

Clear Creek Community Service District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2023

and

June 30, 2024



October 10, 2024

Clear Creek Community Service District

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of Clear Creek Community Service District as of and for the years-ended June 30, 2023 and June 30, 2024, as listed in the Table of Contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clear Creek Community Service District as of June 30, 2023 and June 30, 2024, and the respective changes in financial position, and cash flows where applicable for the years then ended, in conformity 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 (GAAS). 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 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

The District's 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, 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 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that,



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

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

The District has not presented Management's Discussion and Analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require 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 financial statements in an appropriate operational, economic, or historical context.

PNPCPA

Clear Creek Community Service District

**Audit Report
June 30, 2023
and
June 30, 2024**

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Clear Creek Community Service District
Statement of Net Position
June 30,

	2024			2023		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS & DEFERRED OUTFLOWS						
<u>Current Assets:</u>						
Cash	\$ 159,425	\$ 148,163	\$ 307,588	\$ 169,248	\$ 131,296	\$ 300,544
Pre-paid Expenses	3,614	2,198	5,812	2,530	1,724	4,254
Accounts Receivable	-	296	296	-	1,321	1,321
Total Current Assets	163,039	150,657	313,696	171,778	134,341	306,119
<u>Fixed Assets:</u>						
CIP	-	-	-	-	-	-
Land	-	-	-	-	-	-
Equipment	177,907	257,182	435,089	144,145	257,182	401,327
Less: Accumulated Depreciation	(49,524)	(169,816)	(219,340)	(38,217)	(163,321)	(201,538)
Total Fixed Assets	128,383	87,366	215,749	105,928	93,861	199,789
TOTAL ASSETS & DEFERRED OUTFLOWS	291,422	238,023	529,445	277,706	228,202	505,908
LIABILITIES & DEFERRED INFLOWS						
<u>Current Liabilities:</u>						
Accounts Payable & Accrued Liabilities	2,881	1,969	4,850	1,621	3,316	4,937
Total Current Liabilities	2,881	1,969	4,850	1,621	3,316	4,937
TOTAL LIABILITIES	2,881	1,969	4,850	1,621	3,316	4,937
<u>DEFERRED INFLOWS</u>	-	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOW:	2,881	1,969	4,850	1,621	3,316	4,937
NET POSITION						
Net Investment in Capital Assets	128,383	87,366	215,749	105,928	93,861	199,789
Restricted	-	-	-	-	-	-
Unrestricted	160,158	148,688	308,846	170,157	131,025	301,182
TOTAL NET POSITION	\$ 288,541	\$ 236,054	\$ 524,595	\$ 276,085	\$ 224,886	\$ 500,971

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

Clear Creek Community Service District
Statement of Activities
For the Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Special Assessment</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Primary Government					
Governmental Activities	\$ 11,307	\$ -	\$ -	\$ (11,307)	\$ -
Depreciation	41,163	-	19,422	(21,741)	-
Fire Service	52,470	-	19,422	(33,048)	-
Total governmental activities	<u>104,940</u>	<u>-</u>	<u>38,844</u>	<u>(74,096)</u>	<u>-</u>
Business-type activities	87,890	94,788	-	-	6,898
Water	87,890	94,788	-	-	6,898
Total business-type activities	<u>87,890</u>	<u>94,788</u>	<u>-</u>	<u>(33,048)</u>	<u>6,898</u>
Total primary government	<u>192,830</u>	<u>94,788</u>	<u>19,422</u>	<u>(107,144)</u>	<u>6,898</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes				27,127	27,127
Unrestricted investment earnings				2,786	4,270
Miscellaneous				15,591	-
Total general revenues, special items				<u>45,504</u>	<u>4,270</u>
Change in net position				12,456	11,169
Net Position - beginning				276,085	224,886
Net Position - ending				<u>\$ 288,541</u>	<u>\$ 236,054</u>
					<u>\$ 524,595</u>

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

Clear Creek Community Service District
Statement of Activities
For the Year Ended June 30, 2023

	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
			<u>Primary Government</u>			
				<u>Total</u>		
Functions/Programs	Expenses	Charges for Services	Special Assessment	Governmental Activities	Business-type Activities	Total
Primary government						
Governmental Activities	\$ 9,056	\$ -	\$ -	\$ (9,056)	\$ -	\$ (9,056)
Depreciation	41,473	-	20,297	(21,176)	-	(21,176)
Fire Service						
Total governmental activities	50,529	-	20,297	(30,232)	-	(30,232)
Business-type activities						
Water	77,921	85,842	-	-	7,921	7,921
Total business-type activities	77,921	85,842	-	-	7,921	7,921
Total primary government	128,450	85,842	20,297	(30,232)	7,921	(22,311)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				24,462	-	24,462
Unrestricted investment earnings				1,726	2,414	4,140
Miscellaneous				81,406	-	81,406
Total general revenues, special items				107,594	2,414	110,008
Change in net position				77,362	10,336	87,698
Net Position - beginning				198,723	214,550	413,273
Net Position - ending				\$ 276,085	\$ 224,886	\$ 500,971

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

Clear Creek Community Service District

Statement of Net Position - Proprietary Funds

	<u>2024</u>	<u>2023</u>
<u>ASSETS & DEFERRED OUTFLOWS</u>		
<u>Current Assets:</u>		
Cash	\$ 148,163	\$ 131,296
Pre-paid Expenses	2,198	1,724
Accounts Receivable	296	1,321
	<u>150,657</u>	<u>134,341</u>
 <u>Fixed Assets:</u>		
Buildings, Equipment and Improvements	257,182	257,182
Less: Accumulated Depreciation	<u>(169,816)</u>	<u>(163,321)</u>
	<u>87,366</u>	<u>93,861</u>
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>238,023</u>	<u>228,202</u>
 <u>LIABILITIES & DEFERRED INFLOWS</u>		
<u>Current Liabilities:</u>		
Accounts Payable & Accrued Liabilities	1,969	3,316
Unearned Revenue	<u>-</u>	<u>-</u>
	<u>1,969</u>	<u>3,316</u>
TOTAL LIABILITIES	<u>1,969</u>	<u>3,316</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	87,366	93,861
Restricted	-	-
Unrestricted	<u>148,688</u>	<u>131,025</u>
<u>TOTAL NET POSITION</u>	<u>\$ 236,054</u>	<u># \$ 224,886</u>

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

Clear Creek Community Service District

**Statement of Revenues, Expenses & Change in Net Position
For the Year Ended**

	<u>2024</u>	<u>2023</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 94,788	\$ 85,842
Operating Grants	-	-
Total Operating Revenues	<u>94,788</u>	<u>85,842</u>
<u>OPERATING EXPENSES</u>		
Wages & Employee benefits	41,433	43,936
Professional Fees	2,902	2,132
Utilities	6,648	5,592
Repairs & Maintenance	19,467	11,441
Supplies	7,697	7,678
Insurance	3,248	1,952
Depreciation	6,495	5,189
TOTAL OPERATING EXPENSES	<u>87,890</u>	<u>77,920</u>
<u>NON-OPERATING REVENUES/EXPENSES</u>		
Interest Income	4,270	2,414
Total Non-Operating Revenues/Expenses	<u>4,270</u>	<u>2,414</u>
<u>NET CHANGE IN NET POSITION</u>	<u>11,168</u>	<u>10,336</u>
<u>NET POSITION, BEGINNING OF YEAR</u>	<u>224,886</u>	<u>214,550</u>
<u>NET POSITION, END OF YEAR</u>	<u>\$ 236,054</u>	<u>\$ 224,886</u>

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

Clear Creek Community Service District
Statement of Cash Flows
For the Year-Ended
June 30,

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received from Charges for Service	\$ 95,813	\$ 86,433
Deduct: Cash paid for Operating Expenses	<u>(83,216)</u>	<u>(73,953)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>12,597</u>	<u>12,480</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Capital Expenditure	<u>-</u>	<u>-</u>
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Property Tax Receipts	<u>-</u>	<u>-</u>
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest	<u>4,270</u>	<u>2,414</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>4,270</u>	<u>2,414</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>16,867</u>	<u>14,894</u>
<u>CASH, BEGINNING OF YEAR</u>	<u>131,296</u>	<u>116,402</u>
<u>CASH, END OF YEAR</u>	<u>\$ 148,163</u>	<u>\$ 131,296</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	<u>\$ 6,898</u>	<u>\$ 7,922</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Add back depreciation	<u>6,495</u>	<u>5,189</u>
(Increase) Decrease in Operating Accounts Receivable	<u>1,025</u>	<u>591</u>
(Increase) Decrease in Prepaid	<u>(474)</u>	<u>(1,222)</u>
Increase (Decrease) in Accounts Payable	<u>(1,347)</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>\$ 12,597</u>	<u>\$ 12,480</u>

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

Clear Creek CSD

**Balance Sheet
June 30,**

	<u>2024</u>	<u>2023</u>
<u>ASSETS & DEFERRED OUTFLOWS</u>	<u>Fire</u>	<u>Fire</u>
<u>Current Assets:</u>		
Cash	159,425	169,248
Prepaid Expenses	3,614	2,530
Accounts Receivable	-	-
	<u> </u>	<u> </u>
Total Current Assets	<u>163,039</u>	<u>171,778</u>
	<u> </u>	<u> </u>
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>163,039</u>	<u>171,778</u>
	<u> </u>	<u> </u>
<u>LIABILITIES & DEFERRED INFLOWS</u>		
<u>Current Liabilities:</u>		
Accounts Payable & Accrued Liabilities	<u>2,881</u>	<u>1,621</u>
	<u> </u>	<u> </u>
Total Current Liabilities	<u>2,881</u>	<u>1,621</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>2,881</u>	<u>1,621</u>
	<u> </u>	<u> </u>
<u>Fund Balance</u>		
Restricted	-	-
Unspendable	3,614	2,530
Unrestricted	<u>156,544</u>	<u>167,627</u>
	<u> </u>	<u> </u>
<u>TOTAL FUND BALANCE</u>	<u>\$ 160,158</u>	<u>\$ 170,157</u>

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

Clear Creek Community Service District

**Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended**

<u>Expenditures</u>	<u>2024</u>	<u>2023</u>
Wages & Employee benefits	\$ 15,991	\$ 15,170
Insurance	5,334	5,550
Utilities	5,855	4,838
Services & Supplies	5,731	5,471
Repairs	5,613	5,427
Capital expenditure	33,763	51,790
Professional Fees	2,638	2,674
Total Operating Expenditures	<u>74,925</u>	<u>90,920</u>
<u>Revenues</u>		
Charges for Service	-	-
Misc. Income	15,591	81,406
Special Assessment	19,422	20,297
Investment earnings	2,786	1,726
Taxes and Intergovernmental	27,127	24,462
TOTAL OPERATING Revenues	<u>64,926</u>	<u>127,891</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(9,999)</u>	<u>36,971</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>170,157</u>	<u>133,186</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 160,158</u>	<u>\$ 170,157</u>

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

Clear Creek Community Service District
Notes to Financial Statements
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Clear Creek Community Service District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Description of the Reporting Entity

The District was formed in 1971 and provides water and fire protection to residents of the District, under the California State Government Code.

The District is a governed entity administered by a Board of Directors (Board) that acts as the authoritative and legislative body of the entity. The Board is comprised of five board members who are elected by voters living within the District's boundaries. Elections are held within the Board to appoint the President. The President's responsibilities are to preside at all meetings of the Board; be the chief officer of the District; perform all duties commonly incident to the position of presiding officer of a board, commission, or business organization; and exercise supervision over the business of the District, its officers, and its employees.

The accompanying general-purpose financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

B. Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, revenues, expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

C. Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are

Clear Creek Community Service District
Notes to Financial Statements
June 30, 2024

recognized in the period in which the liability is incurred. The types of transactions reported as operating revenues for the District are reported as charges for services.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities demonstrating the degree to which the direct expenses of a given project are offset by project revenues. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function or segment. Operating revenues include (1) charges paid by the recipients of services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements if a particular program. Revenues that are not classified as program revenues, including taxes are presented instead as non-operating revenues.

Enterprise Funds – The enterprises funds are used to account for all the financial resources of the District. The enterprise net assets is available to the District for any purpose, provided it is expended or transferred according to the general laws of California and the bylaws of the District. The District maintains separate funds for Water, and Sewer.

Governmental Fund – The governmental funds is used to account for all financial resources of the fire department.

Exchange and Non-Exchange Transactions of Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the District receives value without directly giving value in return, include taxes and donations. Revenues are recognized when susceptible to accrual, when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Expenses - On an accrual basis of accounting, expenses are recognized at the time they are incurred.

Clear Creek Community Service District
Notes to Financial Statements
June 30, 2024

E. Funds on Deposit, County and Bank

The District is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. cash balances held in banks and revolving funds are insured to \$250,000 by the FDIC. The remaining balance is fully insured and collateralized.

Interest rate risk. - The District policy is to find highest investment return with maximum security that meets daily cash flow demands.

Credit risk. - The District policy is to use only US treasury bills, registered state warrants or notes or bonds issued by the state of California, bonds notes warrants issued by a local agency within California, obligations issued by the Federal government, prime commercial paper from corporations with assets greater than 500 million with the highest ranking by Moody's or S&P not to exceed 15% for up to 180 days and up to 30% if the average maturity does not exceed 31 days, Bankers acceptance with a term not exceed 270 days up to 40% with not more than 30% in a single commercial bank, 30% of funds in certificates of deposit, repurchase/reverse purchase agreements given that agreement shall be no less than 102% of market value, medium term notes not to exceed 5 years of us corporations rate "A" or better by Mood's or S&P with no more than 30%, shares of beneficial interested issued by a diversified management company up to 15%, mortgage pass through security that are rated "AA" or better up to 30% and bonds issued by the Herlong Public Utility District, collateralized bank deposits, funds held under the terms of a trust indenture or other contract agreement, or any other investment authorized by Government Code. The District is prohibited from investing in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investments that may result in a zero interest accrual if held to maturity.

Custodial credit risk. - The District is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. cash balances held in banks and revolving funds are insured to \$250,000 by the FDIC. The remaining balance is fully insured and collateralized.

Concentration of credit risk. - The District policy is to follow prudent diversification strategies.

F. Accounts Receivable

Accounts receivable are recorded at their gross value, where appropriate are reduced by the portion that is considered uncollectable. Accounts receivable consists primarily of service fees that have been billed but not paid as of year-end. Management believes its receivables to be fully collectable due to the ability to place a lien against property for unpaid receivables and, accordingly no allowance for doubtful accounts is necessary.

G. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items.

Clear Creek Community Service District
Notes to Financial Statements
June 30, 2024

H. Fixed Assets

Capital assets, which include property, plant, and equipment, infrastructure assets and intangible are reported in the applicable governmental -type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received. The current capitalization threshold is \$5,000 for an individual item.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

I. Accounts Payable

On an accrual basis, expenses are recognized in the fiscal year in which the goods or services are received. Payables are liabilities of the District based upon current year charges for goods or services received but not paid in the current year.

J. Property Taxes

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

K. Net Position

The District's net position represents the difference between its assets and liabilities in the statement of net position. Net position is reported as restricted when there are legal limitations imposed on their use by their source.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Clear Creek Community Service District
Notes to Financial Statements
June 30, 2024

NOTE 3: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the District contracted with SDRMA for liability, property, crime damage, and employee and director insurances.

NOTE 4: USE OF RESTRICTED/UNRESTRICTED NET POSITION

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

NOTE 5: COMPARATIVE DATA AND RECLASSIFICATIONS

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

NOTE 6: CONTIGENCIES

As of June 30, 2024, the District did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 7: DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through **October 10, 2024**, which is the date the financial statements were available to be issued.

Clear Creek Community Service District

**Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended**

<u>Expenditures</u>	<u>2024</u>	<u>2023</u>
Wages & Employee benefits	\$ 15,991	\$ 15,170
Insurance	5,334	5,550
Utilities	5,855	4,838
Services & Supplies	5,731	5,471
Repairs	5,613	5,427
Capital expenditure	33,763	51,790
Professional Fees	2,638	2,674
	<u>74,925</u>	<u>90,920</u>
Total Operating Expenditures	74,925	90,920
<u>Revenues</u>		
Charges for Service	-	-
Misc. Income	15,591	81,406
Special Assessment	19,422	20,297
Investment earnings	2,786	1,726
Taxes and Intergovernmental	27,127	24,462
	<u>64,926</u>	<u>127,891</u>
TOTAL OPERATING Revenues	64,926	127,891
<u>NET CHANGE IN FUND BALANCE</u>	<u>(9,999)</u>	<u>36,971</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>170,157</u>	<u>133,186</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 160,158</u>	<u>\$ 170,157</u>

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

