attached to the agenda packet is the draft final FY2023 Audit for your review and use. Also, a helpful component of the audit is the Management Discussion and Analysis (MD&A). The discussion is prepared by the auditors and explains the financial transactions of the District during the course of the fiscal year.

The audit shows the District's financial position as of June 30, 2023. Jonathan Abadesco from Fedak and Brown will present an overview of the audit at the Board meeting. The auditors have presented an unmodified audit. This means, in part, that the District has followed accounting guidelines and principles to account for the use and receipt of District funds.

During the course of the audit District staff provided access to all information that was relevant to the audit and the financial statements. Staff and the District's financial consultant were responsive to the various inquiries which assisted the auditors in determining the financial

condition and compliance with District policies and procedures as well as State and Federal accounting guidelines and pronouncements.

The auditors will meet with Vice President Clark and President Spiller prior to the meeting to review the audit.

FISCAL IMPACT: The cost for the FY23 Audit is \$25,155.

POSSIBLE MOTION: Motion to accept the FY23 Audit.

ATTACHMENTS: Draft Audit for FY23



Helendale Community Services District
Helendale, California
Financial Statements
For the Fiscal Year Ended
June 30, 2023



26540 Vista Road | Helendale, CA

Helendale Community Services District

Our Mission Statement

“The Mission of the Helendale Community Services District is to provide efficient, effective local government through transparent operation in all areas of service for the benefit of the community”

Board of Directors

Name	Title	Elected/ Appointed	Term Expires
Henry Spiller	President	Elected	2024
Ron Clark	Vice President	Elected	2026
Sandy Haas	Secretary	Elected	2024
Georgo Cardenas	Director	Elected	2026
Annette Roper	Director	Elected	2026

District Management

Dr. Kimberly Cox	General Manager
Craig Carlson	Water Operations Manager
Alex Alves	Wastewater Operations Manager

**Helendale Community Services District
26540 Vista Road, Suite B, P.O. Box 359
Helendale, California, 92342
(760) 951-0006**



Helendale Community Services District
Helendale, California
Financial Statements
For the Fiscal Year Ended
June 30, 2023

Presentation Version
Subject to Board Approval

**Helendale Community Services District
Financial Statements
For the Fiscal Year Ended June 30, 2023**

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Financial Section

Presentation Version
Subject to Board Approval

Independent Auditor's Report

Board of Directors
Helendale Community Services District
Helendale, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Helendale Community Services District (District) as of and for the year ended June 30, 2023, 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 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 District, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

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 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.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits 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 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 GAAS 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 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 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.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the required supplementary information on pages 55 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance. That report can be found on page 62 and 63.

C.J. Brown & Company, CPAs

Cypress, California

February 1, 2024

Helendale Community Services District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Helendale Community Services District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2023, the District's net position increased by 4.05% or \$921,167 to \$23,670,558 as a result of ongoing operations.
- In 2023, the District's total revenues decreased by 3.50% or \$254,275 to \$7,012,455.
- In 2023, the District's total expenses increased by 27.09% or \$1,298,489 to \$6,091,288.

The presentation of these annual financial statements is for the purpose of clarity, and to provide consistency within the required financial reporting. As a result, the financial statements include governmental and enterprise fund groups. Governmental funds rely on near-term inflows and outflows of spendable resources for those activities. Governmental funds reported in these financial statements include the: General Fund, Property Rental Fund, Parks and Recreation Fund, Recycling Center Fund, which report general revenues and administrative costs to provide support to the District in general. The Enterprise Funds consist of the Water Fund, Wastewater Fund, and the Solid Waste Fund. These funds operate in a manner similar to a business, whereby service rates are based on the costs of providing and maintaining those services over time.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provides information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets) and deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

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

**Helendale Community Services District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Government-wide Financial Statements, continued

Statement of Net Position and Statement of Activities, continued

These two statements report the District's *net position* and changes in it. Think of the District's net position – the difference between assets plus deferred outflows of resources, less liabilities, and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in the District's property tax base and the types of grants the District applies for to assess the *overall financial health* of the District.

Fund Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 20 through 54.

**Helendale Community Services District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Government-wide Financial Analysis

Statements of Net Position

The following table is a summary of the statement of net position at June 30, 2023.

	Condensed Statements of Net Position					
	Governmental Activities		Business-type Activities		Total District	
	2023	2022	2023	2022	2023	2022
Assets:						
Current assets	\$ 1,003,332	721,059	7,268,676	6,764,841	8,272,008	7,485,900
Non-current assets	<u>3,263,007</u>	<u>3,405,078</u>	<u>18,128,185</u>	<u>18,193,677</u>	<u>21,391,192</u>	<u>21,598,755</u>
Total assets	<u>4,266,339</u>	<u>4,126,137</u>	<u>25,396,861</u>	<u>24,958,518</u>	<u>29,663,200</u>	<u>29,084,655</u>
Deferred outflows of resources	<u>218,512</u>	<u>116,672</u>	<u>327,757</u>	<u>175,000</u>	<u>546,269</u>	<u>291,672</u>
Liabilities:						
Current liabilities	902,333	942,757	790,020	1,084,183	1,692,353	2,026,940
Non-current liabilities	<u>571,354</u>	<u>367,678</u>	<u>3,543,691</u>	<u>3,512,066</u>	<u>4,115,045</u>	<u>3,879,744</u>
Total liabilities	<u>1,473,687</u>	<u>1,310,435</u>	<u>4,333,711</u>	<u>4,596,249</u>	<u>5,807,398</u>	<u>5,906,684</u>
Deferred inflows of resources	<u>731,513</u>	<u>700,291</u>	<u>-</u>	<u>19,961</u>	<u>731,513</u>	<u>720,252</u>
Net position:						
Net investment in capital assets	2,083,038	2,218,750	14,672,933	14,248,783	16,755,971	16,467,533
Unrestricted	<u>196,613</u>	<u>13,333</u>	<u>6,717,974</u>	<u>6,268,525</u>	<u>6,914,587</u>	<u>6,281,858</u>
Total net position	<u>\$ 2,279,651</u>	<u>2,232,083</u>	<u>21,390,907</u>	<u>20,517,308</u>	<u>23,670,558</u>	<u>22,749,391</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$23,670,558 as of June 30, 2023. The District's total net position is made-up of two components: (1) net investment in capital assets and (2) unrestricted net position.

**Helendale Community Services District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Government-wide Financial Analysis, continued

Statements of Activities

The following table is a summary of the statement of activities for the year ended June 30, 2023.

	Condensed Statements of Activities					
	Governmental Activities		Business-type Activities		Total District	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 540,378	527,987	5,671,646	5,274,713	6,212,024	5,802,700
Capital grants and contributions	-	-	48,676	746,607	48,676	746,607
Total program revenues	<u>540,378</u>	<u>527,987</u>	<u>5,720,322</u>	<u>6,021,320</u>	<u>6,260,700</u>	<u>6,549,307</u>
General revenues:						
Property taxes	143,494	155,655	-	-	143,494	155,655
Investment earnings	185,687	(25,079)	-	-	185,687	(25,079)
Rental income	309,834	302,183	-	-	309,834	302,183
Lease interest	31,288	29,845	-	-	31,288	29,845
Other	81,452	109,974	-	144,845	81,452	254,819
Total general revenues	<u>751,755</u>	<u>572,578</u>	<u>-</u>	<u>144,845</u>	<u>751,755</u>	<u>717,423</u>
Total revenues	<u>1,292,133</u>	<u>1,100,565</u>	<u>5,720,322</u>	<u>6,166,165</u>	<u>7,012,455</u>	<u>7,266,730</u>
Expenses:						
General	1,755,266	1,366,808	-	-	1,755,266	1,366,808
Property rental	37,860	37,739	-	-	37,860	37,739
Parks and recreation	320,038	338,001	-	-	320,038	338,001
Recycle	227,346	176,946	-	-	227,346	176,946
Interest on long-term debt	8,306	9,513	-	-	8,306	9,513
Water	-	-	1,803,971	1,192,758	1,803,971	1,192,758
Wastewater	-	-	1,006,753	791,157	1,006,753	791,157
Solid waste	-	-	929,487	879,877	929,487	879,877
Other	-	-	2,261	-	2,261	-
Total expenses	<u>2,348,816</u>	<u>1,929,007</u>	<u>3,742,472</u>	<u>2,863,792</u>	<u>6,091,288</u>	<u>4,792,799</u>
(Deficit) Excess before transfers	(1,056,683)	(828,442)	1,977,850	3,302,373	921,167	2,473,931
Transfers from(to) other funds	<u>1,104,251</u>	<u>1,176,978</u>	<u>(1,104,251)</u>	<u>(1,176,978)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>47,568</u>	<u>348,536</u>	<u>873,599</u>	<u>2,125,395</u>	<u>921,167</u>	<u>2,473,931</u>
Net position,						
beginning of period,	<u>2,232,083</u>	<u>1,883,547</u>	<u>20,517,308</u>	<u>18,391,913</u>	<u>22,749,391</u>	<u>20,275,460</u>
Net position, end of period	<u>\$ 2,279,651</u>	<u>2,232,083</u>	<u>21,390,907</u>	<u>20,517,308</u>	<u>23,670,558</u>	<u>22,749,391</u>

Compared to prior year, net position of the District increased by 4.05% or \$921,167 to \$23,670,558 as a result of ongoing operations.

**Helendale Community Services District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Government-wide Financial Analysis, continued

Statements of Activities, continued

Total revenues decreased by 3.50% or \$254,275 to \$7,012,455. The District's program revenues decreased by 4.41% or \$288,607, due to an decrease of \$697,931 in capital grants and contributions, which was offset by an increase of \$409,324 in charges for services. The District's general revenues increased by 4.79% or \$34,332, due to an increase of \$210,766 in investment earnings, which was offset by a decrease of \$173,367 in other revenues as compared to the previous fiscal year.

Total expenses increased by 27.09% or \$1,298,489 to \$6,091,288, due primarily to increases of \$611,213 in water fund expenses, \$388,458 in general fund expenses, \$215,596 in wastewater fund expenses, \$50,400 in recycle fund expenses, and \$49,610 in solid waste expenses; which were offset by a decrease of \$17,963 in parks and recreation expenses as compared to the previous fiscal year.

Changes in fund balance – Governmental funds

The following table is a summary of the changes in fund balance for all governmental funds for the year ended June 30, 2023.

	<u>General</u>	<u>Property Rental</u>	<u>Parks and Recreation</u>	<u>Recycle</u>	<u>Total Governmental Activities</u>
Fund balance, beginning of year	\$ 203,549	96,928	(521,945)	356	(221,112)
Change in fund balance	7,349	39,833	268,955	1,074	317,211
Fund balance, end of year	<u>\$ 210,898</u>	<u>136,761</u>	<u>(252,990)</u>	<u>1,430</u>	<u>96,099</u>

In 2023, total fund balance increased by 143.46% or \$317,211 to \$96,099. The General fund increased by 3.61% or \$7,349 to \$210,898; the property rental fund increased by 41.01% or \$39,833 to \$136,761, the parks and recreation fund increased by 51.53% or \$268,955 to \$252,990; and the recycle fund increased by 301.69% or \$1,074 to \$1,430.

Governmental Funds Budgetary Highlights

The final actual expenditures for the General Fund as of June 30, 2023, were greater than budgeted by \$50,953. In fiscal year 2023, actual payroll expenditures (including salaries and employee benefits) were less than budgeted amounts by \$9,427 as the actual cost of employee benefits expenditures were less than budgeted benefit costs during the fiscal year. Actual materials and services were below budgeted amounts by \$20,643. Actual utilities expenditures were over budgeted amounts by \$62,388 due to increased electricity demand. Actual capital outlay expenditures were more than budgeted for by \$18,635.

Actual General Fund revenues as of June 30, 2023, exceeded budgeted amounts by \$247,847. In fiscal year 2023, actual property tax revenue was above budgeted by \$36,354 due to increases in assessed valuations. Actual charges for services exceeded budgeted amounts by \$837. Actual investment earnings were greater than budgeted for by \$178,547 due to a change in investment mix combined with a more favorable market. Actual rental income and related interest was less and greater than budgeted for by \$8,955 and by \$27,325, respectively, due to annual adjustments related to *GASB Statement No. 87*. Actual other revenue was more than budgeted for by \$13,739.

**Helendale Community Services District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Governmental Funds Budgetary Highlights, continued

Actual General Fund total transfers in were less than budgeted by \$189,545.

The final actual expenditures for the Property Rental Fund as of June 30, 2023, were more than budgeted for by \$1,863. In fiscal year 2023, actual materials and services were less than budgeted amounts by \$11,508. Actual utilities expenditures were greater than budgeted amounts by \$1,721. Actual debt payments and interest paid were greater and less than budgeted for by \$11,674 and \$24, respectively.

Actual Property Rental Fund revenues as of June 30, 2023, were more than budgeted amounts by \$1,486. In fiscal year 2023, actual rental income and interest income was less and more than budgeted for by \$6,282 and by \$3,963, respectively, due to annual adjustments related to *GASB Statement No. 87*. Actual other revenue was more than budgeted for by \$3,805.

The final actual expenditures for the Parks and Recreation Fund as of June 30, 2023, were more than budgeted for by \$2,015. In fiscal year 2023, actual payroll expenditures (including salaries and employee benefits) were under budget by \$11,126, as the actual cost of employee benefits expenditures were less than budgeted benefits costs during the fiscal year. Actual materials and services were above budgeted by \$204. Actual utilities expenditures exceeded budgeted amounts by \$7,437 due to increased electricity demand. Actual capital outlay expenditures were more than budgeted for by \$5,500.

Actual Parks and Recreation Fund revenues as of June 30, 2023, were more than budgeted amounts by \$16,921. In fiscal year 2023, actual property tax revenue was below budgeted for by \$23,533 due to a year end allocation reclassification to balance Board Discretionary transfers. Actual charges for services were above budgeted by \$11,886 due to an increase in park sports activity post COVID-19. Actual rental income was more than budgeted for by \$1,981. Actual other revenue exceeded budgeted amounts by \$26,587 due to increases in revenues sourcing from park development impact fees and the farmer's market.

Actual Parks and Recreation Fund total transfers out were more than budgeted for by \$78,729.

The final actual expenditures for the Recycling Fund as of June 30, 2023, were less than budgeted by \$28,399. In fiscal year 2023, actual payroll expenditures (including salaries and employee benefits) were above budgeted by \$10,414 as the actual cost of employee benefits expenditures was more than budgeted benefits costs during the fiscal year. Actual materials and services expenditures were less than budgeted for by \$14,693. Actual utilities expenditures were less than budget by \$24,120.

Actual Recycling Fund revenues as of June 30, 2023, were more than budgeted amounts by \$7,438. In fiscal year 2023, actual recycling revenue was more than budgeted by \$5,117. Other revenue was more than budgeted for by \$2,321.

Actual Recycling Fund total transfers out were more than budgeted for by \$37,018.

(See Budgetary Comparison Schedule for General Fund under Required Supplementary Information section on pages 55 through 59).

**Helendale Community Services District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Capital Asset Administration

		Capital Assets					
		Governmental Activities		Business-type Activities		Total District	
		2023	2022	2023	2022	2023	2022
Capital assets:							
Non-depreciable assets	\$	307,702	307,702	3,433,470	3,165,669	3,741,172	3,473,371
Depreciable assets		4,363,830	4,508,288	27,948,884	28,847,789	32,312,714	33,356,077
Total capital assets		4,671,532	4,815,990	31,382,354	32,013,458	36,053,886	36,829,448
Accumulated depreciation		(2,319,231)	(2,283,220)	(13,254,169)	(13,819,781)	(15,573,400)	(16,103,001)
Total capital assets, net	\$	2,352,301	2,532,770	18,128,185	18,193,677	20,480,486	20,726,447

At the end of fiscal year 2023, the District's capital assets amounted to \$20,480,486 (net of accumulated depreciation). Capital assets include land, structures and improvements, equipment, vehicles, water rights and other intangibles, and construction-in-process. The capital assets of the District are more fully analyzed in Note 5 to the basic financial statements.

Long-Term Debt Administration

		Long-term Debt					
		Governmental Activities		Business-Type Activities		Total	
		2023	2022	2023	2022	2023	2022
Long-term debt:							
Long-term debt	\$	269,263	314,020	3,455,252	3,944,894	3,724,515	4,258,914
Total long-term debt	\$	269,263	314,020	3,455,252	3,944,894	3,724,515	4,258,914

Long-term debt decreased by 12.55% or \$534,399 to \$3,724,515 in 2023 primarily due to regular debt service payments. The long-term debt position of the District is more fully analyzed in Note 7 to the basic financial statements.

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position or operating results in terms of past, present and future.

Requests for Information

This financial report is designed to provide the District's present users, including funding sources, customers, stakeholders and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager, Kimberly Cox at Helendale Community Services District, 26540 Vista Road, Suite B, P.O. Box 359, Helendale, California, 92342, (760) 951-0006, kcox@helendalecsd.org.

Basic Financial Statements

Presentation Version
Subject to Board Approval

Helendale Community Services District
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and investments (note 2)	\$ 834,246	5,980,215	6,814,461
Accrued interest receivable	8,209	-	8,209
Accounts receivable – utilities	-	536,040	536,040
Accounts receivable – other	14,230	-	14,230
Accounts receivable – grants	43,087	-	43,087
Leases receivable (note 3)	88,356	-	88,356
Property taxes and assessments receivable	4,508	21,952	26,460
Due from other funds (note 4)	-	715,707	715,707
Prepays and other assets	10,696	14,762	25,458
Total current assets	<u>1,003,332</u>	<u>7,268,676</u>	<u>8,272,008</u>
Non-current assets:			
Leases receivable (note 3)	910,706	-	910,706
Capital assets – not being depreciated (note 5)	307,702	3,433,470	3,741,172
Capital assets – being depreciated, net (note 5)	2,044,599	14,694,715	16,739,314
Total non-current assets	<u>3,263,007</u>	<u>18,128,185</u>	<u>21,391,192</u>
Total assets	<u>4,266,339</u>	<u>25,396,861</u>	<u>29,663,200</u>
Deferred outflows of resources:			
Deferred pension outflows (note 8)	218,512	327,757	546,269
Current liabilities:			
Accounts payable and accrued expenses	41,903	139,547	181,450
Accrued salaries and related payables	46,460	43,432	89,892
Customer deposits and unearned revenue	17,999	236,204	254,203
Accrued interest on long-term debt	142	43,141	43,283
Due to other funds (note 4)	715,707	-	715,707
Long-term liabilities – due within one year:			
Compensated absences (note 6)	34,125	11,893	46,018
Long-term debt (note 7)	45,997	315,803	361,800
Total current liabilities	<u>902,333</u>	<u>790,020</u>	<u>1,692,353</u>
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences (note 6)	102,375	35,676	138,051
Long-term debt (note 7)	223,266	3,139,449	3,362,715
Net pension liability (note 8)	245,713	368,566	614,279
Total non-current liabilities	<u>571,354</u>	<u>3,543,691</u>	<u>4,115,045</u>
Total liabilities	<u>1,473,687</u>	<u>4,333,711</u>	<u>5,807,398</u>
Deferred inflows of resources:			
Deferred lease inflows (note 3)	731,513	-	731,513
Total non-current liabilities	<u>731,513</u>	<u>-</u>	<u>731,513</u>
Net position (note 9):			
Net investment in capital assets	2,083,038	14,672,933	16,755,971
Unrestricted	196,613	6,717,974	6,914,587
Total net position	<u>\$ 2,279,651</u>	<u>21,390,907</u>	<u>23,670,558</u>

See accompanying notes to the basic financial statements.

Helendale Community Services District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General	\$ 1,755,266	171,095	-	(1,584,171)	-	(1,584,171)
Property rental	37,860	-	-	(37,860)	-	(37,860)
Parks and recreation	320,038	39,166	-	(280,872)	-	(280,872)
Recycling	227,346	330,117	-	102,771	-	102,771
Interest on long-term debt	8,306	-	-	(8,306)	-	(8,306)
Total governmental activities	2,348,816	540,378	-	(1,808,438)	-	(1,808,438)
Business-type activities:						
Water	1,803,971	3,022,787	28,510	-	1,247,326	1,247,326
Wastewater	1,006,753	1,784,551	20,166	-	797,964	797,964
Solid waste	929,487	864,308	-	-	(65,179)	(65,179)
Total business-type activities	3,740,211	5,671,646	48,676	-	1,980,111	1,980,111
Total	\$ 6,089,027	6,212,024	48,676	(1,808,438)	1,980,111	171,673
General revenues (expense):						
Property taxes				\$ 143,494	-	143,494
Investment earnings				185,687	-	185,687
Rental income – leases				309,834	-	309,834
Interest earnings – leases				31,288	-	31,288
Other revenues (expense)				81,452	(2,261)	79,191
Total general revenues				751,755	(2,261)	749,494
Transfers (to)/from other funds (note 10)				1,104,251	(1,104,251)	-
Change in net position				47,568	873,599	921,167
Net position, beginning of year				2,232,083	20,517,308	22,749,391
Net position, end of year				\$ 2,279,651	21,390,907	23,670,558

See accompanying notes to the basic financial statements.

**Helendale Community Services District
Balance Sheets – Governmental Funds
June 30, 2023**

	<u>General</u>	<u>Property Rental</u>	<u>Parks and Recreation</u>	<u>Recycling Center</u>	<u>Total Governmental Activities</u>
Assets:					
Cash and investments	\$ 239,381	152,616	430,415	11,834	834,246
Accrued interest receivable	8,209	-	-	-	8,209
Accounts receivable – services	14,230	-	-	-	14,230
Accounts receivable – grants	-	-	43,087	-	43,087
Property taxes and assessments receivable	3,818	-	690	-	4,508
Prepays	9,510	-	1,003	184	10,697
Total assets	\$ 275,148	152,616	475,195	12,018	914,977
Liabilities:					
Accounts payable and accrued expenses	\$ 24,186	2,866	9,004	5,847	41,903
Accrued salaries and related payables	38,364	-	3,354	4,741	46,459
Customer deposits and unearned revenue	1,700	12,989	120	-	14,809
Due to other funds	-	-	715,707	-	715,707
Total liabilities	64,250	15,855	728,185	10,588	818,878
Fund balance (note 11):					
Assigned	-	-	(252,990)	1,430	(251,560)
Unassigned	210,898	136,761	-	-	347,659
Total fund balance	210,898	136,761	(252,990)	1,430	96,099
Total liabilities and fund balance	\$ 275,148	152,616	475,195	12,018	914,977

Continued on next page

See accompanying notes to the basic financial statements.

Helendale Community Services District
Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
June 30, 2023

Reconciliation:

Fund balance of total governmental funds	\$	96,099
Amounts reported for governmental funding in the statement of net position is different because:		
Certain assets used in governmental funding are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the Statement of Net Position includes those non-current assets among the assets of the District as a whole.		
Leases receivable		999,062
Capital assets		2,352,301
Pension contributions made during the fiscal year after the measurement date are reported as expenditures in governmental funds and as deferred outflows of resources in the government-wide financial statements.		
	\$	80,022
Recognized changes in net assumptions are reported as deferred inflows of resources in the government-wide financial statements.		
		25,179
Recognized portion due to net differences between the expected and actual experience are reported as deferred outflows of resources in the government-wide financial statements.		
		1,630
Recognized portion due to net differences between the actual employer contribution and the proportionate share of contribution are reported as deferred outflows of resources in the government-wide financial statements.		
		2,742
Recognized portion due to net differences in proportions are reported as deferred outflows of resources in the government-wide financial statements.		
		63,930
Recognized net difference between projected and actual earnings on pension plan investments are reported as deferred outflows of resources in the government-wide financial statements.		
	45,009	<u>218,512</u>
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term, are reported in the Statement of Net Position as follows:		
Compensated absences		(136,500)
Long-term debt		(269,263)
Net pension liability		(245,713)
Recognized portion due to lessor agreements are reported as deferred inflows of resources in the government-wide financial statements.		
		(731,513)
Interest on long-term debt in not accrued as a governmental fund liability, but rather is recognized as an expenditure when due.		
		<u>(3,334)</u>
Net position of governmental activities	\$	<u><u>2,279,651</u></u>

See accompanying notes to the basic financial statements.

Helendale Community Services District
Statements of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2023

	<u>General</u>	<u>Property Rental</u>	<u>Parks and Recreation</u>	<u>Recycling Center</u>	<u>Total Governmental Activities</u>
Revenues:					
Property taxes	\$ 143,494	-	-	-	143,494
Charges for services	171,095	-	39,166	-	210,261
Recycling	-	-	-	330,117	330,117
Investment earnings, net of fair value	185,687	-	-	-	185,687
Rental income – leases	164,580	119,198	26,056	-	309,834
Interest earnings – leases	27,325	3,963	-	-	31,288
Other	33,239	3,805	42,087	2,321	81,452
Total revenues	<u>725,420</u>	<u>126,966</u>	<u>107,309</u>	<u>332,438</u>	<u>1,292,133</u>
Expenditures:					
General	1,429,569	-	-	-	1,429,569
Property rental	-	34,070	-	-	34,070
Parks and recreation	-	-	310,990	-	310,990
Recycling	-	-	-	227,346	227,346
Capital outlay	18,635	-	5,500	-	24,135
Debt service:					
Debt payments	-	44,757	-	-	44,757
Interest paid	-	8,306	-	-	8,306
Total expenditures	<u>1,448,204</u>	<u>87,133</u>	<u>316,490</u>	<u>227,346</u>	<u>2,079,173</u>
Excess (deficiency) of revenues over expenditures	<u>(722,784)</u>	<u>39,833</u>	<u>(209,181)</u>	<u>105,092</u>	<u>(787,040)</u>
Other financing sources (uses) (note 10):					
Transfers in(out) – administrative allocation	1,146,351	-	-	-	1,146,351
Transfers in(out) – board discretionary	(416,218)	-	416,218	-	-
Transfers in(out) – operational	-	-	61,918	(104,018)	(42,100)
Total other financing sources (uses)	<u>730,133</u>	<u>-</u>	<u>478,136</u>	<u>(104,018)</u>	<u>1,104,251</u>
Change in fund balance	7,349	39,833	268,955	1,074	317,211
Fund balance, beginning of year	<u>203,549</u>	<u>96,928</u>	<u>(521,945)</u>	<u>356</u>	<u>(221,112)</u>
Fund balance, end of year	<u>\$ 210,898</u>	<u>136,761</u>	<u>(252,990)</u>	<u>1,430</u>	<u>96,099</u>

Continued on next page

See accompanying notes to the basic financial statements.

Helendale Community Services District
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Reconciliation:

Net changes in fund balance of total governmental funds	\$	317,211
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:		
Capital outlay expense		24,135
Depreciation expense		169,216
Repayment of long-term debt is reported as expenditures in governmental funds, and thus, has the effect of reducing fund balance because current financial resources have been used. For the District as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.		
		44,757
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental funds as follows:		
Net change in accrued interest for the current period		23
Net change in compensated absences for the current period		(25,603)
Net change in pension obligations for the current period		(492,336)
Some revenues in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds as follows:		
Net change in lease receivables for the current period		<u>10,165</u>
Change in net position of governmental activities	\$	<u>47,568</u>

Presentation Version
Subject to Board Approval

See accompanying notes to the basic financial statements.

Helendale Community Services District
Statements of Net Position – Enterprise Funds
June 30, 2023

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Total Business-type Activities</u>
Current assets:				
Cash and investments	\$ 2,666,786	3,146,228	167,201	5,980,215
Accounts receivable – utilities	281,806	189,304	64,930	536,040
Accounts receivable – grants	-	-	-	-
Property taxes and assessments receivable	4,332	13,818	3,802	21,952
Due from other funds	-	715,707	-	715,707
Prepays and other assets	9,258	4,453	1,051	14,762
Total current assets	<u>2,962,182</u>	<u>4,069,510</u>	<u>236,984</u>	<u>7,268,676</u>
Non-current assets:				
Capital assets – not being depreciated	2,118,321	1,315,149	-	3,433,470
Capital assets – being depreciated, net	12,695,730	1,992,160	6,825	14,694,715
Total non-current assets	<u>14,814,051</u>	<u>3,307,309</u>	<u>6,825</u>	<u>18,128,185</u>
Total assets	<u>17,776,233</u>	<u>7,376,819</u>	<u>243,809</u>	<u>25,396,861</u>
Deferred outflows of resources:				
Deferred pension outflows	169,344	120,175	38,238	327,757
Current liabilities:				
Accounts payable and accrued expenses	49,281	24,799	65,467	139,547
Accrued salaries and related payables	20,204	16,835	6,393	43,432
Customer deposits and deferred revenue	236,204	-	-	236,204
Accrued interest on long-term debt	42,869	272	-	43,141
Long-term liabilities – due within one year:				
Compensated absences	7,085	2,730	2,078	11,893
Long-term debt	227,320	88,483	-	315,803
Total current liabilities	<u>582,963</u>	<u>133,119</u>	<u>73,938</u>	<u>790,020</u>
Non-current liabilities:				
Long-term liabilities – due in more than one year:				
Compensated absences	21,253	8,190	6,233	35,676
Long-term debt	2,709,961	429,488	-	3,139,449
Net pension liability	190,426	135,139	43,001	368,566
Total non-current liabilities	<u>2,921,640</u>	<u>572,817</u>	<u>49,234</u>	<u>3,543,691</u>
Total liabilities	<u>3,504,603</u>	<u>705,936</u>	<u>123,172</u>	<u>4,333,711</u>
Deferred inflows of resources:				
Deferred pension inflows	-	-	-	-
Net position:				
Net investment in capital assets	11,876,770	2,789,338	6,825	14,672,933
Unrestricted	2,564,204	4,001,720	152,050	6,717,974
Total net position	<u>\$ 14,440,974</u>	<u>6,791,058</u>	<u>158,875</u>	<u>21,390,907</u>

See accompanying notes to the basic financial statements.

Helendale Community Services District
Statements of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Funds
For the Fiscal Year Ended June 30, 2023

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Total Business-type Activities</u>
Operating revenues:				
Water consumption sales	\$ 864,559	-	-	864,559
Monthly meter service charge	1,618,015	-	-	1,618,015
Wastewater service charges	-	1,741,595	-	1,741,595
Solid waste collection charges	-	-	618,981	618,981
Sale or lease of water rights	401,245	-	-	401,245
Special assessment	24,042	17,587	236,271	277,900
Other charges and services	114,926	25,369	9,056	149,351
Total operating revenues	<u>3,022,787</u>	<u>1,784,551</u>	<u>864,308</u>	<u>5,671,646</u>
Operating expenses:				
Salaries and benefits	586,703	457,741	152,586	1,197,030
Operations	418,309	326,010	776,113	1,520,432
Total operating expenses	<u>1,005,012</u>	<u>783,751</u>	<u>928,699</u>	<u>2,717,462</u>
Operating income(loss) before depreciation	2,017,775	1,000,800	(64,391)	2,954,184
Depreciation	(674,045)	(207,023)	(788)	(881,856)
Operating income(loss)	<u>1,343,730</u>	<u>793,777</u>	<u>(65,179)</u>	<u>2,072,328</u>
Non-operating revenues (expenses):				
Interest expense – long-term debt	(124,914)	(15,979)	-	(140,893)
Loss on disposal of capital assets	(13,735)	(6,419)	-	(20,154)
Other non-operating revenues (expenses)	12,276	-	5,617	17,893
Total non-operating expenses, net	<u>(126,373)</u>	<u>(22,398)</u>	<u>5,617</u>	<u>(143,154)</u>
Operating income before capital contributions	<u>1,217,357</u>	<u>771,379</u>	<u>(59,562)</u>	<u>1,929,174</u>
Transfers in (out) (note 10):				
Operating transfers in(out)	-	42,100	-	42,100
Administrative allocation transfer in(out)	(573,176)	(561,712)	(11,463)	(1,146,351)
Total transfers in(out)	<u>(573,176)</u>	<u>(519,612)</u>	<u>(11,463)</u>	<u>(1,104,251)</u>
Capital contributions:				
Connection fees	13,510	20,166	-	33,676
Capital grants and contributions	15,000	-	-	15,000
Total capital contributions	<u>28,510</u>	<u>20,166</u>	<u>-</u>	<u>48,676</u>
Change in net position	672,691	271,933	(71,025)	873,599
Net position, beginning of year	<u>13,768,283</u>	<u>6,519,125</u>	<u>229,900</u>	<u>20,517,308</u>
Net position, end of year	<u>\$ 14,440,974</u>	<u>6,791,058</u>	<u>158,875</u>	<u>21,390,907</u>

See accompanying notes to the basic financial statements.

**Helendale Community Services District
Statements of Cash Flows – Enterprise Funds
For the Fiscal Year Ended June 30, 2023**

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Total Business-type Activities</u>
Cash flows from operating activities:				
Cash receipts from customers	\$ 3,022,857	1,726,041	629,865	5,378,763
Cash receipts from special assessments	22,815	17,494	236,271	276,580
Cash paid to employees for salaries and benefits	(491,639)	(394,749)	(131,215)	(1,017,603)
Cash paid to vendors and suppliers	(460,680)	(411,037)	(786,572)	(1,658,289)
Net cash provided by (used in) operating activities	<u>2,093,353</u>	<u>937,749</u>	<u>(51,651)</u>	<u>2,979,451</u>
Cash flows from non-capital financing activities:				
Transfer of property tax revenue from General fund	-	42,100	-	42,100
Fund net position transfers out	(573,176)	(561,712)	(11,463)	(1,146,351)
Net cash used in non-capital financing activities	<u>(573,176)</u>	<u>(519,612)</u>	<u>(11,463)</u>	<u>(1,104,251)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(682,297)	(104,864)	-	(787,161)
Proceeds from sale of capital assets	(13,735)	(6,419)	-	(20,154)
Proceeds from capital contributions	38,510	20,166	-	58,676
Principal payments on long-term debt	(403,543)	(86,099)	-	(489,642)
Interest payments on long-term debt	(124,914)	(15,979)	-	(140,893)
Net cash used in capital and financing activities	<u>(1,185,979)</u>	<u>(193,195)</u>	<u>-</u>	<u>(1,379,174)</u>
Net increase (decrease) in cash and investments	334,198	224,942	(63,114)	496,026
Cash and investments, beginning of year	<u>2,332,588</u>	<u>2,921,286</u>	<u>230,315</u>	<u>5,484,189</u>
Cash and investments, end of year	<u>\$ 2,666,786</u>	<u>3,146,228</u>	<u>167,201</u>	<u>5,980,215</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	<u>\$ 1,343,730</u>	<u>793,777</u>	<u>(65,179)</u>	<u>2,072,328</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	674,045	207,023	788	881,856
Other non-operating revenues	12,276	-	5,617	17,893
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
(Increase) decrease in assets and deferred outflows:				
Accounts receivable – utilities, net	(11,631)	(40,923)	(3,789)	(56,343)
Property taxes and assessments receivable	(1,227)	(93)	-	(1,320)
Grants receivable	10,000	-	-	10,000
Prepays and other assets	(1,349)	(736)	(161)	(2,246)
Deferred outflows of resources	(78,925)	(56,011)	(17,821)	(152,757)
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued expenses	(41,022)	(84,291)	(10,298)	(135,611)
Accrued salaries and related payables	1,609	1,769	764	4,142
Customer deposits and deferred revenue	13,467	-	-	13,467
Compensated absences	4,080	(2,205)	425	2,300
Net pension liability	178,613	126,758	40,332	345,703
Deferred inflows of resources	(10,313)	(7,319)	(2,329)	(19,961)
Total adjustments	<u>749,623</u>	<u>143,972</u>	<u>13,528</u>	<u>907,123</u>
Net cash provided by (used in) operating activities	<u>\$ 2,093,353</u>	<u>937,749</u>	<u>(51,651)</u>	<u>2,979,451</u>

See accompanying notes to the basic financial statements.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Helendale Community Services District (District) was formed on December 5, 2006, for the purpose of construction, operation and maintenance of wastewater collection, and water services. Prior to formation, the service area was administered by the County of San Bernardino as San Bernardino County Special Districts Zones B & C. District staff assumed full responsibility of the District from the County of San Bernardino on April 1, 2007.

The primary component of the District is water, wastewater, and solid waste services. Parks and recreation are a vital component to any community. As part of the District there is one community center. This center is utilized for a wide range of activities and is available to the community for a nominal fee. There are two parks, the community park, and the dog park. Both parks are available from morning until dusk. Street lights primarily serve the business activities of the District.

The District normally conducts two monthly general meetings of the Board of Directors, which are held on the first and third Thursday of the month at the Helendale Community Center.

B. Basis of Accounting and Measurement Focus

Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

Governmental Accounting Standards Board Statement No. 91

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

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

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

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

B. Basis of Accounting and Measurement Focus, continued

Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 91, continued

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

Governmental Accounting Standards Board Statement No. 93

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

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

Governmental Accounting Standards Board Statement No. 94

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

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

B. Basis of Accounting and Measurement Focus, continued

Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 94, continued

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

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

Governmental Accounting Standards Board Statement No. 96

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

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

Governmental Accounting Standards Board Statement No. 97

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

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

B. Basis of Accounting and Measurement Focus, continued

Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 97, continued

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

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for both governmental and business-like activities. Accordingly, all of the District's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, such as, unbilled but utilized utility services are recorded at year end. The Statement of Activities demonstrates the degree to which the operating expenses of a given function are offset by operating revenues. Operating expenses are those that are clearly identifiable with a specific function. The types of transactions reported as operating revenues for the District are charges for services directly related to the operations of the District. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes, operating grants, and other items not properly included among operating revenues are reported instead as non-operating revenues. Contributed capital and capital grants are included as capital contributions.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

B. Basis of Accounting and Measurement Focus, continued

Financial Reporting, continued

Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-wide Financial Statements.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period.

Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The accrual basis of accounting is followed by the proprietary enterprise funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets are used, such as unbilled but utilized utility services recorded at year end.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Operating revenues and expenses, such as water sales and purchases of water, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories, such as interest income and interest expense, are reported as non-operating revenues and expenses.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

Funds are organized into two major categories: governmental and proprietary categories. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operation fund of the District or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

B. Basis of Accounting and Measurement Focus, continued

Financial Reporting, continued

Fund Financial Statements, continued

- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.
- c) The entity has determined that a fund is important to the financial statement user.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund – This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Property Rental – This fund is used to account for all property rental activities within the District.

Parks and Recreation – This fund is used to account for all parks and recreation activities within the District.

Recycling – This fund is used to account for the recycling center activities within the District which are utilized to support parks and recreation services.

Enterprise Funds

Water – This fund accounts for the water transmission and distribution operations of the District.

Wastewater – This fund accounts for the wastewater operations of the District.

Solid Waste – This fund is used to account for sanitation collection and disposal activities within the District.

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

1. Use of Estimates

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

2. Cash and Cash Equivalents

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

For purposes of the statement of cash flows, cash and cash equivalents have been defined as demand deposits and external cash management pools (local agency investment fund).

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

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

3. Investments and Investment Policy

The District has adopted an investment policy directing the Assistant General Manager to deposit and invest funds in financial institutions in accordance with California Government Code section 53600. The investment policy applies to all financial assets and investment activities of the District.

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

4. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

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

5. Accounts Receivable – Water Sales and Services

The District extends credit to customers in the normal course of operations. Management views all accounts receivable as collectible.

6. Property Taxes and Assessments

The San Bernardino County Assessor's Office assesses all real and personal property within the County each year. The San Bernardino County Tax Collector's Office bills and collects the District's share of property taxes and/or tax assessments. The San Bernardino County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

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

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

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

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

7. Prepays

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

8. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of donation and/or historical cost. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Governmental Activities

- Structures and improvements – 20 to 40 years
- Equipment – 5 to 15 years
- Vehicles – 5 to 10 years

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Business-Type Activities

- Structures and improvements – 20 to 40 years
- Equipment – 5 to 15 years
- Vehicles – 5 to 10 years
- Water rights and other intangibles – 20 years

9. Deferred Outflows of Resources

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and therefore will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following pension related items that qualify for reporting in this category:

Pension Plan:

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

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

9. Deferred Outflows of Resources, continued

- Deferred outflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5-year period.
- Deferred outflow for the net difference in actual and proportionate share of employer contribution and net changes in proportion which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net adjustment due to differences in the changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

10. Compensated Absences

Accrued Vacation – For each full-time employee, vacation days shall be earned per biweekly pay period. Upon completion of 1 through 4 years of employment, 80 vacation hours are earned, from year 5 through year 9, 120 vacation hours are earned, from year 10 through year 20, 160 vacation hours are earned and after 20 years, 200 vacation hours are earned.

Part-time regular employees do not accrue leave. Exempt positions will, at the time of hire, begin at two (2) weeks per year. Vacation time may be accumulated up to a maximum of 160 hours (4 weeks). New employees will not be authorized vacation time off until completion of three (3) months of continuous employment. If employment is terminated for any reason, the earned vacation will be paid through the last day of employment.

Accrued Sick Leave – Beginning with the date of employment, sick leave at 3.69 hours per pay period shall be credited to the employee. The biweekly pay record will reflect the current sick leave accumulation for each employee. Sick leave is not considered to be vacation and is to be used only during physical or mental illness, injury, pregnancy, for a medical, optical, or dental appointment. If sick leave is used up due to illness or injury, vacation hours can be used. An employee with no sick leave or vacation credit shall not receive compensation for days not worked due to illness or injury.

Sick leave may be accumulated up to a maximum of 1,000 hours. After 10 years of continuous service from the date of hire as a regular full-time employee upon retirement, death, or separation, an employee or the estate of the deceased employee will be paid the unused sick for the following sick leave balances at 30% at 480 hours or less, 35% at 481 to 600 hours, 40% at 601 to 720 hours, 45% at 721 to 840 hours, 50% at 841 to 1,000 hours.

11. 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 addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

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

11. Pensions, continued

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2021
- Measurement Date: June 30, 2022
- Measurement Period: July 1, 2021 to June 30, 2022

12. Deferred Inflows of Resources

The statement of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time. At June 30, 2023, the District did not have any items that qualify for this category.

13. Net Position

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

14. Fund Balance

The financial statements report, governmental funds fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints or how specific amounts can be spent.

- **Nonspendable fund balance** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

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

14. Fund Balance, continued

- **Committed fund balance** – amounts that can only be used for specific purposes determined by formal action of the District’s highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** – the residual classification for the District’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balances are considered unrestricted.

The purpose of the District’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

15. Utility Sales and Services

Utility sales are billed on a monthly basis.

16. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital connection expenditures or capacity commitment.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

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

17. Budget

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year, the District's General Manager prepares and submits an operating budget to the Board for the Governmental and Enterprise Funds no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board must approve all supplemental appropriations to the budget and transfers between major accounts. The District's annual budget is presented as a balanced budget (inflows and reserves equal outflows and reserves) adopted for the Governmental and Enterprise Funds at the detailed expenditure-type level.

The District presents a comparison of the annual budget to actual results for the Governmental and Enterprise Funds at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget. No Board approved supplemental appropriations were made. The budgeted revenue amounts represent the adopted budget as originally approved.

(2) Cash and Investments

Cash and investments as of June 30 are classified as follows:

	2023
Governmental activity funds:	
General fund	\$ 239,381
Property rental	152,616
Parks and recreation fund	430,415
Recycling fund	11,834
Total	834,246
Business-type activity funds:	
Water fund	2,666,786
Wastewater fund	3,146,228
Solid Waste fund	167,201
Total	5,980,215
Total cash and cash equivalents	\$ 6,814,461

Cash and investments as of June 30 consisted of the following:

	2023
Cash on hand	\$ 300
Deposits held with financial institutions	1,727,686
Deposits held with California Local Agency Investment Fund (LAIF)	1,029,680
Deposits held with California Cooperative Liquid Assets Securities System (CLASS)	2,073,715
Investments - U.S. Treasury Bill	1,983,080
Total	\$ 6,814,461

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(2) Cash and Investments, continued

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
State and Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years**	None	None
U.S. Agency Securities	5 years**	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Non-negotiable Certificates of Deposit	1 year	30%	None
Negotiable Certificates of Deposit	5 years	30%	None
Medium-Term Notes	5 years	30%	None
Repurchase Agreements	1 year	20%	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Supranational Obligations	N/A	30%	None
County Pooled Investment Funds	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

* Excluding amounts held by bond trustee that are not subject to California Government Code

** Except when authorized by the District's legislative body in accordance with Government Code Section 53601

N/A - Not Applicable

Investment in the California State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 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. Amounts held with LAIF are highly liquid, as deposits can be converted to cash within a twenty-four-hour period without loss of accrued interest. LAIF detail may be obtained from the State of California Treasurer's website at www.treasurer.ca.gov/pmia-laif/index.asp.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(2) Cash and Investments, continued

Investment in the California State Investment Pool, continued

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Investment in the California Cooperative Liquid Assets Securities System

The District is a participant in the California Cooperative Liquid Assets Securities System (CLASS). California CLASS is a Joint Powers Authority investment pool that provides public agencies the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objectives of offering Participants safety, daily and next-day liquidity, and optimized returns.

California CLASS is managed as stable value NAV pool but does not meet all of the specific criteria outlined in GASB 79 Paragraph 4, therefore California CLASS Participants should report their investments in the pool at fair value.

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's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, 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 governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the District's bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the code.

The California Government Code and the District's 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 governmental unit), and, the District's investment policy that requires no more than two-thirds of the District's deposits in a depository shall be collateralized by mortgage-backed securities, with the remainder to be secured by non-mortgage-backed securities.

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the District's bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(2) Cash and Investments, continued

Interest Rate Risk

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

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date:

Investment maturities as of June 30, 2023, were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity 12 Months or Less</u>
United States Treasury bill	\$ 1,983,080	1,983,080

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Per the District's investment policy, credit risk is mitigated by investing in safe securities, and diversifying the investment portfolio so the failure of one issuer would not materially affect the District's cash flow. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2023, were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Ratings AA+ to AA-</u>
United States Treasury Bill	\$ 1,983,080	AA+	1,983,080

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(2) Cash and Investments, continued

Concentration of Credit Risk

The District's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code.

Instruments in any one issuer that represent 5% or more of the District's investments as of June 30, 2023 are as follows (excluding external investment pools and debt explicitly guaranteed by the U.S. government):

<u>Deposit & Investment</u>	<u>Issuer Type</u>	<u>Fair Value Holdings</u>	<u>Percentage Holdings</u>
California Cooperative Liquid Assets Securities System	Joint Powers Authority investment pool	\$ 2,073,715	40.77%
Citizen's Bank Business Trust	United States Treasury bill	1,983,080	38.99%

Fair Value Measurements

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. 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.

Investments measured at fair value on a recurring and non-recurring basis, are as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
United States Treasury Bill	1,983,080	1,983,080	-	-
Total investments measured at fair value	1,983,080	<u>1,983,080</u>	<u>-</u>	<u>-</u>
Investments measured at amortized cost:				
California Local Agency Investment Fund	1,029,680			
California Cooperative Liquid Assets Securities System	<u>2,073,715</u>			
Total investments measured at amortized cost	<u>3,103,395</u>			
Total	<u>5,086,475</u>			

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(3) Leases Receivable

Governmental Activities:

Changes in leases receivable for the year ended June 30, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2023</u>	<u>Deferred Inflows</u>
<i>Governmental – General fund</i>					
Cellular tower leases					
T-Mobile	\$ 67,956	-	(15,825)	\$ 52,131	\$ (32,397)
SBA	375,501	-	(18,486)	357,015	(209,709)
Verizon	484,015	-	(20,853)	463,162	(370,559)
Total cellular tower leases	927,472	-	(55,164)	872,308	(612,665)
<i>Governmental – Property Rental fund</i>					
Condo – Unit B	7,120	-	(7,120)	-	-
Condo – Unit E	9,777	-	(9,777)	-	-
Equestrian Facility	-	144,994	(18,240)	126,754	(118,848)
Total property rental leases	16,897	144,994	(35,137)	126,754	(118,848)
Total leases receivable	\$ 944,369	144,994	(90,301)	999,062	\$ (731,513)
Less: current portion	(72,061)			(88,356)	
Total non-current portion	\$ 872,308			\$ 910,706	

T-Mobile Lease

On September 30, 2008, the District entered into a lease agreement with T-Mobile Wireless, LLC, (T-Mobile). T-Mobile has agreed to pay the District for purpose of leasing communication tower space at Districts property located at Assessor's Parcel Number (APN), 0465-451-12. The terms of the agreement require T-Mobile to pay the District in monthly installments through May 2026 and is adjusted annually by a CPI rate of 3.00%.

Following the adoption implementation of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023, deferred inflows were reported at \$32,397.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 16,844	1,334	18,178	\$ (11,108)
2025	17,916	814	18,730	(11,108)
2026	17,371	261	17,632	(10,181)
Totals	52,131	2,409	54,540	\$ (32,397)
Less: current portion	(16,844)			
Total non-current	\$ 35,287			

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(3) Leases Receivable, continued

Governmental Activities, continued:

SBA Lease

On February 15, 2005, the District entered into a lease agreement with Nextel Communications, whereby ownership subsequently transferred to SBA Communications Corporation, (SBA). SBA has agreed to pay the District for purpose of leasing communication tower space at a District tank site. The terms of the agreement require SBA to pay the District in annual installments through January 2025 and is adjusted annually by a CPI rate of 3.00%.

Following the adoption implementation of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023, deferred inflows were reported at \$209,709.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 19,933	10,710	30,643	\$ (17,476)
2025	21,451	10,113	31,564	(17,476)
2026	23,041	9,469	32,510	(17,476)
2027	24,708	8,778	33,486	(17,476)
2028	26,453	8,037	34,490	(17,476)
2029-2033	161,463	27,142	188,605	(87,380)
2034-2035	79,966	3,634	83,600	(34,949)
Totals	357,015	77,883	434,898	(209,709)
Less: current portion	(19,933)			
Total non-current	\$ 337,082			

Verizon Lease

On October 30, 2015, the District entered into a lease agreement with SMSA Limited Partnership dba Verizon Wireless, (Verizon). Verizon has agreed to pay the District for purpose of leasing communication tower space at 26538 Lakeview Drive. The terms of the agreement require Verizon to pay the District in monthly installments through January 2025 and is adjusted annually by a CPI rate of 3.00%.

Following the adoption implementation of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023, deferred inflows were reported at \$370,559.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(3) Leases Receivable, continued

Governmental Activities, continued:

Verizon Lease, continued

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 22,585	13,588	36,173	\$ (29,064)
2025	24,403	12,885	37,288	(29,063)
2026	27,322	12,115	39,437	(29,064)
2027	29,352	11,267	40,619	(29,063)
2028	31,481	10,358	41,839	(29,064)
2029-2033	193,038	35,751	228,789	(145,317)
2034-2036	134,981	5,886	140,867	(79,924)
Totals	463,162	101,850	565,012	(370,559)
Less: current portion	(22,585)			
Total non-current	\$ 440,577			

Condo – Unit B

On February 1, 2022, the District entered into a lease agreement with a tenant for purpose of leasing residential living space at 15302 Smithson Road, Unit B. The terms of the agreement require the tenant to pay the District in 13 monthly installments through February 2023.

Following the adoption implementation of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.00%. During 2023, the lease was revised to a month-to-month lease at lease renewal.

Condo – Unit E Lease

On March 22, 2021, the District entered into a lease agreement with a tenant for purpose of leasing residential living space at 15302 Smithson Road, Unit D. The terms of the agreement require the tenant to pay the District in 24 monthly installments through March 2023.

Following the adoption implementation of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. During 2023, the lease was revised to a month-to-month lease at lease renewal.

Equestrian Facility Lease

On August 1, 2022, the District entered into a lease agreement with a tenant for purpose of leasing 75 acres for the purpose of engaging in equestrian operations. The terms of the agreement require the tenant to pay the District in monthly installments through July 31, 2027.

Following the adoption implementation of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023, deferred inflows were reported at \$118,848.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(3) Leases Receivable, continued

Governmental Activities, continued:

Equestrian Facility Lease, continued

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 28,994	3,406	32,400	\$ (28,523)
2025	29,876	2,524	32,400	(28,522)
2026	30,784	1,616	32,400	(28,522)
2027	31,721	679	32,400	(28,522)
2028	5,379	20	5,399	(4,759)
Totals	126,754	8,245	134,999	(118,848)
Less: current portion	(28,994)			
Total non-current	\$ 97,760			

(4) Internal Balances – Due To/From Other Funds

Internal balances consist of the following as of June 30, 2023:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Interfund Loan	Wastewater	Parks & Rec	\$ 715,707
		Total internal balances:	\$ 715,707

On June 21, 2018, the District adopted Resolution 2018-01, for the purpose of establishing a repayment agreement between the Wastewater and Parks and Recreation funds for the transfer of 35 acres of property in the amount \$842,007 with 0% interest. The purpose of the transfer is for the expansion of the wastewater irrigation area to spread secondary water. The term of the agreement is twenty (20) years from July 1, 2020. As of June 30, 2023, the outstanding balance was \$715,707.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(5) Capital Assets

Governmental Activities:

Changes in capital assets at June 30 were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 307,702	-	-	307,702
Construction-in-process	-	24,135	(24,135)	-
Total non-depreciable assets	<u>307,702</u>	<u>24,135</u>	<u>(24,135)</u>	<u>307,702</u>
Depreciable assets:				
Structures and improvements	3,921,051	-	(71,222)	3,849,829
Equipment	482,810	24,135	(97,371)	409,574
Vehicles	104,427	-	-	104,427
Total depreciable assets	<u>4,508,288</u>	<u>24,135</u>	<u>(168,593)</u>	<u>4,363,830</u>
Accumulated depreciation:	<u>(2,283,220)</u>	<u>(169,428)</u>	<u>133,417</u>	<u>(2,319,231)</u>
Total depreciable assets, net	<u>2,225,068</u>	<u>(145,293)</u>	<u>(35,176)</u>	<u>2,044,599</u>
Total capital assets, net	<u>\$ 2,532,770</u>			<u>2,352,301</u>

The District had major governmental capital asset additions during fiscal year 2023 to non-depreciable assets of \$24,135 in construction in progress related to various ongoing projects in the parks and recreation fund. Additions during the fiscal year 2023 to depreciable assets consist of \$24,135 to equipment. Deletions during the fiscal year 2023 consist of \$71,222 to structures and improvements and \$97,371 to equipment.

Business-type Activities:

Changes in capital assets at June 30 were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 771,745	-	-	771,745
Construction-in-process	2,393,924	841,305	(573,504)	2,661,725
Total non-depreciable assets	<u>3,165,669</u>	<u>841,305</u>	<u>(573,504)</u>	<u>3,433,470</u>
Depreciable assets:				
Structures and improvements	18,626,442	88,881	(1,329,765)	17,385,558
Equipment	1,101,794	90,267	(127,886)	1,064,175
Vehicles	449,829	260,857	(14,759)	695,927
Water rights and other intangibles	8,669,724	133,500	-	8,803,224
Total depreciable assets	<u>28,847,789</u>	<u>573,505</u>	<u>(1,472,410)</u>	<u>27,948,884</u>
Accumulated depreciation:	<u>(13,819,781)</u>	<u>(421,804)</u>	<u>987,416</u>	<u>(13,254,169)</u>
Total depreciable assets, net	<u>15,028,008</u>	<u>151,701</u>	<u>(484,994)</u>	<u>14,694,715</u>
Total capital assets, net	<u>\$ 18,193,677</u>			<u>18,128,185</u>

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(5) Capital Assets, continued

Business-type Activities, continued:

Major enterprise fund capital asset additions during fiscal year 2023, include additions to construction in progress of \$841,305 that is comprised of capital project additions of \$721,265 in various water fund projects and \$120,040 in wastewater fund projects. Additions to depreciable assets sourcing from construction-in-progress include \$88,881 added to structures and improvements, \$90,267 added to equipment, \$260,857 added to vehicles, and \$133,500 added to water rights and other intangibles. Asset disposals amounted to \$1,329,765 in structures and improvements, \$127,886 in equipment, and \$14,759 in vehicles.

Depreciation expense was charged to various functions at June 30, 2023, as follows:

Governmental activities:	
General government	\$ 6,522
Property rental	56,433
Parks and Recreation	98,708
Recycle Fund	<u>7,553</u>
Total governmental activities	<u>\$ 169,216</u>
Business type activities:	
Water Fund	\$ 674,045
Wastewater Fund	207,023
Solid Waste Fund	<u>788</u>
Total business type activities	<u>\$ 881,856</u>

During the year, management determined that certain assets should have been disposed of and abandoned in the prior year. As a result, the District recorded an adjustment to write off assets totaling \$1,632,756, which resulted to an additional depreciation expense of \$459,840.

(6) Compensated Absences

Compensated absences comprise unpaid vacation leave that accrue when benefits are fully vested and are determined annually. Compensated absences turn-over each year, therefore, the compensated absence balance of the District is considered a current liability on the Statements of Net Position. The compensated absences for governmental funds will generally be liquidated through the general fund. The balance in the proprietary fund will be liquidated through the water fund.

The changes to compensated absences balances at June 30 were as follows:

Governmental:

	<u>Balance 2022</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2023</u>	<u>Due Within One Year</u>	<u>Due in more than one year</u>
\$	<u>110,897</u>	<u>100,459</u>	<u>(74,856)</u>	<u>136,500</u>	<u>34,125</u>	<u>102,375</u>

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(6) Compensated Absences, continued

The changes to compensated absences balances at June 30 were as follows:

Enterprise:

	<u>Balance 2022</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2023</u>	<u>Due Within One Year</u>	<u>Due in more than one year</u>
\$	45,269	63,111	(60,811)	47,569	11,893	35,676

(7) Long-term Debt

Changes in long-term debt at June 30 were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2023</u>
2014 Installment Sale Agreement	\$ 2,875,364	-	(178,569)	2,696,795
2020 Installment Sale Agreement	1,198,550	-	(170,830)	1,027,720
Water rights note	185,000	-	(185,000)	-
Total loan payable	4,258,914	-	(534,399)	3,724,515
Less: current portion	(533,800)			(361,800)
Total non-current portion	\$ 3,725,114			3,362,715

Long-term debt is allocated to the Governmental and Enterprise funds as follows at June 30, 2023, as follows:

	<u>Gov't Fund</u>		<u>Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Total Long-term Debt</u>
	<u>Property Rental</u>	<u>Total Governmental Fund</u>	<u>Water</u>	<u>Wastewater</u>		
Balance at June 30, 2022	\$ 314,020	314,020	3,340,824	604,070	3,944,894	4,258,914
Additions / Transfers	-	-	-	-	-	-
Reductions	(44,757)	(44,757)	(403,543)	(86,099)	(489,642)	(534,399)
Balance at June 30, 2023	\$ 269,263	269,263	2,937,281	517,971	3,455,252	3,724,515
Current Portion	\$ 45,997	45,997	227,320	88,483	315,803	361,800
Non-current portion	223,266	223,266	2,709,961	429,488	3,139,449	3,362,715
Total	\$ 269,263	269,263	2,937,281	517,971	3,455,252	3,724,515

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(7) Long-term Debt, continued

2014 Installment Sale Agreement

On August 1, 2014, the District entered into an Installment Sale Agreement (Agreement) in order to finance the acquisition of water rights for the District in the amount \$4,000,000 at an interest rate of 4.25%.

The installment sale agreement is scheduled to mature on August 15, 2034. Principal and interest is payable semi-annually on August 15th and February 15th at an interest rate of 4.25%.

Annual debt service requirements on the installment agreement are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 186,240	112,656	298,896
2025	194,238	104,656	298,894
2026	202,582	96,314	298,896
2027	211,283	87,613	298,896
2028	220,357	78,537	298,894
2029-2033	1,252,154	215,350	1,467,504
2034-2035	429,941	45,372	475,313
Totals	2,696,795	<u>740,498</u>	<u>3,437,293</u>
Less: current portion	<u>(186,240)</u>		
Total non-current	\$ <u>2,510,555</u>		

2020 Installment Sale Agreement

On December 23, 2020, the District entered into an Installment Sale Agreement (Agreement) in order to refinance its 2008 Installment Sale Agreement in the amount \$1,446,206 at an interest rate of 2.75%.

The installment sale agreement is scheduled to mature on December 23, 2028. Principal and interest are payable semi-annually on June 23rd and December 23rd at an interest rate of 2.75%.

Annual debt service requirements on the installment agreement are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 175,560	27,063	202,623
2025	180,422	22,202	202,624
2026	185,418	17,206	202,624
2027	190,552	12,073	202,625
2028	195,829	6,797	202,626
2029	99,939	1,374	101,313
Totals	1,027,720	<u>86,715</u>	<u>1,114,435</u>
Less: current portion	<u>(175,560)</u>		
Total non-current	\$ <u>852,160</u>		

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(8) Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.7% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. For employees hired prior to January 1, 2013, who are current members of CalPERS or a reciprocal agency as of December 31, 2012, and have not been separated from service from such agency for more than six months, the retirement benefit is 2.7% @ 55 years of age; highest single year of compensation. All other employees hired on or after January 1, 2013, the retirement benefit is 2.0% @ 62 years of age; 3-year final compensation.

The Plans' provision and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.96%	6.75%
Required employer contribution rates	13.35%	7.47%

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(8) Defined Benefit Pension Plan, continued

Contributions

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

Net Pension Liability

For the fiscal year ended June 30, 2023, the contributions for the Plan were as follows:

	Miscellaneous Plan
Contributions – employer	\$ 200,054

As of the fiscal year ended June 30, 2023, the District reported a net pension liability for its proportionate share of the net pension liability of each Plan as follows:

Proportionate Share of Net Pension Liability			
	Governmental	Enterprise	Total
Miscellaneous Plan	\$ 245,713	368,566	614,279

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022 (the measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 (the valuation date), rolled forward to June 30, 2022, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the pension liability for the Plan as of the fiscal year ended June 30, 2023, was as follows:

	Miscellaneous Plan
Proportion – June 30, 2022	0.00070%
Proportion – June 30, 2023	0.00532%
Change – Increase (Decrease)	0.00462%

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(8) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources

For the fiscal year ended June 30, 2023, the District recognized pension income of \$488,363.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 200,054	-
Net differences between actual and expected experience	4,074	-
Net changes in assumptions	62,947	-
Net differences between projected and actual earnings on plan investments	112,521	-
Net differences between actual contribution and proportionate share of contribution	6,855	-
Net adjustment due to differences in proportions of net pension liability	159,818	-
Total	<u>\$ 546,269</u>	<u>-</u>

As of June 30, 2023, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$200,054 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

At June 30, 2023, the District recognized other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension liability, which will be recognized as pension expense as follows.

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Net Outflows/(Inflows) of Resources</u>
2024	\$ 134,559
2025	111,981
2026	64,824
2027	34,851
2028	-
Remaining	-

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(8) Defined Benefit Pension Plan, continued

Actuarial Assumptions

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68

Actuarial assumptions:

Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	6.90% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

* The mortality table used above was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

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

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(8) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1-10*
Global Equity - Cap-weighted	30.00%	4.45%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	27.00%
Mortgage-backed Securities	5.00%	50.00%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	6.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

* An expected inflation of 2.5% used for this period

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

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

At June 30, 2023, the discount rate comparison was the following:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	5.90%	6.90%	7.90%
District's Net Pension Liability	\$ 194,110	614,279	137,222

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(8) Defined Benefit Pension Plan, continued

Payable to the Pension Plan

At June 30, 2023, the District reported \$0 in payables for the outstanding amount of contribution to the pension plan.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 60 and 61 for the Required Supplementary Schedules.

(9) Net Position

Net investment in capital assets is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets – not being depreciated	\$ 307,702	3,433,470	3,741,172
Capital assets – being depreciated, net	2,044,599	14,694,715	16,739,314
Long-term debt – current portion	(45,997)	(315,803)	(361,800)
Long-term debt – long-term portion	(223,266)	(3,139,449)	(3,362,715)
Total	<u>\$ 2,083,038</u>	<u>14,672,933</u>	<u>16,755,971</u>

Unrestricted net position is designated as follows:

	Governmental Activities	Business-type Activities	Total
General	\$ 185,733	-	185,733
Recycling	184	-	184
Prepaid expenses and other assets	10,696	14,762	25,458
Water operations and capital replacement	-	6,703,212	6,703,212
Total	<u>\$ 196,613</u>	<u>6,717,974</u>	<u>6,914,587</u>

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(10) Internal Balances – Interfund Transfers

Interfund transfers consist of the following for the year ended June 30, 2023:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Purpose</u>	<u>Amount</u>
<i>Interfund Administrative Allocation Transfers:</i>			
Water	General	Admin Allocation	\$ <u>573,176</u>
Wastewater	General	Admin Allocation	<u>561,712</u>
Solid Waste	General	Admin Allocation	<u>11,463</u>
Subtotal administrative allocation transfers			\$ <u>1,146,351</u>
<i>Interfund Board Discretionary Transfers:</i>			
General	Parks & Rec	Board Discretionary	\$ <u>416,218</u>
Subtotal board discretionary transfers			\$ <u>416,218</u>
<i>Interfund Operational Transfers:</i>			
Recycle	Parks & Rec	Operations	\$ <u>61,918</u>
Subtotal operational transfers			\$ <u>61,918</u>
<i>Interfund Operational Transfers:</i>			
Parks & Rec	Wastewater	Operations	\$ <u>42,100</u>
Subtotal operational transfers			\$ <u>42,100</u>
Total			\$ <u><u>1,666,587</u></u>

Interfund Admin Allocation Transfers

During the fiscal year ended June 30, 2023, administrative allocation balance transfers between the Water, Wastewater, and the Solid Waste funds were transferred to General fund upon the closing of the District's books. The District's methodology of allocating the equity/fund balance of the General fund, was 50%, 49% and 1%, to the Water, Wastewater and Solid Waste funds respectively.

Interfund Board Discretionary Transfers

During the fiscal year ended June 30, 2023, interfund transfers between the General fund to the Parks and Recreation fund were designated by the Board to transfer any funds remaining from current fiscal years operations. The funds were transferred accordingly.

Interfund Operational Transfers

During the fiscal year ended June 30, 2023, interfund transfers between the Recycle to the Parks and Recreation fund were designated by the Board to utilize resources to help build reserves towards future repairs of existing assets in the Parks and Recreation fund. The funds were transferred accordingly.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(10) Internal Balances – Interfund Transfers, continued

Interfund Operational Transfers, continued

During the fiscal year ended June 30, 2023, interfund transfers between the Parks and Recreation fund to the Wastewater fund were designated by the Board for the purpose of internal loan repayment. The funds were transferred accordingly.

(11) Fund Balance

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1.C.14 for a description of these categories). See Note 1.C.14 for details of the negative unrestricted fund balance.

Fund balances and their funding composition at June 30, 2023, is as follows:

Fund Balance Category	
Assigned:	
Parks and recreation	\$ (252,990)
Recycle	1,430
Total assigned fund balance	(251,560)
Unassigned fund balance:	
General fund	210,898
Property rental	136,761
Total unassigned fund balance	347,659
Total fund balance	\$ 96,099

(12) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to the claims of the District's general creditors. Market value of the plan assets held in trust as of June 30, 2023, was \$554,326.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

(13) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance policies with a variety of coverage.

At June 30, 2023, the District's insurance coverage is summarized as follows:

- General and auto liability, personal injury and property damage, public officials' and employees' errors and omissions, up to \$1,000,000 per occurrence/act.

In addition to the coverage noted above, the District also has the following insurance coverage:

- Employee theft coverage up to \$500,000 per loss, forgery, or alteration for \$250,000, inside premises for \$250,000, inside premises robbery for \$250,000, outside the premises for \$250,000, computer fraud for \$250,000, funds transfer fraud for \$250,000, and money orders & counterfeit paper currency for \$250,000.
- Real property and business property loss is paid at the replacement cost for property on file, subject to a \$2,500 deductible per occurrence.
- Boiler and Machinery coverage for the replacement cost up to blanket property limit of \$13,987,131 subject to a \$2,500 deductible per occurrence.
- Public Officials' outside directorship up to \$1,000,000 per act, subject to a \$2,500 deductible per claim.
- Excess coverage with \$5,000,000 each occurrence and aggregate limits. Underlying coverages are General Liability with \$1,000,000 per occurrence and \$10,000,000 aggregate, Public Officials & Management Liability \$1,000,000 per occurrence and \$10,000,000 aggregate, Business Auto \$1,000,000 limit, Employers Liability Part B up to \$1,000,000 per accident, per disease, policy limit.
- Workers Compensation insurance with statutory limits per occurrence.

Settled claims have not exceeded any of the coverage amounts in the last fiscal years. There were no reductions in insurance coverage in fiscal year 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no material IBNR claim payables as of June 30, 2023.

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2023, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

Governmental Accounting Standards Board Statement No. 99, continued

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Helendale Community Services District
Notes to the Basic Financial Statements, continued
June 30, 2023

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

Governmental Accounting Standards Board Statement No. 101, continued

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(15) Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

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

(16) Subsequent Events

Events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of February 1, 2024, which is the date the financial statements were available to be issued. The District is not aware of any further subsequent events that would require recognition or disclosure in the financial statements.



Presentation Version
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Required Supplementary Information

Presentation Version
Subject to Board Approval

Helendale Community Services District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund
For the Year Ended June 30, 2023

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Property taxes	\$ 107,140	143,494	36,354
Charges for services	170,258	171,095	837
Investment interest earnings	7,140	185,687	178,547
Rental income – leases	173,535	164,580	(8,955)
Interest earnings – leases	-	27,325	27,325
Other	19,500	33,239	13,739
Total revenues	<u>477,573</u>	<u>725,420</u>	<u>247,847</u>
Expenditures:			
Salaries and benefits	907,181	897,754	9,427
Materials and services	471,183	450,540	20,643
Utilities	18,887	81,275	(62,388)
Capital outlay	-	18,635	(18,635)
Total expenditures	<u>1,397,251</u>	<u>1,448,204</u>	<u>(50,953)</u>
Deficiency of revenues over expenditures	<u>(919,678)</u>	<u>(722,784)</u>	<u>196,894</u>
Other financing sources(uses):			
Transfers in(out) – administrative transfers	1,292,051	1,146,351	(145,700)
Transfers in(out) – board discretionary	(372,373)	(416,218)	(43,845)
Total other financing sources	<u>919,678</u>	<u>730,133</u>	<u>(189,545)</u>
Net change in fund balance	-	7,349	\$ <u>7,349</u>
Fund balance – beginning of period	<u>203,549</u>	<u>203,549</u>	
Fund balance – end of period	<u>\$ 203,549</u>	<u>210,898</u>	

**Helendale Community Services District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Property Rental Fund
For the Year Ended June 30, 2023**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Rental income – leases	\$ 125,480	119,198	(6,282)
Interest earnings – leases	-	3,963	3,963
Other	-	3,805	3,805
Total revenues	<u>125,480</u>	<u>126,966</u>	<u>1,486</u>
Expenditures:			
Materials and services	17,367	5,859	11,508
Utilities	14,815	16,536	(1,721)
Debt payments	44,758	56,432	(11,674)
Interest paid	8,330	8,306	24
Total expenditures	<u>85,270</u>	<u>87,133</u>	<u>(1,863)</u>
Net change in fund balance	40,210	39,833	\$ <u>(377)</u>
Fund balance – beginning of period	<u>96,928</u>	<u>96,928</u>	
Fund balance – end of period	<u>\$ 137,138</u>	<u>136,761</u>	

Presentation Version
Subject to Board Approval

**Helendale Community Services District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Parks and Recreation Fund
For the Year Ended June 30, 2023**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Property taxes	\$ 23,533	-	(23,533)
Charges for services	27,280	39,166	11,886
Rental income	24,075	26,056	1,981
Other	15,500	42,087	26,587
Total revenues	<u>90,388</u>	<u>107,309</u>	<u>16,921</u>
Expenditures:			
Salaries and benefits	127,084	115,958	11,126
Materials and services	123,435	123,639	(204)
Utilities	63,956	71,393	(7,437)
Capital outlay	-	5,500	(5,500)
Total expenditures	<u>314,475</u>	<u>316,490</u>	<u>(2,015)</u>
Deficiency of revenues over expenditures	<u>(224,087)</u>	<u>(209,181)</u>	<u>14,906</u>
Other financing sources(uses):			
Transfers in(out) – board discretionary	441,507	416,218	(25,289)
Transfers in(out) – operational	(42,100)	61,918	104,018
Total other financing sources	<u>399,407</u>	<u>478,136</u>	<u>78,729</u>
Net change in fund balance	175,320	268,955	\$ <u>93,635</u>
Fund balance – beginning of period	<u>(521,945)</u>	<u>(521,945)</u>	
Fund balance – end of period	\$ <u>(346,625)</u>	<u>(252,990)</u>	

Helendale Community Services District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Recycling Fund
For the Year Ended June 30, 2023

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Recycling	\$ 325,000	330,117	5,117
Other	-	2,321	2,321
Total revenues	<u>325,000</u>	<u>332,438</u>	<u>7,438</u>
Expenditures:			
Salaries and benefits	165,187	175,601	(10,414)
Materials and services	57,170	42,477	14,693
Utilities	33,388	9,268	24,120
Total expenditures	<u>255,745</u>	<u>227,346</u>	<u>28,399</u>
Excess of revenues over expenditures	<u>69,255</u>	<u>105,092</u>	<u>(20,961)</u>
Other financing sources(uses):			
Transfers in(out) – operational	<u>(67,000)</u>	<u>(104,018)</u>	<u>(37,018)</u>
Total other financing sources	<u>(67,000)</u>	<u>(104,018)</u>	<u>(37,018)</u>
Net change in fund balance	2,255	1,074	\$ <u><u>(57,979)</u></u>
Fund balance – beginning of period	<u>400</u>	<u>356</u>	
Fund balance – end of period	<u>\$ 2,655</u>	<u>1,430</u>	

Helendale Community Service District
Notes to the Required Supplementary Information
June 30, 2023

Basis of Budgeting

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year, the District's General Manager prepares and submits a capital and operating budget to the Board of Directors and adopted no later than June of each year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government and proprietary funds. Annual budgets are adopted on the modified accrual basis of accounting for government fund types and accrual basis for the proprietary fund. The adopted budget becomes operative on July 1.

The Board of Directors must approve all supplemental appropriations to the budget and transfers between major funds. The legal level of budgetary control is at the fund level. Budget information is presented as required supplementary information for the General, Property Rental, Parks and Recreation, and Recycling Funds.

Presentation Version
Subject to Board Approval

**Helendale Community Service District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2023
Last Ten Years***

	Measurement Dates								
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's Proportion of the Net Pension Liability	0.00532%	0.00070%	0.00414%	0.00375%	0.00341%	0.00346%	0.00316%	0.00318%	0.00331%
District's Proportionate Share of the Net Pension Liability	\$ 614,279	38,106	449,910	384,311	328,486	343,160	273,741	218,114	205,731
District's Covered Payroll	\$ 1,113,690	1,076,315	979,177	932,536	889,614	929,497	866,792	826,711	734,459
District's proportionate share of the net pension liability as a Percentage of its Covered Payroll	55.16%	3.54%	45.95%	41.21%	36.92%	36.92%	31.58%	26.38%	28.01%
District's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	85.56%	98.90%	84.94%	84.99%	84.79%	81.93%	82.25%	81.89%	77.99%
District's Proportionate Share of Aggregate Employer Contributions	\$ 200,054	177,146	113,380	90,191	69,779	58,889	47,227	34,125	19,713

Notes to schedule:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

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

**Helendale Community Service District
Schedules of Pension Plan Contributions (CalPERS)
As of June 30, 2023
Last Ten Years***

<u>Schedule of Pension Plan Contributions:</u>	<u>Fiscal Year Ended</u>									
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	
Actuarially Determined Contribution	\$ 181,610	161,823	147,431	132,216	126,313	112,597	108,682	97,754	159,159	
Contributions in Relation to the Actuarially Determined Contribution	<u>(181,610)</u>	<u>(161,823)</u>	<u>(147,431)</u>	<u>(132,216)</u>	<u>(126,313)</u>	<u>(112,597)</u>	<u>(108,682)</u>	<u>(97,754)</u>	<u>(159,159)</u>	
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	
Covered Payroll	\$ 1,207,985	1,113,690	1,076,315	979,177	932,536	889,614	929,497	866,792	826,711	
Contribution's as a percentage of Covered Payroll	15.03%	14.53%	13.70%	13.50%	13.55%	12.66%	11.69%	11.28%	19.25%	
Notes to Schedule:										
Valuation date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)
Amortization method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 year Smoothed Market Method
Asset valuation method										
Inflation	2.30%	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	7.15% (3)	7.15% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level of percentage payroll, closed.

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation.

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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



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Report on Compliance and Internal Controls

Presentation Version
Subject to Board Approval

**Independent Auditor’s Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Helendale Community Services District
Helendale, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Helendale Community Services District (District), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 1, 2024.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

C.J. Brown & Company, CPAs
Cypress, California
February 1, 2024

Presentation Verdict
Subject to Board Approval

Helendale Community Services District

Management Report

June 30, 2023

Presentation Version

Helendale Community Services District

Management Report

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Presentation Version

CONFIDENTIAL

Board of Directors
Helendale Community Services District
Helendale, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, and each major fund of the Helendale Community Services District (District) as of and for the year ended June 30, 2023, 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, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

Summary of Current Year Comments and Recommendations

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process these adjustments varied throughout the engagement. These entries were made during the engagement directly between audit fieldwork and during the production and translation of the trial balance comparative to prior year. The adjustments are attached at the end of the Audit/Finance Committee Letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of June 30, 2023.

Summary of Previous Year Comments and Recommendations

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process these adjustments varied throughout the engagement. These entries were made during the engagement directly between audit fieldwork and during the production and translation of the trial balance comparative to prior year. The adjustments are attached at the end of the Audit/Finance Committee Letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of June 30, 2022.

* * * * *

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company, CPAs
Cypress, California
February 1, 2024

APPENDIX

Helendale Community Services District

Audit/Finance Committee Letter

June 30, 2023

Presentation Version

Board of Directors
Helendale Community Services District
Helendale, California

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Helendale Community Services District (District) for the year ended June 30, 2023, and have issued our report thereon dated February 1, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 11, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated February 1, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the District, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Watermaster's financial statements relate to:

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's defined benefit pension plan in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 through 9 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 1, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual, Schedules of District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the cooperation extended us by Kimberly Cox, General Manager and Cindy Byerrum of Eide Bailly, in the performance of our audit testwork. We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

C.J. Brown & Company, CPAs
Cypress, California
February 1, 2024

Presentation Version

Helendale Community Services District
Schedule of Audit Adjusting Entries
June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
CPE - To adjust LAIF FMV using revised calculation. Previous balance was based on prior year LAIF balance.			
10-100000	Cash in Bank - Admin	29,921.31	
99-114001	Investment Gains & Losses - LAIF	29,921.31	
10-710001-00-0	Unrealized Gains & Losses		29,921.31
99-250000	Due To Other Funds		29,921.31
Total		<u>59,842.62</u>	<u>59,842.62</u>
Adjusting Journal Entries JE # 2			
AJE - To reverse accrual for check 26612 to Aqua Metrics for FY 23/24 Software subscription paid after FYE.			
01-210000	Accounts Payable	13,908.00	
01-521600-00-0	Software Support		13,908.00
Total		<u>13,908.00</u>	<u>13,908.00</u>
Adjusting Journal Entries JE # 3			
CPE - To record interest and bank charge activity in CBB trust account and DCB Savings account through June 30, 2023.			
10-100000	Cash in Bank - Admin	55,372.50	
10-529900-00-0	Bank Charges	2,245.92	
99-100050	Cash in DCB - Savings	1,625.70	
99-112100	Cash in CBB - Trust	53,746.80	
10-710000-00-0	Investment Income		1,625.70
10-710000-00-0	Investment Income		23,238.27
10-710001-00-0	Unrealized Gains & Losses		32,754.45
99-250000	Due To Other Funds		55,372.50
Total		<u>112,990.92</u>	<u>112,990.92</u>
Adjusting Journal Entries JE # 4			
GASB 68 Entry #1 - To reclassify 2022 contributions to NPL at June 30, 2023.			
01-280000	Net Pension Liability	54,916.00	
02-280000	Net Pension Liability	38,972.00	
05-280000	Net Pension Liability	1,771.00	
06-280000	Net Pension Liability	12,400.00	
10-280000	Net Pension Liability	69,087.00	
01-190200	D/O - Employer Pension Contributions		54,916.00
02-190200	D/O - Employer Pension Contributions		38,972.00
05-190200	D/O - Employer Pension Contributions		1,771.00
06-190200	D/O - Employer Pension Contributions		12,400.00
10-190200	D/O - Employer Pension Contributions		69,087.00
Total		<u>177,146.00</u>	<u>177,146.00</u>
Adjusting Journal Entries JE # 5			
GASB 68 Entry #2 - To reclassify 2023 contributions to Deferred Outflows of Resources at June 30, 2023.			
01-190200	D/O - Employer Pension Contributions	62,017.00	
02-190200	D/O - Employer Pension Contributions	44,012.00	
05-190200	D/O - Employer Pension Contributions	2,000.00	
06-190200	D/O - Employer Pension Contributions	14,004.00	
10-190200	D/O - Employer Pension Contributions	78,021.00	
01-510100-00-0	Actuarial Pension Expense Adjustment		62,017.00
02-510100-00-0	Actuarial Pension Expense Adjustment		44,012.00
05-510100-00-0	Actuarial Pension Expense Adjustment		2,000.00
06-510100-00-0	Actuarial Pension Expense Adjustment		14,004.00
10-510100-00-0	Actuarial Pension Expense Adjustment		78,021.00
Total		<u>200,054.00</u>	<u>200,054.00</u>

Helendale Community Services District
Schedule of Audit Adjusting Entries
June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
GASB 68 Entry #3 - To record changes in pension liability during FY21/22 at June 30, 2023. Note: Outflow Entries are Summarized.			
01-190000	Deferred Outflows - Pension Related	119,767.00	
01-290000	Deferred Inflows - Pension Related	10,313.00	
01-510100-00-0	Actuarial Pension Expense Adjustment	103,449.00	
02-190000	Deferred Outflows - Pension Related	84,995.00	
02-290000	Deferred Inflows - Pension Related	7,319.00	
02-510100-00-0	Actuarial Pension Expense Adjustment	73,416.00	
05-190000	Deferred Outflows - Pension Related	3,864.00	
05-290000	Deferred Inflows - Pension Related	332.00	
05-510100-00-0	Actuarial Pension Expense Adjustment	3,337.00	
06-190000	Deferred Outflows - Pension Related	27,043.00	
06-290000	Deferred Inflows - Pension Related	2,329.00	
06-510100-00-0	Actuarial Pension Expense Adjustment	23,360.00	
10-190000	Deferred Outflows - Pension Related	150,674.00	
10-290000	Deferred Inflows - Pension Related	12,974.00	
10-510100-00-0	Actuarial Pension Expense Adjustment	130,147.00	
01-280000	Net Pension Liability		233,529.00
02-280000	Net Pension Liability		165,730.00
05-280000	Net Pension Liability		7,533.00
06-280000	Net Pension Liability		52,732.00
10-280000	Net Pension Liability		293,795.00
Total		753,319.00	753,319.00
Adjusting Journal Entries JE # 7			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY21/22 at June 30, 2023. Note: Outflow Entries are Summarized.			
01-510100-00-0	Actuarial Pension Expense Adjustment	47,943.00	
02-510100-00-0	Actuarial Pension Expense Adjustment	34,024.00	
05-510100-00-0	Actuarial Pension Expense Adjustment	1,546.00	
06-510100-00-0	Actuarial Pension Expense Adjustment	10,826.00	
10-510100-00-0	Actuarial Pension Expense Adjustment	60,315.00	
01-190000	Deferred Outflows - Pension Related		47,943.00
02-190000	Deferred Outflows - Pension Related		34,024.00
05-190000	Deferred Outflows - Pension Related		1,546.00
06-190000	Deferred Outflows - Pension Related		10,826.00
10-190000	Deferred Outflows - Pension Related		60,315.00
Total		154,654.00	154,654.00

Helendale Community Services District
Schedule of Audit Adjusting Entries
June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 8			
CPE - To record fixed asset cleanup disposals per KC and EB at June 30, 2023.			
01-167000	Accumulated Depreciation - Water	882,092.66	
01-600000-00-0	Depreciation	459,840.25	
01-711900-00-0	Gain or Loss and Sale of Assets	18,735.22	
02-167000	Accumulated Depreciation	97,076.50	
02-711900-00-0	Gain or Loss on Sale of Assets	6,418.63	
05-167000	Accumulated Depreciation	52,706.69	
05-711900-00-0	Gain or Loss an Sale of Assets	35,175.48	
10-167000	Accumulated Depreciation	80,710.70	
01-160400	Water Equipment		24,426.49
01-161000	Water - Wells		1,278,959.56
01-162000	Pumping Plant - Structures & Improvements		34,317.07
01-164500	Water Meters		1,603.03
01-166400	Computers & Office Equipment		15,474.78
01-166500	Water - Vehicles		5,887.20
02-160400	Sewer - Equipment		86,381.83
02-162000	Sewer - Buildings & Structures		16,488.30
02-166500	Sewer- Vehicles		625.00
05-160400	Park Equipment		16,660.46
05-162000	Park Structures & Improvements		1,079.99
05-165030	Building & Improvements - Community Center		70,141.72
10-166400	Computers & Office Equipment		80,710.70
Total		<u>1,632,756.13</u>	<u>1,632,756.13</u>
Adjusting Journal Entries JE # 9			
CPE - To record fixed asset depreciation for 7/1/22-6/30/23 at June 30, 2023.			
01-600000-00-0	Depreciation	240,911.74	
02-600000-00-0	Depreciation	180,316.02	
03-600000-00-0	Depreciation	1,073.64	
04-600000-00-4	Depreciation - Smithson	42,613.28	
04-600000-00-5	Depreciation - Wild Rd	13,819.03	
05-100000	Cash in Bank - Park	211.92	
05-600000-00-0	Depreciation - Park	89,820.14	
05-600000-00-3	Depreciation - Community Ctr	15,368.40	
06-600000-00-0	Depreciation	787.56	
10-600000-00-0	Depreciation	6,521.26	
01-100000	Cash in Bank - Water		211.92
01-167000	Accumulated Depreciation - Water		240,699.82
02-167000	Accumulated Depreciation		180,316.02
03-167000	Accumulated Depreciation - Thrift Store		1,073.64
04-167000	Accumulated Depreciation & Amorizationl		56,432.31
05-167000	Accumulated Depreciation		105,400.46
06-167000	Accumulated Depreciation		787.56
10-167000	Accumulated Depreciation		6,521.26
Total		<u>591,442.99</u>	<u>591,442.99</u>

Helendale Community Services District
Schedule of Audit Adjusting Entries
June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 10			
CPE - To record transfer of asset #0061 from Water Fund to Wastewater Fund at June 30, 2023.			
01-100000	Cash in Bank - Water	33,296.82	
01-167000	Accumulated Depreciation - Water	26,707.14	
02-162000	Sewer - Buildings & Structures	33,296.82	
02-600000-00-0	Depreciation	26,707.14	
99-250000	Due To Other Funds	33,296.82	
01-162000	Pumping Plant - Structures & Improvements		33,296.82
01-600000-00-0	Depreciation		26,707.14
02-100000	Cash in Bank - Sewer		33,296.82
02-167000	Accumulated Depreciation		26,707.14
99-250000	Due To Other Funds		33,296.82
Total		153,304.74	153,304.74
Adjusting Journal Entries JE # 11			
CPE - To record transfer of asset #0162 from Parks Fund to Thrift Store Fund at June 30, 2023.			
03-160400	Thrift Store Equipment	6,480.00	
03-600000-00-0	Depreciation	6,480.00	
05-100000	Cash in Bank - Park	6,480.00	
05-167000	Accumulated Depreciation	6,480.00	
99-250000	Due To Other Funds	6,480.00	
03-100000	Cash in Bank - Recycling Center		6,480.00
03-167000	Accumulated Depreciation - Thrift Store		6,480.00
05-160400	Park Equipment		6,480.00
05-600000-00-0	Depreciation - Park		6,480.00
99-250000	Due To Other Funds		6,480.00
Total		32,400.00	32,400.00
Adjusting Journal Entries JE # 12			
CPE - To record admin allocation Fund 10 net income (loss) to enterprise funds at June 30, 2023.			
01-100000	Cash in Bank - Water	72,849.74	
02-100000	Cash in Bank - Sewer	71,392.74	
06-100000	Cash in Bank - Solid Waste	1,456.99	
10-999100-00-0	Admin Allocation	145,699.47	
01-999100-00-0	Admin Allocation		72,849.74
02-999100-00-0	Admin Allocation		71,392.74
06-999100-00-0	Admin Allocation		1,456.99
10-100000	Cash in Bank - Admin		145,699.47
Total		291,398.94	291,398.94
Adjusting Journal Entries JE # 13			
CPE - To record transfer of Thrift Store Fund net income to Parks Fund at June 30, 2023.			
03-999800	Interfund Transfer In	104,018.13	
05-100000	Cash in Bank - Park	104,018.13	
03-100000	Cash in Bank - Recycling Center		104,018.13
05-999800	Interfund Transfer In		104,018.13
Total		208,036.26	208,036.26

**Helendale Community Services District
Schedule of Audit Adjusting Entries
June 30, 2023**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 14			
AJE - To reclassify Board Discretionary Revenue (BDR) from property taxes street lights to BDR accounts at June 30, 2023.			
05-700000-00-0	Property Taxes - Street Lights	19,542.53	
05-999700-00-0	Board Discretionary Revenue		19,542.53
Total		<u>19,542.53</u>	<u>19,542.53</u>
	Total Adjusting Journal Entries	<u>4,400,796.13</u>	<u>4,400,796.13</u>
	Total All Journal Entries	<u>4,400,796.13</u>	<u>4,400,796.13</u>

Legend:

AJE	Audit Adjusting Journal Entry
CPE	Client Prepared Adjusting Journal Entry
GASB 68 Entry	GASB 68 Adjusting Journal Entry

Presentation Version



Helendale Community Services District

DATE: February 1, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #9
Discussion Only Regarding Mid-Year Budget Review

STAFF RECOMMENDATION:

Staff seeks input regarding this item.

STAFF REPORT:

Attached for the Board's review and consideration is the mid-year financial statement prepared by Eide Bailey. December financials represent the mid-way point in the fiscal year and provides a good indicator of how the funds are performing in relation to the budget. This review allows the opportunity to make mid-course corrections on the budget, acknowledge trends and provides information to assist in the development of the FY25 budget.

Following are the highlights of each fund:

Water:

The operating revenues are above projection by 5% with expenses slightly below the mid-point at 49% for an positive balance of \$286,096 at mid-year. Of note, water sales are trending higher at 56% of the anticipated revenue. To date, no grant revenue has been received, however, reimbursement from the Bureau grant is anticipated in the next few months. Salaries are at 49% with Benefits at 53% which has to do with the timing of the medical insurance payments. Power costs are trending higher than budgeted even with a 7% increase added to the prior year's budget. Operations & Maintenance expenses are significantly lower at 27% currently. Permits and fees paid to other agencies are higher than anticipated at 65%. Only 10% of the capital improvement budget has been expended at this point. The Water Capital Improvement Plan (CIP) will be presented to the Board at the meeting of March 7. As is typical, all of the projected CIP Projects are not completed in the year proposed. The CIP is a planning tool and projects are scheduled as operational time constraints and finances allow.

Wastewater:

The Wastewater fund has revenues slightly over target at 51% of projected with total expenses coming in at 49% of projected. Salaries are at 41% of budgeted due to not yet filling the new position added for the fiscal year. Interviews are anticipated to be held in the next couple of weeks. Power costs are coming in higher than anticipated at 68% of budget. Operations & Maintenance expenditures are at 91% of the budgeted amount. Permits paid to other

organizations is at 87%. Typically these permits are due early in the fiscal year. The net income for Wastewater at mid-year is at \$218,373 with no capital expenses year to date. The Wastewater CIP will be reviewed at the February 15th Board meeting.

Recycling Center:

The recycling center revenue is currently at 43% of budget including salaries. As revenues have been trailing a vacant position has not been filled. Contractual Services exceeds mid-year mark at 93% of budget with the addition of two new swamp coolers that were installed as part of the roof project for \$9,100. Operations and Maintenance is at 71% of the budget. Utilities are at 68% of the budget. As with all other funds, electricity is exceeding proposed budget amounts. Any excess revenue is transferred to the Park fund to pay for maintenance at the Community Center and Helendale Community Park. Net revenue at mid-year for the Recycling Center is \$5,826.

Property Rental:

Revenue is slightly off track at 47% with revenue at \$62,365 and with expenses at 52% or \$48,172 with a positive net position of \$14,223 at mid year. Management issued rent increase notices to the 4-plex tenants effective July 1 to help cover the increased costs of utilities paid by the District.

Park & Rec:

Revenues are above target at 57% with expenses also at 57% of budget. Capital expenditures are at \$108,118 which includes \$18,300 for parking lot seal coat and \$89,800 for the first installment for the Community Center roof replacement. Parks is funded primarily from Board discretionary revenue and Recycling Center revenue.

Solid Waste:

Staff continues to closely monitor this fund which is currently at 44% of revenue and 47% of expenditures with a net income of \$3,711. The payment to Burrtec for services lags by a month at an average cost of \$56,955 which would put the fund at a deficit of over \$60,000. The fee added to the trash bill three years ago for green waste disposal has not kept up with the cost of the program, primarily the increased transportation costs. Staff is evaluating other options. Staffing costs allocated to this fund include 100% for the employee who handles the bulky pick-ups and trash can delivery; 50% of the Recycling Center supervisor and 20% of the new administrative employee.

Administration Fund:

This fund is a pass through with expenses paid by Water, Wastewater and Solid Waste at the end of the year to zero out expenses.

FISCAL IMPACT: NA

POSSIBLE MOTION: No Motion necessary

ATTACHMENTS: December Financials for FY2024



Helendale CSD
Statement of Revenues and Expenses - Water
As of December 31, 2023
(Unaudited)

Preliminary Results - Subject to Change

	December 2023	YTD Actual	Budget	50% of Budget	PYTD
1 Operating Revenues					
2 Meter Charges	\$ 132,492	\$ 808,989	\$ 1,591,123	51%	\$ 804,980
3 Water Sales	57,408	511,832	912,051	56%	540,421
4 Standby Charges	5,839	25,754	30,228	85%	15,054
5 Other Operating Revenue	6,758	80,444	83,823	96%	59,650
6 Total Operating Revenues	202,497	1,427,020	2,617,225	55%	1,420,105
7 Non-Operating Revenues					
8 Grant Revenue	-	-	-	0%	-
9 Miscellaneous Income (Expense)	-	1,645	-	0%	(16)
10 Total Non-Operating Revenues	-	1,645	-	0%	(10,016)
11 Total Revenues	202,497	1,428,665	2,617,225	55%	1,410,089
12 Expenses					
13 Salaries & Benefits					
14 Salaries	51,436	207,538	421,896	49%	189,607
15 Benefits	20,161	72,960	138,780	53%	72,024
16 Total Salaries & Benefits	71,597	280,498	560,676	50%	261,631
17 Transmission & Distribution					
18 Contractual Services	82	20,844	56,607	37%	32,692
19 Power	15,018	122,851	209,725	59%	78,472
20 Operations & Maintenance	5,131	41,353	153,000	27%	151,995
21 Rent/Lease Expense	800	4,800	11,490	42%	6,690
22 Permits & Fees	20,911	25,934	40,100	65%	28,288
23 Total T&D	41,942	215,782	470,922	46%	298,136
24 General & Administrative					
25 Utilities	269	1,883	3,928	48%	1,866
26 Office & Other Expenses	-	153	5,750	3%	963
27 Admin Allocation	52,307	313,843	627,686	50%	323,013
28 Total G&A	52,576	315,879	637,364	50%	325,842
29 Debt Service	-	173,155	346,313	50%	173,155
30 Total Expenses	166,115	985,314	2,015,275	49%	1,058,764
31 Net Income (Loss) Before Capital	36,382	443,352	601,950	74%	351,325
32 Sale or Lease of Water Rights	-	19,938	-	N/A	10,199
33 Capital Expenses	-	(177,194)	(1,792,000)	10%	(325,676)
34 Net Income (Loss) After Capital	\$ 36,382	\$ 286,096	\$ (1,190,050)		\$ 35,847

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

Helendale CSD
Financial Statement Analysis
Preliminary – No Year End Audit Adjustments
For the Month Ended December 31, 2023 – 50% of Fiscal Year

Fund 01-Water Revenues and Expenses

Line 2 Meter Charges: Includes fixed monthly charge for water service. Year-to-date (YTD) meter charges is trending in line with budget.

Line 3 Water Sales: Includes water consumption charges. YTD is trending over budget since the District sells more water during the first half of the year.

Line 4 Standby Charges: Includes special assessment standby charges for the current & prior years and delinquent standby penalties. Most of these revenues are received in November, December, and April. YTD is trending over budget at 85%.

Line 5 Other Operating Revenue: Includes permit & inspection charges, connection fees, meter installation fees, other fees/charges, and mechanic service reimbursements. Connection and meter installation fees are budgeted conservatively due to the unexpected nature of these fees. YTD is trending over budget at 96% due to the high volume of connection, meter installation, water supply and delinquent fees.

Line 8 Grant Revenue: There is no grant activity planned for FY 24.

Line 9 Miscellaneous Income (Expense): Includes gain or loss on sale of assets, the Enel X Demand Response Program and other miscellaneous income. YTD activity includes \$1.6K in miscellaneous income for old credit balance write offs.

Line 14 Salaries: Includes salaries for water employees. YTD is trending in line with budget.

Line 15 Benefits: Includes health insurance, CalPERS retirement, worker's compensation insurance, payroll taxes, and employee education and trainings. YTD is trending in line with budget.

Line 18 Contractual Services: Includes lab testing, engineering, geographic information system (GIS) support & other contract services. YTD can trend under or over budget due to the timing of services needed. YTD is at 37% of budget.

Line 19 Power: Includes electricity usage for transmission & distribution. YTD is trending over budget due at 59% due to increased electric use during summer months.

Line 20 Operations & Maintenance: Includes operations & maintenance expenses, uniforms, vehicle maintenance and vehicle fuel. YTD can trend over/under budget due to need and the timing of services. YTD is trending under budget at 27%.

Line 21 Rent/Lease Expense: Includes rental costs for the water shop and Bureau of Land Management (BLM) tank sites. YTD is trending under budget at 42% due to the timing of rent collection for BLM tank sites normally paid in the second quarter of the FY.

Line 22 Permits & Fees: Includes all water permits, miscellaneous fees, and Watermaster fees. YTD can trend over/under budget due to the timing of permits and fee payments. YTD is trending at 65% of budget due to annual SWRCB fees paid in December.

Line 25 Utilities (G&A): Includes gas and telephone expenses. YTD is trending in line with budget.

Line 26 Office & Other Expenses: Includes mileage/travel reimbursements, office supplies, water conservation program and dues/subscriptions. These expenses are on an as-needed basis and can trend over/under budget. YTD is trending under budget at 3%.

Line 27 Admin Allocation: This is the monthly distribution of the budgeted Administration Fund (Fund 10) expenses to the enterprise funds.

Line 29 Debt Service: Includes interest & principal payments on outstanding debt. YTD can trend over/under budget due to the timing of payments. Payments occur on a quarterly basis in July, October, January, and April.

Line 32 Sale or Lease of Water Rights: YTD activity includes the sale of replenishment water to the Silver Lakes Association.

Line 33 Capital Expenses: YTD balance in capital expenses includes the following:

- \$14.5K – New Well Pipeline
- \$16.6K – Electrical Well 13
- \$113K – AMI Meters
- \$33K – Water Rights



Helendale CSD
Statement of Revenues and Expenses - Sewer
As of December 31, 2023
(Unaudited)

Preliminary Results - Subject to Change

	December 2023	YTD Actual	Budget	50% of Budget	PYTD
1 Operating Revenues					
2 Sewer Charges	\$ 151,590	\$ 913,004	\$ 1,825,577	50%	\$ 806,801
3 Standby Charges	4,923	23,610	25,907	91%	12,678
4 Other Fees & Charges	1,955	31,220	28,760	109%	21,268
5 Interfund Transfer In/(Out)	3,508	21,050	42,100	50%	21,050
6 Other Income/(Expense)	-	-	-	0%	-
7 Total Revenues	161,977	988,884	1,922,344	51%	861,797
8 Expenses					
9 Salaries & Benefits					
10 Salaries	38,472	159,943	385,417	41%	144,210
11 Benefits	16,689	58,177	128,651	45%	59,942
12 Total Salaries & Benefits	55,161	218,120	514,068	42%	204,152
13 Sewer Operations					
14 Contractual Services	795	22,575	113,720	20%	23,450
15 Power	9,647	68,979	102,000	68%	44,189
16 Operations & Maintenance	2,525	54,310	59,800	91%	26,872
17 Permits & Fees	3,746	34,856	40,000	87%	31,212
18 Total Sewer Operations	16,713	180,719	315,520	57%	125,723
19 General & Administrative					
20 Utilities	426	2,368	5,505	43%	2,040
21 Office & Other Expenses	2,370	10,675	17,760	60%	5,299
22 Admin Allocation	51,261	307,566	615,132	50%	316,552
23 Total G&A	54,057	320,610	638,397	50%	323,892
24 Debt Service	-	51,061	102,123	50%	51,061
25 Total Expenses	125,931	770,511	1,570,108	49%	704,828
26 Net Income (Loss) Before Capital	36,046	218,373	352,236	62%	156,969
27 Capital Expenses	-	-	(845,000)	0%	(22,939)
28 Net Income (Loss) After Capital	\$ 36,046	\$ 218,373	\$ (492,764)		\$ 134,030

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Fund 02-Sewer Revenues and Expenses

Line 2 Sewer Charges: Includes the monthly charge for sewer services. YTD is trending in line with budget.

Line 3 Standby Charges: Includes special assessment standby charges for the current & prior years and delinquent standby penalties. Most of these revenues are received in November, December, and April. YTD is trending over budget at 91%.

Line 4 Other Fees & Charges: Includes permit & inspection charges, connection fees, other fees, and charges. YTD is over budget due to higher permits and inspection, connection, and delinquent fees than anticipated.

Line 5 Interfund Transfer In/(Out): This line includes the monthly repayment of the interfund loan from Sewer to Parks.

Line 6 Other Income/(Expense): Includes gain or loss on sale of assets and other miscellaneous income. There is no activity YTD.

Line 10 Salaries: Includes salaries for all sewer employees. YTD is trending under budget at 41% due to staffing vacancies.

Line 11 Benefits: Includes employee insurance, PERS retirement, workers compensation, payroll taxes, and education & training. YTD is trending under budget at 45%.

Line 14 Contractual Services: Includes lab testing, engineering, GIS support & other contractual services. YTD is trending under budget at 20% due to timing of services.

Line 15 Power: Includes electricity used for Sewer. YTD is trending over budget at 68% due to increased electric use during the first half of the year.

Line 16 Operations & Maintenance: Includes compost disposal, vehicle maintenance, vehicle fuel, uniforms, small tools, and salaries for mechanics. YTD is trending over budget at 91% due to \$20K in generator repairs and \$4.6K for flow meter maintenance.

Line 17 Permits and Fees: Includes all annual permits and fees paid to the state. YTD can trend over/under budget due to the timing of permits and fee payments. YTD is trending over budget at 87% due to the timing of annual SWRCB fees paid.

Line 20 Utilities (G&A): Includes gas, water, and telephone expenses. YTD is trending under budget at 43%.

Line 21 Office & Other Expenses: Includes mileage/travel reimbursements, office supplies, water conservation program, and dues & subscriptions. These expenses are on an as-needed basis and can trend over/under budget. YTD is trending over budget at 60%.

Line 22 Admin Allocation: This is the monthly distribution of the budgeted Administration Fund (Fund 10) expenses to the enterprise funds.

Line 24 Debt Service: Includes interest & principal payments on outstanding debt. YTD can trend over/under budget due to the timing of payments. Payments occur bi-annually in December and June.

Line 27 Capital Expenses: FY 24 budgeted capital expenses include: Plant & Lift Station #1 SCADA improvements, Parkway Pump Station coating and pump replacement, sump and sludge pumps, Headworks fence repair and modification, primary clarifier coating, collection system lining from Vista to Sunshine, climate control for electrical, Schooner Pump Station rehabilitation, and a new pickup truck. These projects have not been started as of December 31, 2023.



Helendale CSD
Statement of Revenues and Expenses - Recycling Center
As of December 31, 2023
(Unaudited)
Preliminary Results - Subject to Change

	December 2023	YTD Actual	Budget	50% of Budget	PYTD
1 Operating Revenues					
2 Retail Sales	\$ 24,572	\$ 140,120	\$ 325,000	43%	\$ 165,249
3 Donations	-	-	-	0%	-
4 Board Discretionary Revenue	-	-	-	0%	-
5 Miscellaneous Income (Expense)	-	-	-	0%	-
6 Total Revenues	24,572	140,120	325,000	43%	165,249
7 Expenses					
8 Salaries & Benefits					
9 Salaries	14,938	89,272	209,654	43%	77,306
10 Benefits	4,410	14,613	35,312	41%	10,029
11 Total Salaries & Benefits	19,348	103,884	244,966	42%	87,335
12 Recycling Center Operations					
13 Contractual Services	9,156	9,762	2,500	390%	-
14 Operations & Maintenance	6,514	10,091	14,250	71%	10,683
15 Total Recycling Center Operations	15,670	19,853	16,750	119%	10,683
16 General & Administrative					
17 Utilities	161	7,036	10,400	68%	4,305
18 Office & Other Expenses	585	3,521	6,100	58%	2,687
19 Total G&A	747	10,557	16,500	64%	6,992
20 Total Expenses	35,765	134,294	278,216	48%	105,009
21 Net Income (Loss) Before Capital	(11,193)	5,826	46,784		60,240
22 Capital Expenses	-	-	-	-	-
23 Net Income (Loss) After Capital	\$ (11,193)	\$ 5,826	\$ 46,784	12%	\$ 60,240

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Fund 03-Recycling Center Revenues and Expenses

Line 2 Retail Sales: Includes sales revenues from the Thrift Store. YTD is trending under budget at 43%.

Line 3 Donations: Donations are not budgeted for due to the unexpected nature of these revenues.

Line 4 Board Discretionary Revenue: This line shows the transfer of net cash from the Recycling Center (Fund 03) to the Parks & Recreation Fund (Fund 05). This transfer is done at year-end for the audit.

Line 5 Miscellaneous Income/(Expense): Includes gain or loss on sale of assets and other miscellaneous income. There was no activity YTD.

Line 9 Salaries: Salaries for all part-time recycling center employees and full-time supervisor. YTD is trending under budget at 43% due to less part-time salaries than anticipated.

Line 10 Benefits: Includes employee insurance, workers compensation, payroll taxes, and education & training. YTD is trending under budget at 41% due to lower staffing levels.

Line 13 Contractual Services: Includes software support and other contract services. Services are on an as-needed basis. YTD can trend under or over budget due to the timing of services needed. YTD is over budget due to the purchase and installation of two evaporative coolers in December.

Line 14 Operations & Maintenance: Includes vehicle maintenance, vehicle fuel, operating supplies, and uniforms. YTD can trend over/under budget due to need and the timing of services. YTD is at 71% of budget due to a \$6.5K forklift repair in December.

Line 17 Utilities (G&A): Includes electric and telephone expenses. YTD is trending over budget due to increased electric usage during the first half of the year.

Line 18 Office & Other Expenses: Includes advertising, bank charges and other miscellaneous expenses. YTD is trending over budget at 58% due to the timing of purchases.

Line 21 Net Income: Net income in the Recycling Center is moved to Parks & Recreation Fund (Fund 5) at year-end during the audit through Board Discretionary Revenue.



Helendale CSD
Statement of Revenues and Expenses - Property Rental
As of December 31, 2023
(Unaudited)

Preliminary Results - Subject to Change

	December 2023	YTD Actual	Budget	50% of Budget	PYTD
1 Operating Revenues					
2 Property Rental Revenues	\$ 11,309	\$ 62,365	\$ 132,348	47%	\$ 58,740
3 Other Income	-	30	-	0%	150
4 Board Discretionary Revenue	-	-	-	0%	-
5 Total Revenues	11,309	62,395	132,348	47%	58,890
6 Expenses					
7 Contractual Services	-	5,600	10,000	56%	-
8 Utilities	510	8,948	15,815	57%	7,073
9 Operations & Maintenance	381	7,080	13,400	53%	4,719
10 Debt Service	-	26,544	53,089	50%	26,544
11 Total Expenses	891	48,172	92,304	52%	38,335
12 Net Income (Loss)	\$ 10,418	\$ 14,223	\$ 40,044	36%	\$ 20,555

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Fund 04-Property Rental Revenues and Expenses

Line 2 Property Rental Revenues: Includes revenue for 15302 Smithson and 15425 Wild Road properties. YTD is trending in line with budget.

Line 3 Other Income: Includes penalties and other miscellaneous Income; due to the unexpected nature of these revenues these accounts are not budgeted for.

Line 4 Board Discretionary Revenue: This line shows the transfer of net cash from the Property Rental Fund (Fund 04) to Parks & Recreation Fund (Fund 05) at year-end during the audit.

Line 7 Contractual Services: Includes contractor and handyman expenses for installation of appliances, drywall repair, roofing, or plumbing repairs. YTD is trending over budget at 56% due to the timing of truck and loader equipment rental.

Line 8 Utilities: Includes electric & gas expense for the rental properties. YTD is trending over budget at 57% due to increased electric use during the first half of the year.

Line 9 Operations & Maintenance: Includes maintenance and other costs relating to the rental properties. YTD can trend over/under budget due to need and the timing of services. YTD is at 53% of budget.

Line 10 Debt Service: Includes interest and principal payments on outstanding debt. YTD can trend over/under budget due to the timing of payments. Payments occur bi-annually in December and June.

Line 12 Net Income: Net income in the Property Rental Fund (Fund 04) is moved to the Parks & Recreation Fund (Fund 05) through Board discretionary revenue at year-end for the audit.



Helendale CSD
Statement of Revenues and Expenses - Parks & Recreation
As of December 31, 2023
(Unaudited)
Preliminary Results - Subject to Change

	December 2023	YTD Actual	Budget	50% of Budget	PYTD
1 Operating Revenues					
2 Program Fees	\$ 5,734	\$ 41,858	\$ 34,600	121%	\$ 36,619
3 Property Taxes	1,706	10,231	21,600	47%	9,516
4 Donations & Sponsorships	-	10,614	-	0%	2,000
5 Rental Income	1,557	14,430	24,075	60%	15,376
6 Developer Impact Fees	-	8,600	3,440	250%	5,160
7 Grants	-	-	-	0%	-
8 Interfund Transfer In/(Out)	(3,508)	(21,050)	(42,100)	50%	(21,050)
9 Board Discretionary Revenue	72,871	209,451	445,766	47%	188,005
10 Miscellaneous Income (Expense)	-	1,924	-	N/A	895
11 Total Revenues	78,360	276,059	487,381	57%	236,520
12 Expenses					
13 Salaries & Benefits					
14 Salaries	5,668	40,713	84,355	48%	43,147
15 Benefits	2,566	13,559	35,105	39%	21,773
16 Total Salaries & Benefits	8,234	54,273	119,460	45%	64,920
17 Program Expense	2,579	37,432	76,565	49%	42,974
18 Contractual Services	681	5,235	22,732	23%	6,210
19 Utilities	2,767	42,185	58,690	72%	36,918
20 Operations & Maintenance	8,553	32,215	24,089	134%	14,105
21 Permits & Fees	-	-	2,333	0%	598
22 Grant Expense	-	-	-	0%	-
23 Other Expenses	246	1,478	1,355	109%	862
24 Total Expenses	23,059	172,819	305,224	57%	166,588
25 Net Income (Loss) Before Capital	55,301	103,241	182,157	57%	69,932
26 Capital Expenses	-	(108,118)	(640,000)	17%	(5,500)
27 Net Income (Loss) After Capital	\$ 55,301	\$ (4,877)	\$ (457,843)	1%	\$ 64,432

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Fund 05-Parks & Recreation Revenues and Expenses

Line 2 Program Fees: Includes recreation program fees, basketball league fees, youth soccer league fees and farmer's market revenue. YTD is over budget due to timing of youth soccer, flag football and basketball fees, and more farmer's market revenues received than anticipated.

Line 3 Property Taxes: Includes the transfer of property taxes for streetlight utility expenses. YTD is trending in line with budget.

Line 4 Donations & Sponsorships: Includes concert in the park sponsorships, event sponsorships and other donations/sponsorships. YTD activity includes a \$5.1K Parks & Recreation donation and \$5.5K for concert, event, soccer, and flag football sponsorships.

Line 5 Rental Income: Includes rental income from the water shop, storage for the recycling center, community center room rental, church rental, and gymnastics rental. YTD can trend over/under budget depending on needs of rentals. YTD is trending over budget at 60% due to the timing of annual field use revenue.

Line 6 Developer Impact Fees: Includes park development impact fees charged to new developments. This account is budgeted based on known development. As such, this account will go over budget if more development takes place. YTD is over budget as development has exceeded anticipated levels.

Line 7 Grant Revenue: There is no grant activity planned for FY 24.

Line 8 Interfund Transfer Out/(In): This line shows the year end transfer of cash balance from the Recycling Center (Fund 03) and Property Rental (Fund 04) to the Parks & Recreation Fund (Fund 05), as well as the monthly repayment of the interfund loan from Sewer to Parks.

Line 9 Board Discretionary: Board Discretionary Revenue in December includes the following:

- Radio Tower Site Rent – \$13,648
- Property Taxes - \$54,218
- Solid Waste Franchise Fees - \$6,711
- Transfer Property Tax Revenue for Street Light Utilities – \$(1,706)

Line 10 Miscellaneous Income/(Expense): Includes gain or loss on sale of assets and other miscellaneous income. YTD includes receipts for damage on park premises and room rental deposit reimbursements.

Line 14 Salaries: Includes full and part-time Parks and Recreation employees. YTD is trending in line with budget.

Line 15 Benefits: Includes health insurance, CalPERS retirement, worker's compensation insurance, payroll taxes, and employee education & trainings. YTD is trending under budget at 39%.

Line 17 Program Expense: Includes supplies and expenses for the youth soccer league, park, community center, Farmer's Market, and other programs. YTD is trending in line with budget.

Line 18 Contractual Services: Includes software support and other contract services. These expenses are on an as-needed basis and can trend over/under budget. YTD is trending under budget at 23%.

Line 19 Utilities: Includes gas and electric for parks and the community center, along with telephone & electricity for street lighting. YTD is trending over budget at 72% due to higher electric use and higher water and sewer costs than anticipated.

Line 20 Operations & Maintenance: Includes vehicle maintenance, small tools, vehicle fuel and building repair for the park and community center. YTD can trend over/under budget due to need and the timing of services. YTD is over budget due to several expenses:

- \$7.6K fire pump repair in August
- \$3.2K FRP bathroom installation in September
- \$2.2K roof bracing and \$4.3K evaporative cooler maintenance in December

Line 21 Permits & Fees: Includes permit and inspection fees, along with San Bernardino County fees. YTD can trend over/under budget due to the timing of permits and fee payments. There is no activity YTD.

Line 22 Grant Expense: There is no grant activity planned for FY 24.

Line 23 Other Expenses: Includes uniforms, printing costs, dues & subscriptions, and bank charges. YTD is over budget due to the timing of uniform purchases and annual dues renewals.

Line 26 Capital Expenses: YTD balance in capital expenses includes the following:

- \$18.3K – Community Center Parking Lot Resurfacing
- \$89.8K – Community Center Roof Replacement



Helendale CSD
Statement of Revenues and Expenses - Solid Waste Disposal
As of December 31, 2023
(Unaudited)

Preliminary Results - Subject to Change

	December 2023	YTD Actual	Budget	50% of Budget	PYTD
1 Operating Revenues					
2 Charges for Services	\$ 58,783	\$ 344,341	\$ 777,772	44%	\$ 300,618
3 Assessments & Fees	94,518	128,293	237,220	54%	126,892
4 Other Charges	1,792	16,878	25,518	66%	12,698
5 Board Discretionary Revenue	-	-	-	0%	-
6 Miscellaneous Income (Expense)	-	-	-	0%	-
7 Total Revenues	155,093	489,512	1,040,510	47%	440,208
8 Expenses					
9 Salaries & Benefits					
10 Salaries	9,697	45,101	85,565	53%	42,129
11 Benefits	4,939	19,853	31,970	62%	22,339
12 Total Salaries & Benefits	14,636	64,953	117,535	55%	64,468
13 Contractual Services	-	334,948	734,677	46%	199,353
14 Disposal Fees	28,169	76,853	165,000	47%	73,928
15 Operations & Maintenance	303	1,102	4,750	23%	2,459
16 Other Operating Expenses	51	1,668	4,340	38%	1,366
17 Admin Allocation	1,046	6,277	12,554	50%	6,460
18 Total Expenses	44,205	485,801	1,038,856	47%	348,034
19 Net Income (Loss)	\$ 110,888	\$ 3,711	\$ 1,654		\$ 92,174

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Fund 06-Solid Waste Disposal Revenues and Expenses

Line 2 Charges for Services – Solid Waste: Includes regular pick up of solid waste. YTD is trending under budget at 44% due to the timing of receipt of franchise fees.

Line 3 Assessment & Fees: Includes special assessments for refuse land use fees for current & prior years. YTD can trend over/under budget due to the timing of receipts which are usually received in April and December. YTD is at 54%.

Line 4 Other Charges: Includes delinquent fees and penalties on delinquent taxes. YTD is trending over budget at 66% due to more delinquent fees and recycling revenue than anticipated.

Line 5 Board Discretionary Revenue: This is the amount that would be transferred in from discretionary funds if this fund operates at a deficit for the FY.

Line 6 Miscellaneous Income/(Expense): Includes gain or loss on sale of assets and other miscellaneous income. There was no activity YTD.

Line 10 Salaries: Includes salaries for solid waste employees. YTD is trending in line with budget.

Line 11 Benefits: Includes employee insurance, CalPERS retirement, workers compensation, payroll taxes, and education & training. YTD is trending over budget at 62% due to retirement expenses not anticipated in the budget.

Line 13 Contractual Services: Includes Burrtec fees and other miscellaneous contract services. YTD can trend over/under budget due to need and the timing of services and fees. YTD is at 46% of budget.

Line 14 Disposal Fees: Includes San Bernardino County disposal fees and green waste disposal fees. YTD can trend over/under budget due to need and the timing of fees. YTD is trending under budget at 47%.

Line 15 Operations & Maintenance: Includes vehicle maintenance, vehicle fuel, operating supplies, and uniforms. YTD can trend over/under budget due to need and the timing of services. YTD is trending under budget at 23%.

Line 16 Other Operating Expenses: Includes rent for park storage, telephone, postage, event expenses, public outreach, printing, small tools, and bad debt expenses. YTD is trending under budget at 38%.

Line 17 Admin Allocation: This is the monthly distribution of the budgeted Administration Fund (Fund 10) expenses to the enterprise funds.



Helendale CSD
Statement of Revenues and Expenses - Administration
As of December 31, 2023
(Unaudited)
Preliminary Results - Subject to Change

	December 2023	YTD Actual	Budget	50% of Budget	PYTD
1 Operating Revenues					
2 Tower Rent	\$ 13,647	\$ 82,153	\$ 182,220	45%	\$ 73,903
3 Property Taxes	54,218	81,740	111,400	73%	73,077
4 Solid Waste Billing & Fees	13,570	96,210	187,010	51%	85,298
5 Fees & Charges	3,160	18,565	26,500	70%	14,368
6 Investment income	13,332	103,679	80,000	130%	33,941
7 Other Income	-	-	200	0%	-
8 Board Discretionary Revenue	(74,577)	(219,414)	(393,207)	56%	(197,520)
9 Total Revenues	23,351	162,933	194,123	84%	83,067
10 Expenses					
11 Salaries & Benefits					
12 Salaries	75,168	349,999	654,410	53%	286,067
13 Benefits	31,295	162,703	277,317	59%	145,696
14 Directors' Fees	3,362	22,655	70,000	32%	36,722
15 Total Salaries & Benefits	109,826	535,357	1,001,727	53%	470,658
16 Contractual Services	16,228	161,505	248,527	65%	143,300
17 Insurance	-	47,286	103,834	46%	67,824
18 Utilities	1,010	12,755	21,240	60%	9,759
19 Operations & Maintenance	173	1,194	3,900	31%	1,535
20 Permits & Fees	3,875	16,086	14,600	110%	12,355
21 Office & Other Expenses	4,658	39,128	55,668	70%	49,190
22 Election Expense	-	-	-	0%	-
23 Administrative Allocation	(104,614)	(627,686)	(1,255,372)	50%	(646,025)
24 Total Expenses	31,155	185,624	194,123	96%	108,595
25 Net Income (Loss) Before Capital	(7,804)	(22,690)	-		(25,528)
26 Capital Expenses	(4,754)	(4,754)	-	0%	-
27 Net Income (Loss) After Capital	\$ (12,558)	\$ (27,444)	\$ -		\$ (25,528)

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Fund 10-Administrative Revenues and Expenses

Line 2 Tower Rent: Includes radio tower site rental fees. YTD is trending below budget at 45%.

Line 3 Property Taxes: Includes current & prior property tax and penalties. YTD can trend over/under budget due to the timing of property tax collections, with a majority being received in December and April. YTD is trending over budget at 73%.

Line 4 Solid Waste Billing & Fees: Includes franchise fees and billing for solid waste. YTD is trending in line with budget.

Line 5 Fees & Charges: Includes credit card processing fees and other miscellaneous fees. YTD is trending over budget at 70% due to the large volume of credit card processing fees.

Line 6 Investment Income: Includes investment income and unrealized gain or loss on investments. YTD is over budget due to the investment in California Cooperative Liquid Assets Security System (CA CLASS) account yielding higher interest returns.

Line 7 Other Income: Other Income includes recycling revenues and other miscellaneous income. There is no activity YTD.

Line 8 Board Discretionary Income: Includes the transfer of the following for Parks and Recreation Fund (Fund 05):

- Radio Tower Site Rent – \$13,648
- Property Taxes - \$54,218
- Solid Waste Franchise Fees – \$6,711

Line 12 Salaries: Includes full time, part time & overtime for administrative employees. YTD is trending in line with budget.

Line 13 Benefits: Includes employee insurance, CalPERS retirement, workers compensation, payroll taxes, employee benefit & morale and education & training. YTD is trending over budget at 59% due to the timing of payment of CalPERS Unfunded Accrued Liability.

Line 14 Directors' Fees: Includes directors fees as well as directors training, seminars, and mileage expense. YTD is trending under budget at 32%.

Line 16 Contractual Services: Includes software support, legal services, and auditing & accounting services. YTD is trending over budget at 65% due to the timing of annual software support renewals and quarterly Insite transaction fees, and legal and accounting services for the FY 23 audit.

Line 17 Insurance: Includes both general liability and vehicle insurance expenses. YTD is trending under budget at 46%.

Line 18 Utilities: Includes telephone and electricity expenses. YTD is trending over budget at 60% due to increased consumption during summer months.

Line 19 Operations & Maintenance: Includes vehicle maintenance, vehicle fuel, mileage & travel reimbursement, uniforms, and equipment maintenance. YTD can trend over/under budget due to need and the timing of services. YTD is trending under budget at 31%.

Line 20 Permits & Fees: Includes the annual LAFCO fees, the GFOA application fee for the budget award, and San Bernardino County fees. YTD is over budget due to unanticipated LAFCO annexation fees.

Line 21 Office & Other Expense: Includes board meeting supplies, public relations, community promotion, bank charges, office supplies, postage, and dues & subscription. YTD is over budget at 70% due to the timing of annual dues renewals.

Line 23 Admin Allocation: This is the monthly distribution of the budgeted Administration Fund (Fund 10) expenses to the enterprise funds.

Line 26 Capital Expenses: YTD balance in capital expenses includes the following:

- \$4.8K – New server