

**LOCKEFORD COMMUNITY
SERVICES DISTRICT**

Financial Statements
And
Independent Auditor's Report

June 30, 2023 and 2022

LOCKEFORD COMMUNITY SERVICES DISTRICT

Table of Contents

	Page
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements:	
Statements of Net Position:	
June 30, 2023	9-10
June 30, 2022	11-12
Statements of Revenues, Expenses, and Changes in Net Position:	
June 30, 2023	13
June 30, 2022	14
Statements of Cash Flows:	
June 30, 2023	15-16
June 30, 2022	17-18
Notes to Basic Financial Statements	19-28
Supplemental Information:	
Statement of Revenues and Expenses by Year	29
Supporting Schedule of Board Designated Funds	30
Supporting Schedule of Insurance in Force	31
Schedules of Actual, Budget and Variance:	
June 30, 2023	32
June 30, 2022	33



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lockeford Community Services District
Lockeford, California

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Lockeford Community Services District, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lockeford Community Services District, as of June 30, 2023 and 2022, and the respective 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special District. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lockeford Community Services District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lockeford Community Services District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lockeford Community Services District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-8) and budgetary comparison (pages 32-33) information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing

standards generally accepted in the United States of America, which consisted of 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.


Blomberg & Griffin A.C.
Stockton, CA

September 12, 2023

LOCKEFORD COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022

This section of the Lockeford Community Services District's annual financial report presents an analysis of the District's financial performance during the fiscal years ended June 30, 2023 and 2022. This information is presented in conjunction with the audited basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

FY 2023:

- The Districts net position increased by \$516,504 or 5.42% from \$9,536,367 to \$10,052,871.
- Operating revenues increased by \$36,927 or 4.12% from \$895,451 to \$932,378.
- Operating expenses increased by \$51,745 or 5% from \$1,043,199 to \$1,094,944.
- The District received \$176,151 in property tax revenues.
- Wastewater loan of \$670,000 – The District has made a principal payment of \$85,000 and interest payment of \$18,645 during the year.

FY 2022:

- The Districts net position increased by \$122,952 or 1.31% from \$9,413,415 to \$9,536,367.
- Operating revenues increased by \$23,640 or 2.71% from \$871,811 to \$895,451.
- Operating expenses increased by \$164,752 or 18.75% from \$878,447 to \$1,043,199.
- The District received \$168,204 in property tax revenues.
- Wastewater loan of \$755,000 – The District has made a principal payment of \$75,000 and interest payment of \$29,700 during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the following three parts: Management's Discussion and Analysis, Basic Financial Statements and Other Required Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the District report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles which are generally accepted in the United States of America. The Statements of Net Position include information on the District's

LOCKEFORD COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022

REQUIRED FINANCIAL STATEMENTS (continued)

assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). The Statements of Revenues, Expenses and Changes in Net Position identify the District's revenues and expenses for the fiscal years ended June 30, 2023 and 2022. This statement provides information on the District's operations over the past year and can be used to determine whether the District has recovered all of its actual and projected costs through user fees and other charges. The third financial statement is the Statements of Cash Flows. This statement provides information on the District's cash receipts, cash payments and changes in cash resulting from operations, investments, and financing activities. From the Statements of Cash Flows, the reader can obtain information on the source and use of cash and the change in the cash and cash equivalents.

FINANCIAL ANALYSIS OF THE DISTRICT

The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position provide an indication of the District's financial condition and also indicate that the financial condition of the District improved during the last two fiscal years. The District's net position reflects the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition.

NET POSITION

A summary of the District's Statements of Net Position is presented below.

Table 1

Condensed Statements of Net Position

	2023	2022	2023 vs 2022		2021	2022 vs 2021	
			Dollar Change	Percent Change		Dollar Change	Percent Change
Current and Other Assets	\$ 3,316,703	\$ 2,765,518	\$ 551,185	19.93%	\$ 2,653,554	\$ 111,964	4.22%
Capital Assets, Net	7,052,312	7,032,590	19,722	0.28%	7,031,461	1,129	0.02%
Total Assets	10,369,015	9,798,108	570,907	5.83%	9,685,015	113,093	1.17%
Other Liabilities	316,144	261,741	54,403	20.79%	271,600	(9,859)	-3.63%
Total Liabilities	316,144	261,741	54,403	20.79%	271,600	(9,859)	-3.63%
Net Position Invested in Capital Assets, Net of Related Debt	7,052,312	7,032,590	19,722	0.28%	7,031,461	1,129	0.02%
Designated Net Position	1,800,600	1,407,227	393,373	27.95%	1,232,765	174,462	14.15%
Undesignated Net Position	1,199,959	1,096,550	103,409	9.43%	1,149,189	(52,639)	-4.58%
Total Net Position	\$ 10,052,871	\$ 9,536,367	\$ 516,504	5.42%	\$ 9,413,415	\$ 122,952	1.31%

LOCKEFORD COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022

NET POSITION (continued)

Fiscal Year 2022-2023: Statement of Net Position Highlights

- As the above table indicates, total assets increased by \$570,907 from \$9,798,108 to \$10,369,015. This is comprised of an increase of \$551,185 in current and other assets and an increase of \$19,722 in capital assets.
- Total liabilities reflect an increase of \$54,403. This includes increase of \$4,326 in accounts payable, an increase of \$42,661 in deferred revenue, an increase of \$2,544 in retirement contributions payable and an increase of \$4,872 in accrued salaries.
- The Districts net position increased by \$516,504 from \$9,535,367 to \$10,052,871.

Fiscal Year 2021-2022: Statement of Net Position Highlights

- As the above table indicates, total assets increased by \$113,093 from \$9,685,015 to \$9,798,108. This is comprised of an increase of \$119,964 in current and other assets and an increase of \$1,129 in capital assets.
- Total liabilities reflect a decrease of \$9,859. This includes decrease of \$14,876 in accounts payable, a decrease of \$4,529 in deferred revenue, an increase of \$874 in retirement contributions payable and a decrease of \$386 in accrued salaries.
- The Districts net position increased by \$122,952 from \$9,413,415 to \$9,535,367.

Table 2: Condensed Statements of Revenues, Expenses and Changes in Net Position

	2023	2022	2021	2023 vs 2022	
				Dollar Change	Percent Change
Operating Revenues	\$ 932,378	\$ 895,451	\$ 871,811	\$ 36,927	4.12%
Nonoperating Revenues	679,070	270,700	211,183	408,370	150.86%
Total Revenues	1,611,448	1,166,151	1,082,994	445,297	38.19%
Depreciation Expense	124,682	125,546	123,541	(864)	-0.69%
Other Operating Expenses	970,262	917,653	754,906	52,609	5.73%
Total Expenses	1,094,944	1,043,199	878,447	51,745	4.96%
Change in Net Position	516,504	122,952	204,547	393,552	320.09%
Beginning Net Position	9,536,367	9,413,415	9,208,868	122,952	1.31%
Ending Net Position	\$ 10,052,871	\$ 9,536,367	\$ 9,413,415	\$ 516,504	5.42%

LOCKEFORD COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022

NET POSITION (continued)

Fiscal Year 2022-23: Table 2 Changes in Net Position Highlights

The Statements of Revenues, Expenses and Changes in Net Position identify the various revenue and expense items which affect the change in net position. As the information in Table 2 indicates, a net operating loss of \$162,566 coupled with net non-operating income of \$679,070 resulted in an increase of \$516,504 in net position for the year ended June 30, 2023.

Table 2, Condensed Statements of Revenues, Expenses and Changes in Net Position, indicates that the District's total revenues increased by \$445,297 or 38.19 percent to \$1,611,448 from \$1,166,151 in the prior year. An increase in revenue was mainly due to increase in non-operating revenue. Total expenses increased by \$51,745.

Fiscal Year 2021-22: Table 2 Changes in Net Position Highlights

The Statements of Revenues, Expenses and Changes in Net Position identify the various revenue and expense items which affect the change in net position. As the information in Table 2 indicates, a net operating loss of \$147,748 coupled with net non-operating income of \$270,700 resulted in an increase of \$122,952 in net position for the year ended June 30, 2022.

Table 2, Condensed Statements of Revenues, Expenses and Changes in Net Position, indicates that the District's total revenues increased by \$83,157 or 7.68 percent to \$1,166,151 from \$1,082,994 in the prior year. An increase in revenue was mainly due to increase in non-operating revenue. Total expenses increased by \$164,752.

CAPITAL ASSETS

Fiscal Year 2022-23: The District's investment in capital assets totaled \$7,052,312 which is a net increase of \$19,722 or .28 percent over the capital asset balance of \$7,032,590. The increase is due to capital assets additions exceeding depreciation expenses. A comparison of the District's capital assets over the past two fiscal years is presented in Note 5 of the financial statements.

Fiscal Year 2021-22: The District's investment in capital assets totaled \$7,032,590 which is a net increase of \$1,129 or .02 percent over the capital asset balance of \$7,031,462. The increase is due to capital assets additions exceeding depreciation expenses. A comparison of the District's capital assets over the past two fiscal years is presented in Note 5 of the financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022

LONG-TERM DEBT

Fiscal Year 2022-23: As of June 30, 2023, the Sewer fund owes the Water fund principal balance of \$670,000.

Fiscal Year 2021-22: As of June 30, 2022, the Sewer fund owes the Water fund principal balance of \$755,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors adopts the District's budget on an annual basis which provides funding for the District's operating, capital, and debt service costs for upcoming fiscal year. The District's water and wastewater rates are reviewed by staff and the Board of Directors on an as-needed basis. The District's primary source of revenue comes from wastewater and water fees, assessments of landowners and interest income.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information; please contact the Lockeford Community Services District's Office Manager at P.O. Box 809, Lockeford, CA 95237, and Telephone (209) 727-5035.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

ASSETS	<u>Water</u>	<u>Waste Water</u>	<u>Other</u>	<u>Elimination</u>	<u>Total</u>
Current Assets					
Cash in Banks	\$ 74,206	\$ 57,143	\$ 47,505	\$ -	\$ 178,854
Cash in County Treasury	756,094	223,676	111,043	-	1,090,813
Customer and Other Accounts Receivable	49,995	39,604	1,345	-	90,944
Prepaid Insurance	34,495	34,495	1,000	-	69,990
Total Unrestricted Current Assets	<u>914,790</u>	<u>354,918</u>	<u>160,893</u>	<u>-</u>	<u>1,430,601</u>
Restricted Cash and Investments	<u>1,222,275</u>	<u>575,927</u>	<u>2,398</u>	<u>-</u>	<u>1,800,600</u>
Total Current Assets	<u>2,137,065</u>	<u>930,845</u>	<u>163,291</u>	<u>-</u>	<u>3,231,201</u>
Other Assets					
WW Connection Credits	-	50,000	-	-	50,000
Deposits Developers	-	9,814	-	-	9,814
Interest Receivable	16,693	7,184	1,811	-	25,688
Due from Waste Water Fund	<u>670,000</u>	<u>-</u>	<u>-</u>	<u>(670,000)</u>	<u>-</u>
Total Other Assets	<u>686,693</u>	<u>66,998</u>	<u>1,811</u>	<u>(670,000)</u>	<u>85,502</u>
Capital Assets					
Land	44,156	3,355,858	212,716	-	3,612,730
WW Master Plan - In Progress	<u>-</u>	<u>136,010</u>	<u>-</u>	<u>-</u>	<u>136,010</u>
Buildings and Improvements	58,280	58,281	2,279,803	-	2,396,364
Treatment Facilities	-	2,570,629	-	-	2,570,629
Bear Creek Well	67,384	-	-	-	67,384
Well #2 Replacement, Water Transmission and Distribution	1,303,244	-	-	-	1,303,244
Office and General Equipment	205,998	106,455	-	-	312,453
Accumulated Depreciation	<u>(1,009,611)</u>	<u>(2,119,268)</u>	<u>(217,623)</u>	<u>-</u>	<u>(3,346,502)</u>
Total Depreciable Capital Assets	<u>625,295</u>	<u>616,097</u>	<u>2,062,180</u>	<u>-</u>	<u>3,303,572</u>
Total Capital Assets Net of Accumulated Depreciation	<u>669,451</u>	<u>4,107,965</u>	<u>2,274,896</u>	<u>-</u>	<u>7,052,312</u>
Total Assets	<u><u>\$ 3,493,209</u></u>	<u><u>\$ 5,105,808</u></u>	<u><u>\$ 2,439,998</u></u>	<u><u>\$ (670,000)</u></u>	<u><u>\$ 10,369,015</u></u>

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

LIABILITIES	<u>Water</u>	<u>Waste Water</u>	<u>Other</u>	<u>Elimination</u>	<u>Total</u>
Current Liabilities					
Accounts Payable	\$ 4,630	\$ 4,630	\$ -	\$ -	\$ 9,260
Accrued Salaries	6,940	6,940	127	-	14,007
Retirement Contributions Payable	17,656	17,656	-	-	35,312
Total Current Liabilities	<u>29,226</u>	<u>29,226</u>	<u>127</u>	<u>-</u>	<u>58,579</u>
Noncurrent Liabilities					
Deferred Revenue	242,786	14,779	-	-	257,565
Due to Water Fund	-	670,000	-	(670,000)	-
Total Noncurrent Liabilities	<u>242,786</u>	<u>684,779</u>	<u>-</u>	<u>(670,000)</u>	<u>257,565</u>
Total Liabilities	<u>272,012</u>	<u>714,005</u>	<u>127</u>	<u>(670,000)</u>	<u>316,144</u>
NET POSITION					
Invested in Capital Assets, Net of Related Debt	669,451	4,107,965	2,274,896	-	7,052,312
Restricted	1,222,275	575,927	2,398	-	1,800,600
Unrestricted	1,329,471	(292,089)	162,577	-	1,199,959
Total Net Position	<u>3,221,197</u>	<u>4,391,803</u>	<u>2,439,871</u>	<u>-</u>	<u>10,052,871</u>
Total Liabilities and Net Position	<u>\$ 3,493,209</u>	<u>\$ 5,105,808</u>	<u>\$ 2,439,998</u>	<u>\$ (670,000)</u>	<u>\$ 10,369,015</u>

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

ASSETS	<u>Water</u>	<u>Waste Water</u>	<u>Other</u>	<u>Elimination</u>	<u>Total</u>
Current Assets					
Cash in Banks	\$ 68,808	\$ 93,406	\$ 39,938	\$ -	\$ 202,152
Cash in County Treasury	658,013	254,654	53,593	-	966,260
Customer and Other Accounts Receivable	52,862	36,760	929	-	90,551
Prepaid Insurance	10,479	10,479	10,479	-	31,437
Total Unrestricted Current Assets	790,162	395,299	104,939	-	1,290,400
Restricted Cash and Investments	991,686	413,181	2,360	-	1,407,227
Total Current Assets	1,781,848	808,480	107,299	-	2,697,627
Other Assets					
WW Connection Credits	-	50,000	-	-	50,000
Deposits Developers	-	14,601	-	-	14,601
Interest Receivable	2,168	909	213	-	3,290
Due from Waste Water Fund	755,000	-	-	(755,000)	-
Total Other Assets	757,168	65,510	213	(755,000)	67,891
Capital Assets					
Land	44,156	3,355,858	212,716	-	3,612,730
WW Master Plan - In Progress	-	127,373	-	-	127,373
Buildings and Improvements	58,280	58,281	2,279,803	-	2,396,364
Treatment Facilities	-	2,434,862	-	-	2,434,862
Bear Creek Well	67,384	-	-	-	67,384
Well #2 Replacement, Water Transmission and Distribution	1,303,244	-	-	-	1,303,244
Office and General Equipment	205,998	106,455	-	-	312,453
Accumulated Depreciation	(966,156)	(2,073,829)	(181,835)	-	(3,221,820)
Total Depreciable Capital Assets	668,750	525,769	2,097,968	-	3,292,487
Total Capital Assets Net of Accumulated Depreciation	712,906	4,009,000	2,310,684	-	7,032,590
Total Assets	\$ 3,251,922	\$ 4,882,990	\$ 2,418,196	\$ (755,000)	\$ 9,798,108

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

	<u>Water</u>	<u>Waste Water</u>	<u>Other</u>	<u>Elimination</u>	<u>Total</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 2,467	\$ 2,467	\$ -	\$ -	\$ 4,934
Accrued Salaries	4,515	4,515	105	-	9,135
Retirement Contributions Payable	16,384	16,384	-	-	32,768
Total Current Liabilities	<u>23,366</u>	<u>23,366</u>	<u>105</u>	<u>-</u>	<u>46,837</u>
Noncurrent Liabilities					
Deferred Revenue	200,303	14,601	-	-	214,904
Due to Water Fund	-	755,000	-	(755,000)	-
Total Noncurrent Liabilities	<u>200,303</u>	<u>769,601</u>	<u>-</u>	<u>(755,000)</u>	<u>214,904</u>
Total Liabilities	<u>223,669</u>	<u>792,967</u>	<u>105</u>	<u>(755,000)</u>	<u>261,741</u>
NET POSITION					
Invested in Capital Assets, Net of Related Debt	712,906	4,009,000	2,310,684	-	7,032,590
Restricted	991,686	413,181	2,360	-	1,407,227
Unrestricted	1,323,661	(332,158)	105,047	-	1,096,550
Total Net Position	<u>3,028,253</u>	<u>4,090,023</u>	<u>2,418,091</u>	<u>-</u>	<u>9,536,367</u>
Total Liabilities and Net Position	<u>\$ 3,251,922</u>	<u>\$ 4,882,990</u>	<u>\$ 2,418,196</u>	<u>\$ (755,000)</u>	<u>\$ 9,798,108</u>

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
June 30, 2023

	<u>Water</u>	<u>Waste Water</u>	<u>Other</u>	<u>Total</u>
OPERATING REVENUE				
Service Fees	\$ 430,051	\$ 457,659	\$ -	\$ 887,710
Other Income (expense)	5,225	1,650	37,793	44,668
Total Operating Revenue	<u>435,276</u>	<u>459,309</u>	<u>37,793</u>	<u>932,378</u>
OPERATING EXPENSES				
Repairs and Maintenance	14,846	29,804	10,038	54,688
Utilities	64,817	51,074	11,615	127,506
Depreciation	43,455	45,439	35,788	124,682
Salaries	169,312	169,312	13,795	352,419
Social Security/Medicare	2,512	2,512	66	5,090
Retirement	17,656	17,656	-	35,312
Taxes, Licenses and Membership Fees	9,184	38,334	436	47,954
Workers Compensation Insurance	8,588	8,588	-	17,176
Health Insurance	51,197	51,197	-	102,394
Insurance	9,752	9,752	10,979	30,483
Office Supplies and Data Processing	10,661	9,128	-	19,789
Professional Services	28,263	51,222	1,999	81,484
Chemicals and Testing Supplies	2,341	11,725	-	14,066
Tools and Supplies	16,636	7,420	2,726	26,782
Telephone	3,444	3,444	1,358	8,246
Auto Expense	6,958	6,958	332	14,248
Auditor	4,613	4,613	-	9,226
Miscellaneous	4,624	13,124	5,651	23,399
Total Operating Expense	<u>468,859</u>	<u>531,302</u>	<u>94,783</u>	<u>1,094,944</u>
Net Income (Loss) from Operations	<u>(33,583)</u>	<u>(71,993)</u>	<u>(56,990)</u>	<u>(162,566)</u>
NON-OPERATING INCOME				
Property Tax Revenue	-	-	176,151	176,151
Interest Income	63,438	18,892	3,674	86,004
Interest Expense	-	(18,645)	-	(18,645)
Land Lease	-	13,200	-	13,200
Miscellaneous Income	-	112,303	-	112,303
Annexation Fee Income	94,832	168,590	-	263,422
Connection Fees	9,196	37,439	-	46,635
Total Non-Operating Income	<u>167,466</u>	<u>331,779</u>	<u>179,825</u>	<u>679,070</u>
Income Before Transfers	133,703	259,966	122,835	516,504
Transfers	59,241	41,814	(101,055)	-
Change in Net Position	192,944	301,780	21,780	516,504
Beginning Net Position	<u>3,028,253</u>	<u>4,090,023</u>	<u>2,418,091</u>	<u>9,536,367</u>
Ending Net Position	<u>\$ 3,221,197</u>	<u>\$ 4,391,803</u>	<u>\$ 2,439,871</u>	<u>\$ 10,052,871</u>

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
June 30, 2022

	<u>Water</u>	<u>Waste Water</u>	<u>Other</u>	<u>Total</u>
OPERATING REVENUE				
Service Fees	\$ 440,953	\$ 428,046	\$ -	\$ 868,999
Other Income (expense)	3,520	1,325	21,607	26,452
Total Operating Revenue	<u>444,473</u>	<u>429,371</u>	<u>21,607</u>	<u>895,451</u>
OPERATING EXPENSES				
Repairs and Maintenance	79,525	7,067	27,711	114,303
Utilities	65,299	42,838	10,032	118,169
Depreciation	43,537	46,185	35,824	125,546
Salaries	156,119	156,119	15,541	327,779
Social Security/Medicare	2,376	2,376	62	4,814
Retirement	16,385	16,385	-	32,770
Taxes, Licenses and Membership Fees	8,924	32,409	382	41,715
Workers Compensation Insurance	10,578	10,578	2,000	23,156
Health Insurance	42,699	42,699	-	85,398
Insurance	6,872	6,872	2,092	15,836
Office Supplies and Data Processing	12,072	11,499	38	23,609
Professional Services	4,037	49,686	1,578	55,301
Chemicals and Testing Supplies	3,952	10,543	-	14,495
Tools and Supplies	12,220	4,948	1,695	18,863
Telephone	3,006	3,007	846	6,859
Auto Expense	5,834	6,489	917	13,240
Auditor	4,350	4,350	-	8,700
Miscellaneous	3,089	4,050	5,507	12,646
Total Operating Expense	<u>480,874</u>	<u>458,100</u>	<u>104,225</u>	<u>1,043,199</u>
Net Income (Loss) from Operations	<u>(36,401)</u>	<u>(28,729)</u>	<u>(82,618)</u>	<u>(147,748)</u>
NON-OPERATING INCOME				
Property Tax Revenue	-	-	168,204	168,204
Interest Income	16,959	2,758	387	20,104
Interest Expense	-	(11,051)	-	(11,051)
Land Lease	-	13,200	-	13,200
Miscellaneous Income	9,874	9,874	-	19,748
Connection Fees	9,270	51,225	-	60,495
Total Non-Operating Income	<u>36,103</u>	<u>66,006</u>	<u>168,591</u>	<u>270,700</u>
Income Before Transfers	(298)	37,277	85,973	122,952
Transfers	<u>70,979</u>	<u>(3,548)</u>	<u>(67,431)</u>	<u>-</u>
Change in Net Position	70,681	33,729	18,542	122,952
Beginning Net Position	<u>2,957,572</u>	<u>4,056,294</u>	<u>2,399,549</u>	<u>9,413,415</u>
Ending Net Position	<u>\$ 3,028,253</u>	<u>\$ 4,090,023</u>	<u>\$ 2,418,091</u>	<u>\$ 9,536,367</u>

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
June 30, 2023

	Water	Waste Water	Other	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 475,579	\$ 454,815	\$ (416)	\$ 929,978
Other Operating Receipts	5,225	1,650	37,793	44,668
Cash Payments for Goods and Services	(257,777)	(318,236)	(35,655)	(611,668)
Cash Payments to Employees	(185,783)	(185,783)	(13,839)	(385,405)
Net Cash Provided (Used) by Operating Activities	37,244	(47,554)	(12,117)	(22,427)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash Received from Property Taxes	-	-	176,151	176,151
Cash Received from Misc. Activities	-	112,303	-	112,303
Net Cash Provided (Used) by Noncapital Activities	-	112,303	176,151	288,454
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts of Interest	48,555	12,975	2,076	63,606
Net Cash Provided (Used) by Investing Activities	48,555	12,975	2,076	63,606
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Asset Purchased	-	(144,404)	-	(144,404)
Loan Principal Payment Waste Water to Water fund	85,000	(85,000)	-	-
Loan Interest Payment Waste Water to Water fund	-	(18,645)	-	(18,645)
Land Lease Income	-	13,200	-	13,200
Annexation Fees	94,832	168,590	-	263,422
Connection Fees	9,196	37,439	-	46,635
Net Cash Provided (Used) from Capital and Related Financing Activities	189,028	(28,820)	-	160,208
Transfers	59,241	41,814	(101,055)	-
Net Increase (Decrease) in Cash	334,068	90,718	65,055	489,841
Cash - Beginning of Year	1,718,507	775,842	95,891	2,590,240
Cash - End of Year	\$ 2,052,575	\$ 866,560	\$ 160,946	\$ 3,080,081
CASH AND CASH EQUIVALENTS AT YEAR END				
Cash in Banks	\$ 74,206	\$ 57,143	\$ 47,506	\$ 178,855
Cash in County Treasury	756,094	223,676	111,043	1,090,813
Board Designated Cash in County Treasury	1,222,275	575,927	2,397	1,800,599
Developers Deposits in Banks	-	9,814	-	9,814
Total Cash and Cash Equivalents (Note 2)	\$ 2,052,575	\$ 866,560	\$ 160,946	\$ 3,080,081

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS (Continued)
June 30, 2023

	Water	Waste Water	Other	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED) IN OPERATING ACTIVITIES				
Net Income (Loss) from Operations	\$ (33,583)	\$ (71,993)	\$ (56,990)	\$ (162,566)
ADJUSTMENTS TO RECONCILE NET INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Depreciation Expense	43,455	45,439	35,788	124,682
(Increase) Decrease in Accounts Receivable	2,867	(2,844)	(416)	(393)
(Increase) Decrease in Prepaid Expenses	(24,016)	(24,016)	9,479	(38,553)
Increase (Decrease) in Accounts Payable	2,163	2,163	-	4,326
Increase (Decrease) in Accrued Payable	2,425	2,425	22	4,872
Increase (Decrease) in Deferred Revenue	42,661	-	-	42,661
Increase (Decrease) in Retirement Payable	1,272	1,272	-	2,544
Net Cash Provided (Used) by Operating Activities	\$ 37,244	\$ (47,554)	\$ (12,117)	\$ (22,427)

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
June 30, 2022

	Water	Waste Water	Other	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 419,337	\$ 455,052	\$ 1,824	\$ 876,213
Other Operating Receipts	3,520	1,325	21,607	26,452
Cash Payments for Goods and Services	(268,603)	(243,181)	(58,304)	(570,088)
Cash Payments to Employees	(174,636)	(174,636)	(15,603)	(364,875)
Net Cash Provided (Used) by Operating Activities	(20,382)	38,560	(50,476)	(32,298)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Other Non-Operating Income				
Cash Received from Property Taxes	-	-	168,204	168,204
Cash Received from Misc. Activities	9,874	9,874	-	19,748
Net Cash Provided (Used) by Noncapital Activities	9,874	9,874	168,204	187,952
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts of Interest	34,712	2,598	258	37,568
Net Cash Provided (Used) by Investing Activities	34,712	2,598	258	37,568
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Asset Purchased	(7,237)	(119,438)	-	(126,675)
Loan Principal Payment Waste Water to Water fund	75,000	(75,000)	-	-
Loan Interest Payment Waste Water to Water fund	-	(29,700)	-	(29,700)
Land Lease Income	-	13,200	-	13,200
Connection Fees	9,270	51,225	-	60,495
Net Cash Provided (Used) from Capital and Related Financing Activities	77,033	(159,713)	-	(82,680)
Transfers	70,979	(3,548)	(67,431)	-
Net Increase (Decrease) in Cash	172,216	(112,229)	50,555	110,542
Cash - Beginning of Year	1,546,291	888,071	45,336	2,479,698
Cash - End of Year	\$ 1,718,507	\$ 775,842	\$ 95,891	\$ 2,590,240
CASH AND CASH EQUIVALENTS AT YEAR END				
Cash in Banks	\$ 68,808	\$ 93,406	\$ 39,939	\$ 202,153
Cash in County Treasury	658,013	254,654	53,593	966,260
Board Designated Cash in County Treasury	991,686	413,181	2,359	1,407,226
Developers Deposits in Banks	-	14,601	-	14,601
Total Cash and Cash Equivalents (Note 2)	\$ 1,718,507	\$ 775,842	\$ 95,891	\$ 2,590,240

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS (Continued)
June 30, 2022

	Water	Waste Water	Other	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED) IN OPERATING ACTIVITIES				
Net Income (Loss) from Operations	\$ (36,401)	\$ (28,729)	\$ (82,618)	\$ (147,748)
ADJUSTMENTS TO RECONCILE NET INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Depreciation Expense	43,537	46,185	35,824	125,546
(Increase) Decrease in Accounts Receivable	(46,108)	46,969	1,824	2,685
(Increase) Decrease in Prepaid Expenses	1,292	1,292	(5,506)	(2,922)
Increase (Decrease) in Accounts Payable	(7,438)	(7,438)	-	(14,876)
Increase (Decrease) in Accrued Payable	(193)	(193)	-	(386)
Increase (Decrease) in Developer Deposits	-	(19,963)	-	(19,963)
Increase (Decrease) in Deferred Revenue	24,492	-	-	24,492
Increase (Decrease) in Retirement Payable	437	437	-	874
Net Cash Provided (Used) by Operating Activities	\$ (20,382)	\$ 38,560	\$ (50,476)	\$ (32,298)

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the financial statements follows.

Business Activity

The District provides water and sewer services to the Lockeford area residents. The District also provides park and recreation facilities.

Reporting Entity

The District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in generally accepted accounting principles. The District concluded that there are no potential component units which should be included in the reporting entity.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with the uniform accounting system prescribed by the controller of the State of California.

Budgetary Accounting

The District does not adopt an appropriate budget and is not required to adopt such a budget by law. However, the District does adopt a non appropriated budget annually which is approved by the Board of Directors. While the District reports financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented as RSI for each major governmental fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Net Changes in Net Position - FY22-23

	<u>Water</u>	<u>Waste Water</u>	<u>Other</u>	<u>Total</u>
Budget Basis	\$ (25,290)	\$ 18,711	\$ 36,000	\$ 29,421
Adjustments (net):				
Revenue Accruals	191,943	350,721	(2,792)	539,872
Expenditure Accruals	<u>26,291</u>	<u>(67,652)</u>	<u>(11,428)</u>	<u>(52,789)</u>
GAAP Basis	<u>\$ 192,944</u>	<u>\$ 301,780</u>	<u>\$ 21,780</u>	<u>\$ 516,504</u>

Net Changes in Net Position - FY21-22

	<u>Water</u>	<u>Waste Water</u>	<u>Other</u>	<u>Total</u>
Budget Basis	\$ 60,676	\$ (63,021)	\$ 54,807	\$ 52,462
Adjustments (net):				
Revenue Accruals	81,749	22,220	11,386	115,355
Expenditure Accruals	<u>(71,744)</u>	<u>74,530</u>	<u>(47,651)</u>	<u>(44,865)</u>
GAAP Basis	<u>\$ 70,681</u>	<u>\$ 33,729</u>	<u>\$ 18,542</u>	<u>\$ 122,952</u>

Excess of Expenditures over Appropriations

For the year ended June 30, 2023 expenditures exceeded budgeted totals by (\$52,789). This was mainly due to the depreciation of \$124,682. Depreciation was not part of budgeted expense.

For the year ended June 30, 2022 expenditures exceeded budgeted totals by (\$44,865). This was mainly due to the depreciation of \$125,546. Depreciation was not part of budgeted expense.

Cash Equivalents

For the purpose of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Net Position (Unreserved - Designated)

Net Position (unreserved – designated/assigned) represents board designation of retained earnings for capital improvements and acquisitions.

Investments

Investments in mutual funds are reported at fair market value, which is determined by the last reported sales price at current exchange rates.

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Governing Board

The governing board of the District consists of the following five directors:

Gary Gordon	President
Ozzie Neal	Director
Janina Chandler	Director
Chris Locke	Director
Dennis Martin	Director

Property, Plant, and Equipment

Property, plants, and equipment are stated at cost. When cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation is charged as an expense against operations, and accumulated depreciation is reported on the balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The estimated useful lives for each major class of depreciable fixed assets are as follows:

Pumping and transmission equipment	10-50 years
Office equipment	3-7 years
Vehicles	10 years
Buildings	35 years

Property Tax

Property taxes are assessed January 1, and levied January 1, and are payable in two installments on December 10, and April 10. The San Joaquin County bills and collects property taxes on behalf of the District. Property tax revenues are recognized when received.

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. The financial statements are prepared in accordance with GASB Statement No. 34 (GASB 34), Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. GASB 34 requires that state and local governments report financial information using both fund-based and government-wide financial statement presentations. Fund based statements use the modified accrual basis of accounting, but the government-wide statement uses full accrual basis of accounting. GASB 34 also requires the reporting of capital assets and long-term obligations on the government-wide financial statements. The preparation of a Management's Discussion and Analysis to clarify the District's financial activities is also required by GASB 34.

NOTE 2 - CASH AND INVESTMENTS

In accordance with state requirements the District maintains most of its cash in the San Joaquin County Treasury. The County pools these funds with those of other Districts in the County who in turn invests the cash. These pooled funds are carried at cost. The fair market value of the pool as of the above date approximates cost basis. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The county is required by Government Code Section 53635 pursuant to section 53601 to invest in time deposits, US government securities, state registered warrants, notes or bonds, State Treasurer investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase of reverse repurchase agreements.

Cash held in banks and on hand at cost, which also approximates market value is as follows:

	<u>2023</u>	<u>2022</u>
Cash on Hand and in Banks:		
P & R Fund	\$ 47,505	\$ 39,938
Waste Water Checking	57,143	93,406
Water Checking	<u>74,206</u>	<u>68,808</u>
 Total Cash on Hand and in Bank	 <u>\$ 178,854</u>	 <u>\$ 202,152</u>

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (Continued)

	2023	
	Cost	Market
Pooled Funds:		
Cash-General Fund	\$ 10,882	\$ 10,882
Accumulated Capital Outlay - Water	1,124,478	1,124,478
General Reserve - Waste Water Capital	573,865	573,865
Bond Reserve - Waste Water Operating	223,676	223,676
Construction #1 - Waste Water	2,062	2,062
Construction #2 - Water	2,483	2,483
Community Center - P&R Operating	100,161	100,161
Capital Outlay Reserve - P&R Capital	2,398	2,398
Developers Deposits	9,814	9,814
Water - Operating	756,094	756,094
Well #2 Depreciation Reserve	95,013	95,013
	<u>\$ 2,900,926</u>	<u>\$ 2,900,926</u>
Total Cash in County	<u>\$ 2,900,926</u>	<u>\$ 2,900,926</u>

	2022	
	Cost	Market
Pooled Funds:		
Cash-General Fund	\$ 10,873	\$ 10,873
Accumulated Capital Outlay - Water	900,327	900,327
General Reserve - Waste Water Capital	411,151	411,151
Bond Reserve - Waste Water Operating	254,654	254,654
Construction #1 - Waste Water	2,030	2,030
Construction #2 - Water	2,443	2,443
Community Center - P&R Operating	42,721	42,721
Capital Outlay Reserve - P&R Capital	2,360	2,360
Developers Deposits	14,601	14,601
Water - Operating	658,014	658,014
Well #2 Depreciation Reserve	88,536	88,536
	<u>\$ 2,387,710</u>	<u>\$ 2,387,710</u>
Total Cash in County	<u>\$ 2,387,710</u>	<u>\$ 2,387,710</u>

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (Continued)

Cash balances held in banks and in revolving funds are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

Investments on June 30, 2023 and 2022, held on behalf of the District, are presented below, categorized separately to give an indication of the level of risk associated with each investment.

Investment on June 30, 2023 is as follows:

	Category			Carrying Value	Fair Value
	1	2	3		
Cash In Banks	\$ 178,854	\$ -	\$ -	\$ 178,854	\$ 178,854
Pooled Funds	2,891,413	-	-	2,891,413	2,891,413
	<u>\$ 3,070,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,070,267</u>	<u>\$ 3,070,267</u>

Investment on June 30, 2022 is as follows:

	Category			Carrying Value	Fair Value
	1	2	3		
Cash In Banks	\$ 202,152	\$ -	\$ -	\$ 202,152	\$ 202,152
Pooled Funds	2,387,710	-	-	2,387,710	2,387,710
	<u>\$ 2,589,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,589,862</u>	<u>\$ 2,589,862</u>

Category 1: Insured or registered, or securities held by the District or its agent in the District's name.

Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or its agent in the District's name.

Category 3: Uninsured and unregistered, with securities held by the counterparty, its trust department, or its agent, but not in the District's name.

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts Receivable is stated at their realizable value as of June 30, 2023 and 2022. Most of the District's business activity is with customers within the City of Lockeford. Included in accounts receivable are amounts due from developers for services paid on their behalf by the District. As of June 30, 2023, the District's customer and other receivables were \$90,944 including the property tax receivable of \$-0-. As of 2022 the District's customer and other receivables were \$90,551.

NOTE 4 - DEPOSIT

The Deposit represents an advance payment for connection fees from developers. The bank balance is equal to the carrying amount. A corresponding amount is shown as Deferred Revenue in the Noncurrent Liabilities section of the Statement of Net Position.

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

The District maintains detailed records of the cost of property, plants, and equipment. Cost and estimated costs of such assets have been accumulated as follows:

The property, plant, and equipment summary for on June 30, 2023 is as follows:

	<u>6/30/2022</u>	<u>Additions (Depreciation)</u>	<u>6/30/2023</u>
Well #2 Replacement	\$ 497,578	\$ -	\$ 497,578
Waste Water Treatment Facility	2,434,862	135,767	2,570,629
Plant Equipment - Waste Water	92,512	-	92,512
Truck - Waste Water	13,945	-	13,945
Office Equipment - Waste Water	18,889	-	18,889
WW Master Plan - In Progress	127,373	8,636	136,009
Bear Creek Well	67,384	-	67,384
Building - Waste Water	58,281	-	58,281
Land - Waste Water	3,355,858	-	3,355,858
Plant Equipment - Water	147,056	-	147,056
Water Pumping Plant - Water	464,617	-	464,617
Water Transmission - Water	348,201	-	348,201
Truck - Water	13,945	-	13,945
Office Equipment - Water	18,950	-	18,950
Building - Water	58,281	-	58,281
Land - Water	44,156	-	44,156
Land - Parks and Recreation	212,716	-	212,716
Parks and Recreation Improvements	281,259	-	281,259
Old Lockeford School - P & R	1,998,548	-	1,998,548
Accumulated Depreciation	<u>(3,221,820)</u>	<u>(124,682)</u>	<u>(3,346,502)</u>
 Total Net Fixed Assets	 <u>\$ 7,032,591</u>	 <u>\$ 19,721</u>	 <u>\$ 7,052,312</u>

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT (continued)

The property, plant, and equipment summary for on June 30, 2022 is as follows:

	<u>6/30/2021</u>	Additions (Depreciation)	<u>6/30/2022</u>
Well #2 Replacement	\$ 497,578	\$ -	\$ 497,578
Waste Water Treatment Facility	2,434,862	-	2,434,862
Plant Equipment - Waste Water	92,512	-	92,512
Truck - Waste Water	13,945	-	13,945
Office Equipment - Waste Water	11,652	7,237	18,889
WW Master Plan - In Progress	15,172	112,201	127,373
Bear Creek Well	67,384	-	67,384
Building - Waste Water	58,281	-	58,281
Land - Waste Water	3,355,858	-	3,355,858
Plant Equipment - Water	147,056	-	147,056
Water Pumping Plant - Water	464,617	-	464,617
Water Transmission - Water	348,201	-	348,201
Truck - Water	13,945	-	13,945
Office Equipment - Water	11,712	7,238	18,950
Building - Water	58,281	-	58,281
Land - Water	44,156	-	44,156
Land - Parks and Recreation	212,716	-	212,716
Parks and Recreation Improvements	281,259	-	281,259
Old Lockeford School - P & R	1,998,548	-	1,998,548
Accumulated Depreciation	<u>(3,096,274)</u>	<u>(125,546)</u>	<u>(3,221,820)</u>
 Total Net Fixed Assets	 <u>\$ 7,031,461</u>	 <u>\$ 1,130</u>	 <u>\$ 7,032,591</u>

NOTE 6 – ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities on June 30, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Accounts Payable	\$ 9,260	\$ 4,934
Accrued Payable	14,007	9,135
Retirement Payable	<u>35,312</u>	<u>32,768</u>
 Total	 <u>\$ 58,579</u>	 <u>\$ 46,837</u>

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 7 - ACCUMULATED VACATION AND SICK LEAVE COMPENSATED ABSENCES

Accumulated employee vacation benefits are used prior to the District's years ending June 30, 2023 and 2022 and therefore are not recognized as liabilities of the District.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken.

NOTE 8 - LONG -TERM DEBT

June 30, 2023 – The Sewer fund owes the Water fund \$670,000 for property acquisition for wastewater reclamation facilities expansion.

June 30, 2022 – The Sewer fund owes the Water fund \$755,000 for property acquisition for wastewater reclamation facilities expansion.

NOTE 9 - UNEARNED REVENUE

Unearned revenue consisted of the following on June 30, 2023, and 2022:

	2023	2022
Diede Construction	\$ 14,779	\$ 14,601
SGMA Subcharge	242,786	200,303
	\$ 257,565	\$ 214,904

NOTE 10 - MONEY PURCHASE PENSION PLAN

The District Board of Directors approved on 13th day of February 2020 to change the retirement savings plan to the CalPERS 457 Plan. The CalPERS 457 Plan is a deferred compensation plan for the benefit of its employees. The Board of Administration of the California Public Employees' Retirement System (the CalPERS Board") has established CalPERS Supplemental Income 457 Plan (the "CalPERS 457 Plan") which may be adopted by a government employer. Currently, the District contributes 10% of the employee's wages towards the plan. As of the fiscal years ended June 30, 2023, and 2022, the District has contributed \$35,312 and \$32,768 respectively.

LOCKEFORD COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 11 – CONTINGENT LIABILITY

The District has been named as one of more than thirty-five defendants in a lawsuit filed by an environmental organization that seeks to invalidate the groundwater sustainability plan adopted by the District and other public agencies under the Sustainable Groundwater management. Per the legal firm, it is not possible to evaluate the likelihood of an unfavorable outcome. Therefore, the District has not recognized any contingent liability.

NOTE 12- SUBSEQUENT EVENTS

The District has evaluated subsequent to June 30, 2023, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through September 12, 2023, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosures in the financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUE AND EXPENSES BY YEAR
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenue	<u>\$ 932,378</u>	<u>\$ 895,451</u>
OPERATING EXPENSES		
Repair and Maintenance	54,688	114,303
Utilities	127,506	118,169
Salaries	352,419	327,779
Social Security/Medicare	5,090	4,814
Retirement	35,312	32,770
Insurance	150,053	124,390
Office Supplies and Data Processing	19,789	23,609
Professional Services	81,484	55,301
Chemicals and Testing	14,066	14,495
Supplies	26,782	18,863
Depreciation	124,682	125,546
Other Expenses	<u>103,073</u>	<u>83,160</u>
Total Expenses	<u>1,094,944</u>	<u>1,043,199</u>
Operating Income (Loss)	<u>(162,566)</u>	<u>(147,748)</u>
NON-OPERATING INCOME		
Taxes	176,151	168,204
Interest Income	67,359	9,053
Other Non Operating Income	<u>435,560</u>	<u>93,443</u>
Total Non-Operating Income	<u>679,070</u>	<u>270,700</u>
Change in Net Position	<u><u>\$ 516,504</u></u>	<u><u>\$ 122,952</u></u>

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
SUPPORTING SCHEDULE OF BOARD DESIGNATED FUNDS
June 30, 2023 and 2022

	2023	2022
Cash Construction Water	\$ 2,483	\$ 2,443
Cash Accumulated Capital Outlay	1,124,478	900,327
Cash Construction #1 - Waste Water	2,062	2,030
Cash Capital Outlay - Waste Water	573,865	411,151
Cash - P & R Capital	2,398	2,360
Petty Cash	300	380
Well #2 Depreciation Reserve	95,014	88,536
Total	\$ 1,800,600	\$ 1,407,227

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
SUPPORTING SCHEDULE OF INSURANCE IN FORCE
June 30, 2023 and 2022

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. During the years ended June 30, 2023 and 2022, the District carried insurance through various commercial carriers, including Rural Special District's Insurance Services, to cover all risks of losses.

<u>Policy</u>	<u>Coverage</u>
Workers Compensation	Statutory
General Liability:	
Each Occurrence	1,000,000
Damage to Rented Premises	1,000,000
Medical Expenses	10,000
Personal Injury	1,000,000
General Aggregate	3,000,000
Products	3,000,000
Automobile	1,000,000

LOCKEFORD COMMUNITY SERVICES DISTRICT
SCHEDULE OF ACTUAL, BUDGET AND VARIANCE
June 30, 2023

OPERATING REVENUES	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenue	\$ 897,871	\$ 897,871	\$ 932,378	\$ 34,507
Total Operating Revenue	<u>897,871</u>	<u>897,871</u>	<u>932,378</u>	<u>34,507</u>
 OPERATING EXPENSES				
Repairs and Maintenance	91,100	91,100	54,688	36,412
Utilities	125,000	125,000	127,506	(2,506)
Salaries	346,000	346,000	352,419	(6,419)
Social Security/Medicare	5,100	5,100	5,090	10
Retirement	35,000	35,000	35,312	(312)
Taxes, Licenses and Membership Fees	45,300	45,300	47,954	(2,654)
Workers Compensation Insurance	21,000	21,000	17,176	3,824
Health Insurance	100,400	100,400	102,394	(1,994)
Insurance	24,000	24,000	30,483	(6,483)
Office Supplies and Data Processing	31,000	31,000	19,789	11,211
Professional Services	108,500	108,500	81,484	27,016
Chemicals and Testing Supplies	20,055	20,055	14,066	5,989
Tools and Supplies	37,100	37,100	26,782	10,318
Telephone	7,400	7,400	8,246	(846)
Auto Expense	18,900	18,900	14,248	4,652
Auditor	10,000	10,000	9,226	774
Miscellaneous	16,300	16,300	23,399	(7,099)
Total Operating Expense	<u>1,042,155</u>	<u>1,042,155</u>	<u>970,262</u>	<u>71,893</u>
Net Income (Loss) from Operations	<u>(144,284)</u>	<u>(144,284)</u>	<u>(37,884)</u>	<u>106,400</u>
 NONOPERATING INCOME				
Tax Revenues	170,000	170,000	176,151	6,151
Interest Income	3,705	3,705	67,359	63,654
Rental Income	-	-	13,200	13,200
Miscellaneous Income	-	-	112,303	112,303
Annexation Fees	-	-	263,422	263,422
Connection Fees	-	-	46,635	46,635
Total Other Income (Expense)	<u>173,705</u>	<u>173,705</u>	<u>679,070</u>	<u>505,365</u>
Excess of Revenue Over (Under) Expenses	<u>\$ 29,421</u>	<u>\$ 29,421</u>	641,186	<u>\$ 611,765</u>
Depreciation Expense			(124,682)	
Beginning Net Position			<u>9,536,367</u>	
Ending Net Position			<u>\$ 10,052,871</u>	

The accompanying notes are an integral part of these financial statements.

LOCKEFORD COMMUNITY SERVICES DISTRICT
SCHEDULE OF ACTUAL, BUDGET AND VARIANCE
June 30, 2022

OPERATING REVENUES	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenue	\$ 865,315	\$ 865,315	\$ 895,451	\$ 30,136
Total Operating Revenue	<u>865,315</u>	<u>865,315</u>	<u>895,451</u>	<u>30,136</u>
OPERATING EXPENSES				
Repairs and Maintenance	62,200	62,200	114,303	(52,103)
Utilities	111,000	111,000	118,169	(7,169)
Salaries	338,100	338,100	327,779	10,321
Social Security/Medicare	5,000	5,000	4,814	186
Retirement	33,000	33,000	32,770	230
Taxes, Licenses and Membership Fees	40,100	40,100	41,715	(1,615)
Workers Compensation Insurance	21,000	21,000	23,156	(2,156)
Health Insurance	86,000	86,000	85,398	602
Insurance	24,000	24,000	15,836	8,164
Office Supplies and Data Processing	16,800	16,800	23,609	(6,809)
Professional Services	173,500	173,500	55,301	118,199
Chemicals and Testing Supplies	20,045	20,045	14,495	5,550
Tools and Supplies	18,000	18,000	18,863	(863)
Telephone	7,000	7,000	6,859	141
Auto Expense	13,200	13,200	13,240	(40)
Auditor	10,000	10,000	8,700	1,300
Miscellaneous	19,389	19,389	12,646	6,743
Total Operating Expense	<u>998,334</u>	<u>998,334</u>	<u>917,653</u>	<u>80,681</u>
Net Income (Loss) from Operations	<u>(133,019)</u>	<u>(133,019)</u>	<u>(22,202)</u>	<u>110,817</u>
NONOPERATING INCOME				
Tax Revenues	165,000	165,000	168,204	3,204
Interest Income	7,281	-	9,053	9,053
Rental Income	13,200	-	13,200	13,200
Miscellaneous Income	-	-	19,748	19,748
Connection Fees	-	-	60,495	45,205
Total Other Income (Expense)	<u>185,481</u>	<u>185,481</u>	<u>270,700</u>	<u>90,410</u>
Excess of Revenue Over (Under) Expenses	<u>\$ 52,462</u>	<u>\$ 52,462</u>	248,498	<u>\$ 248,498</u>
Depreciation Expense			(125,546)	
Beginning Net Position			<u>9,413,415</u>	
Ending Net Position			<u>\$ 9,536,367</u>	

The accompanying notes are an integral part of these financial statements.