

**RUNNING SPRINGS WATER DISTRICT**

**ANNUAL FINANCIAL REPORT**

Years Ended June 30, 2020 and 2019

**Running Springs Water District**  
**Annual Financial Report**  
 Years Ended June 30, 2020 and 2019

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## **INTRODUCTORY SECTION**



RUNNING SPRINGS WATER DISTRICT  
A MULTI-SERVICE INDEPENDENT SPECIAL DISTRICT

31242 Hilltop Boulevard • P.O. Box 2206  
Running Springs, CA 92382

November 13, 2020

Board of Directors  
Running Springs Water District

**Subject: Letter of Transmittal for Annual Financial Report and Independent Auditor's Report for the fiscal year ending June 30, 2020 and 2019**

Honorable Directors:

We are pleased to provide you with this letter of transmittal for the Running Springs Water District's (District) Annual Financial Report and Independent Auditor's Report for the fiscal year ended June 30, 2020 and 2019. The intended purpose of the financial report is to provide the Board of Directors, the customers of the District and other interested parties with reliable information on the finances of the District. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020 and 2019, are free of material misstatement. The independent auditor concluded, based upon the audit, that in their opinion the District's financial statements for the fiscal year ended June 30, 2020 and 2019 present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2020 and 2019 and the changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The District's MD&A can be found immediately following the Independent Auditor's Report in the financial section of this report.

In addition to the required components of the Financial Report, the District has elected to prepare this Letter of Transmittal. This Letter of Transmittal is intended to discuss the District's accomplishments and future direction. It is designed to complement the MD&A and should be read in conjunction with it.

## **DISTRICT OVERVIEW**

The Running Springs Water District ("RSWD or District") is a local public agency charged under the laws of the United States of America and the State of California, as well as our own District policies and regulations, with the duty of supplying and maintaining water service, providing fire and emergency medical care services and operating wastewater collection, treatment and disposal facilities for the residents, users and taxpayers of this community.

The District is an independent special district that was formed in 1958 and established under Division 12 of the California Water Code. In 1962, the District established a Fire Department to provide fire protection services for its service area. In 1976, a sewage disposal system was completed to provide sewer service for the District and certain communities upstream of the District. In 1983, ambulance service was established.

The District is a multi-service organization that presently operates four departments: a water department that provides retail water distribution, a fire department that provides fire protection, an ambulance department that provides pre-hospital emergency medical aid service, and a wastewater department that collects, treats, and disposes of the area's wastewater. The District's service area is approximately five square miles.

The District's power and authority is primarily regulated and defined by Division 12, Sections 30000-33901 of the California Water Code. The District's operations are governed by a five member Board of Directors elected by registered voters in the community.

### **Governmental Activities**

The District's Governmental Activities include fire protection services for the community of Running Springs.

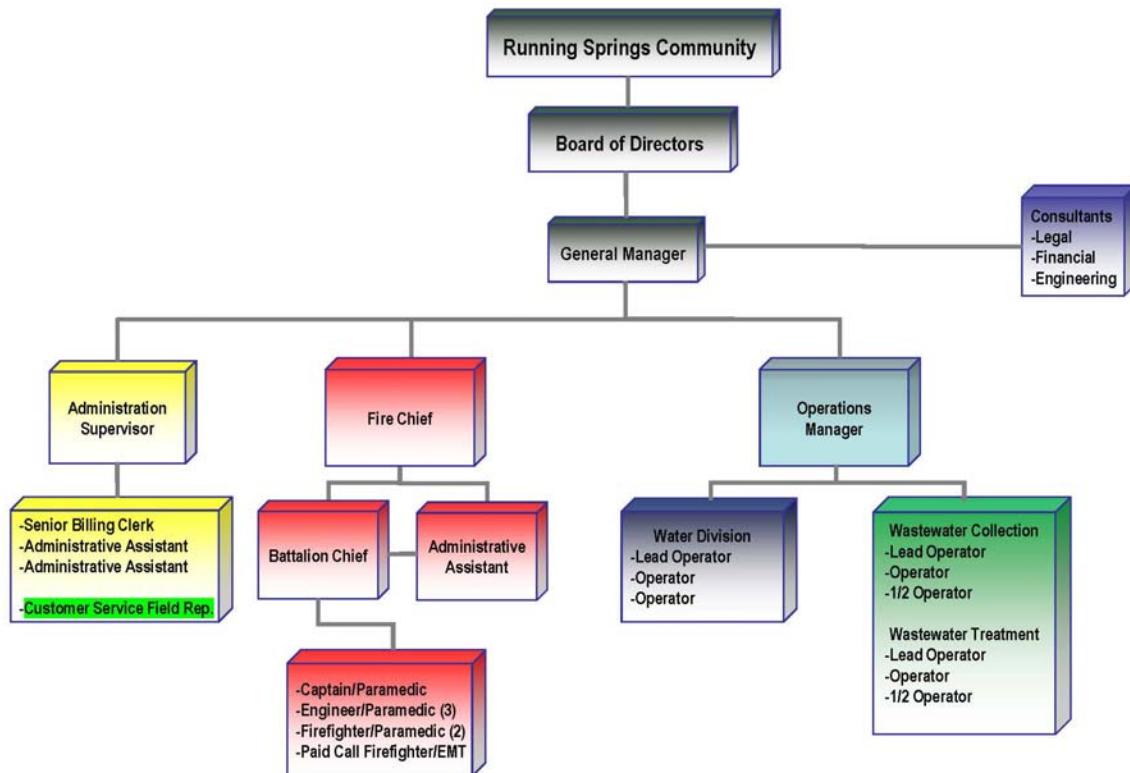
### **Business-Type Activities**

The District's Business-Type Activities include water, wastewater collection, wastewater treatment and ambulance services where the fees for these services typically cover all or most of the cost of operation including depreciation.

## Staffing & Organizational Chart

Day-to-day management of the District is delegated to the General Manager of the District who reports directly to the locally elected Board of Directors. Reporting to the General Manager are the four department heads: Fire Chief, Administration Supervisor, Water Operations Manager and Wastewater Operations Manager. The following figure shows the current organization of the District.

### Running Springs Water District Organizational Chart



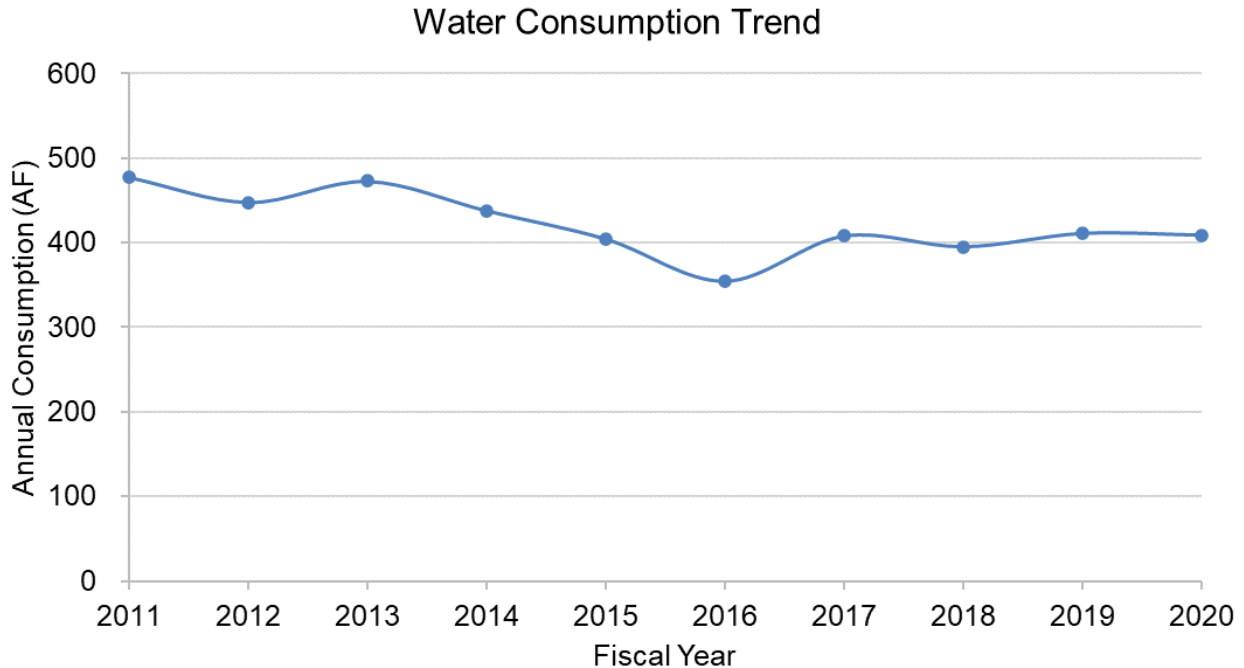
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## LOCAL ENVIRONMENT

Running Springs is an unincorporated area governed by the County of San Bernardino. The population of the District according to the 2010 US Census was 4,862. New development is not expected to increase until the foreclosure rate declines and property values increase enough to make new construction costs a viable option.

## WATER RESOURCES MANAGEMENT

The District typically produces more than 50% of its water supply from local District owned groundwater wells. Additional imported groundwater is purchased from Arrowbear Park County Water District and State Water Project water from the Crestline-Lake Arrowhead Water Agency (CLAWA). The District's water consumption trend is shown on the following chart. The amount of purchased water varies with local groundwater production that is tied to precipitation and groundwater well recharge.



## WASTEWATER MANAGEMENT

The District must comply with local, state and federal regulations governing the collection, treatment and disposal of the Community's wastewater. The agencies regulating the District's wastewater activities include: The State Regional Water Quality Control Board (RWQCB), California Department of Public Health (CDPH), San Bernardino County Environmental Health and the United States Forest Service (USFS). The District's Wastewater system is operated under a set of Waste Discharge Requirements (WDR) as part of the Santa Ana Regional Board Order No. 87-8 issued February 11, 1987 by the RWQCB.

The District developed and implemented a Sewer System Management Plan (SSMP) in 2010 to improve its spill prevention and inflow and infiltration (I/I) prevention programs. The SSMP was most recently updated in 2020. The primary goal of the program is to prevent all spills from the wastewater collection system. Activities related to minimizing I/I are ongoing.

## **FEES AND CHARGES**

The District's fees and charges are collected through monthly bills, the County of San Bernardino tax roll, ambulance fees and charges and capacity/connection fees for new development. The monthly charges for water and wastewater service consist of a fixed component and a variable usage component.

For the fiscal years ending 2015-2023 water and wastewater rates were adjusted to increase revenue to cover operating expenses and fund operating and capital reserve funds. These rate increases were needed in order to fund several deferred capital replacement projects, to replace aging infrastructure and to fund cash reserves to the levels set forth in the District's Cash Reserve Policy.

## **FINANCIAL PLANNING**

In 2019, the District prepared a Water and Wastewater Rate Study. The District continues its focus on maintaining the necessary cash fund balances for the financial stability of the District and has adopted a Cash Reserve Policy as a guideline to achieve minimum cash balances in each of its reserve funds. The District's Cash Reserve Policy is a guideline for the priorities of operational revenue sources with the Operating Funds receiving the highest priority. After operational costs and debt service are covered, any free cash flow from operations moves into the Capital Improvement Funds up to an amount equal to annual depreciation plus 10%. Any remainder goes to the Rate Stabilization Funds for a balance not to exceed 20% of annual budgeted revenue.

## **ACCOUNTING AND INTERNAL CONTROLS**

The Administration Division is responsible for providing the financial services for the District, including financial accounting and reporting, payroll, accounts payable, budgeting, billing and collection of service charges, taxes, and other revenues. An outside consultant is used for special financial accounting, audit preparation and other analysis.

The District's management is responsible for establishing and maintaining a system of internal controls designed to safeguard the District's assets from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The system of internal controls is designed to provide reasonable assurance, not absolute, that these objectives are met. When establishing or reviewing controls, management must recognize that the cost to implement a control should not exceed the benefits likely to be derived, and that in order to assess cost versus benefit, estimates and judgment on the part of management will be required. All internal control evaluations occur within the above framework. Management believes the current system of internal controls adequately safeguards the District's assets and provides reasonable assurance that accounting transactions are properly recorded.



## BUDGETARY CONTROLS

The Board of Directors adopts an annual budget each year which is used as a management control tool for each of the District's divisions. Comparison information is presented to the Board quarterly to monitor revenues and expenditures and provides information regarding any major variances from budget. In addition, monthly comparison reports are provided to all department supervisors to monitor expenditures and to plan the year as it progresses in an effort to stay within the adopted budget.

## FINANCIAL CONDITION

The Management's Discussion and Analysis (MD&A), which can be found immediately following the Independent Auditor's Report in the financial section of this report, summarizes the Statements of Net Position and Statements of Activities and reviews the changes (from the beginning to the end of the period and current year to the prior year). The actual government-wide financial statements are presented on pages 19 through 24. These government-wide statements are intended to present the District in a more corporate-style basis and provide a view of the big picture.

Additionally, the fund financial statements (starting on page 25) are designed to address the individual funds by category (governmental and proprietary, as well as the fiduciary fund). An explanation of these complementary presentations can be found in the MD&A and in the notes (see Note 1).

Liquidity is the ability to cover short-term obligations. The Proprietary Fund is similar to a business so the current ratio, which is a measurement of liquidity, can be helpful in assessing the liquidity of the District. The current ratio increased from 7.85 at June 30, 2019 to 9.00 at June 30, 2020. The current ratio from the above condensed summary is as follows:

	2020	2019
Current Ratio		
Current Assets	\$ 5,429,830	\$ 4,476,568
Current Liabilities	603,492	569,914
Current Ratio	9.00	7.85

However, since the current assets subtotal includes assets that are not immediately liquid, such as inventory, a more rigorous form of the ratio includes only cash, temporary investments and receivables. The following calculation shows that ratio as 6.87 at June 30, 2019 increased to 7.91 at June 30, 2020.

Quick Ratio (more rigorous)	2020	2019
Cash	\$ 1,000	\$ 1,000
Temporary Investments	3,802,954	2,934,565
Receivables	971,829	980,343
Cash, Temporary Investments and Receivables	<u>\$ 4,775,783</u>	<u>\$ 3,915,908</u>
Cash, Temporary Investments and Receivables	\$ 4,775,783	\$ 3,915,908
Current Liabilities	603,492	569,914
	<u>7.91</u>	<u>6.87</u>

This increase in ratio indicates an increase in the ability of the District to cover short-term obligations.


Solvency is the ability to pay all debts. The debt ratio indicates the District's long-term debt paying ability. The following debt ratio calculation stays same 0.36 at June 30, 2019 and at June 30, 2020:

Debt Ratio	2020	2019
Total Liabilities	\$ 8,959,262	\$ 8,901,266
Total Assets	25,117,718	24,477,688
Debt Ratio	<u>0.36</u>	<u>0.36</u>

The above calculation is the conservative computation of debt ratio of the Proprietary Fund because it includes all liabilities. The lower the ratio, the better the debt-paying position of the District.

We would like to thank the District staff and consultants for their hard work in the preparation of this report and for the information they provide to management, the Board of Directors and to our outside auditors. We would also like to thank the Board of Directors for their support of our efforts to position the District for long-term financial health which benefits all the citizens of the community we serve.

Respectfully submitted,

  
 Ryan Gross  
 General Manager

  
 Rogers, Anderson, Malody & Scott, LLP (RAMS)  
 District Financial Consultant

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Running Springs Water District  
Running Springs, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Running Springs Water District (District), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Running Springs Water District, as of June 30, 2020 and 2019, and the changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and State regulations governing special districts.

### ***Change in Accounting Principle***

As described in Note 10 to the financial statements, in fiscal year 2019-20, the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and schedules listed in the supplementary information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the supplementary information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2020, 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 the 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 on compliance.

A handwritten signature in black ink that reads "Van Lant & Fankhaed, LLP". The signature is written in a cursive, professional style.

November 13, 2020

## Management's Discussion and Analysis

Our discussion and analysis of Running Springs Water District's financial performance provides an overview of the District's financial activities for the fiscal years ending June 30, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal (beginning on page i) and the District's basic financial statements (beginning on page 19).

### FINANCIAL HIGHLIGHTS

- The District's total net position increased by \$19,312 and \$112,965 as of June 30, 2020 and 2019, respectively. The increase for the year ended June 30, 2020 is the combination of a decrease in net position for the Governmental Activities of \$512,957 and an increase in net position for the Business Type Activities of \$532,269. The increase for the year ended June 30, 2019 is the combination of a decrease in net position for the Governmental Activities of \$479,222 and an increase in net position for the Business Type Activities of \$592,187.
- Total revenues decreased \$556,573 (7%) for the year ended June 30, 2020 and increased \$653,967 (9%) for the year ended June 30, 2019.
- Total expenses increased \$141,773 (2%) for the year ended June 30, 2020 and decreased \$144,024 (2%) for the year ended June 30, 2019.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Running Springs Water District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the Running Springs Water District's finances in a manner similar to a private-sector business. The required financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. These statements offer short-term and long-term financial information about the District.

The "Governmental Activities" columns reflect the District's fire protection services. The "Business-Type Activities" columns reflect private sector type operations (Water, Ambulance and Sewer), where the fee for service typically covers all or most of the cost of operation including depreciation.

### ***Statement of Net Position***

The *Statement of Net Position* presents information on all of the Running Springs Water District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference, or net, reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Running Springs Water District is improving or deteriorating.

### ***Statement of Activities***

The *Statement of Activities* accounts for all activities during the fiscal year. This statement measures the success of the District's operations during the reporting period and can be used to assess whether or not the District has successfully recovered all of its costs through its user fees and other charges. This statement also measures the District's solvency and ability to meet its financial commitments.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The *Fund Financial Statements* for the Running Springs Water District include statements for the *Governmental Fund*, the *Proprietary Fund* and *Fiduciary Funds*.

The *Governmental Fund* financial statements include: ***Balance Sheets*** and ***Statements of Revenues, Expenditures and Changes in Fund Balances***, which focus on how money flows into and out of those funds and the balances left at year-end that are nonspendable, restricted, committed, assigned, or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the District's fund balances by law, creditors, and the District's Board. Unassigned fund balance is available for spending for any purpose. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the general government operations and the basic service it provides. Governmental funds will reflect bond proceeds and internal fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The separate statement of the Governmental Fund financial statements provides reconciliations between the fund financial statements and the government-wide financial statements.

The *Proprietary Fund* financial statements include: ***Statements of Net Position***, ***Statements of Revenue, Expenses and Changes in Net Position***, and ***Statements of Cash Flows***. *Statements of Net Position* present our assets, deferred outflows, liabilities, deferred inflows and the difference, or net, between what we own and what we owe as of the last day of our fiscal year. *Statements of Revenues, Expenses and Changes in Net Position* describes the financial results of our proprietary operations for the fiscal years reported. The Proprietary Fund presentation produces the same totals as the Business-Type column in the government-wide financial statements. Readers also need to know how we manage our cash resources during the year to effect the changes in net position. This information is conveyed in the *Statements of Cash Flows*. The *Statements of Cash Flows*



reconcile the income or loss from operations that are reported on the accrual basis with the actual cash inflows and uses. The *Statements of Cash Flows* also detail how we obtain cash through financing and investing activities and, similarly, how we spend cash for these purposes.

The *Fiduciary Fund* financial statements include: ***Statements of Fiduciary Assets and Liabilities***, which consist solely of trust and agency funds and are used to account for resources held for the benefit of parties outside the government (i.e. Assessment Districts). Fiduciary funds are *not* reflected in the *Statement of Net Position* and *Statement of Revenue, Expenses, and Changes in Net Position* because the resources of the fund are *not* available to support the District's own programs. Fiduciary funds are custodial in nature and, therefore, the accounting used does not involve the measurement of the results of operations. The basic fiduciary fund financial statements can be found on page 37 of the Basic Financial Statements.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 39-67 of the Basic Financial Statements.

### **OVERVIEW OF SUPPLEMENTARY INFORMATION**

This annual financial report includes required supplementary information and other supplementary information. The required supplementary information consists of a *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Fund Type – Fire Protection*, *Schedule of the Districts Proportionate Share of the Net Pension Liability*, *Schedule of Plan Contributions* and related notes. The budget vs. actual schedule compares revenues and expenditures for Fire Protection with budgeted amounts and details the variance for each line item. The other schedules will eventually provide 10 years of information related to the Districts pension plan and OPEB liability.

Additional supplementary information is presented for the Fiduciary Agency Funds which include two statements: *Combining Statement of Fiduciary Assets and Liabilities* and *Combining Statement of Changes in Assets and Liabilities*.

## FINANCIAL ANALYSIS

### District-wide Analysis

The following condensed financial information summarizes the total district (government-wide) net position:

	Governmental Activities			Business-Type Activities			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
<b>Assets:</b>									
Current and Other Assets	\$ 1,423,283	\$ 1,736,146	\$ 1,717,764	\$ 5,429,830	\$ 4,476,568	\$ 3,310,041	\$ 6,853,113	\$ 6,212,714	\$ 5,027,805
Capital Assets	1,011,931	1,014,072	1,046,861	19,687,888	20,001,120	19,654,306	20,699,819	21,015,192	20,701,167
<b>Total Assets</b>	<b>2,435,214</b>	<b>2,750,218</b>	<b>2,764,625</b>	<b>25,117,718</b>	<b>24,477,688</b>	<b>22,964,347</b>	<b>27,552,932</b>	<b>27,227,906</b>	<b>25,728,972</b>
<b>Deferred Outflows of</b>									
<b>Resources</b>	988,487	916,886	1,169,116	1,186,973	1,280,197	1,439,623	2,175,460	2,197,083	2,608,739
<b>Liabilities:</b>									
Current Liabilities	87,559	86,850	120,170	603,492	569,914	516,979	691,051	656,764	637,149
Noncurrent Liabilities	3,855,869	3,605,043	3,375,483	8,355,770	8,331,352	7,884,777	12,211,639	11,936,395	11,260,260
<b>Total Liabilities</b>	<b>3,943,428</b>	<b>3,691,893</b>	<b>3,495,653</b>	<b>8,959,262</b>	<b>8,901,266</b>	<b>8,401,756</b>	<b>12,902,690</b>	<b>12,593,159</b>	<b>11,897,409</b>
<b>Deferred Inflows of</b>									
<b>Resources</b>	79,890	61,871	45,526	335,116	378,575	116,357	415,006	440,446	161,883
<b>Net Position:</b>									
Net Investment in									
Capital Assets	1,011,931	1,014,072	1,046,861	16,534,351	16,654,725	16,514,181	17,546,282	17,668,797	17,561,042
Restricted for:									
Debt Service	-	-	-	260,871	260,921	236,878	260,871	260,921	236,878
Water & Wastewater	-	-	-	304,134	151,072	142,428	304,134	151,072	142,428
Unrestricted (deficit)	(1,611,548)	(1,100,732)	(654,299)	(89,043)	(588,674)	(1,007,630)	(1,700,591)	(1,689,406)	(1,661,929)
<b>Total Net Position</b>	<b>\$ (599,617)</b>	<b>\$ (86,660)</b>	<b>\$ 392,562</b>	<b>\$ 17,010,313</b>	<b>\$ 16,478,044</b>	<b>\$ 15,885,857</b>	<b>\$ 16,410,696</b>	<b>\$ 16,391,384</b>	<b>\$ 16,278,419</b>

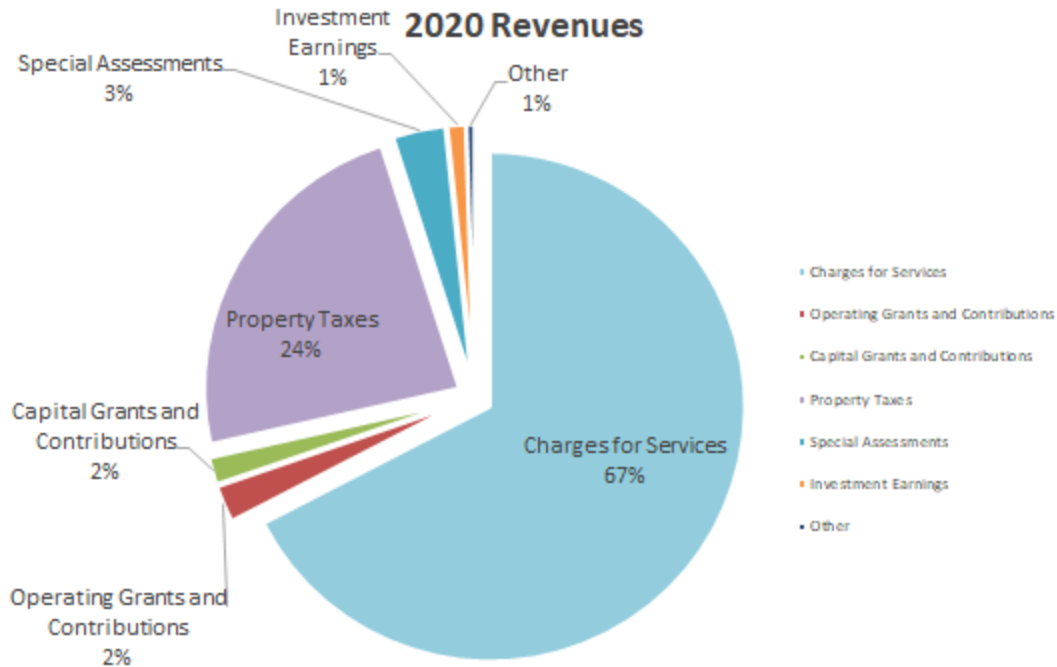
- The assets of Running Springs Water District increased by \$325,026 and \$1,498,934 as of June 30, 2020 and 2019 respectively. The most significant changes in 2020 are an increase in cash and temporary investments primarily the result of the increase in net position. The most significant change in 2019 is an increase in cash and temporary investments primarily the result of the increase in net position and an increase in capital assets.
- The Running Springs Water District's total liabilities increased by \$309,531 and \$695,750 as of June 30, 2020 and 2019 respectively. The key factors in the increase in 2020 and in 2019 are recording the total OPEB liability. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- Net position may serve over time as a useful indicator of a district's financial position. In the case of the Running Springs Water District, net position was \$16,410,696 and \$16,391,384 at the close of June 30, 2020 and 2019, respectively. Of this amount, \$(1,700,591) and \$(1,689,406) as of June 30, 2020 and 2019, respectively,

(unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors. Although these amounts are presented in the aggregate, the District must follow certain laws related to the spending of revenues which involve Proposition 218. Water and Sewer resources can only be spent on expenses, programs or projects related to the respective revenue source.

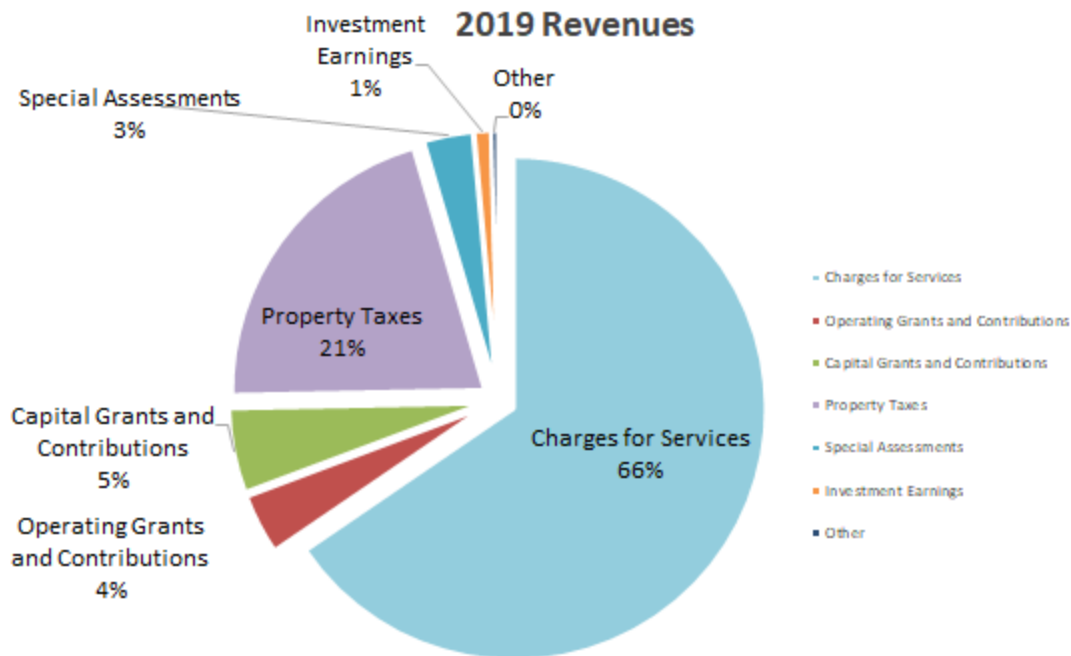
The following condensed financial information summarizes the changes in the total district (government-wide) net position:

<b>Running Springs Water District's Changes in Net Position</b>									
	Governmental Activities			Business-Type Activities			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
<b>Revenues:</b>									
<b>Program Revenues:</b>									
Charges for Services	\$ 108,371	\$ 294,047	\$ 401,720	\$ 5,041,657	\$ 5,071,413	\$ 4,733,336	\$ 5,150,028	\$ 5,365,460	\$ 5,135,056
Operating Grants and Contributions	-	-	-	178,357	312,774	301,393	178,357	312,774	301,393
Capital Grants and Contributions	27,567	28,289	18,953	103,937	413,262	68,617	131,504	441,551	87,570
<b>General Revenues:</b>									
Property Taxes	1,798,692	1,700,578	1,603,236	-	-	-	1,798,692	1,700,578	1,603,236
Special Assessments	200,623	200,688	200,688	52,687	54,228	53,866	253,310	254,916	254,554
Investment Earnings	20,390	37,426	25,275	67,217	46,222	16,576	87,607	83,648	41,851
Other	8,020	4,060	94,827	29,792	30,896	21,429	37,812	34,956	116,256
<b>Total Revenues</b>	<b>2,163,663</b>	<b>2,265,088</b>	<b>2,344,699</b>	<b>5,473,647</b>	<b>5,928,795</b>	<b>5,195,217</b>	<b>7,637,310</b>	<b>8,193,883</b>	<b>7,539,916</b>
<b>Expenses:</b>									
Fire Protection	2,676,620	2,502,432	2,262,574	-	-	-	2,676,620	2,502,432	2,262,574
Water	-	-	-	1,935,725	2,328,076	2,058,426	1,935,725	2,328,076	2,058,426
Sewer Collection	-	-	-	991,932	683,293	1,201,618	991,932	683,293	1,201,618
Sewer Treatment	-	-	-	1,264,445	1,266,572	1,418,684	1,264,445	1,266,572	1,418,684
Ambulance	-	-	-	749,276	695,852	678,947	749,276	695,852	678,947
<b>Total Expenses</b>	<b>2,676,620</b>	<b>2,502,432</b>	<b>2,262,574</b>	<b>4,941,378</b>	<b>4,973,793</b>	<b>5,357,675</b>	<b>7,617,998</b>	<b>7,476,225</b>	<b>7,620,249</b>
<b>Increase (Decrease) in Net Position</b>									
	(512,957)	(237,344)	82,125	532,269	955,002	(162,458)	19,312	717,658	(80,333)
<b>Total Net Position - Beginning</b>									
	(86,660)	392,562	310,437	16,478,044	15,885,857	16,048,315	16,391,384	16,278,419	16,358,752
<b>Prior Period Adjustment</b>									
	-	(241,878)	-	-	(362,815)	-	-	(604,693)	-
<b>Total Net Position - Ending</b>									
	<b>\$ (599,617)</b>	<b>\$ (86,660)</b>	<b>\$ 392,562</b>	<b>\$ 17,010,313</b>	<b>\$ 16,478,044</b>	<b>\$ 15,885,857</b>	<b>\$ 16,410,696</b>	<b>\$ 16,391,384</b>	<b>\$ 16,278,419</b>

Total revenues decreased by \$556,573 (7%) for the year ended June 30, 2020.

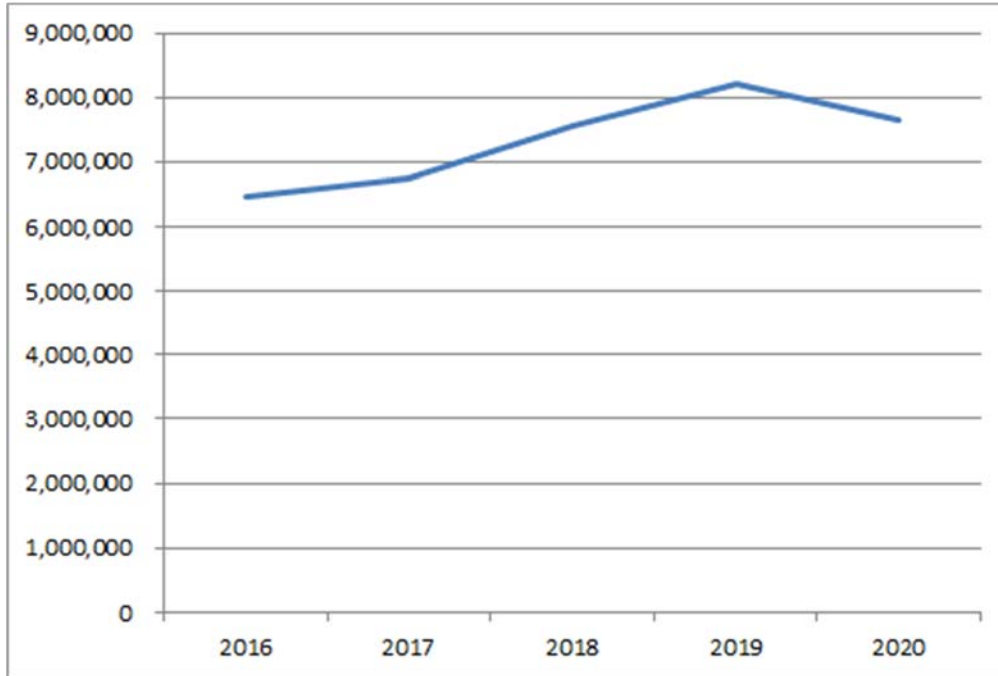


The breakdown of each category of revenue had a slight change as compared to the revenue breakdown for the year ended June 30, 2019 (2019: Charges for Services 66%, Operating Grants and Contributions 4%, Capital Grants and Contributions 5%, Property Taxes 21%, Special Assessments 3%, Investment Earnings 1% and Other 0%).



The decrease (7%) in total revenues for 2020 when compared to 2019 is primarily due to decreases in charges for services, decreased capital grant and operating grant.

The graph below illustrates the revenue in the recent past years.



District-wide, total expenses increased \$141,773 (2%) for the year ended June 30, 2020 and decreased \$144,024 (2%) for the year ended June 30, 2019. Notable increases in expenses in 2020 are Sewer Collection repairs and maintenances expense and net pension expense due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68. Notable decreases in expenses in 2019 are Sewer Collection employee salaries and net pension expense due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68.

**Governmental Fund and Governmental Activities (Fire Protection) Analysis**

Net position for the Governmental Activities is \$(599,617) and \$(86,660) at the close of June 30, 2020 and 2019 respectively. The decrease of \$512,957 for the year ended June 30, 2020 is primarily the result of the decrease of the charges for service and the increase of employee salaries and benefits. The decrease of \$237,344 for the year ended June 30, 2019 is primarily the result of the decrease of other revenue and the increase of employee salaries and benefits.

Below is condensed financial information that reconciles the Governmental Fund (modified accrual basis) to the Governmental Activities (full accrual method).

<b>Reconciliation from Modified Accrual to Full Accrual</b>						
	<b>2020</b>			<b>2019</b>		
	<b>Modified Accrual</b>		<b>Full Accrual</b>	<b>Modified Accrual</b>		<b>Full Accrual</b>
	Statement of Revenues and Expenditures - Governmental Fund - Fire Protection	Conversion	Statement of Activities Governmental Activities - Fire Protection	Statement of Revenues and Expenditures - Governmental Fund - Fire Protection	Conversion	Statement of Activities Governmental Activities - Fire Protection
Revenues	\$ 2,155,803	\$ -	\$ 2,155,803	\$ 2,265,088	\$ -	\$ 2,265,088
Expenditures/Expenses/Transfers	2,469,615	207,005	2,676,620	2,210,958	291,474	2,502,432
Excess of Revenues Over (Under) Expenditures	(313,812)	(207,005)	(520,817)	54,130	(291,474)	(237,344)
Other Financing Sources and (Uses) Proceeds from Insurance Claim	7,860	-	7,860	-	-	-
Net Change	<u>\$ (305,952)</u>	<u>\$ (207,005)</u>	<u>\$ (512,957)</u>	<u>\$ 54,130</u>	<u>\$ (291,474)</u>	<u>\$ (237,344)</u>
<b>2018</b>						
	<b>Modified Accrual</b>		<b>Full Accrual</b>			
	Statement of Revenues and Expenditures - Governmental Fund - Fire Protection	Conversion	Statement of Activities Governmental Activities - Fire Protection			
Revenues	\$ 2,250,118	\$ -	\$ 2,250,118			
Expenditures / Expenses	2,193,023	69,551	2,262,574			
Excess of Revenues Over (Under) Expenditures	57,095	(69,551)	(12,456)			
Other Financing Sources and (Uses) Proceeds From Insurance Claim	94,581	-	94,581			
Net Change	<u>\$ 151,676</u>	<u>\$ (69,551)</u>	<u>\$ 82,125</u>			

**Proprietary Fund and Business-Type Activities (Water, Ambulance, and Sewer) Analysis**

Net position for the Business-Type Activities is \$17,010,313 and \$16,478,044 at the close of June 30, 2020 and 2019 respectively. The increase of \$532,269 for the year June 30, 2020 is the increase in capital grants and rate increase and the decrease of Sewer Collection salaries and benefit. The increase of \$955,002 for the year June 30, 2019 is the increase in capital grants and rate increase and the decrease of Sewer Collection salaries and benefit and. Revenues decreased 8% for the year ended June 30, 2020, and expenses decreased 1%. Revenues increased 14% for the year ended June 30, 2020, and expenses decreased 7%.

Below is condensed financial information for the Proprietary Fund and Business-Type Activities:

**Proprietary Fund - Change in Net Position**

	2020	2019	2018
Operating Revenues			
Water	\$ 2,149,188	\$ 2,052,093	\$ 1,988,298
Sewer Collection	1,070,853	1,147,206	1,091,737
Sewer Treatment	1,384,652	1,233,637	1,130,601
Ambulance	615,321	951,251	824,093
Total Operating Revenues	<u>5,220,014</u>	<u>5,384,187</u>	<u>5,034,729</u>
Operating Expenses			
Water Department	1,915,940	2,313,479	2,043,878
Sewer Collection	944,154	633,249	1,080,993
Sewer Treatment	1,264,445	1,266,572	1,281,709
Ambulance Department	749,276	695,557	678,035
Total Operating Expenses	<u>4,873,815</u>	<u>4,908,857</u>	<u>5,084,615</u>
Operating Income (Loss)	346,199	475,330	(49,886)
Non-Operating Revenues	149,696	131,346	91,871
Non-Operating Expenses	<u>(67,563)</u>	<u>(64,936)</u>	<u>(273,060)</u>
Income (Loss) Before Property			
Contributions and Transfers	428,332	541,740	(231,075)
Transfers In			
Capital contributions	103,937	413,262	68,617
Change in Net Position	<u>532,269</u>	<u>955,002</u>	<u>(162,458)</u>
Net Position, Beginning of Year	16,478,044	15,885,857	16,048,315
Restatement of Net Position		(362,815)	
Net Position, End of Year	<u>\$ 17,010,313</u>	<u>\$ 16,478,044</u>	<u>\$ 15,885,857</u>

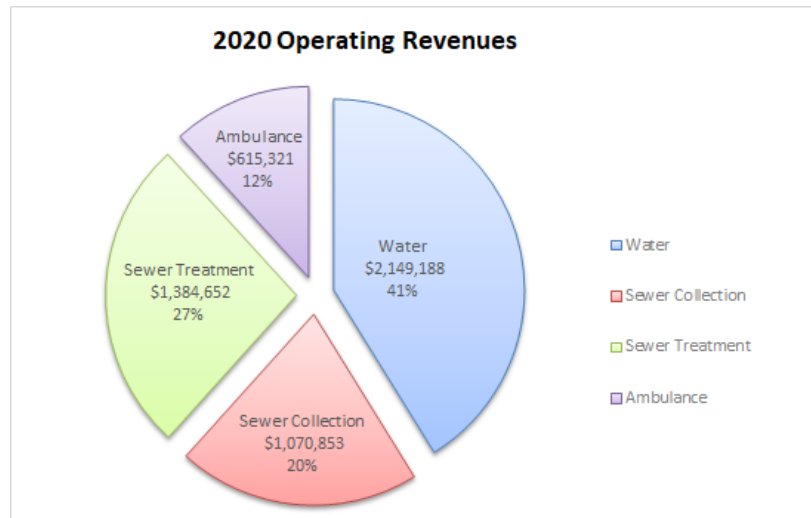
**Analysis for the year ended June 30, 2020:**

Below is condensed information related to the Proprietary Funds, by department.

	Condensed Summary of Schedules of Revenues, Expenses, and Changes in Net Position - Proprietary Fund - by Departments							
	Water Department		Sewer Collection		Sewer Treatment		Ambulance Department	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating Revenues	\$ 2,149,188	\$ 2,052,093	\$ 1,070,853	\$ 1,147,206	\$ 1,384,652	\$ 1,233,637	\$ 615,321	\$ 951,251
Operating Expenses	1,915,940	2,313,479	944,154	633,249	1,264,445	1,266,572	749,276	695,557
Operating Income (Loss)	233,248	(261,386)	126,699	513,957	120,207	(32,935)	(133,955)	255,694
Nonoperating Revenues	89,443	80,711	27,046	26,959	21,412	16,456	11,795	7,220
Nonoperating Expenses	19,785	14,597	47,778	50,044	-	-	-	295
Total Nonoperating Revenues (Expenses)	69,658	66,114	(20,732)	(23,085)	21,412	16,456	11,795	6,925
Income (Loss) before Capital Contributions	302,906	(195,272)	105,967	490,872	141,619	(16,479)	(122,160)	262,619
Capital Contributions	41,155	413,262	62,782	-	-	-	-	-
Transfers In/(Out)	-	-	-	989	-	(989)	-	-
Change in Net Position	\$ 344,061	\$ 217,990	\$ 168,749	\$ 491,861	\$ 141,619	\$ (17,468)	\$ (122,160)	\$ 262,619

The condensed summary above shows that Water and Sewer Treatment Department reported an increase of change in net position for the year ended June 30, 2020. Sewer Collection and Ambulance Department reported a decrease of change in net position. Ambulance Department shows a decrease in revenue due to GEMT revenue adjustments. For the year ended June 30, 2019, the summary shows that the Water Department reported an increase of net position because of the capital grant for AMR project. Sewer Collection Department reported the increase of net position because of the credit balance of pension expense.

The following graph shows the breakdown of operating revenues for the Proprietary Fund for the year ending June 30, 2020:





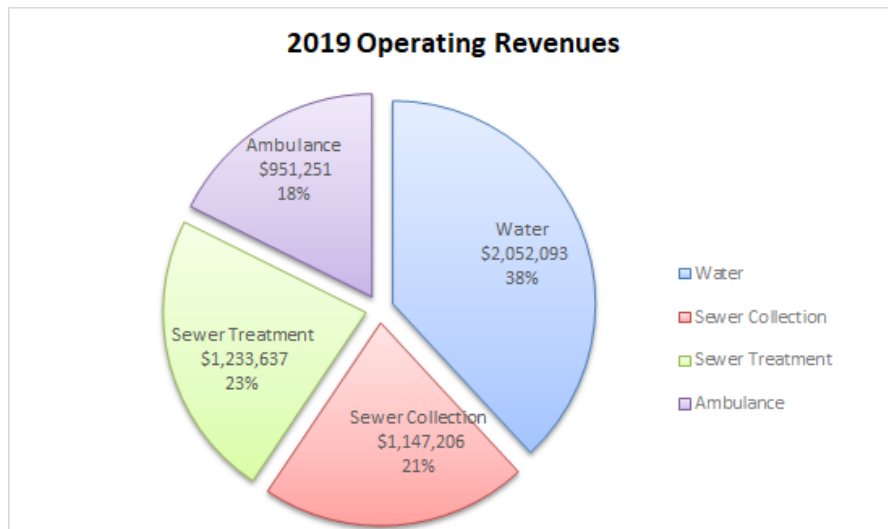
**Analysis for the year ended June 30, 2019:**

Below is condensed information related to the Proprietary Funds, by department.

Condensed Summary of Schedules of Revenues, Expenses, and Changes in Net Position - Proprietary Fund - by Departments								
	Water Department		Sewer Collection		Sewer Treatment		Ambulance Department	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating Revenues	\$ 2,052,093	\$ 1,988,298	\$ 1,147,206	\$ 1,091,737	\$ 1,233,637	\$ 1,130,601	\$ 951,251	\$ 824,093
Operating Expenses	2,313,479	2,043,878	633,249	1,080,993	1,266,572	1,281,709	695,557	678,035
Operating Income (Loss)	(261,386)	(55,580)	513,957	10,744	(32,935)	(151,108)	255,694	146,058
Nonoperating Revenues	80,711	65,069	26,959	7,993	16,456	9,342	7,220	9,467
Nonoperating Expenses	14,597	14,548	50,044	120,625	-	136,975	295	912
Total Nonoperating Revenues (Expenses)	66,114	50,521	(23,085)	(112,632)	16,456	(127,633)	6,925	8,555
Income (Loss) before Capital Contributions	(195,272)	(5,059)	490,872	(101,888)	(16,479)	(278,741)	262,619	154,613
Capital Contributions	413,262	5,382	-	63,235	-	-	-	-
Transfers In/(Out)	-	-	989	334,197	(989)	(334,197)	-	-
Change in Net Position	\$ 217,990	\$ 323	\$ 491,861	\$ 295,544	\$ (17,468)	\$ (612,938)	\$ 262,619	\$ 154,613

The condensed summary above shows that the Water Department reported an increase of net position for the year ended June 30, 2019 because of the capital grant for AMR project. Sewer Collection Department reported the increase of net position because of the credit balance of pension expense. The summary shows that the Sewer Treatment Department reported an operating loss for the year ended June 30, 2018 because of the splitting the Sewer Department into Sewer Collection and Sewer Treatment.

The following graph shows the breakdown of operating revenues for the Proprietary Fund for the year ending June 30, 2019:



## BUDGETARY HIGHLIGHTS

As previously noted, this annual financial report includes required supplementary information, which is a *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Fund Type – Fire Protection* and related notes. The schedule compares revenues and expenditures for Fire Protection with budgeted amounts and details the variance for each line item.

Fire Protection is the only department in the Governmental Fund.

### ***Analysis for the Year Ended June 30, 2020:***

The final budget projected a net increase in fund balance of \$33,521. The actual was a net decrease of \$305,952. The notable variances for budget to actual are as follows:

- Property taxes revenue was \$62,012 higher than the budgeted amount.
- Other Revenues were \$163,039 lower than the budgeted amount primarily due to a decrease in the actual number of outside District Fire assignments.
- Salaries and wages were \$319,771 higher than the budgeted amount primarily due to an underestimation in the budget for Fire Department overtime.
- Capital outlay was \$83,848 lower than the budgeted amount.

### ***Analysis for the Year Ended June 30, 2019:***

The final budget projected a net increase in fund balance of \$189,361. The actual was a net increase of \$54,130. The notable variances for budget to actual are as follows:

- Property taxes revenue was \$115,578 higher than the budgeted amount.
- Investment earning was \$25,426 higher than the budgeted amount.
- Other Revenues were \$94,411 higher than the budgeted amounts due to the reimbursement for Fire services provided outside the District.
- Salaries and wages were \$360,882 higher than the budgeted amount due to the fire services provided outside the District.
- Capital outlay was \$65,526 higher than the budgeted amount.

## CAPITAL ASSETS

The Running Springs Water District's investment in capital assets as of June 30, 2020 and 2019 amounts to \$20,699,817 and \$21,015,192 (net of accumulated depreciation) respectively. The investment at June 30, 2020 represents a net decrease (including additions and deductions) of 2% compared to a net increase (including additions and deductions) of 2% for the year ended June 30, 2019. The investment in capital assets includes land, buildings, improvements, water systems, sewer collection and treatment systems, fire trucks, ambulances, trucks, automobiles, machinery, equipment, and office furniture and equipment.

<b>Capital Assets at Year-end (Net of Depreciation)</b>									
	Governmental Activities			Business-Type Activities			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Land and Land Rights	\$ 414,676	\$ 414,676	\$ 414,676	\$ 1,014,656	\$ 1,014,656	\$ 1,014,656	\$ 1,429,332	\$ 1,429,332	\$ 1,429,332
Construction in Progress	-	3,069	93,372	110,695	82,037	41,279	110,695	85,106	134,651
Structures and Improvements	183,696	197,930	118,828	-	-	-	183,696	197,930	118,828
Water Plant and Facilities	-	-	-	6,878,402	7,129,909	6,463,139	6,878,402	7,129,909	6,463,139
Sewer Plant and Facilities	-	-	-	11,051,706	11,457,268	11,785,812	11,051,706	11,457,268	11,785,812
Fire Trucks and Mounted Equipment	186,025	230,323	269,403	-	-	-	186,025	230,323	269,403
Trucks and Automobiles	-	-	-	360,944	136,034	152,186	360,944	136,034	152,186
Special Purpose Equipment	146,431	118,869	134,536	-	-	-	146,431	118,869	134,536
Furniture and Equipment	-	-	-	271,483	181,216	197,234	271,483	181,216	197,234
Office Equipment	17,722	17,460	15,542	-	-	-	17,722	17,460	15,542
Shop and Station Equipment	24,802	31,745	504	-	-	-	24,802	31,745	504
Communication Equipment	38,579	-	-	-	-	-	38,579	-	-
<b>Total</b>	<u>\$ 1,011,931</u>	<u>\$ 1,014,072</u>	<u>\$1,046,861</u>	<u>\$ 19,687,886</u>	<u>\$ 20,001,120</u>	<u>\$ 19,654,306</u>	<u>\$ 20,699,817</u>	<u>\$ 21,015,192</u>	<u>\$ 20,701,167</u>

The most significant construction-in-progress jobs open at June 30, 2020 include the followings:

- Nob Hill Water System Improvement
- Wastewater Treatment Plant Headworks process and drying bed improvements

Additional information on the Running Springs Water District's capital assets can be found in Note 5 on pages 51-54 of the Basic Financial Statements.

## NONCURRENT LIABILITIES

The District's noncurrent liabilities at June 30, 2020 and 2019 are \$12,211,639 and \$11,936,395 respectively. Other than the net pension liability and total OPEB liability, both 2020 and 2019 liabilities included compensated absences and bonds payable (net of all amounts due within one year).

<b>Noncurrent Liabilities</b>			
	2020	2019	2018
<b>Governmental Activities:</b>			
Compensated Absences	\$ 169,217	\$ 131,117	\$ 118,974
Total OPEB Liability	261,727	241,878	-
Net Pension Liability	3,458,768	3,258,271	3,280,304
Total	<u>3,889,712</u>	<u>3,631,266</u>	<u>3,399,278</u>
Less: Current Portion	(33,843)	(26,223)	(23,795)
Noncurrent Portion	<u>3,855,869</u>	<u>3,605,043</u>	<u>3,375,483</u>
<b>Business-Type Activities:</b>			
<b>Bonds and Notes Payable:</b>			
Sewer Treatment, SWRCB 2014 Installment Payable	2,472,200	2,594,443	2,714,406
Water Supply, 2015 Installment Payable, Ayers	298,124	351,952	403,995
Ambulance, 2016 Installment Payable	-	-	21,724
Water, SWRCB AMR Installment Payable	383,213	400,000	-
Total Bonds and Notes Payable	<u>3,153,537</u>	<u>3,346,395</u>	<u>3,140,125</u>
Compensated Absences	280,542	384,196	360,707
Total OPEB Liability	392,589	362,815	-
Net Pension Liability	4,782,545	4,506,700	4,635,085
Less: Current Portion	(253,443)	(268,754)	(251,140)
Noncurrent Portion	<u>8,355,770</u>	<u>8,331,352</u>	<u>7,884,777</u>
<b>Government-Wide Summary</b>			
Compensated Absences	449,759	515,313	479,681
Total OPEB Liability	654,316	604,693	-
Net Pension Liability	8,241,313	7,764,971	7,915,389
Bonds and Notes Payable:	<u>3,153,537</u>	<u>3,346,395</u>	<u>3,140,125</u>
Totals	<u>12,498,925</u>	<u>12,231,372</u>	<u>11,535,195</u>
Less: Current Portion	(287,286)	(294,977)	(274,935)
Noncurrent Portion	<u>\$ 12,211,639</u>	<u>\$ 11,936,395</u>	<u>\$ 11,260,260</u>

The District paid principal payments on the bonds and notes payable of \$193,505 during the year ended June 30, 2020 and \$193,730 during the year ended June 30, 2019, respectively.

Additional information on the Running Springs Water District's noncurrent liabilities can be found in Note 7 on pages 55-58 of the Basic Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Running Springs Water District is located where there is not much opportunity for growth in the form of new development. The District provides mutual fire service aid to Green Valley Lake and Arrowbear with no financial compensation and incurs shared wastewater transportation, treatment and disposal costs for upstream users who are billed for reimbursement.

For the fiscal years ending 2020-2024 water and wastewater rates will be adjusted to increase revenue to cover operating expenses and fund operating and capital reserve funds. The rate increases are needed in order to fund several deferred capital replacement projects, to replace aging infrastructure and to fund cash reserves to the levels set forth in the District's Cash Reserve Policy.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Running Springs Water District's finances for all those with an interest in the District's finances. Questions concerning this report or requests for additional financial information should be addressed to the General Manager, Running Springs Water District, PO Box 2206, Running Springs, California, 92382.

## **BASIC FINANCIAL STATEMENTS**

**Running Springs Water District**  
**Statements of Net Position**  
June 30, 2020 and 2019

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	2020	2019	2020	2019
<b>ASSETS</b>				
Cash	\$ 442,024	\$ 248,003	\$ 1,000	\$ 1,000
Temporary Investments	913,588	1,417,274	3,802,954	2,934,565
Receivables:				
Customers - Net of Allowance	-	-	864,935	885,217
Other	13,036	21,306	88,695	73,760
Taxes	41,883	31,225	4,625	2,532
Interest	4,818	10,404	13,574	18,834
Materials and Supplies Inventory	-	-	82,375	80,741
Restricted Assets:				
Cash	7,934	7,934	571,672	479,919
Capital Assets, Not Being Depreciated				
Land	414,676	414,676	1,014,656	1,014,656
Construction in Progress	-	3,069	110,696	82,037
Capital Assets Net of Accumulated Depreciation	597,255	596,327	18,562,536	18,904,427
<b>Total Assets</b>	<b>2,435,214</b>	<b>2,750,218</b>	<b>25,117,718</b>	<b>24,477,688</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pension Related Items	988,487	916,886	1,186,973	1,280,197
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	53,716	60,627	218,417	180,337
Interest Payable	-	-	37,744	38,195
Other Payables	-	-	41,650	30,684
Unearned Availability Charges	-	-	52,238	51,944
Long-term Liabilities Due Within One Year	33,843	26,223	253,443	268,754
Noncurrent Liabilities:				
Long-term Liabilities	3,855,869	3,605,043	8,355,770	8,331,352
<b>Total Liabilities</b>	<b>3,943,428</b>	<b>3,691,893</b>	<b>8,959,262</b>	<b>8,901,266</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Related Items	79,890	61,871	335,116	378,575
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,011,931	1,014,072	16,534,351	16,654,725
Restricted For Debt Service	-	-	260,871	260,921
Restricted for Wastewater Expansion	-	-	304,134	151,072
Unrestricted (Deficit)	(1,611,548)	(1,100,732)	(89,043)	(588,674)
<b>Total Net Position</b>	<b>\$ (599,617)</b>	<b>\$ (86,660)</b>	<b>\$ 17,010,313</b>	<b>\$ 16,478,044</b>

**Total**

2020	2019
\$ 443,024	\$ 249,003
4,716,542	4,351,839
864,935	885,217
101,731	95,066
46,508	33,757
18,392	29,238
82,375	80,741
579,606	487,853
1,429,332	1,429,332
110,696	85,106
<u>19,159,791</u>	<u>19,500,754</u>
<u>27,552,932</u>	<u>27,227,906</u>
<u>2,175,460</u>	<u>2,197,083</u>
272,133	240,964
37,744	38,195
41,650	30,684
52,238	51,944
287,286	294,977
<u>12,211,639</u>	<u>11,936,395</u>
<u>12,902,690</u>	<u>12,593,159</u>
<u>415,006</u>	<u>440,446</u>
17,546,282	17,668,797
260,871	260,921
304,134	151,072
<u>(1,700,591)</u>	<u>(1,689,406)</u>
<u>\$ 16,410,696</u>	<u>\$ 16,391,384</u>



**Running Springs Water District**  
**Statement of Activities**  
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Fire Protection	\$ 2,676,620	\$ 108,371	\$ -	\$ 27,567
<b>Business-type Activities:</b>				
Water	1,935,725	2,149,188	-	41,155
Sewer Collection	991,932	1,070,853	-	62,782
Sewer Treatment	1,264,445	1,384,652	-	-
Ambulance	749,276	436,964	178,357	-
<b>Total Business-type Activities</b>	<b>4,941,378</b>	<b>5,041,657</b>	<b>178,357</b>	<b>103,937</b>
<b>Total Primary Government</b>	<b>\$ 7,617,998</b>	<b>\$ 5,150,028</b>	<b>\$ 178,357</b>	<b>\$ 131,504</b>

General Revenues:  
Property Taxes  
Special Assessments - Availability Charges  
Investment Earnings  
Leasing Revenue  
Miscellaneous  
Gain on Sale of Capital Assets

Total General Revenues

Change in Net Position

Net Position, Beginning of Year, Restated

Net Position, End of Year

Net (Expense) Revenue  
and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,540,682)	\$ -	\$ (2,540,682)
-	254,618	254,618
-	141,703	141,703
-	120,207	120,207
-	(133,955)	(133,955)
-	382,573	382,573
(2,540,682)	382,573	(2,158,109)
1,798,692	-	1,798,692
200,623	52,687	253,310
20,390	67,217	87,607
-	17,350	17,350
8,020	12,442	20,462
-	-	-
2,027,725	149,696	2,177,421
(512,957)	532,269	19,312
(86,660)	16,478,044	16,391,384
<u>\$ (599,617)</u>	<u>\$ 17,010,313</u>	<u>\$ 16,410,696</u>

**Running Springs Water District**  
**Statement of Activities**  
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Fire Protection	\$ 2,502,432	\$ 294,047	\$ -	\$ 28,289
<b>Business-type Activities:</b>				
Water	2,328,076	2,052,093	-	413,262
Sewer Collection	683,293	1,147,206	-	-
Sewer Treatment	1,266,572	1,233,637	-	-
Ambulance	695,852	638,477	312,774	-
<b>Total Business-type Activities</b>	<b>4,973,793</b>	<b>5,071,413</b>	<b>312,774</b>	<b>413,262</b>
<b>Total Primary Government</b>	<b>\$ 7,476,225</b>	<b>\$ 5,365,460</b>	<b>\$ 312,774</b>	<b>\$ 441,551</b>

General Revenues:  
Property Taxes  
Special Assessments - Availability Charges  
Investment Earnings  
Leasing Revenue  
Miscellaneous  
Gain on Sale of Capital Assets  
Proceeds from Insurance Claim

Total General Revenues

Change in Net Position

Net Position, Beginning of Year

Restatement of Net Position

Net Position, End of Year

Net (Expense) Revenue  
and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,180,096)	\$ -	\$ (2,180,096)
-	137,279	137,279
-	463,913	463,913
-	(32,935)	(32,935)
-	255,399	255,399
-	823,656	823,656
(2,180,096)	823,656	(1,356,440)
1,700,578	-	1,700,578
200,688	54,228	254,916
37,426	46,222	83,648
-	11,060	11,060
3,550	13,451	17,001
510	6,385	6,895
-	-	-
1,942,752	131,346	2,074,098
(237,344)	955,002	717,658
392,562	15,885,857	16,278,419
(241,878)	(362,815)	(604,693)
<u>\$ (86,660)</u>	<u>\$ 16,478,044</u>	<u>\$ 16,391,384</u>

**Running Springs Water District**  
**Balance Sheets**  
**Governmental Fund - Fire Protection**  
June 30, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Cash	\$ 442,024	\$ 248,003
Temporary Investments	913,588	1,417,274
Restricted Cash	7,934	7,934
Accounts Receivable:		
Fire Availability Charges and Other	13,036	21,306
Taxes Receivable	41,883	31,225
Interest Receivable	4,818	10,404
Total Assets	\$ 1,423,283	\$ 1,736,146
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	\$ 53,716	\$ 60,627
Total Liabilities	53,716	60,627
Fund Balances:		
Assigned:		
Workers' Compensation Fund	6,551	7,369
Unassigned	1,363,016	1,668,150
Total Fund Balances	1,369,567	1,675,519
Total Liabilities and Fund Balances	\$ 1,423,283	\$ 1,736,146

The accompanying notes are an integral part of this statement.

**Running Springs Water District**  
**Reconciliation of the Balance Sheets to the Statements of Net Position**  
**Governmental Fund**  
June 30, 2020 and 2019

	2020	2019
Fund balances - total governmental fund	\$ 1,369,567	\$ 1,675,519
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Capital Assets	2,596,072	2,511,579
Accumulated Depreciation	(1,584,141)	(1,497,507)
<p>Amounts for deferred inflows and deferred outflows related to the District's Net Pension Liability and Total OPEB Liability are not reported in the funds.</p>		
Deferred Outflows Related to Pensions	988,487	916,886
Deferred Inflows Related to Pensions	(79,890)	(61,871)
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Compensated Absences	(169,217)	(131,117)
Total OPEB Liability	(261,727)	(241,878)
Net Pension Liability	(3,458,768)	(3,258,271)
Net Position of Governmental Activities	\$ (599,617)	\$ (86,660)

The accompanying notes are an integral part of this statement.

**Running Springs Water District**  
**Statements of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Fund - Fire Protection**  
Years Ended June 30, 2020 and 2019

	2020	2019
<b>REVENUES</b>		
Property Taxes	\$ 1,798,692	\$ 1,700,578
Assessments - Fire Availability Charges	200,623	200,688
Hazard Abatement Program Revenue	26,570	23,186
Other Revenue	81,961	274,921
Investment Earnings	20,390	37,426
Intergovernmental Revenue	27,567	28,289
Total Revenues	2,155,803	2,265,088
<b>EXPENDITURES</b>		
Salaries and Benefits	1,956,272	1,817,512
Services and Supplies	428,850	327,920
Capital Outlay	84,493	65,526
Total Expenditures	2,469,615	2,210,958
Excess (Deficiency) of Revenues Over Expenditures	(313,812)	54,130
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from Insurance Claim	7,860	-
Total Other Financing Sources (Uses)	7,860	-
Net Change in Fund Balances	(305,952)	54,130
Fund Balance, Beginning of Year	1,675,519	1,621,389
Fund Balance, End of Year	\$ 1,369,567	\$ 1,675,519

**Running Springs Water District**  
**Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund**  
**Balance of Governmental Fund to the Statements of Activities**  
Years Ended June 30, 2020 and 2019

	2020	2019
Net change in fund balances - governmental fund	\$ (305,952)	\$ 54,130
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 depreciated over their estimated useful lives.		
Capital Outlay	84,493	65,525
Depreciation	(86,634)	(98,314)
Amounts for deferred inflows and deferred outflows related to the District's net pension liability are not reported in the funds. This is the net change in deferred inflows and outflows related to the net pension liability.		
Deferred Outflows Related to Pensions	71,601	(252,230)
Deferred Inflows Related to Pensions	(18,019)	(16,345)
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.		
Net change in compensated absences	(38,100)	(12,143)
Total OPEB Liability	(19,849)	-
Net Pension Liability	(200,497)	22,033
Change in Net Position of Governmental Activities	\$ (512,957)	\$ (237,344)

The accompanying notes are an integral part of this statement.



**Running Springs Water District**  
**Statements of Net Position**  
**Proprietary Funds**  
June 30, 2020 and 2019

	Water		Sewer Collection	
	2020	2019	2020	2019
<b>ASSETS</b>				
Current Assets:				
Cash	\$ 950	\$ 950	\$ 50	\$ 50
Temporary Investments	1,946,309	1,315,607	623,184	508,395
Receivables:				
Customers - Net of Allowances	242,141	230,886	199,583	205,679
Other	31,911	27,317	10,600	9,064
Taxes	1,228	676	3,397	1,856
Interest	6,616	7,951	3,113	4,702
Material and Supplies Inventory	60,381	58,506	21,994	22,235
Restricted:				
Cash	145,851	111,065	328,829	271,862
Total Current Assets	<u>2,435,387</u>	<u>1,752,958</u>	<u>1,190,750</u>	<u>1,023,843</u>
Noncurrent Assets:				
Capital Assets Not Being Depreciated:				
Land	688,492	688,492	326,164	326,164
Construction in Progress	79,645	80,501	-	-
Capital Assets, Net of Accumulated Depreciation	<u>6,974,373</u>	<u>7,230,572</u>	<u>6,016,271</u>	<u>6,136,409</u>
Total Noncurrent Assets	<u>7,742,510</u>	<u>7,999,565</u>	<u>6,342,435</u>	<u>6,462,573</u>
Total Assets	<u>10,177,897</u>	<u>9,752,523</u>	<u>7,533,185</u>	<u>7,486,416</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pension Related Items	<u>771,532</u>	<u>832,128</u>	<u>178,046</u>	<u>192,030</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	55,053	60,634	8,402	51,781
Interest Payable	6,173	5,107	31,571	33,088
Other Payables	41,650	30,684	-	-
Unearned Availability Charges	38,438	38,210	13,800	13,734
Current Portion of Long-term Liabilities	<u>111,446</u>	<u>125,796</u>	<u>128,047</u>	<u>127,368</u>
Total Current Liabilities	<u>252,760</u>	<u>260,431</u>	<u>181,820</u>	<u>225,971</u>
Noncurrent Liabilities:				
Noncurrent Portion of Long-term Liabilities	<u>4,146,739</u>	<u>4,090,103</u>	<u>3,137,833</u>	<u>3,223,127</u>
Total Noncurrent Liabilities	<u>4,146,739</u>	<u>4,090,103</u>	<u>3,137,833</u>	<u>3,223,127</u>
Total Liabilities	<u>4,399,499</u>	<u>4,350,534</u>	<u>3,319,653</u>	<u>3,449,098</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Related Items	<u>217,826</u>	<u>246,074</u>	<u>50,267</u>	<u>56,786</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	7,061,173	7,247,613	3,870,235	3,868,130
Restricted for Debt Service	89,334	89,384	171,537	171,537
Restricted for Wastewater Expansion	53,184	18,348	153,959	66,362
Unrestricted (deficit)	<u>(871,587)</u>	<u>(1,367,302)</u>	<u>145,580</u>	<u>66,533</u>
Total Net Position	<u>\$ 6,332,104</u>	<u>\$ 5,988,043</u>	<u>\$ 4,341,311</u>	<u>\$ 4,172,562</u>

Sewer Treatment		Ambulance		Total Enterprise Funds	
2020	2019	2020	2019	2020	2019
\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
1,088,237	590,344	145,224	520,219	3,802,954	2,934,565
17,862	7,688	405,349	440,964	864,935	885,217
46,184	37,379	-	-	88,695	73,760
-	-	-	-	4,625	2,532
3,705	3,744	140	2,437	13,574	18,834
-	-	-	-	82,375	80,741
96,992	96,992	-	-	571,672	479,919
<u>1,252,980</u>	<u>736,147</u>	<u>550,713</u>	<u>963,620</u>	<u>5,429,830</u>	<u>4,476,568</u>
-	-	-	-	1,014,656	1,014,656
31,051	1,536	-	-	110,696	82,037
<u>5,119,645</u>	<u>5,377,182</u>	<u>452,247</u>	<u>160,264</u>	<u>18,562,536</u>	<u>18,904,427</u>
<u>5,150,696</u>	<u>5,378,718</u>	<u>452,247</u>	<u>160,264</u>	<u>19,687,888</u>	<u>20,001,120</u>
<u>6,403,676</u>	<u>6,114,865</u>	<u>1,002,960</u>	<u>1,123,884</u>	<u>25,117,718</u>	<u>24,477,688</u>
237,395	256,039	-	-	1,186,973	1,280,197
136,741	50,937	18,221	16,985	218,417	180,337
-	-	-	-	37,744	38,195
-	-	-	-	41,650	30,684
-	-	-	-	52,238	51,944
13,950	15,590	-	-	253,443	268,754
<u>150,691</u>	<u>66,527</u>	<u>18,221</u>	<u>16,985</u>	<u>603,492</u>	<u>569,914</u>
1,071,198	1,018,122	-	-	8,355,770	8,331,352
<u>1,071,198</u>	<u>1,018,122</u>	<u>-</u>	<u>-</u>	<u>8,355,770</u>	<u>8,331,352</u>
<u>1,221,889</u>	<u>1,084,649</u>	<u>18,221</u>	<u>16,985</u>	<u>8,959,262</u>	<u>8,901,266</u>
67,023	75,715	-	-	335,116	378,575
5,150,696	5,378,718	452,247	160,264	16,534,351	16,654,725
-	-	-	-	260,871	260,921
96,991	66,362	-	-	304,134	151,072
104,472	(234,540)	532,492	946,635	(89,043)	(588,674)
<u>\$ 5,352,159</u>	<u>\$ 5,210,540</u>	<u>\$ 984,739</u>	<u>\$ 1,106,899</u>	<u>\$ 17,010,313</u>	<u>\$ 16,478,044</u>

**Running Springs Water District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
Years Ended June 30, 2020 and 2019

	Water		Sewer Collection	
	2020	2019	2020	2019
<b>OPERATING REVENUES</b>				
Monthly Service Charges	\$ 1,267,594	\$ 1,165,999	\$ 1,045,050	\$ 884,192
Usage Charges	816,133	776,071	-	61,642
Special Charges - R&R Fee	-	64,348	-	181,420
Delinquent Charges	31,907	22,969	22,331	11,238
Other Revenues	6,502	5,348	3,472	8,714
Turn-on and Shut-off Charges	27,052	17,358	-	-
Operating Grants and Contributions	-	-	-	-
Charges to Upstream Users	-	-	-	-
<b>Total Operating Revenues</b>	<b>2,149,188</b>	<b>2,052,093</b>	<b>1,070,853</b>	<b>1,147,206</b>
<b>OPERATING EXPENSES</b>				
Source of Supply	101,190	186,090	-	-
Pumping	76,657	61,738	-	-
Water Treatment	19,502	25,465	-	-
Transmission and Distribution	-	44	-	-
Customers' Accounts	-	547	-	-
Sewage Collections	-	-	121,609	80,696
Sewage Treatment	-	-	-	-
Salaries and Benefits	878,225	1,098,320	446,002	186,168
Administrative Expenses	477,820	566,139	132,451	101,783
Others	76,409	134,510	44,831	58,247
Depreciation	286,137	240,626	199,261	206,355
<b>Total Operating Expenses</b>	<b>1,915,940</b>	<b>2,313,479</b>	<b>944,154</b>	<b>633,249</b>
<b>Operating Income (Loss)</b>	<b>233,248</b>	<b>(261,386)</b>	<b>126,699</b>	<b>513,957</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Assessments - Availability Charges	38,093	39,325	8,796	7,586
Investment Earnings	31,123	22,092	15,299	8,021
Leasing Revenue	17,350	11,060	-	-
Miscellaneous	2,877	3,559	2,951	9,642
Gain/(Loss) on Disposal of Capital Assets	-	4,675	-	1,710
Interest on Long-term Debt	(19,785)	(14,597)	(47,778)	(50,044)
<b>Total Nonoperating Revenue (Expenses)</b>	<b>69,658</b>	<b>66,114</b>	<b>(20,732)</b>	<b>(23,085)</b>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	<b>302,906</b>	<b>(195,272)</b>	<b>105,967</b>	<b>490,872</b>
Capital Contributions	41,155	413,262	62,782	-
Transfers In	-	-	-	989
Transfers Out	-	-	-	-
<b>Change in Net Position</b>	<b>344,061</b>	<b>217,990</b>	<b>168,749</b>	<b>491,861</b>
Net Position, Beginning of Year	5,988,043	6,024,024	4,172,562	3,735,123
Restatement of Net Position	-	(253,971)	-	(54,422)
<b>Net Position, End of Year</b>	<b>\$ 6,332,104</b>	<b>\$ 5,988,043</b>	<b>\$ 4,341,311</b>	<b>\$ 4,172,562</b>

The accompanying notes are an integral part of this statement.

Sewer Treatment		Ambulance		Total Enterprise Funds	
2020	2019	2020	2019	2020	2019
\$ 793,739	\$ 723,430	\$ 436,964	\$ 511,617	\$ 3,543,347	\$ 3,285,238
137,796	50,434	-	-	953,929	888,147
-	-	-	-	-	245,768
5,383	9,050	-	-	59,621	43,257
-	-	-	126,860	9,974	140,922
-	-	-	-	27,052	17,358
-	-	178,357	312,774	178,357	312,774
447,734	450,723	-	-	447,734	450,723
<u>1,384,652</u>	<u>1,233,637</u>	<u>615,321</u>	<u>951,251</u>	<u>5,220,014</u>	<u>5,384,187</u>
-	-	-	-	101,190	186,090
-	-	-	-	76,657	61,738
-	-	-	-	19,502	25,465
-	-	-	-	-	44
-	-	-	-	-	547
-	-	-	-	121,609	80,696
266,978	249,314	-	-	266,978	249,314
489,943	554,714	391,194	380,921	2,205,364	2,220,123
142,639	107,050	101,885	73,834	854,795	848,806
70,666	66,205	224,281	218,373	416,187	477,335
294,219	289,289	31,916	22,429	811,533	758,699
<u>1,264,445</u>	<u>1,266,572</u>	<u>749,276</u>	<u>695,557</u>	<u>4,873,815</u>	<u>4,908,857</u>
<u>120,207</u>	<u>(32,935)</u>	<u>(133,955)</u>	<u>255,694</u>	<u>346,199</u>	<u>475,330</u>
5,798	7,317	-	-	52,687	54,228
15,614	8,889	5,181	7,220	67,217	46,222
-	-	-	-	17,350	11,060
-	250	6,614	-	12,442	13,451
-	-	-	-	-	6,385
-	-	-	(295)	(67,563)	(64,936)
<u>21,412</u>	<u>16,456</u>	<u>11,795</u>	<u>6,925</u>	<u>82,133</u>	<u>66,410</u>
141,619	(16,479)	(122,160)	262,619	428,332	541,740
-	-	-	-	103,937	413,262
-	-	-	-	-	989
-	(989)	-	-	-	(989)
<u>141,619</u>	<u>(17,468)</u>	<u>(122,160)</u>	<u>262,619</u>	<u>532,269</u>	<u>955,002</u>
5,210,540	5,282,430	1,106,899	844,280	16,478,044	15,885,857
-	(54,422)	-	-	-	(362,815)
<u>\$ 5,352,159</u>	<u>\$ 5,210,540</u>	<u>\$ 984,739</u>	<u>\$ 1,106,899</u>	<u>\$ 17,010,313</u>	<u>\$ 16,478,044</u>

**Running Springs Water District**  
**Statements of Cash Flows**  
**Proprietary Funds**  
Years Ended June 30, 2020 and 2019

	Water		Sewer Collection	
	2020	2019	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 2,137,933	\$ 2,057,023	\$ 1,076,949	\$ 1,146,688
Cash Payments for Employee Services	(1,066,231)	(1,200,449)	(502,790)	(511,098)
Cash Paid to Suppliers	(414,815)	(356,478)	(240,148)	(179,722)
Other Operating Cash Receipts	20,227	14,619	2,951	9,642
Net Cash Provided (Used) by Operating Activities	<u>677,114</u>	<u>514,715</u>	<u>336,962</u>	<u>465,510</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Availability Charges	33,176	38,074	5,785	2,615
Cash Received (Paid to) Other Funds	-	-	-	989
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>33,176</u>	<u>38,074</u>	<u>5,785</u>	<u>3,604</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(29,081)	(934,528)	(79,123)	(45,990)
Proceeds from Sale of Capital Assets	-	4,675	-	1,710
Proceeds from Installments Payable	647	400,000	-	-
Capital Contributions	41,155	413,262	62,782	-
Principal Payments on Debt	(71,262)	(52,043)	(122,243)	(119,963)
Interest Paid	(18,719)	(13,297)	(49,295)	(51,574)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(77,260)</u>	<u>(181,931)</u>	<u>(187,879)</u>	<u>(215,817)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Investments	32,458	18,608	16,888	4,113
Net Cash Provided (Used) by Investing Activities	<u>32,458</u>	<u>18,608</u>	<u>16,888</u>	<u>4,113</u>
Net Increase (Decrease) in Cash and Cash Equivalents	665,488	389,466	171,756	257,410
Cash and Cash Equivalents, Beginning of Year	<u>1,427,622</u>	<u>1,038,156</u>	<u>780,307</u>	<u>522,897</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,093,110</u>	<u>\$ 1,427,622</u>	<u>\$ 952,063</u>	<u>\$ 780,307</u>
<b>RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</b>				
Current Assets:				
Cash	\$ 950	\$ 950	\$ 50	\$ 50
Temporary Investments	1,946,309	1,315,607	623,184	508,395
Restricted Cash	145,851	111,065	328,829	271,862
Totals	<u>\$ 2,093,110</u>	<u>\$ 1,427,622</u>	<u>\$ 952,063</u>	<u>\$ 780,307</u>

Sewer Treatment		Ambulance		Total Enterprise Funds	
2020	2019	2020	2019	2020	2019
\$ 1,374,478	\$ 1,225,949	\$ 650,936	\$ 940,283	\$ 5,240,296	\$ 5,369,943
(532,579)	(485,246)	(462,682)	(403,891)	(2,564,282)	(2,600,684)
(290,455)	(385,539)	(253,442)	(270,400)	(1,198,860)	(1,192,139)
-	250	6,614	-	29,792	24,511
<u>551,444</u>	<u>355,414</u>	<u>(58,574)</u>	<u>265,992</u>	<u>1,506,946</u>	<u>1,601,631</u>
(3,007)	17,797	-	-	35,954	58,486
-	(989)	-	-	-	-
<u>(3,007)</u>	<u>16,808</u>	<u>-</u>	<u>-</u>	<u>35,954</u>	<u>58,486</u>
(66,197)	(124,995)	(323,899)	-	(498,300)	(1,105,513)
-	-	-	-	-	6,385
-	-	-	-	647	400,000
-	-	-	-	103,937	413,262
-	-	-	(21,724)	(193,505)	(193,730)
-	-	-	(380)	(68,014)	(65,251)
<u>(66,197)</u>	<u>(124,995)</u>	<u>(323,899)</u>	<u>(22,104)</u>	<u>(655,235)</u>	<u>(544,847)</u>
15,653	5,832	7,478	6,239	72,477	34,792
<u>15,653</u>	<u>5,832</u>	<u>7,478</u>	<u>6,239</u>	<u>72,477</u>	<u>34,792</u>
497,893	253,059	(374,995)	250,127	960,142	1,150,062
<u>687,336</u>	<u>434,277</u>	<u>520,219</u>	<u>270,092</u>	<u>3,415,484</u>	<u>2,265,422</u>
<u>\$ 1,185,229</u>	<u>\$ 687,336</u>	<u>\$ 145,224</u>	<u>\$ 520,219</u>	<u>\$ 4,375,626</u>	<u>\$ 3,415,484</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
1,088,237	590,344	145,224	520,219	3,802,954	2,934,565
96,992	96,992	-	-	571,672	479,919
<u>\$ 1,185,229</u>	<u>\$ 687,336</u>	<u>\$ 145,224</u>	<u>\$ 520,219</u>	<u>\$ 4,375,626</u>	<u>\$ 3,415,484</u>

Continued

**Running Springs Water District**  
**Statements of Cash Flows**  
**Proprietary Funds**  
Years Ended June 30, 2020 and 2019

<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	Water		Sewer Collection	
	2020	2019	2020	2019
Operating Income (Loss)	\$ 233,248	\$ (261,386)	\$ 126,699	\$ 513,957
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:				
Depreciation	286,137	240,626	199,261	206,355
Other Income	20,227	14,619	2,951	9,642
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(11,255)	4,930	6,096	(518)
(Increase) Decrease in Prepaid Expenses	-	612	-	288
(Increase) Decrease in Inventory	(1,875)	1,823	241	1,915
(Increase) Decrease in Deferred Outflows	60,596	(25,939)	13,984	156,360
Increase (Decrease) in Accounts Payable	(21,509)	(14,490)	(42,373)	38,049
Increase (Decrease) in Accrued Wages	15,928	(6,610)	(1,006)	(4,317)
Increase (Decrease) in Other Payables	10,966	4,147	-	-
Increase (Decrease) in Compensated Absences	(87,241)	41,762	(8,216)	(39,163)
Increase (Decrease) in Net Pension Liability	179,299	333,707	41,377	(445,685)
Increase (Decrease) in Total OPEB Liability	20,841	-	4,467	-
Increase (Decrease) in Deferred Inflows	(28,248)	180,914	(6,519)	28,627
<b>TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 677,114</b>	<b>\$ 514,715</b>	<b>\$ 336,962</b>	<b>\$ 465,510</b>

Sewer Treatment		Ambulance		Total Business-type Activities	
2020	2019	2020	2019	2020	2019
\$ 120,207	\$ (32,935)	\$ (133,955)	\$ 255,694	\$ 346,199	\$ 475,330
294,219	289,289	31,916	22,429	811,533	758,699
-	250	6,614	-	29,792	24,511
(10,174)	(7,688)	35,615	(10,968)	20,282	(14,244)
-	219	-	-	-	1,119
-	-	-	-	(1,634)	3,738
18,644	29,005	-	-	93,224	159,426
81,194	16,059	(4,872)	2,439	12,440	42,057
4,610	4,055	6,108	(3,602)	25,640	(10,474)
-	-	-	-	10,966	4,147
(8,200)	20,891	-	-	(103,657)	23,490
55,169	(16,408)	-	-	275,845	(128,386)
4,467	-	-	-	29,775	-
(8,692)	52,677	-	-	(43,459)	262,218
<u>\$ 551,444</u>	<u>\$ 355,414</u>	<u>\$ (58,574)</u>	<u>\$ 265,992</u>	<u>\$ 1,506,946</u>	<u>\$ 1,601,631</u>



**Running Springs Water District**  
**Statements of Fiduciary Assets and Liabilities**  
**Agency Fund (Assessment Districts)**  
June 30, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Cash with Fiscal Agent	\$ 116,463	\$ 115,127
Temporary Investments	146,982	155,177
Total Assets	\$ 263,445	\$ 270,304
<b>LIABILITIES</b>		
Accounts Payable	\$ 649	\$ 771
Due to Bondholders	262,796	269,533
Total Liabilities	\$ 263,445	\$ 270,304

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Business and Reporting Entity**

The Running Springs Water District (the "District") was organized on March 17, 1958 under authority of the California Water Code. The District has been engaged in financing, constructing, operating, maintaining and furnishing water service to its customers since inception. In 1962, the District established a fire department to provide fire protection for the area included in the Water District. In 1976, the sewage disposal system was completed to provide sewer service for the District. An ambulance service has been provided by the District since 1983. In 2005, the Board adopted Ordinance No. 26 which provides authorization for the removal of dead or dying trees. The District is governed by a five-member Board of Directors whose members are elected by the registered voters in the District to staggered four-year terms.

The Board of Directors and officers of the District at June 30, 2020 are as follows:

NAME	OFFICER	TERM EXPIRES
Tony Grabow	President	December 2022
Errol Mackzum	Vice-President	December 2020
Michael Terry	Director	December 2020
William Conrad	Director	December 2022
Mark Acciani	Director	December 2022
Ryan Gross	General Manager	
Amie Crowder	Secretary/Treasurer	

The Board of Directors meets on the third Wednesday of each month.

**Reporting Entity**

In determining the agencies or entities which comprise the governmental entity for financial reporting purposes, the criteria of oversight responsibility over such entities, special financing relationships and scope of public service provided by the entities are used. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations and accountability for fiscal matters. Based on these criteria, the District has no component units at this time.

**B. Government-Wide and Fund Financial Statements**

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Government-Wide and Fund Financial Statements - Continued**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the District include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund, proprietary funds and fiduciary fund.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fire assessment taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore have been recognized as revenues within the current fiscal period. Only that portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued**

The District reports the following major governmental fund:

The *Fire Protection Fund* - used to account for all activities relating to the District's Fire department.

The District reports the following proprietary funds:

The *Water Fund* - used to account for all activities relating to the District's water service operations.

The *Sewer Collection Fund* - used to account for all activities relating to the District's sewer collection operations.

The *Sewer Treatment Fund* - used to account for all activities relating to the District's sewer treatment operations.

The *Ambulance Fund* - used to account for all activities relating to the District's ambulance services.

Additionally, the District reports an *Agency Fund* which is used to account for assets held by the District as an agent for property owners.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Donated plant and cash received for capital improvement without the requirement that the District give resources in exchange are recorded as contributions.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**D. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District currently reports deferred outflows resulting from the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. See Note 9 – Pension Plans for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District currently reports deferred inflows resulting from the District's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

**E. Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position.

**F. Cash and Investments**

Investments for the District are reported at fair value.

For purposes of reporting changes in cash flows, the District considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

**G. Customer Billings and Allowance for Uncollectible Accounts**

Customers are billed on a monthly basis and the related revenues are recorded when customers are billed. Unbilled services are accrued at year-end.

Ambulance customers are billed after service has been provided. The District provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of the ambulance receivables. The allowance for uncollectible ambulance fees was \$950,395 and \$964,791 at June 30, 2020 and 2019, respectively.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**H. Inventories**

Inventories of materials and supplies, consisting of parts used for utility plant construction and repair, are carried at cost using the first-in, first-out method.

**I. Restricted Assets**

The District holds certain funds which are restricted for specific purposes. These restricted funds consist principally of construction receivable - upstream users (for debt service payments and repayment of funds advanced by the District for the water treatment expansion), debt service reserve requirements, and wastewater expansion charges collected. These funds are not available for general operations.

**J. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year except for movable assets (assets that are freestanding and movable - vehicles, furniture, software and equipment) which are capitalized with initial cost of \$1,000 or more. As the District acquires or constructs capital assets they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed. For the current fiscal year no interest was capitalized. Total interest charged to expense for the 2019-20 and 2018-19 fiscal years was \$67,563 and \$64,936, respectively.

Capital contributions represent cash or capital asset additions contributed to the District by property owners or developers desiring service that require capital expenditures or capacity commitment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Plant and Facilities	20 - 75
Furniture and Equipment	3 - 10
Trucks and Automobiles	5

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**K. Compensated Absences Liability**

Employees are entitled to accumulate vacation leave. The total accumulated vacation time shall not exceed the total hours accrued in the preceding year in addition to the current year's accrual. Once the maximum limit is reached, all further accruals will cease until after an employee has taken vacation and his or her accrued vacation has dropped below the maximum limit. Upon termination of employment for any reason, the District shall compensate the employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination. If an employee has reached the maximum accrual limit and is unable to take vacation because of the Department's workload, the following alternatives may be made available: (1) the General Manager may approve a waiver on the limit of maximum hours that may be accrued; or (2) the employee may request that the District buy back the unused vacation time, in accordance with the District's personnel policy manual. Any determinations in this regard are at the sole discretion of the General Manager.

Regular full-time 40-hour week employees accrue 8 hours of sick time per month while 24-hour shift regular full-time employees accrue 12 hours of sick time per month. Upon termination of employment accrued sick time is only paid out based on an approved District formula to eligible employees who have 10 or more years of continuous service with the District and voluntarily terminate their employment with the District.

In accordance with generally accepted accounting principles, the liability for the above accruals is reflected on the government-wide and proprietary fund financial statements, and the current year allocation has been expensed.

**L. Fund Balance**

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.



**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**L. Fund Balance - Continued**

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the Board of Directors by ordinance or resolution to formally commit part of the Fire Fund's fund balance or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal Board of Director's action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Board's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. The District's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the General Manager.

Unassigned Fund Balance - These are either residual positive net resources of the Fire Fund in excess of what can properly be classified in one of the other four categories, or negative balances.

**M. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

**N. Property Tax**

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	March 1	
Levy Year	July 1 to June 30	
Due Dates	November 1	1st Installment
	February 1	2nd Installment
Delinquent Dates	December 10	1st Installment
	April 10	2nd Installment

Under California law, property taxes and other charges (such as assessments) are assessed and collected by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to agencies based on complex formulas prescribed by state statutes.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**O. Reclassifications**

Certain amounts in the June 30, 2019 financial statements have been reclassified to conform to the June 30, 2020 presentation.

**P. New Accounting Pronouncements**

The Governmental Accounting Standards Board has issued the following Statements, which may affect the District's financial reporting requirements in the future:

*GASB 84 - Fiduciary Activities:* This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

*GASB 87 - Leases:* This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

*GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period:* This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

*GASB 90 – Majority Equity Interests:* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**Q. Pensions**

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

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**R. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within curtailed defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**2) CASH AND TEMPORARY INVESTMENTS**

Cash and investments at June 30, 2020 and 2019 are presented as follows:

	Government- wide Statement of Net Position	Statement of Fiduciary Assets and Liabilities	2020 Total	2019 Total
Cash	\$ 443,024	\$ -	\$ 443,024	\$ 249,003
Temporary Investments	4,716,542	146,982	4,863,524	4,507,016
Restricted Cash	579,606	-	579,606	487,853
Cash with Fiscal Agent	-	116,463	116,463	115,127
<b>Total</b>	<b>\$ 5,739,172</b>	<b>\$ 263,445</b>	<b>\$ 6,002,617</b>	<b>\$ 5,358,999</b>

Cash and investments consist of the following at June 30, 2020 and 2019:

	2020	2019
Deposits with Financial Institutions	\$ 456,641	\$ 262,604
Petty Cash	1,000	1,000
Local Agency Investment Fund (LAIF)	5,428,513	4,980,268
Held by Bond Trustee:		
Money Market Fund	116,463	115,127
<b>Total Cash and Investments</b>	<b>\$ 6,002,617</b>	<b>\$ 5,358,999</b>

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**2) CASH AND TEMPORARY INVESTMENTS - Continued**

**Restricted Cash**

At June 30, 2020 and 2019, the District had the following cash balances restricted for specific purposes:

Restricted for:	Restricted Cash	
	2020	2019
Workers' Compensation Insurance Claims	\$ 14,601	\$ 14,601
SRF Loan Debt Service Reserve	260,871	260,922
Water and Wastewater Capacity Expansion	304,134	212,330
Total	\$ 579,606	\$ 487,853

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

The District's investment policy authorizes investment in the LAIF. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk. Cash and investments held and invested by fiscal agents on behalf of the District are pledged for payment or security of certain long-term debt issuances. Fiscal agents are mandated by bond indentures as to the types of investments in which such funds can be invested.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rates risk by limiting its investments in the State's investment pool. At June 30, 2020 and 2019, the District had the following investments:

	2020	2020	2019	2019
	Amount	Maturity Date 12 Months or Less	Amount	Maturity Date 12 Months or Less
LAIF	\$ 5,428,513	\$ 5,428,513	\$ 4,980,268	\$ 4,980,268
Held by Bond Trustee:				
Money Market Fund	116,463	116,463	115,127	115,127
Total	\$ 5,544,976	\$ 5,544,976	\$ 5,095,395	\$ 5,095,395

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, or debt agreements, and the actual rating as of year-end.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**2) CASH AND TEMPORARY INVESTMENTS - Continued**

Investment Type	2020 Amount	Minimum Legal Rating	Aaa	Not Rated	2019 Amount
LAIF	\$ 5,428,513	None	\$ -	\$ 5,428,513	\$ 4,980,268
Held by Bond Trustee:					
Money Market Fund	116,463	N/A	116,463	-	115,127
Total	<u>\$ 5,544,976</u>		<u>\$ 116,463</u>	<u>\$ 5,428,513</u>	<u>\$ 5,095,395</u>

**Concentration of Credit Risk**

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2020 and 2019, the District had no investments in any one issuer (other than external pools) that represent 5% or more of total District investments.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. 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 government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. 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.

As of June 30, 2020, the District did not have any deposits with financial institutions in excess of federal depository insurance limits that were held in uncollateralized accounts.

**Fair Value of Investments**

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. The District has no investments subject to GASB 72 fair value measurements.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**2) CASH AND TEMPORARY INVESTMENTS - Continued**

**Investment in State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by 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 cost which approximates fair value 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.

**3) ACCOUNTS RECEIVABLE - CUSTOMERS**

Accounts receivable from customers consists of the following at June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Customers - Water and Sewer	\$ 460,586	\$ 444,253
Ambulance Receivable	1,271,027	1,391,359
Allowance for Uncollectible Ambulance Charges	(866,678)	(950,395)
	\$ 864,935	\$ 885,217

Management considers the receivables from water and sewer customers to be fully collectible; accordingly, no allowance for doubtful accounts for water and sewer customers has been established.

**4) OTHER RECEIVABLES**

	Governmental Activities		Business-Type Activities	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Availability Charges	\$ 13,036	\$ 15,763	\$ 42,352	\$ 36,221
Brookings Mutual Water	-	-	160	160
Upstream Users	-	-	46,183	37,379
Miscellaneous	-	5,543	-	-
Total	\$ 13,036	\$ 21,306	\$ 88,695	\$ 73,760

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**5) CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Depreciated:				
Land and Land Rights	\$ 414,676	\$ -	\$ -	\$ 414,676
Construction in Progress	3,069	20,330	23,399	-
Total Capital Assets Not Depreciated	417,745	20,330	23,399	414,676
Capital Assets, Being Depreciated:				
Structures and Improvements	523,806	-	-	523,806
Fire Trucks and Mounted Equipment	1,109,362	-	-	1,109,362
Special Purpose Equipment	371,307	41,159	-	412,466
Office Equipment	32,801	6,455	-	39,256
Shop and Station Equipment	45,450	-	-	45,450
Communication Equipment	11,108	39,948	-	51,056
Total Capital Assets Being Depreciated	2,093,834	87,562	-	2,181,396
Less Accumulated Depreciation:				
Structures and Improvements	(325,876)	(14,234)	-	(340,110)
Fire Trucks and Mounted Equipment	(879,039)	(44,298)	-	(923,337)
Special Purpose Equipment	(252,438)	(13,597)	-	(266,035)
Office Equipment	(15,341)	(6,193)	-	(21,534)
Shop and Station Equipment	(13,705)	(6,943)	-	(20,648)
Communication Equipment	(11,108)	(1,369)	-	(12,477)
Total Accumulated Depreciation	(1,497,507)	(86,634)	-	(1,584,141)
Total Capital Assets Being Depreciated, Net	596,327	928	-	597,255
Governmental Activities Capital Assets, Net	<u>\$ 1,014,072</u>	<u>\$ 21,258</u>	<u>\$ 23,399</u>	<u>\$ 1,011,931</u>

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**5) CAPITAL ASSETS - Continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets, Not Depreciated:				
Land and Land Rights	\$ 1,014,656	\$ -	\$ -	\$ 1,014,656
Construction in Progress	82,037	54,756	26,098	110,695
<b>Total Capital Assets Not Depreciated</b>	<b>1,096,693</b>	<b>54,756</b>	<b>26,098</b>	<b>1,125,351</b>
Capital Assets, Being Depreciated:				
Water Plant and Facilities	12,037,038	9,595	-	12,046,633
Sewer Plant and Facilities	21,012,518	70,139	-	21,082,657
Furniture and Equipment	860,035	149,545	-	1,009,580
Trucks and Automobiles	949,234	240,363	-	1,189,597
<b>Total Capital Assets Being Depreciated</b>	<b>34,858,825</b>	<b>469,642</b>	<b>-</b>	<b>35,328,467</b>
Less Accumulated Depreciation:				
Water Plant and Facilities	(4,907,129)	(261,102)	-	(5,168,231)
Sewer Plant and Facilities	(9,555,250)	(475,700)	-	(10,030,950)
Furniture and Equipment	(678,819)	(59,278)	-	(738,097)
Trucks and Automobiles	(813,200)	(15,453)	-	(828,653)
<b>Total Accumulated Depreciation</b>	<b>(15,954,398)</b>	<b>(811,533)</b>	<b>-</b>	<b>(16,765,931)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>18,904,427</b>	<b>(341,891)</b>	<b>-</b>	<b>18,562,536</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 20,001,120</b>	<b>\$ (287,135)</b>	<b>\$ 26,098</b>	<b>\$ 19,687,887</b>

For the fiscal year ended June 30, 2020, depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Fire Protection	<u>\$ 86,634</u>
Business-type Activities:	
Water	\$ 286,137
Sewer Collection	199,261
Sewer Treatment	294,219
Ambulance	<u>31,916</u>
<b>Total Business-type Activities</b>	<b>\$ 811,533</b>



**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**5) CAPITAL ASSETS - Continued**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Depreciated:				
Land and Land Rights	\$ 414,676	\$ -	\$ -	\$ 414,676
Construction in Progress	93,372	18,534	108,837	3,069
Total Capital Assets Not Depreciated	508,048	18,534	108,837	417,745
Capital Assets, Being Depreciated:				
Structures and Improvements	430,434	93,372	-	523,806
Fire Trucks and Mounted Equipment	1,118,770	21,309	30,717	1,109,362
Special Purpose Equipment	371,307	-	-	371,307
Office Equipment	25,849	6,952	-	32,801
Shop and Station Equipment	11,255	34,195	-	45,450
Communication Equipment	11,108	-	-	11,108
Total Capital Assets Being Depreciated	1,968,723	155,828	30,717	2,093,834
Less Accumulated Depreciation:				
Structures and Improvements	(311,606)	(14,270)	-	(325,876)
Fire Trucks and Mounted Equipment	(849,367)	(60,389)	(30,717)	(879,039)
Special Purpose Equipment	(236,771)	(15,667)	-	(252,438)
Office Equipment	(10,307)	(5,034)	-	(15,341)
Shop and Station Equipment	(10,751)	(2,954)	-	(13,705)
Communication Equipment	(11,108)	-	-	(11,108)
Total Accumulated Depreciation	(1,429,910)	(98,314)	(30,717)	(1,497,507)
Total Capital Assets Being Depreciated, Net	538,813	57,514	-	596,327
Governmental Activities Capital Assets, Net	<u>\$ 1,046,861</u>	<u>\$ 76,048</u>	<u>\$ 108,837</u>	<u>\$ 1,014,072</u>

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**5) CAPITAL ASSETS - Continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets, Not Depreciated:				
Land and Land Rights	\$ 1,014,656	\$ -	\$ -	\$ 1,014,656
Construction in Progress	41,279	993,238	952,480	82,037
<b>Total Capital Assets Not Depreciated</b>	<b>1,055,935</b>	<b>993,238</b>	<b>952,480</b>	<b>1,096,693</b>
Capital Assets, Being Depreciated:				
Water Plant and Facilities	11,152,506	884,532	-	12,037,038
Sewer Plant and Facilities	20,866,484	150,535	4,501	21,012,518
Furniture and Equipment	830,347	29,688	-	860,035
Trucks and Automobiles	984,499	-	35,265	949,234
<b>Total Capital Assets Being Depreciated</b>	<b>33,833,836</b>	<b>1,064,755</b>	<b>39,766</b>	<b>34,858,825</b>
Less Accumulated Depreciation:				
Water Plant and Facilities	(4,689,367)	(217,762)	-	(4,907,129)
Sewer Plant and Facilities	(9,080,672)	(479,079)	(4,501)	(9,555,250)
Furniture and Equipment	(633,113)	(45,706)	-	(678,819)
Trucks and Automobiles	(832,313)	(16,152)	(35,265)	(813,200)
<b>Total Accumulated Depreciation</b>	<b>(15,235,465)</b>	<b>(758,699)</b>	<b>(39,766)</b>	<b>(15,954,398)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>18,598,371</b>	<b>306,056</b>	<b>-</b>	<b>18,904,427</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 19,654,306</b>	<b>\$ 1,299,294</b>	<b>\$ 952,480</b>	<b>\$ 20,001,120</b>

For the fiscal year ended June 30, 2019, depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Fire Protection	<u>\$ 98,314</u>
Business-type Activities:	
Water	\$ 240,626
Sewer Collection	206,355
Sewer Treatment	289,289
Ambulance	<u>22,429</u>
<b>Total Business-type Activities</b>	<b>\$ 758,699</b>

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**6) OTHER PAYABLES**

Other payables consist of the following at June 30, 2020 and 2019:

	Governmental Activities		Business-Type Activities	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Grants Payable	\$ -	\$ -	\$ -	\$ -
Customer Deposits	-	-	41,602	30,636
Miscellaneous	-	-	48	48
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,650</u>	<u>\$ 30,684</u>

**7) LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities for the year ended June 30, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 131,117	\$ 223,923	\$ 185,823	\$ 169,217	\$ 33,843
Total OPEB Liability	241,878	19,849	-	261,727	-
Net Pension Liability	3,258,271	200,497	-	3,458,768	-
Total	<u>\$ 3,631,266</u>	<u>\$ 444,269</u>	<u>\$ 185,823</u>	<u>\$ 3,889,712</u>	<u>\$ 33,843</u>
<b>Business-Type Activities</b>					
Loans from direct borrowings and direct placements:					
Sewer Treatment, SWRCB					
Installment Payable, 2014	\$ 2,594,443	\$ -	\$ 122,243	\$ 2,472,200	\$ 124,565
Water Supply, 2015					
Installment Payable, Ayers Water, SWRCB AMR	351,952	-	53,828	298,124	55,674
Installment Payable	400,000	647	17,434	383,213	17,096
Total direct	<u>3,346,395</u>	<u>647</u>	<u>193,505</u>	<u>3,153,537</u>	<u>197,335</u>
Compensated Absences	384,196	197,096	300,750	280,542	56,108
Total OPEB Liability	362,815	29,774	-	392,589	-
Net Pension Liability	4,506,700	275,845	-	4,782,545	-
Total	<u>\$ 8,600,106</u>	<u>\$ 503,362</u>	<u>\$ 494,255</u>	<u>\$ 8,609,213</u>	<u>\$ 253,443</u>

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**7) LONG-TERM LIABILITIES - Continued**

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

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 118,974	\$ 213,248	\$ 201,105	\$ 131,117	\$ 26,223
Total OPEB Liability	-	241,878	-	241,878	-
Net Pension Liability	3,280,304	-	22,033	3,258,271	-
Total	<u>\$ 3,399,278</u>	<u>\$ 455,126</u>	<u>\$ 223,138</u>	<u>\$ 3,631,266</u>	<u>\$ 26,223</u>
<b>Business-Type Activities</b>					
Loans from direct borrowings and direct placements:					
Sewer Treatment, SWRCB					
Installment Payable, 2014	\$ 2,714,406	\$ -	\$ 119,963	\$ 2,594,443	\$ 122,243
Water Supply, 2015					
Installment Payable, Ayers	403,995	-	52,043	351,952	53,828
Ambulance, 2016					
Installment Payable	21,724	-	21,724	-	-
Water, SWRCB AMR					
Installment Payable	-	400,000	-	400,000	15,844
Total direct	<u>3,140,125</u>	<u>400,000</u>	<u>193,730</u>	<u>3,346,395</u>	<u>191,915</u>
Compensated Absences	360,707	245,128	221,639	384,196	76,839
Total OPEB Liability	-	362,815	-	362,815	-
Net Pension Liability	<u>4,635,085</u>	<u>-</u>	<u>128,385</u>	<u>4,506,700</u>	<u>-</u>
Total	<u>\$ 8,135,917</u>	<u>\$ 1,007,943</u>	<u>\$ 543,754</u>	<u>\$ 8,600,106</u>	<u>\$ 268,754</u>

**2014 SWRCB Installment Payable**

The District entered into an installment sale agreement as of May 15, 2015, with the California State Water Resources Control Board (SWRCB), to finance improvements to certain sewer lift stations (project). The SWRCB agreed to provide project funds of up to \$2,800,000 plus accrued interest of \$33,544, of for a total amount loaned of \$2,833,544. The project was completed in fiscal year 2018-19 and the District began making payments on the loan. The District's obligation to pay the installment payments is limited solely to the net revenues of the sewer collection enterprise. Installment payments will include principal and interest at 1.9% per annum. The installment is a direct borrowing. The term of the agreement is from September 8, 2014 to July 31, 2036.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**7) LONG-TERM LIABILITIES - Continued**

The following represents the future debt service requirements to maturity:

Year Ending June 30,	Principal	Interest
2021	\$ 124,565	\$ 46,972
2022	126,932	44,605
2023	129,344	42,193
2024	131,801	39,736
2025	134,305	37,232
2026	136,857	34,680
2027	139,457	32,080
2028	142,107	29,430
2029	144,807	26,730
2030	147,559	23,978
2031	150,362	21,175
2032	153,219	18,318
2033	156,130	15,407
2034	159,097	12,440
2035	162,119	9,417
2036	165,200	6,337
2037	168,339	3,198
Total	<u>\$ 2,472,200</u>	<u>\$ 443,928</u>

**2015 Installment Payable**

The District entered into an installment sale agreement on March 1, 2015, with the Municipal Finance Corporation, to finance the District's share of the costs of constructing certain improvements to the water supply facilities. The District received \$550,000 under the agreement, which is to be repaid over a 10-year period, including interest at 3.4%. The District's obligation to pay the installment payments is limited solely to the net revenues of the water enterprise. The net revenues, as defined by the installment agreement, are irrevocably pledged to the payment of the installment payments and any parity obligations. The District has covenanted to set rates and fees which are sufficient to yield net revenues which are at least equal to 115% of the aggregate amount of installment payments each year. The installment payable is a direct borrowing. Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 55,674	\$ 9,667
2022	57,583	7,758
2023	59,557	5,784
2024	61,599	3,741
2025	63,711	1,629
Total	<u>\$ 298,124</u>	<u>\$ 28,579</u>

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**7) LONG-TERM LIABILITIES - Continued**

**SWRCB AMR Water Installment Payable**

On May 1, 2018, the District entered into an agreement with the State Water Resources Control Board (SWRCB) for the purchase and installation of automatic meter reading (AMR) technology for water meters in the District. The agreement provided \$800,000 in funding for the project with principal forgiveness upon completion of the project of \$400,000. The \$400,000 principal remaining is payable over 20 years with principal and interest payments beginning on December 31, 2019 with an interest rate of 1.8%. The District's obligation to pay the installment payments is limited solely to the net revenues of the water enterprise. The net revenues, as defined by the installment agreement, are irrevocably pledged to the payment of the installment payments and any parity obligations. The District has covenanted to set rates and fees which are sufficient to yield net revenues which are at least equal to 115% of the aggregate amount of installment payments each year. The installment is a direct borrowing. Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 17,096	\$ 6,764
2022	17,439	6,604
2023	17,753	6,290
2024	18,073	5,970
2025	18,398	5,645
2026	18,729	5,314
2027	19,067	4,977
2028	19,410	4,634
2029	19,759	4,284
2030	20,115	3,928
2031	20,477	3,566
2032	20,845	3,198
2033	21,221	2,823
2034	21,603	2,440
2035	21,991	2,052
2036	22,387	1,656
2037	22,790	1,253
2038	23,201	843
2039	22,859	425
Total	<u>\$ 383,213</u>	<u>\$ 72,666</u>

**8) NO-COMMITMENT DEBT**

On July 21, 2003, the District issued \$1,361,000 limited obligation improvement bonds, Series 2003 for Assessment District No. 10. Interest ranging from 2.50% to 6.00% is payable semi-annually on March 2<sup>nd</sup> and September 2<sup>nd</sup> each year. The Bonds mature September 2<sup>nd</sup> commencing September 2, 2004 and continuing through 2023.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**8) NO-COMMITMENT DEBT - Continued**

The Bonds are limited obligations of the District payable solely from the installments of unpaid assessments levied on the assessment parcels within the District and other funds pledged under the fiscal agent agreement. Neither the faith and credit nor the taxing power of the District, the State of California or any of its political subdivisions is pledged to the payment of principal or the interest on the Bonds. Therefore none of the limited obligation improvement bonds have been included in the accompanying financial statements. As of June 30, 2020, and June 30, 2019, there were outstanding bonds of \$290,000 and \$350,000, respectively. The District in prior years received assessments for the payment of obligations for Assessment District No. 5, 7 and 9. The said obligations have been paid off; however, the District has a total of \$21,525 in excess assessments from the three Assessment Districts. These funds are being used to fund improvements and operations and maintenance in the three Assessment Districts, and are reported in the Agency Funds.

**9) PENSION PLAN**

**General Information about the Defined Benefit Pension Plan**

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

**Benefits Provided** – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2017 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2017 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The Plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	Highest single year	3-year average
Required employee contribution rates	8%	6.25%
Required employer contribution rates	13.182 + \$363,850	6.985% + \$644

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**9) PENSION PLAN - Continued**

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	3% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of eligible compensation	Highest single year	3-year average
Required employee contribution rates	9%	11.5%
Required employer contribution rates	21.927% + \$281,868	13.034% + \$2,830

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District pays the required employee contribution on behalf of the employees for Miscellaneous and Safety employees hired prior to April 1, 2014. Employees hired after April 1, 2014 pay the required employee contributions. Also, effective July 1, 2015, the District’s Board adopted resolutions to phase out, over a 4-year period, the contributions paid by the District on behalf of the employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability was \$649,192 in fiscal year 2020.

For the year ended June 30, 2020, the contributions recognized as part of pension expense for the Plan was as follows:

	Miscellaneous	Safety
Contributions - employer	\$ 575,957	\$ 572,427

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 4,782,544
Safety	3,458,769
<b>Total Net Pension Liability</b>	<b>\$ 8,241,313</b>



**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**9) PENSION PLAN - Continued**

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, 2019, 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, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2018	0.11958%	0.05553%
Proportion - June 30, 2019	0.11943%	0.05541%
Change - Increase (Decrease)	-0.00015%	-0.00012%

For the year ended June 30, 2020, the District recognized pension expense of \$1,620,910. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension contributions subsequent to measurement date	\$ 1,148,384	\$ -
Differences between actual and expected experience	557,994	25,736
Changes in assumptions	369,823	108,509
Change in employer's proportion	33,995	132,100
Differences between the employer's contributions and the employer's proportionate share of contributions	65,264	17,466
Net differences between projected and actual earnings on plan investments	-	131,195
Total	<u>\$ 2,175,460</u>	<u>\$ 415,006</u>

\$1,148,384 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 605,175
2022	(93,623)
2023	74,363
2024	26,155
2025	-
Thereafter	-

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**9) PENSION PLAN - Continued**

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

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

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**Long-term Expected Rate of Return** - 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.

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.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	49%	4.80%	5.98%
Global Fixed Income	22%	1.00%	2.62%
Inflation Assets	6%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	12%	3.75%	4.93%
Liquidity	3%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

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

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**9) PENSION PLAN - Continued**

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

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

	Miscellaneous	Safety
Discount Rate - 1%	6.15%	6.15%
Net Pension Liability	\$ 7,007,716	\$ 5,172,373
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 4,782,544	\$ 3,458,769
Discount Rate + 1%	8.15%	8.15%
Net Pension Liability	\$ 2,945,822	\$ 2,053,880

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

**Payable to the Pension Plan** - At June 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**10) OTHER POSTEMPLOYMENT BENEFITS**

**General Information About the OPEB Plan**

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

**Benefits Provided** - Employees are may retire directly from the District under CalPERS and receive a District contribution. The District contributes the PEMHCA minimum under the unequal method. The contribution is \$27.20 per month for retirees in 2019 and \$34.75 per month for retirees in 2020. Survivor benefits are available. The District also pays the CalPERS administrative fee of 0.27% of

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**10) OTHER POSTEMPLOYMENT BENEFITS - Continued**

premium for 2019/20. The District's health plan does not issue a publicly available financial report.

**Employees Covered by Benefit Terms** – As of the July 1, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	2
Active employees	19
	21
	21

**Contributions** – The contribution requirements of Plan members and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. For the fiscal year ended June 30, 2020, the District's pay-as-you-go costs were \$1,128.

**Total OPEB Liability** - The District's total OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated July 1, 2019 (June 30, 2019). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

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

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	RP-2014 Employee Healthy Annuitant Mortality Tables
Recognition of deferred Inflows and outflows of resources	Closed period equal to the average of the expected remaining Service lives of all employees provided with OPEB
Health Care Trend Rate	6.00% initial, 5.0% ultimate
Inflation Rate	3.00%
Salary Changes	3.00%
Discount Rate	3.13% - Bond Buyer 20-Bond GO index for 2019
Medical CPI	3.50% - used to project PERS statutory minimum benefit

**Discount Rate** – The discount rate used to measure the total OPEB liability was 3.13 percent and is based on the Bond Buyer 20-Bond GO index.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**10) OTHER POSTEMPLOYMENT BENEFITS - Continued**

**Changes in the Total OPEB Liability**

	Total OPEB Liability (TOL)
Balance at June 30, 2019	\$ 604,693
Changes in the year:	
Service cost	31,950
Interest on the total OPEB liability	19,893
Changes of assumptions	-
Difference between actual and expected experience	-
Benefit payments, including implicit subsidy	(2,220)
Net changes	49,623
Balance at June 30, 2020	\$ 654,316

**Sensitivity of the Total OPEB Liability to changes in the Discount Rate** - The following presents the total OPEB liability of the District if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB liability	\$ 781,674	\$ 654,316	\$ 553,020

**Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates** - The following presents the net OPEB liability of the District, as well as what the District's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (5.0% decreasing to 4.0%)	Current Rates (6.0% decreasing to 5.0%)	1% Increase (8.0% decreasing to 6.0%)
Total OPEB liability	\$ 538,638	\$ 654,316	\$ 803,999

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

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$49,622. There were no deferred inflows or outflows reported related to OPEB.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**11) 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 participates in the Special District Risk Management Authority (Authority), a joint powers agreement authority. The Authority was created under the provisions of California Government Code Section 6500 *et. seq.* The Authority is governed by a board consisting of seven members who are elected at-large from the membership. The board controls the operations of the Authority including selection of management and approval of operating budgets. The relationship between the District and the Authority is such that the Authority is not a component unit of the District for financial reporting purposes.

The purpose of the Authority is to provide risk financing and risk management services by arranging and administering programs of insurance. The District is insured up to \$10,000,000 with a \$500 deductible per occurrence for property damage claims and \$1,000 per occurrence for property damage losses and up to \$5,000,000 for workers' compensation liability with no deductible. The District is also insured under the Authority for automobile, property, employment practices, employee dishonesty, public officials and employee liability, and various other claims with various coverage limits. Separate financial statements of Authority may be obtained at Special District Risk Management Authority, 1112 "I" Street, Suite 300, Sacramento, CA 95814.

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year. There were no claims liabilities reported in these financial statements as of June 30, 2020 and 2019.

**12) SALVAGE VALUES PERTAINING TO GRANT MONIES**

The District received a Volunteer Fire Assistance (VFA) award from the State of California Department of Forestry and Fire Protection in the amount of \$180,000 during the year ended June 30, 2006. The grant was to assist with the purchase of the Type II Wildland Fire Engine, which was purchased in September 2005. Under the grant agreement, the Federal Government has a vested interest in the fire engine until such time as the fair market value is less than \$5,000. The VFA percentage used to purchase the equipment will be applied to the sale price and recovered for the Federal Government during the sale. The Federal Government may not have to be reimbursed if the disposal sale amounts to a fair market value of less than \$5,000.

**13) LOSS CONTINGENCY**

On January 1, 2010, Section 2 of Section 116875 of the Health and Safety Code of California became operative. The section modified the allowed content of lead in pipes and plumbing supplies in order to be considered "lead free." Management is in the process of evaluating the effects that this modified law will have on the District. The District has identified and removed obsolete inventory and there is the potential for additional inventory to be scrapped as obsolete. As of June 30, 2020, and June 30, 2019, the amount of the loss on the additional inventory cannot be reasonably estimated.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2020 and 2019

**14) COMMITMENTS**

At June 30, 2020, in the opinion of the District's management, there are no other outstanding matters which could have a significant effect on the financial position of the funds of the District.

**15) RESTATEMENT OF NET POSITION**

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result, a restatement to reduce net position by \$604,693 as of June 30, 2019 was reported on the Statement of Activities for the fiscal year ended June 30, 2019.

The restatement is reflected as follows on the statement of activities:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Position, June 30, 2019	\$ 155,218	\$ 16,840,859	\$ 16,996,077
Restatement from Implementation of GASB 75	<u>(241,878)</u>	<u>(362,815)</u>	<u>(604,693)</u>
Net Position, June 30, 2019, Restated	<u>\$ (86,660)</u>	<u>\$ 16,478,044</u>	<u>\$ 16,391,384</u>

**REQUIRED SUPPLEMENTARY INFORMATION**



**Running Springs Water District  
Required Supplementary Information  
June 30, 2020 and 2019**

**Schedule of the District's Proportionate Share of the Net Pension Liability  
Last 10 Years\***

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a % of Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
2019	0.08043%	\$ 8,241,313	\$ 2,660,579	309.76%	71.10%
2018	0.08058%	7,764,971	2,560,653	303.24%	71.50%
2017	0.07981%	7,915,389	2,662,089	297.34%	69.43%
2016	0.08117%	7,024,013	2,439,595	287.92%	69.63%
2015	0.08544%	5,864,364	2,299,525	255.03%	73.14%
2014	0.08361%	5,073,557	2,047,220	247.83%	69.63%

**Notes to the Schedule of the District's Proportionate Share of the Net Pension Liability**

**Benefit Changes:** None

**Changes in Assumptions:** In 2017, the accounting discount rate changed from 7.65% to 7.15%.

\*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

**Running Springs Water District**  
**Required Supplementary Information**  
June 30, 2020 and 2019

**Schedule of Plan Contributions**  
**Last 10 Years\***

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2020	\$ 1,148,384	\$ (1,148,384)	\$ -	\$ 2,602,202	44.13%
2019	874,745	(874,745)	-	2,660,579	32.88%
2018	833,990	(833,990)	-	2,560,653	32.57%
2017	785,370	(785,370)	-	2,662,089	29.50%
2016	709,356	(709,356)	-	2,439,565	29.08%
2015	666,615	(666,615)	-	2,299,525	28.99%

**Notes to the Schedule of Plan Contributions**

Valuation Date: 6/30/13, 6/30/14, 6/30/15, 6/30/16, 6/30/17, 6/30/18

\*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

**Running Springs Water District  
Required Supplementary Information  
June 30, 2020 and 2019**

**Schedule of Changes in the District's  
Net OPEB Liability and Related Ratios  
Last 10 Fiscal Years\***

	Measurement Period
	2019
<b>Total OPEB Liability</b>	
Service cost	\$ 31,950
Interest on total OPEB liability	19,893
Changes in assumptions	-
Difference between actual and expected experience	-
Changes in benefits	-
Benefit payments, including implicit subsidy	(2,220)
Net change in total OPEB liability	49,623
Total OPEB liability - beginning	604,693
Total OPEB liability - ending	\$ 654,316
 Covered payroll	 \$ 3,076,417
Total OPEB liability as a percentage of covered-employee payroll	470.17%

**Notes to the Schedule of Changes in the District's Total OPEB Liability**

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

**Benefit Changes:** None

**Changes in Assumptions:** None

\*Fiscal year 2020 was the first year of implementation, therefore, 10 years of information is not yet available.

**Running Springs Water District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Governmental Fund - Fire Protection**  
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,736,680	\$ 1,736,680	\$ 1,798,692	\$ 62,012
Assessments - Fire Availability Charges	205,000	205,000	200,623	(4,377)
Hazard Abatement Program Revenue	17,000	17,000	26,570	9,570
Other Revenue	245,000	245,000	81,961	(163,039)
Investment Earnings	28,000	28,000	20,390	(7,610)
Intergovernmental Revenue	-	-	27,567	27,567
	<u>2,231,680</u>	<u>2,231,680</u>	<u>2,155,803</u>	<u>(75,877)</u>
Total Revenues				
<b>EXPENDITURES</b>				
Salaries and Benefits:				
Salaries and Wages	832,215	832,215	1,151,986	(319,771)
Payroll Taxes	12,067	12,067	18,996	(6,929)
Workers Comp Insurance	65,390	65,390	68,391	(3,001)
Group Insurance	94,066	94,066	106,246	(12,180)
CalPERS Retirement	598,221	598,221	606,195	(7,974)
Uniform Allowance	6,000	6,000	4,458	1,542
Services and Supplies:				
Education, Training & Seminars	13,500	13,500	8,560	4,940
Fuel & Oil	13,780	13,780	9,786	3,994
Hazard Abatement	10,000	10,000	11,074	(1,074)
Property/Liability Insurance	15,791	15,791	21,665	(5,874)
Memberships & Subscriptions	5,825	5,825	5,042	783
Office Supplies	8,000	8,000	8,930	(930)
Fees & Permits	4,500	4,500	8,981	(4,481)
Professional Services	-	-	-	-
Dispatching Services	57,000	57,000	52,450	4,550
General Station Maintenance	9,500	9,500	30,387	(20,887)
Safety clothing, supplies & equipment	30,200	30,200	26,615	3,585
Utilities - Electric, gas, phone, trash	22,669	22,669	25,320	(2,651)
Vehicle & equipment repair & maintenance	37,000	37,000	36,647	353
Administrative Expense	194,094	194,094	183,393	10,701
Capital Outlay	168,341	168,341	84,493	83,848
	<u>2,198,159</u>	<u>2,198,159</u>	<u>2,469,615</u>	<u>(271,456)</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>33,521</u>	<u>33,521</u>	<u>(313,812)</u>	<u>(347,333)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Insurance Claim	-	-	7,860	7,860
	<u>-</u>	<u>-</u>	<u>7,860</u>	<u>7,860</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	33,521	33,521	(305,952)	<u>\$ (339,473)</u>
Fund Balance, Beginning of Year	<u>1,675,519</u>	<u>1,675,519</u>	<u>1,675,519</u>	
Fund Balance, End of Year	<u>\$ 1,709,040</u>	<u>\$ 1,709,040</u>	<u>\$ 1,369,567</u>	

**Running Springs Water District**  
**Notes to Required Supplementary Information**  
June 30, 2020 and 2019

**BUDGETARY DATA**

Annual budgets adopted by the Board of Directors provide for operations, debt service and capital expenditures of the District. Between the months of December and February each year, department supervisors, the General Manager, and the Board of Directors hold a budget workshop at the District office and discuss plans, rates, etc. for the upcoming fiscal year. Each department supervisor prepares a budget after the workshop and submits it to the General Manager for review. The budget is then forwarded to the Finance Committee for their review and approval. Upon the Finance Committee's approval, the budget is presented to the Board of Directors. The Board conducts public meetings on the proposed budget only if there are rate increases and then, on or before June 30, the budget is adopted by the Board. The appropriated budget is prepared by departments. Budgetary controls are set by the Board.

Total expenditures in the Governmental Fund – Fire Protection exceeded appropriations by \$271,456.

## **SUPPLEMENTARY INFORMATION**

**Running Springs Water District**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
June 30, 2020 and 2019

	Improvement Act of 1911 Assessment District No. 9	Bond Act of 1915 Assessment District No. 10	Totals	
			2020	2019
<b>ASSETS</b>				
Cash with Fiscal Agent	\$ -	\$ 116,463	\$ 116,463	\$ 115,127
Temporary Investments	13,034	133,948	146,982	155,177
Total Assets	<u>\$ 13,034</u>	<u>\$ 250,411</u>	<u>\$ 263,445</u>	<u>\$ 270,304</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 649	\$ -	\$ 649	\$ 771
Due to Bondholders	12,385	250,411	262,796	269,533
Total Liabilities	<u>\$ 13,034</u>	<u>\$ 250,411</u>	<u>\$ 263,445</u>	<u>\$ 270,304</u>

**Running Springs Water District**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
Year Ended June 30, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Assessment District No. 9</u></b>				
<b>ASSETS</b>				
Temporary Investments	\$ 21,525	\$ 137	\$ 8,628	\$ 13,034
Total Assets	<u>\$ 21,525</u>	<u>\$ 137</u>	<u>\$ 8,628</u>	<u>\$ 13,034</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 651	\$ 10,459	\$ 10,461	\$ 649
Due to Bondholders	20,874	77	8,566	12,385
Total Liabilities	<u>\$ 21,525</u>	<u>\$ 10,536</u>	<u>\$ 19,027</u>	<u>\$ 13,034</u>
<b><u>Assessment District No. 10</u></b>				
<b>ASSETS</b>				
Cash with Fiscal Agent	\$ 115,127	\$ 99,635	\$ 98,299	\$ 116,463
Temporary Investments	133,652	36,257	35,961	133,948
Total Assets	<u>\$ 248,779</u>	<u>\$ 135,892</u>	<u>\$ 134,260</u>	<u>\$ 250,411</u>
<b>LIABILITIES</b>				
Due to Bondholders	\$ 248,659	\$ 133,838	\$ 132,086	\$ 250,411
Accounts Payable	120	12,070	12,190	-
Total Liabilities	<u>\$ 248,779</u>	<u>\$ 145,908</u>	<u>\$ 144,276</u>	<u>\$ 250,411</u>
<b><u>Total All Agency Funds</u></b>				
<b>ASSETS</b>				
Cash with Fiscal Agent	\$ 115,127	\$ 99,635	\$ 98,299	\$ 116,463
Temporary Investments	155,177	36,394	44,589	146,982
Total Assets	<u>\$ 270,304</u>	<u>\$ 136,029</u>	<u>\$ 142,888</u>	<u>\$ 263,445</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 771	\$ 22,529	\$ 22,651	\$ 649
Due to Bondholders	269,533	133,915	140,652	262,796
Total Liabilities	<u>\$ 270,304</u>	<u>\$ 156,444</u>	<u>\$ 163,303</u>	<u>\$ 263,445</u>