

AGENDA
BOARD OF DIRECTORS REGULAR MEETING
Tuesday, September 10, 2024, 4:00 P.M.
La Valle Coastal Club Clubhouse
5690 Cancha De Golf, Rancho Santa Fe, CA

Call Meeting to Order and Roll Call

Board Members:	Board President:	Byron Hanchett
	Board Vice President:	Bill Haynor
	Director:	Doug Manatt
	Director:	Ed Munsch
	Director:	Al Panton

Staff:	General Manager:	Chuck Duffy
	Asst. General Manager:	Paula Melendrez

Pledge of Allegiance.

Public Comment.

Communication from the public concerning matters under the District's subject jurisdiction which are not on the agenda.

AGENDA ITEMS

Page No.

- | | |
|--|--------------------------|
| 1. Minutes of the August 6, 2024 Regular Meeting.
Recommendation: Approve as submitted. | 3-4 |
| 2. July 2024 Dudek Invoices for Payment.
Recommendation: Approve as submitted. | 5-9 |
| 3. Fiscal Year 2022-2023 Comprehensive Annual Financial Report and Draft Audit.
Recommendation: Approve as submitted. | 10-49 |
| 4. Landscaping in the Road Right-of-Way for Cancha De Golf, Via De Las Palmas, Via De La Valle, and Via Valle Verde.
Recommendation: To be made by the Board. | 50 |
| 5. Consideration of Increase in Directors Compensation.
Recommendation: To be made by the Board. | 51 |
| 6. Wastewater Plant Electrical & Solar Cost Performance And Status.
a. SDGE monthly cost review
b. Solar System performance review | 52
(--) |

- 7. Director Reports.**
 - a. Landscaping Report (Directors Manatt and Haynor). (--)
 - b. Solar Report (Directors Panton and Hanchett). (--)
 - c. Wastewater Treatment Plant Report (Directors Haynor and Manatt). (--)
 - d. Finance Report (Directors Haynor and Hanchett). (--)
- 8. Community Liaison Reports.**
 - a. La Valle Coastal Club (Director Panton). (--)
 - b. Pacifica Enterprises (Director Manatt). (--)
 - c. Palma de La Reina (Director Haynor). (--)
 - d. Interagency Relations (Director Haynor). (--)
- 9. Monthly Flow Report.** 53
- 10. District Financial Reports.**
 - a. Account Balances. 55-56
 - b. Revenue and Expenditure Reports (Unaudited). 57-59
 - c. WPCSD Check Registers for July 2024. 60-61
 - d. CALTRUST Update. 62-64
- 11. General Manager's Report.**
 - a. Sewer Operations Report. 65
 - b. Holiday Palm Tree Lighting.
- 12. Seminars/Conferences.** (--)
- 13. Consideration of Correspondence.** (--)
 - a. Bank Reconciliations for July 2024.
- 14. Future Agenda Items.** (--)

Adjournment.

This meeting is accessible to people with disabilities. Individuals who require special assistance to participate may request an alternative format of the agenda and packet materials. Notification in advance of the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. To request a disability-related modification or accommodation, please call (760) 479-4150.

MINUTES
BOARD OF DIRECTORS REGULAR MEETING
Tuesday, August 6, 2024, 4:00 p.m.
La Valle Coastal Club Clubhouse
5690 Cancha De Golf, Rancho Santa Fe, CA

Call Meeting to Order and Roll Call.

The Regular Meeting of the Board of Directors of the Whispering Palms Community Services District was called to order by Board President Byron Hanchett at 4:03 p.m.

PRESENT

Byron Hanchett
Bill Haynor
Doug Manatt
Ed Munsch

ABSENT

Al Panton
Paula Melendrez

GUESTS

STAFF

Chuck Duffy, GM

Pledge of Allegiance.

Public Comment – None.

AGENDA ITEMS:

1. Minutes of the June 11, 2024 Regular Meeting.

ACTION: Director Haynor moved to approve the minutes as amended to correct the meeting date on the title page. Director Munsch seconded the motion. Motion carried 4-0.

2. May and June 2024 Dudek Invoices for Payment.

ACTION: Director Manatt moved to approve the invoices as submitted. Director Haynor seconded the motion. Motion carried 4-0.

3. Adoption of a Resolution Directing that the Sewer Service and Sewer Standby Charges Be Collected on the County of San Diego Property Tax Roll – Public Hearing.
Board President Hanchett opened the public hearing. There were no comments from the public. Staff reported that no written comments had been received. Director Hanchett closed the public hearing.

ACTION: Director Manatt moved to approve Resolution R-2024-01 for the collection of the charges on the tax roll as presented. Director Haynor seconded. Motion carried 4-0.

4. Consideration of Landscaping Issues in the Road Right-of-Way For Cancha De Golf, Via De Las Palmas, Via De La Valle, and Via Valle Verde.

The board discussed the landscape agenda memo. General Manager Chuck Duffy will set up a meeting with the landscape committee and Joe Diaz and Arnold Keene to layout the corner plantings at Via de la Valle and Las Palomas.

5. Consideration of Wastewater Plant Electrical & Solar Cost Performance and Status.

- a. SDGE monthly cost review – Nothing additional to report.
- b. Solar System performance review – Mr. Duffy reported that a branch had fallen from a nearby eucalyptus tree and damaged several of the panels. Baker Electric will visit the site on August 9th to do an assessment of the damage.
- c. Solar System maintenance status – Nothing additional to report.

6. Consideration of Director Reports.

- a. Landscaping Report (Directors Manatt and Haynor) – Nothing additional to report.
- b. Solar Report (Directors Panton and Hanchett) – Nothing additional to report.
- c. Wastewater Treatment Plant Report (Directors Haynor and Manatt) – Nothing additional to report.
- d. Finance Report (Directors Haynor and Hanchett) – Nothing additional to report.

7. Consideration of Community Liaison Reports.

- a. La Valle Coastal Club – Nothing additional to report.
- b. Pacifica Enterprises – Director Manatt reported that the lease has ended for the maternity business in the Pacifica Building.
- c. Palma de La Reina – Nothing additional to report.
- d. Interagency Relations – Nothing additional to report.

8. Monthly Flow Report – Noted and filed.

9. District Financial Reports.

- a. Account Balances – Noted and filed.
- b. Revenue and Expenditure Reports (Unaudited) – Noted and filed.
- c. WPCSD Check Register for May and June 2024 – Noted and filed.
- d. CALTRUST Update – Noted and filed.

10. General Manager's Report.

- a. Sewer Operations Report – Noted and filed.
- b. Holiday Palm Tree Lighting – Noted and filed.

11. Seminars/Conferences – Noted and filed.

12. Consideration of Correspondence.

- a. Bank Reconciliations for May and June 2024 were distributed to the board.

13. Consideration of Future Agenda Items – Noted and filed.

Adjournment

The August 6, 2024 Regular Meeting of the Whispering Palms Community Services District Board of Directors was adjourned by Board President Hanchett at 4:52 p.m.

SUBMITTED BY:

ATTEST:

Paula Melendrez, Board Secretary

Chuck Duffy, General Manager

Approved by the Board of Directors: September 10, 2024



General Manager
Chuck Duffy

Board of Directors

Byron Hanchett
Bill Haynor
Doug Manatt
Ed Munsch
Al Pantan

September 10, 2024

Board of Directors
Whispering Palms Community Services District

Re: July 2024 Invoices

Dear Board Members:

The attached invoices covering the month of July are submitted for your review and approval.

The invoices consist of:

A. SID Management (incl. expenses) total:	\$8,809.00	177.2425
B. SID Operations (incl. expenses) total:	\$22,887.00	177.2425.2
C. LID Management (incl. expenses) total:	\$3,077.00	177.2425.1

The work accomplished includes: general management, filing, correspondence; agenda preparation; invoice review; phone calls; word processing; meetings; site visits; odor control investigation; treatment plant operations; general management and engineering; bookkeeping; and permit issuance.

Board of Directors
Whispering Palms Community Services District

BUDGET TRACKING SUMMARY (LABOR ONLY) 2024/2025

	<u>Annual Budget</u>	<u>July 2024 Billing</u>	<u>Billed to Date</u>	<u>% of Annual Budget</u>	<u>% of Year Elapsed</u>
Management (SID #1)	\$105,708	\$8,809	\$8,809	8.3%	8.3%
Operations (SID #1)	\$276,644	\$22,887	\$22,887	8.3%	8.3%
Management (LID #1)	\$36,924	\$3,077	\$3,077	8.3%	8.3%

Sincerely,

Chuck Duffy, General Manager

DUDEK

605 3rd Street
Encinitas, CA 92024
T (760) 942-5147
F (760) 632-0164

August 1, 2024
Project No: 177.2024
Invoice No: 202405948
Due Date: August 31, 2024

Chuck Duffy
Whispering Palms Community Services District
c/o Dudek
605 Third Street
Encinitas, CA 92024

Project Manager Charles Duffy
Project 177.2024 FY 24/25 SID Management
Professional Services for the Period: June 29, 2024 to July 26, 2024

Number of Monthly Fee	1.00		
Fee Each	8,809.00		
Total Fee	8,809.00		
	Total Earned	8,809.00	
	Previous Fee Billing	0.00	
	Current Fee Billing	8,809.00	
	Total Fee		8,809.00
	Total Project Invoice Amount		\$8,809.00

Billing Summary

	Current	Prior	Total
Fee	8,809.00	0.00	8,809.00
Totals	8,809.00	0.00	8,809.00

Contract Maximum:	105,708.00
Previous Billings Against Maximum:	0.00
Current Billings Against Maximum:	8,809.00
Balance After This Invoice:	96,899.00

Please remit checks to the following lockbox account including Dudek project number and invoice number:

DUDEK
P.O. Box 515569
Los Angeles, CA 90051-4581

If you would like to remit payment via ACH, please contact Accounting@dudek.com.

DUDEK

605 3rd Street
Encinitas, CA 92024
T (760) 942-5147
F (760) 632-0164

August 1, 2024
Project No: 177.2024.02
Invoice No: 202405951
Due Date: August 31, 2024

Chuck Duffy
Whispering Palms Community Services District
c/o Dudek
605 Third Street
Encinitas, CA 92024

Project Manager Charles Duffy
Project 177.2024.02 FY 24/25 - Operations
Professional Services for the Period: June 29, 2024 to July 26, 2024

Number of Monthly Fee	1.00		
Fee Each	22,887.00		
Total Fee	22,887.00		
	Total Earned	22,887.00	
	Previous Fee Billing	0.00	
	Current Fee Billing	22,887.00	
	Total Fee		22,887.00
	Total Project Invoice Amount		\$22,887.00

Billing Summary

	Current	Prior	Total
Fee	22,887.00	0.00	22,887.00
Totals	22,887.00	0.00	22,887.00

Contract Maximum:	276,644.00
Previous Billings Against Maximum:	0.00
Current Billings Against Maximum:	22,887.00
Balance After This Invoice:	253,757.00

Please remit checks to the following lockbox account including Dudek project number and invoice number:

DUDEK
P.O. Box 515569
Los Angeles, CA 90051-4581

If you would like to remit payment via ACH, please contact Accounting@dudek.com.

DUDEK

605 3rd Street
Encinitas, CA 92024
T (760) 942-5147
F (760) 632-0164

August 1, 2024
Project No: 177.2024.01
Invoice No: 202405949
Due Date: August 31, 2024

Chuck Duffy
Whispering Palms Community Services District
c/o Dudek
605 Third Street
Encinitas, CA 92024

Project Manager Charles Duffy
Project 177.2024.01 FY 24/25 LID Management
Professional Services for the Period: June 29, 2024 to July 26, 2024

Number of Monthly Fee	1.00		
Fee Each	3,077.00		
Total Fee	3,077.00		
	Total Earned	3,077.00	
	Previous Fee Billing	0.00	
	Current Fee Billing	3,077.00	
	Total Fee		3,077.00
	Total Project Invoice Amount		\$3,077.00

Billing Summary

	Current	Prior	Total
Fee	3,077.00	0.00	3,077.00
Totals	3,077.00	0.00	3,077.00

Contract Maximum:	36,924.00
Previous Billings Against Maximum:	0.00
Current Billings Against Maximum:	3,077.00
Balance After This Invoice:	33,847.00

Please remit checks to the following lockbox account including Dudek project number and invoice number:

DUDEK
P.O. Box 515569
Los Angeles, CA 90051-4581

If you would like to remit payment via ACH, please contact Accounting@dudek.com.

General Manager
Chuck Duffy

Board of Directors
Byron Hanchett
Ed Munsch
Bill Haynor
Doug Manatt
Al Pantón

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: Fiscal Year 2022/23 Comprehensive Annual Financial Report and Draft Audit
Date: September 10, 2024

I have attached the Fiscal Year 2022/23 Comprehensive Annual Financial Statements and accompanying draft Audit for your Board's review and approval. The financial report generally shows that the District is on sound financial footing.

**WHISPERING PALMS
COMMUNITY SERVICES DISTRICT**

**Annual Financial Report
with
Independent Auditor's Report Thereon
For the Year Ended
June 30, 2023**

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Annual Financial Report
For The Year Ended
June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Whispering Palms Community Services District
Encinitas, California

Opinions

We have audited the accompanying financial statements of the Whispering Palms Community Services District (District), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023, and the respective changes in financial position and cash flows for the year 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. 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.

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 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 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:

- 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.

Board of Directors
Whispering Palms Community Services District
Encinitas, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule – General Fund, identified as Required Supplementary Information (RSI) in the accompanying 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 RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Fechter & Company
Certified Public Accountants

Sacramento, California
[date]

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2023

This section of the Whispering Palms Community Services District's (District) annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2023. This information is presented in conjunction with the audited basic financial statements, which follows this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2022-2023

- The assets of the District exceeded liabilities at the close of the 2022-2023 fiscal year by \$6,444,103 (net position). Of this amount, \$2,304,741 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, and \$4,139,362 is invested in capital assets.
- Total assets of the District decreased at the close of the 2022-2023 fiscal year by \$317,290.
- Total liabilities of the District decreased at the close of the 2022-2023 fiscal year by \$132,432.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

Government-Wide Financial Statements are designed to provide readers with a broad overview of District finances, in a manner similar to a private-sector business, and includes the Governmental Activities (the Landscape Maintenance District) and the Business-type Activities (the Sewer Improvement District).

The Statement of Net Position presents information on all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (Assets) and the obligations to District creditors (Liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (i.e., uncollected taxes).

Both of these government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities of the District are roadside landscape maintenance services. The business-type activities of the District are sewer services.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2023

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the District's funds can be grouped into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District uses a General Fund to account for its Landscape and Lighting Improvement District No. 1 (LLID), which provides street right-of-way landscape maintenance services. The District contracts with a landscaping contractor to maintain the Whispering Palms entry fountain and landscape maintenance for the street right-of-way for the Whispering Palms development along Via De La Valle and Cancha De Golf.

Proprietary Funds are used to account for the District's sewer service. Sewer service charges are used to fund the ongoing operations of the District including administrative, operations, treatment, collections, and acquisitions of capital assets. The proprietary fund financial statements include the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows. These statements are accounted for using the full accrual basis of accounting similar to commercial enterprises.

Sewer service is provided throughout the service area of the District. The District serves the Whispering Palms residential development, as well as areas to the east such as the Del Mar Country Club Estates, Rancho Santa Fe Farms, Del Rayo Estates, Rancho Valencia, and San Diegueno Hills. Sewage is treated at the Whispering Palms Wastewater Reclamation Facility, which has a capacity of 400,000 gallons per day. The basic unit of charge used to calculate sewer service and connection fees is called an Equivalent Dwelling Unit (EDU), which equates to an estimated 230 gallons per day of wastewater flow. All single-family homes are charged 1 EDU as their sewer service charge. Commercial properties are charged based upon their calculated EDUs. The charge per EDU for the year ended June 30, 2023, was \$520. Sewer service charges are used to fund the ongoing operations of the District including administration, treatment plant and collections system operations, and replacement of equipment as needed.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The statement of fiduciary assets and liabilities is reported using the accrual basis of accounting.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2023

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information which can be found on the final pages of this report.

Governmental Fund Budgetary Highlights

The final fund balance at year-end was \$136,719 higher than the final budget due primarily to landscape maintenance expenses being lower than budgeted.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At year end, the District's governmental funds reported a fund balance of \$1,198,577 at June 30, 2023, which is an increase of \$145,004 from \$1,053,573. The positive fund balance change was primarily due to increase in property taxes because of increasing home values as well as the District's ongoing effort to maximize efficient operations cost management.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A summary of the District's Statement of Net Position in comparison to the prior year is presented below.

Condensed Statement of Net Position For the Fiscal Years Ended June 30, 2023 and 2022

	2022	2023	Changes from 2022 to 2023	
			Amount	Percentage
Assets				
Current assets	\$ 2,512,177	\$ 2,454,223	\$ (57,954)	-2.3%
Capital assets	5,580,378	5,321,042	(259,336)	-4.6%
Total Assets	8,092,555	7,775,265	(317,290)	-3.9%
Liabilities				
Current	262,436	229,840	(32,596)	-12.4%
Non-current	1,181,680	1,101,322	(80,358)	-
Total Liabilities	1,444,116	1,331,162	(112,954)	-7.8%
Net Position				
Investment in capital assets	4,320,513	4,139,362	(181,151)	-4.2%
Unrestricted	2,327,926	2,304,741	(23,185)	-1.0%
Total Net Position	\$ 6,648,439	\$ 6,444,103	\$ (204,336)	-3.1%

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2023

The following is a brief explanation for the balance changes of the Condensed Statement of Net Position for the year ending June 30, 2023:

- Current assets decreased slightly by \$57,954 or -2.3%.
- The decrease in capital assets is due primarily to depreciation expense of \$349,878 offset by additions of \$100,554.
- Total liabilities decreased by \$112,954 due primarily to the annual payment of debt for the financing of the solar project.

A summary of the District's Statement of Activities in comparison to the prior year is presented below.

Condensed Statement of Activities For the Fiscal Years Ended June 30, 2023 and 2022

	2022	2023	Changes from 2022 to 2023	
			Amount	Percentage
<u>Program Revenues</u>				
Charges for services	\$ 742,219	\$ 848,113	\$ 105,894	14.3%
Capital grants and contribution	6,862	-	(6,862)	-100.0%
	<u>749,081</u>	<u>848,113</u>	<u>99,032</u>	<u>13.2%</u>
<u>General Revenues</u>				
Taxes	395,511	428,460	32,949	8.3%
Investment earnings	8,192	54,236	46,044	562.1%
Total General Revenues	<u>403,703</u>	<u>482,696</u>	<u>78,993</u>	<u>19.6%</u>
Total Revenues	<u>1,152,784</u>	<u>1,330,809</u>	<u>178,025</u>	<u>15.4%</u>
<u>Expenses</u>				
Landscape maintenance	230,118	203,715	(26,403)	-11.5%
General government	57,211	70,627	13,416	23.5%
Sewer	1,240,008	1,260,803	20,795	1.7%
Total Expenses	<u>1,527,337</u>	<u>1,535,145</u>	<u>7,808</u>	<u>0.5%</u>
Changes in Net Position	(374,553)	(204,336)	170,217	45.4%
Beginning Net Position	<u>7,022,992</u>	<u>6,648,439</u>	<u>(374,553)</u>	<u>-5.3%</u>
Ending Net Position	<u>\$ 6,648,439</u>	<u>\$ 6,444,103</u>	<u>\$ (204,336)</u>	<u>-3.1%</u>

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2023

The following is a brief explanation for the balance changes of the Condensed Statement of Activities for the year ending June 30, 2023:

- There was an increase of \$105,894, or 14.3%, in Charges for Services due to an increase in revenue generated by sewer and standby charges.
- Property taxes in both the sewer and landscaping district were up slightly because of increasing home values.
- Investment earnings increased by \$46,044 due primarily to an increase in interest rates.
- Expenses for landscape maintenance decreased by \$26,403, or 11.5%, due primarily to decreased maintenance costs. General government expenses increased by \$13,416, or 23.5%, due to higher insurance and audit costs. Sewer expenses were essentially flat, increasing only 1.7% from the prior year.

CAPITAL ASSETS

The District's capital assets are comprised of sewer lines, pump stations, force mains, and the treatment plant. The District currently operates and maintains two sewer pump stations and approximately 39 miles of pipeline. Annual depreciation is calculated using the straight-line method over the estimated useful lives of the capital assets. Actual repairs, upgrades, or replacements to capital assets are based upon a review of an asset's physical conditions as well as its expected useful life.

	June 30, 2022			June 30, 2023			Total Change	
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Amount Change	Percent Change
Non-Depreciable Assets								
Land and land rights	\$ -	\$ 184,510	\$ 184,510	\$ -	\$ 184,510	\$ 184,510	\$ -	0.0%
Construction in progress	10,012	-	10,012	-	-	-	(10,012)	-100.0%
Depreciable Assets								
Structures and improvements	258,069	10,175,526	10,433,595	258,069	10,175,526	10,433,595	-	0.0%
Equipment	-	2,456,701	2,456,701	-	2,557,255	2,557,255	100,554	4.1%
Service vehicle	-	7,672	7,672	-	7,672	7,672	-	0.0%
Total cost	<u>258,069</u>	<u>12,639,899</u>	<u>12,897,968</u>	<u>258,069</u>	<u>12,740,453</u>	<u>12,998,522</u>	<u>100,554</u>	<u>0.8%</u>
Less accumulated depreciation	<u>(22,522)</u>	<u>(7,489,590)</u>	<u>(7,512,112)</u>	<u>(38,953)</u>	<u>(7,823,037)</u>	<u>(7,861,990)</u>	<u>(349,878)</u>	<u>4.7%</u>
Total	<u>\$ 245,559</u>	<u>\$ 5,334,819</u>	<u>\$ 5,580,378</u>	<u>\$ 219,116</u>	<u>\$ 5,101,926</u>	<u>\$ 5,321,042</u>	<u>\$(259,336)</u>	<u>-4.6%</u>

Additional information regarding capital assets can be found in note 3 in Notes to Basic Financial Statements.

LONG-TERM DEBT

In November 2020, the District entered into an installment sale agreement with Citizen's Bank in which it borrowed \$1,335,936 to finance a solar photovoltaic system project for its water reclamation facility. The balance of the debt at June 30, 2023 was \$1,181,680.

Additional information regarding long-term debt can be found in note 4 in Notes to Basic Financial Statements.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis For The Year Ended June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The current economy does not have a significant effect on the District's finances due to the relative affluence of the area and the fact that the District's annual sewer service charge is collected on the County property tax bills, and is part of the County's Teeter Plan program which guarantees that service charges placed on the tax roll are paid out to the District.

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 Chuck Duffy at the Whispering Palms Community Services District at 605 Third Street, Encinitas, CA 92024. He can be reached at 760-479-4125.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,206,433	\$ 1,178,411	\$ 2,384,844
Accounts receivable	2,249	36,100	38,349
Interest receivable	994	1,038	2,032
Prepaid insurance	14,499	14,499	28,998
Total current assets	<u>1,224,175</u>	<u>1,230,048</u>	<u>2,454,223</u>
Non-current assets:			
Capital assets, nondepreciable	-	184,510	184,510
Capital assets, depreciable, net	219,116	4,917,416	5,136,532
Total noncurrent assets	<u>219,116</u>	<u>5,101,926</u>	<u>5,321,042</u>
 TOTAL ASSETS	 <u>1,443,291</u>	 <u>6,331,974</u>	 <u>7,775,265</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	25,598	101,687	127,285
Accrued interest	-	2,719	2,719
Customer overpayment	-	19,478	19,478
Installment sale agreement - current	-	80,358	80,358
Total current liabilities	<u>25,598</u>	<u>204,242</u>	<u>229,840</u>
Non-current liabilities:			
Installment sale agreement - non-current	-	1,101,322	1,101,322
 TOTAL LIABILITIES	 <u>25,598</u>	 <u>1,305,564</u>	 <u>1,331,162</u>
NET POSITION			
Investment in capital assets	219,116	3,920,246	4,139,362
Unrestricted	<u>1,198,577</u>	<u>1,106,164</u>	<u>2,304,741</u>
 TOTAL NET POSITION	 <u>\$ 1,417,693</u>	 <u>\$ 5,026,410</u>	 <u>\$ 6,444,103</u>

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

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
PRIMARY GOVERNMENT:	Expenses					
Governmental activities:						
Landscape maintenance	\$ 203,715	\$ -	\$ -	\$ (203,715)	\$ -	\$ (203,715)
General government	70,627	-	-	(70,627)	-	(70,627)
Total governmental activities	274,342	-	-	(274,342)	-	(274,342)
Business-type activities:						
Sewer	1,260,803	848,113	-	-	(412,690)	(412,690)
Total business-type activities	1,260,803	848,113	-	-	(412,690)	(412,690)
Total primary government	\$ 1,535,145	\$ 848,113	\$ -	(274,342)	(412,690)	(687,032)
General revenues:						
Taxes and special assessments				364,835	63,625	428,460
Unrestricted investment earnings				28,068	26,168	54,236
Total general revenues				392,903	89,793	482,696
Change in net position				118,561	(322,897)	(204,336)
Net position - beginning				1,299,132	5,349,307	6,648,439
Net position - ending				\$ 1,417,693	\$ 5,026,410	\$ 6,444,103

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS**

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2023

	General Fund
ASSETS	
Cash and investments	\$ 1,206,433
Property taxes receivable	2,249
Interest receivable	994
Prepaid insurance	14,499
TOTAL ASSETS	<u>\$ 1,224,175</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 25,598
TOTAL LIABILITIES	<u>25,598</u>
FUND BALANCE	
Nonspendable:	
Prepaid items	14,499
Unassigned	1,184,078
TOTAL FUND BALANCE	<u>1,198,577</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,224,175</u>

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

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total fund balances -governmental funds \$ 1,198,577

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	258,069	
Less: Accumulated depreciation	(38,953)	
Net		219,116

Net position of governmental activities \$ 1,417,693

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General</u>
REVENUES:	
Taxes and special assessments	\$ 364,835
Revenues from use of money and property	<u>28,068</u>
Total revenues	<u>392,903</u>
EXPENDITURES:	
Landscape maintenance	177,272
General government	<u>70,627</u>
Total expenditures	<u>247,899</u>
NET CHANGE IN FUND BALANCE	145,004
FUND BALANCE - BEGINNING OF YEAR	<u>1,053,573</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,198,577</u></u>

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

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Net change in fund balances - General Fund **\$ 145,004**

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Construction in progress reclassified to expense	(10,012)	
Less: current year depreciation	(16,431)	
		(26,443)

Change in net position of governmental activities		\$ 118,561
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WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	<u>Sewer Operations and Capital Fund</u>
ASSETS	
Current assets:	
Cash and investments	\$ 1,178,411
Accounts receivable	36,100
Interest receivable	1,038
Prepaid insurance	14,499
Total current assets	<u>1,230,048</u>
Non-current assets:	
Capital assets, nondepreciable	184,510
Capital assets, depreciable, net	<u>4,917,416</u>
Total noncurrent assets	<u>5,101,926</u>
TOTAL ASSETS	<u>6,331,974</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	101,687
Accrued interest	2,719
Customer overpayment	19,478
Installment sale agreement - current	80,358
Total current liabilities	<u>204,242</u>
Non-current liabilities:	
Installment sale agreement - non-current	<u>1,101,322</u>
TOTAL LIABILITIES	<u>1,305,564</u>
NET POSITION	
Investment in capital assets	3,920,246
Unrestricted	<u>1,106,164</u>
TOTAL NET POSITION	<u>\$ 5,026,410</u>

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

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Sewer Operations and Capital Fund</u>
OPERATING REVENUES	
Sewer service and standby charges	\$ 805,298
Reclaimed water	42,815
Total operating revenues	<u>848,113</u>
OPERATING EXPENSES	
Sewerage collection and treatment	749,505
General and administrative	143,794
Depreciation	<u>333,447</u>
Total operating expenses	<u>1,226,746</u>
Operating loss	(378,633)
Non-operating Revenue (Expenses):	
Taxes	63,625
Interest expense	(34,057)
Investment earnings	<u>26,168</u>
Total non-operating revenues (expenses)	<u>55,736</u>
Change in net position	(322,897)
Net position - beginning	<u>5,349,307</u>
Net position - ending	<u><u>\$ 5,026,410</u></u>

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

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Sewer Operations and Capital Fund</u>
Cash Flows From Operating Activities:	
Cash receipts from customers	\$ 869,345
Cash payments for services and supplies	<u>(912,149)</u>
Net cash used by operating activities	<u>(42,804)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(100,554)
Principal paid on installment loan	(78,185)
Interest paid on long-term debt	<u>(34,236)</u>
Net cash used by capital and related financing activities	<u>(212,975)</u>
Cash Flows From Non-capital Financing Activities:	
Property taxes collected	<u>63,625</u>
Net cash provided by non-capital financing activities	<u>63,625</u>
Cash Flows from Investing Activities:	
Interest received	<u>27,337</u>
Net cash provided by investing activities	<u>27,337</u>
Net decrease in cash and cash equivalents	(164,817)
Cash and cash equivalents, beginning of year	<u>1,343,228</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,178,411</u></u>
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (378,633)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	333,447
Changes in operating assets and liabilities:	
Decrease in accounts receivable	1,754
Increase in prepaid insurance	(1,839)
Decrease in accounts payable	(17,011)
Increase in deferred revenue	19,478
Total adjustments	<u>335,829</u>
Net cash used by operating activities	<u><u>\$ (42,804)</u></u>

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

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2023

ASSETS

Cash and investments	\$ 6,102
Total assets	<u>\$ 6,102</u>

LIABILITIES

Deposits held for others	6,102
Total liabilities	<u>\$ 6,102</u>

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

NOTES TO FINANCIAL STATEMENTS

Draft 6-11-2024

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Whispering Palms Community Services District (District) have been prepared in accordance with accounting principles generally accepted in the United States of America (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. Reporting Entity

In November 1987, the citizens of Whispering Palms formed a community services district pursuant to the California Government Code Section 61000. The District provides landscaping services to property owners in the community of Whispering Palms, and sewer service to Whispering Palms and other surrounding communities.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the District. Interfund services provided and used are not eliminated in the process of consolidation.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (continued)

Government-Wide Financial Statements (continued)

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 that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be 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, deferred inflows of resources, fund equity, revenues, and expenditures, or 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.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary statements, even though excluded from the government-wide financial statements, represent agency funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. Significant revenues subject to the criteria include taxes and intergovernmental revenues. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax*

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (continued)

Governmental Funds (continued)

revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Revenues, expenses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Only the 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 where cash is received by the government. The availability period for these revenues is 60 days.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary and Fiduciary Funds

The District's enterprise funds are proprietary funds. In the fund financial statements, the proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *economic resources measurement focus*. This means that all assets, deferred outflows of resources, all liabilities, and deferred inflows of resources (whether current or non-current) associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (continued)

Proprietary and Fiduciary Funds (continued)

Proprietary funds' operating revenue, such as charges for services, results from exchange transactions associated with the principal activities of the funds. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise funds financial statements rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability rather than as an expenditure.

The District's fiduciary funds are accounted for using the economic resources measurement focus and accrual basis of accounting. The District's fiduciary agency funds have no measurement focus but utilize the accrual basis for reporting its assets and liabilities. Because these funds are not available for use by the District, fiduciary funds are not included in the government-wide statements.

C. Fund Classifications

The District reports the following major governmental fund:

The **General Fund** is the primary operating fund for landscape maintenance. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The District has no other governmental funds.

The District reports the following major proprietary fund:

The **Sewer Operations and Capital Fund** is used to account for the operation and maintenance of the District's sewer systems, which is funded by user charges and other fees.

The District's fund structure also includes the following fund type:

The **Fiduciary Fund** includes a trust and agency fund. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary statements, even though excluded from the government-wide financial statements, represent agency funds that are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Future Accounting Pronouncements

If applicable, GASB Statements listed below will be implemented in future financial statements:

Statement No.100	<i>“Accounting Changes and Error Corrections”</i>	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No.101	<i>“Compensated Absences”</i>	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents have been defined as demand deposits and highly liquid investments with an original maturity of 90 days or less. Cash includes amounts in demand and time deposits. Investments are stated at fair value (quoted market price or best available estimate thereof) (see Note 2).

F. Investments

Investments are reported in the accompanying financial statements at fair value. Changes in fair value that occur during a fiscal year are recognized as income from property and investments reported for that fiscal year. Income from property and investments includes interest earnings, changes in fair value, any gains or losses realized upon liquidation, maturity, or sale of investments. There are no significant differences between fair value and cost at June 30, 2023.

G. Receivables and Payables

Management estimates all receivables at June 30, 2023, to be collectible, as any receivables deemed uncollectible have been written off.

H. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to / from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to / from other funds.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method of accounting is used for prepaid items.

J. Deferred Revenue

Deferred revenue represents overpayments by customers that will be applied to future billings.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets, which include land, structures and improvements, and equipment, are depreciated and are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Capital assets have an estimated useful life greater than one year and have a cost greater than \$5,000. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Construction-in-progress costs are capitalized and transferred to their respective fixed asset category upon completion of the project.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of an asset. Land and construction-in-progress are not depreciated.

Structures and improvements	40-50 years
Equipment	5-40 years

L. Property Taxes

Real property taxes are levied on July 1 against owners of record on January 1. The taxes are due in two equal installments, on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Tax liens attach annually as of 12:01a.m. on the first day in January in the fiscal year for which the taxes have been levied. Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided it is within 60 days of the end of the year.

M. Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted (i.e., 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 government-wide and proprietary 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 practice to consider restricted – net position to have been depleted before unrestricted – net position is applied.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance Classification

In the fund financial statements, fund balances are classified as follows:

Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash (for example, inventories and prepaid amounts).

Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. The Board of Directors has the authority to establish, modify, or rescind a fund balance commitment.

Assigned includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Board of Directors or designee has the authority to establish, modify, or rescind a fund balance assignment.

Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, and committed, assigned, and unassigned amounts are considered to be spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

O. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS

Cash and investments held by the District at June 30, 2023, are reported in the accompanying financial statements as follows:

Statement of Net Position	
Cash and cash investments	\$ 2,384,844
Statement of Fiduciary Assets and Liabilities	
Cash and cash equivalents	<u>6,102</u>
Total Cash and Investments	<u><u>\$ 2,390,946</u></u>

Cash and investments as of June 30, 2023, consist of the following:

Deposits with financial institutions	\$ 189,062
Investments:	
Money market funds	2,183,903
Local Agency Investment Fund	<u>17,981</u>
Total Cash and Investments	<u><u>\$ 2,390,946</u></u>

Authorized Investments

Section 53601 of the Government Code of the State of California sets forth the investment vehicles available to local agencies. Section 53601 provides that unless Section 53601 specifies a limitation on an investment's maturity, no investments with maturities exceeding five years shall be made unless otherwise directed by the District's Board of Directors. Authorized investments include, but are limited to:

- Local Agency Bonds
- U.S. Treasury Obligations
- U.S. Agency Securities
- Negotiable Certificates of Deposit
- Money Market Funds
- County Pooled Investment Fund
- Local Agency Investment Fund (LAIF)
- Local Bank Deposits as Approved by the Board of Directors
- Pacific Western Bank
- CalTRUST

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. At June 30, 2023, District's investments in money market funds and the Local Agency Investment Fund (LAIF) have a maturity of less than one year.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

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. At June 30, 2023, the District's investment in money markets funds and LAIF is not rated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2023, 100% of the District's deposits with financial institutions were insured with the Federal Deposit Insurance Corporation.

California Local Agency Investment Fund

The District is a voluntary participant in LAIF, which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized basis.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The District's investments in money market funds and LAIF are not subject to the fair value hierarchy.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements For the Year Ended June 30, 2023

NOTE 3 – CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2023, was as follows:

Governmental-Type Activities	Balance at July 1, 2022	Additions	Deletions & Adjustments	Balance at June 30, 2023
Capital assets, not being depreciated:				
Construction in progress	\$ 10,012	\$ -	\$ (10,012)	\$ -
Subtotal	<u>10,012</u>	<u>-</u>	<u>(10,012)</u>	<u>-</u>
Capital assets, being depreciated:				
Structures and improvements	<u>258,069</u>	<u>-</u>	<u>-</u>	<u>258,069</u>
Less Accumulated Depreciation	<u>(22,522)</u>	<u>(16,431)</u>	<u>-</u>	<u>(38,953)</u>
Net Capital Assets, being depreciated	<u>235,547</u>	<u>(16,431)</u>	<u>-</u>	<u>219,116</u>
Net Capital Assets	<u>\$ 245,559</u>	<u>\$ (16,431)</u>	<u>\$ (10,012)</u>	<u>\$ 219,116</u>

Capital asset activity for business-type activities for the year ended June 30, 2023, was as follows:

Business-Type Activities	Balance at July 1, 2022	Additions	Deletions & Adjustments	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 184,510	\$ -	\$ -	\$ 184,510
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>184,510</u>	<u>-</u>	<u>-</u>	<u>184,510</u>
Capital assets, being depreciated:				
Structures and improvements	10,175,526	-	-	10,175,526
Equipment	2,456,701	100,554	-	2,557,255
Service vehicle	<u>7,672</u>	<u>-</u>	<u>-</u>	<u>7,672</u>
Subtotal	<u>12,639,899</u>	<u>100,554</u>	<u>-</u>	<u>12,740,453</u>
Less Accumulated Depreciation	<u>(7,489,590)</u>	<u>(333,447)</u>	<u>-</u>	<u>(7,823,037)</u>
Net Capital Assets, being depreciated	<u>5,150,309</u>	<u>(232,893)</u>	<u>-</u>	<u>4,917,416</u>
Net Capital Assets	<u>\$ 5,334,819</u>	<u>\$ (232,893)</u>	<u>\$ -</u>	<u>\$ 5,101,926</u>

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements For the Year Ended June 30, 2023

NOTE 3 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:		Business-Type Activities:	
Landscape maintenance	\$ 16,431	Sewer	\$ 333,447
Total Depreciation Expense	<u>\$ 16,431</u>	Total Depreciation Expense	<u>\$ 333,447</u>

NOTE 4 – LONG-TERM LIABILITIES

In November 2020, the District entered into an installment sale agreement with Citizen's Bank in which it borrowed \$1,335,936, at a rate of 2.76% to be paid over 15 years, to finance a solar photovoltaic system project for its water reclamation facility. Semi-annual loan payments of \$56,211 are due on May 27th and November 27th, through November 27, 2035. As of June 30, 2023, the District's loan balance was \$1,181,680.

The District's long-term liabilities for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Long-Term Liabilities:					
2020 Installment Sale Agreement	<u>\$1,259,865</u>	<u>\$ -</u>	<u>\$ (78,185)</u>	<u>\$ 1,181,680</u>	<u>\$ 80,358</u>

The following is a schedule of the District's future long-term debt payments:

	For the Year Ended June 30,	Principal	Interest	Total
2024	\$	80,358	\$ 32,064	\$ 112,422
2025		82,591	29,830	112,421
2026		84,887	27,535	112,422
2027		87,246	25,176	112,422
2028		89,670	22,752	112,422
2029-2033		487,145	74,964	562,109
2034-2036		269,783	11,271	281,054
Total		<u>\$1,181,680</u>	<u>\$ 223,592</u>	<u>\$1,405,272</u>

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Notes to Financial Statements For the Year Ended June 30, 2023

NOTE 5 – COMMERCIAL INSURANCE POLICY

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance for its exposure to risk. The District is insured against claims and judgments for general liability, automobile liability, cyber liability, public officials and management liability (up to \$1,000,000 per occurrence). Property insurance was purchased with coverage of up to \$5,770,200 and mobile equipment for \$129,000, subject to a \$1,000 deductible. The District has also purchased excess liability insurance (up to \$10,000,000 per occurrence). Settled claims have not exceeded any of the District's coverage amounts in any of the last three fiscal years, and there were no significant reductions in the District's insurance coverage during the year ended June 30, 2023. The District's insurance coverage also includes inland marine, unscheduled equipment, scheduled equipment, and excess liability. There is no deductible on the general liability insurance. There are varying deductibles between \$500 and \$1,000 for automobile and miscellaneous coverage.

NOTE 6 – CONTINGENCIES

Litigation

The District's management and legal counsel estimate that any legal claims against the District, not covered by insurance, resulting from such litigation would not have a material effect on the basic financial statements.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through [DATE], the date which the financial statements were available to be issued. Based upon this evaluation, it was determined that there were no subsequent events that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Draft 6-11-2024

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
FUND BALANCE, JULY 1	<u>\$ 1,053,573</u>	<u>\$ 1,053,573</u>	<u>\$ 1,053,573</u>	<u>\$ -</u>
RESOURCES (INFLOWS)				
Taxes and special assessments	347,000	347,000	364,835	17,835
Revenues from use of money and property	<u>5,197</u>	<u>5,197</u>	<u>28,068</u>	<u>22,871</u>
Amount Available for Appropriations	<u>352,197</u>	<u>352,197</u>	<u>392,903</u>	<u>40,706</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Landscape maintenance	182,640	182,640	177,272	5,368
General government	66,272	66,272	70,627	(4,355)
Capital outlay	<u>95,000</u>	<u>95,000</u>	<u>-</u>	<u>95,000</u>
Total Charges to Appropriations	<u>343,912</u>	<u>343,912</u>	<u>247,899</u>	<u>96,013</u>
EXCESS OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>8,285</u>	<u>8,285</u>	<u>145,004</u>	<u>136,719</u>
FUND BALANCE, JUNE 30	<u><u>\$ 1,061,858</u></u>	<u><u>\$ 1,061,858</u></u>	<u><u>\$ 1,198,577</u></u>	<u><u>\$ 136,719</u></u>

See notes to budgetary comparison schedule.

WHISPERING PALMS COMMUNITY SERVICES DISTRICT

Note to the Budgetary Comparison Schedule For the Year Ended June 30, 2023

BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the Budgetary Comparison Schedule:

- A. The annual budget adopted by the Board of Directors provides for the general operation of the District. It includes proposed expenditures and the means of financing them.
- B. The Board of Directors approves total budgeted appropriations and any amendments to appropriations throughout the year. Actual expenditures may exceed budgeted appropriations at the fund level. However, the District's general manager is authorized to transfer budgeted amounts between individual departments. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the year.
- C. Formal budgetary integration is employed as a management control device. Appropriations that are encumbered at year-end lapse, and then are added to the following year's budgeted appropriations. However, encumbrances at year-end are reported as reservations of fund balance. There were no encumbrances at June 30, 2023.
- D. Budget information is adopted for the governmental fund and presented as required supplemental information. The presentation represents original appropriations adjusted for supplemental appropriations, if any, made during the year. The budget for the governmental fund is adopted on a basis substantially consistent with GAAP.

General Manager
Chuck Duffy

Board of Directors
Bill Haynor
Ed Munsch
Byron Hanchett
Doug Manatt
Al Pantan

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: Landscaping Issues in the Road Right-of-Way for Cancha De Golf, Via De La Valle,
and Via Valle Verde
Date: September 5, 2024

Landscaping

- Doug, Bill, and I met out at the fountain on Monday for our landscape walkthrough.
- The plantings along the new fence on hole 6 North are blooming well. Joe Diaz will be treating some of the plants for a white fly issue.
- Doug, Bill, Joe, Arnold Keene, and I met out at the corner of Via De La Valle and Las Palomas a couple of weeks ago to discuss the layout of the plants and the irrigation installation. Joe should have a proposal to me for the plantings this Friday.

General Manager
Chuck Duffy

Board of Directors
Bill Haynor
Ed Munsch
Byron Hanchett
Doug Manatt
Al Pantan

AGENDA MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: Consideration of Increase in Directors Compensation Per Meeting
Date: September 10, 2024

At our last board meeting, your board asked that an item be placed on the agenda to discuss the amount of director's compensation for attendance at each board meeting. The current stipend of \$100 per meeting was approved by the district board in July of 1992, and has remained unchanged since. The California Government Code allows for a stipend increase of 5% per year since the last increase, which would allow your board to raise the compensation to \$260 per board meeting. Should your board decide to move forward with an increase, the government code requires a noticed public hearing for the change in the ordinance code. After completing the usual two readings of the ordinance at successive meetings, the new stipend would take affect.

SDGE Power Cost Comparison Report

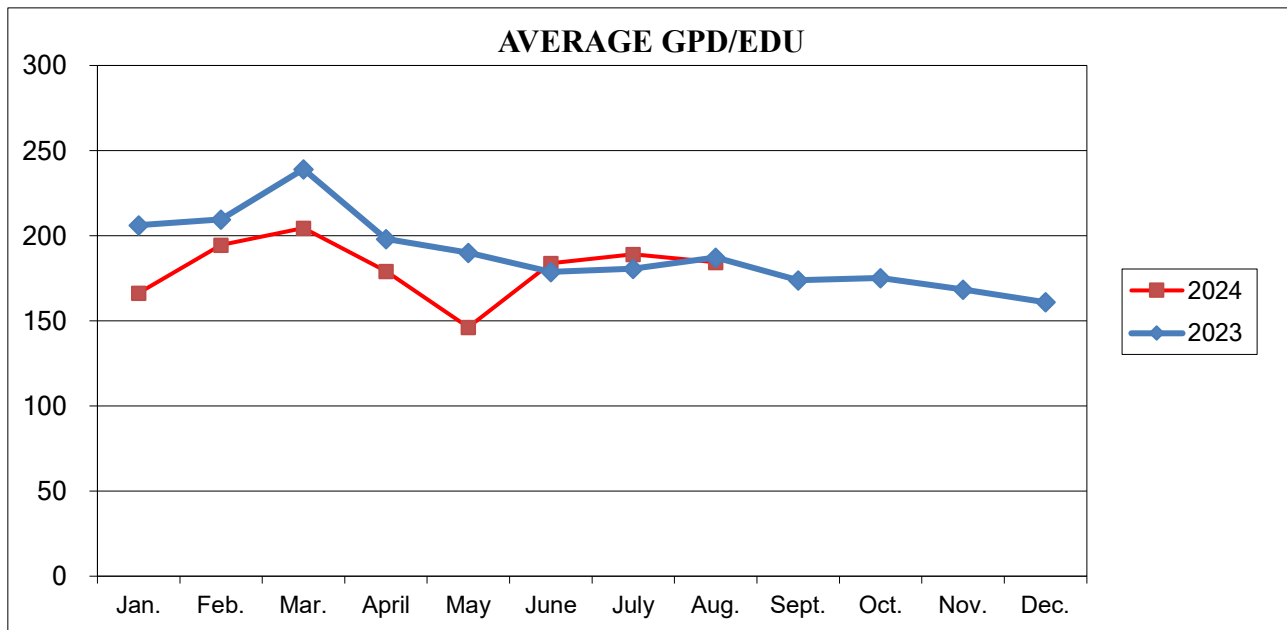
Month	2022 SDGE Treatment Plant Bill	2022 Solar Loan Payment	2022 Loan Payment plus SDGE Bill	2023 SDGE Treatment Plant Bill	2023 Solar Loan Payment	2023 Loan Payment plus SDGE Bill	Change from 2022 to 2023 Total \$	Change from 2022 to 2023 Total %
January	\$16,250	\$9,333	\$25,583	\$15,858	\$9,333	\$25,191	(\$392)	-2%
February	\$12,947	\$9,333	\$22,280	\$15,088	\$9,333	\$24,421	\$2,141	10%
March	\$6,134	\$9,333	\$15,467	\$12,523	\$9,333	\$21,856	\$6,389	41%
April	\$3,082	\$9,333	\$12,415	\$10,431	\$9,333	\$19,764	\$7,349	59%
May	\$3,171	\$9,333	\$12,504	\$11,943	\$9,333	\$21,276	\$8,772	70%
June	\$2,705	\$9,333	\$12,038	\$6,695	\$9,333	\$16,028	\$3,990	33%
July	\$3,279	\$9,333	\$12,612	\$5,045	\$9,333	\$14,378	\$1,767	14%
August	\$3,884	\$9,333	\$13,217	\$6,745	\$9,333	\$16,078	\$2,861	22%
September	\$7,878	\$9,333	\$17,211	\$11,812	\$9,333	\$21,145	\$3,934	23%
October	\$9,535	\$9,333	\$18,868	\$10,953	\$9,333	\$20,286	\$1,418	8%
November	\$11,456	\$9,333	\$20,789	\$14,886	\$9,333	\$24,219	\$3,430	16%
December	\$14,658	\$9,333	\$23,991	\$17,293	\$9,333	\$26,626	\$2,635	11%
YTD TOTAL	\$94,979	\$111,996	\$206,975	\$139,272	\$111,996	\$251,268	\$44,293	

Month	2023 SDGE Treatment Plant Bill	2023 Solar Loan Payment	2023 Loan Payment plus SDGE Bill	2024 SDGE Treatment Plant Bill	2024 Solar Loan Payment	2024 Loan Payment plus SDGE Bill	Change from 2023 to 2024 Total \$	Change from 2023 to 2024 Total %
January	\$15,858	\$9,333	\$25,191	\$12,609	\$9,333	\$21,942	(\$3,249)	-13%
February	\$15,088	\$9,333	\$24,421	\$10,593	\$9,333	\$19,926	(\$4,495)	-18%
March	\$12,523	\$9,333	\$21,856	\$6,292	\$9,333	\$15,625	(\$6,231)	-29%
April	\$10,431	\$9,333	\$19,764	\$4,934	\$9,333	\$14,267	(\$5,497)	-28%
May	\$11,943	\$9,333	\$21,276	\$5,420	\$9,333	\$14,753	(\$6,523)	-31%
June	\$6,695	\$9,333	\$16,028	\$2,717	\$9,333	\$12,050	(\$3,978)	-25%
July	\$5,045	\$9,333	\$14,378	\$3,301	\$9,333	\$12,634	(\$1,744)	-12%
August	\$6,745	\$9,333	\$16,078					
September	\$11,812	\$9,333	\$21,145					
October	\$10,953	\$9,333	\$20,286					
November	\$14,886	\$9,333	\$24,219					
December	\$17,293	\$9,333	\$26,626					
YTD TOTAL	\$139,272	\$111,996	\$251,268	\$45,866	\$65,331	\$111,197	(\$31,717)	

**WHISPERING PALMS CSD
SEWER IMPROVEMENT DISTRICT NO. 1**

**2024 MONTHLY TREATMENT PLANT FLOW REPORT
400,000 GPD CAPACITY**

Month	EDU's Connected	EDU's Available	Flow Rate (GPD/EDU) 2024	Avg. Daily Flow (GPD)
Jan.	1,491	194	166	248,000
Feb.	1,491	194	195	290,000
Mar.	1,491	194	205	305,000
April	1,491	194	179	267,000
May	1,491	194	146	218,000
June	1,491	194	184	274,000
July	1,491	194	189	282,000
Aug.	1,491	194	184	275,000
Sept.				
Oct.				
Nov.				
Dec.				



**WHISPERING PALMS
COMMUNITY SERVICES DISTRICT**

**Sewer Improvement District #1
and Landscape Improvement District #1**

FINANCIAL STATEMENTS

July 31, 2024

Whispering Palms CSD SID Balance Sheet

As of July 31, 2024

Accrual Basis

	Jul 31, 24
ASSETS	
Current Assets	
Checking/Savings	
1010 · PWB SID Checking	164,569.86
1017 · Gemini Fund-CALTRUST	974,543.71
Total Checking/Savings	1,139,113.57
Accounts Receivable	
1052 · Accounts Receivable	-6,702.25
Total Accounts Receivable	-6,702.25
Total Current Assets	1,132,411.32
Fixed Assets	
1310 · Land	184,510.00
1320 · Structures & Improvements	10,175,526.26
1330 · Service Vehicle	7,672.00
1340 · Equipment	2,557,254.54
1370 · Accumulated Depreciation	-7,823,037.09
Total Fixed Assets	5,101,925.71
TOTAL ASSETS	6,234,337.03
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110 · Accounts Payable	56,048.57
Total Accounts Payable	56,048.57
Other Current Liabilities	
2230 · Accrued Interest	41,087.73
Total Other Current Liabilities	41,087.73
Total Current Liabilities	97,136.30
Long Term Liabilities	
2500 · Installment Sale-Citizens Bank	1,023,136.56
2510 · InstallmentSale-current portion	78,185.00
Total Long Term Liabilities	1,101,321.56
Total Liabilities	1,198,457.86
Equity	
30000 · Opening Balance Equity	9,879.42
3200 · Fund Balance	5,103,276.06
Net Income	-77,276.31
Total Equity	5,035,879.17
TOTAL LIABILITIES & EQUITY	6,234,337.03

Whispering Palms CSD LID Balance Sheet

Accrual Basis

As of July 31, 2024

	Jul 31, 24
ASSETS	
Current Assets	
Checking/Savings	
1017 · Gemini Fund-CALTRUST	1,206,293.25
1010 · PWB- Checking	55,709.12
Total Checking/Savings	1,262,002.37
Accounts Receivable	
1052 · Accounts Receivable	8,292.82
Total Accounts Receivable	8,292.82
Other Current Assets	0.00
Total Current Assets	1,270,295.19
Fixed Assets	
1370 · Accumulated Depreciation	-38,952.60
1320 · Structures and Improvements	258,068.82
Total Fixed Assets	219,116.22
TOTAL ASSETS	1,489,411.41
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110 · Accounts Payable	7,817.00
Total Accounts Payable	7,817.00
Total Current Liabilities	7,817.00
Total Liabilities	7,817.00
Equity	
32000 · Retained Earnings	805,651.79
3000 · Fund Balance	681,218.30
Net Income	-5,275.68
Total Equity	1,481,594.41
TOTAL LIABILITIES & EQUITY	1,489,411.41

WHISPERING PALMS COMMUNITY SERVICES DISTRICT
SEWER IMPROVEMENT DISTRICT No. 1
STATEMENT OF INCOME AND EXPENSES
For the One Month Ended July 31, 2024

	<u>7/31/2024</u>	<u>Expected To-Date</u>	<u>VARIANCE Favorable/ (Unfavorable)</u>	<u>2024-25 Budget</u>
<u>REVENUES</u>				
4100 Sewer & Standby Charges	\$0	\$0	\$0	\$1,068,600
4200 Capacity Fees	\$0	\$0	\$0	\$5,362
4300 Property Tax Allocation	\$1,140	\$1,100	\$40	\$69,000
4400 Misc Income: R. Paseana	\$0	\$0	\$0	\$25,000
4500 Interest on Reserves	\$4,425	\$4,367	\$58	\$52,400
TOTAL INCOME	\$5,565	\$5,467	\$98	\$1,220,362
<u>EXPENDITURES</u>				
<u>OPERATIONS</u>				
5100 Plant & Pump Station Labor	\$22,887	\$22,887	\$0	\$274,644
5120 Power	\$3,978	\$10,417	\$6,438	\$125,000
5130 Solar Panels Loan Payment	\$0	\$0	\$0	\$82,670
5131 Solar Panels Interest Payment	\$0	\$0	\$0	\$29,830
5140 Water	\$260	\$258	(\$2)	\$3,100
5160 Telephone & Alarm Monitoring	\$54	\$208	\$155	\$2,500
5180 Consumables & Lubricants	\$0	\$2,083	\$2,083	\$25,000
5200 Minor Equipment & Tools	\$0	\$83	\$83	\$1,000
5220 Laboratory	\$5,575	\$1,917	(\$3,658)	\$23,000
5240 Permit Fees	\$500	\$500	\$0	\$33,000
5260 Sewer Cleaning	\$1,217	\$5,250	\$4,033	\$63,000
5280 Sludge Disposal	\$8,200	\$8,000	(\$200)	\$96,000
5300 Landscape Maint. @ STP	\$11,045	\$1,167	(\$9,878)	\$14,000
5320 Trash & Screenings Disposal	\$2,797	\$375	(\$2,422)	\$4,500
5340 Equipment Repair	\$0	\$7,917	\$7,917	\$95,000
5360 Vehicle Expense	\$366	\$417	\$51	\$5,000
Sub-total Operations	\$56,878	\$61,479	\$4,601	\$877,244

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
SEWER IMPROVEMENT DISTRICT No. 1
STATEMENT OF INCOME AND EXPENSES
For the One Month Ended July 31, 2024**

			VARIANCE	
	7/31/2024	Expected To-Date	Favorable/ (Unfavorable)	2024-25 Budget
ADMINISTRATION				
6100 Management	\$8,809	\$8,809	\$0	\$105,708
6110 Professional Services	\$0	\$583	\$583	\$7,000
6120 Mileage & Reimbursables	\$0	\$42	\$42	\$500
6130 Printing & Publications	\$1,389	\$1,300	(\$89)	\$2,000
6140 Dues (50% LID)*	\$1,335	\$1,500	\$165	\$3,100
6145 Conferences (50% LID)*	\$0	\$0	\$0	\$1,500
6150 Insurance (50% LID)	\$14,431	\$14,431	\$0	\$20,000
6160 Audit (50% LID)*	\$0	\$0	\$0	\$10,000
6170 Directors Compensation (50% LID)	\$0	\$0	\$0	\$3,000
6190 Miscellaneous	\$0	\$0	\$0	\$2,000
6200 HOA Dues for Plant Access Road	\$0	\$0	\$0	\$2,000
Sub-total Administration	\$25,964	\$26,665	\$701	\$156,808
TOTAL EXPENDITURES	\$82,841	\$88,144	\$5,302	\$1,034,052
NET GAIN/(LOSS) ON OPERATIONS	(\$77,276)	(\$82,677)	\$5,401	\$186,310
*50/50 split with LID				
7100 CAPITAL PROJECTS				
2425.1 · Design for Offsite PS				
Upgrade (continued from FY2324)	\$0	\$0	\$0	\$65,000
TOTAL CAPITAL PROJECTS	\$0	\$0	\$0	\$65,000

**WHISPERING PALMS COMMUNITY SERVICES DISTRICT
LANDSCAPE IMPROVEMENT DISTRICT No. 1
STATEMENT OF INCOME AND EXPENSES
ACTUAL AND BUDGET
For the One Month Ended July 31, 2024**

	<u>7/31/2024</u>	<u>Expected To-Date</u>	<u>VARIANCE Favorable/ (Unfavorable)</u>	<u>2024-2025 Budget</u>
REVENUES				
4100 Property Tax Allocation	\$6,544	\$6,000	\$544	\$379,000
4200 Interest on Reserves	\$5,700	\$4,333	\$1,367	\$52,000
TOTAL INCOME	\$12,244	\$10,333	\$1,911	\$431,000
EXPENDITURES				
LANDSCAPE MAINTENANCE:				
5100-1 LID Landscaping Contract	\$5,940	\$5,958	\$18	\$71,500
5100-2 LID Landscaping Extra Work	\$215	\$833	\$618	\$10,000
5100-3 LID Color Change Plantings	\$473	\$1,167	\$694	\$14,000
5120 LID Power	\$1,265	\$1,333	\$68	\$16,000
5140 LID Water	\$6,157	\$4,667	(\$1,490)	\$56,000
5160 LID Fountain Maintenance	\$160	\$250	\$90	\$3,000
5200 LID Electrical System Repair	\$300	\$500	\$200	\$6,000
5220 LID Tree Trimming/Spraying	\$0	\$0	\$0	\$20,000
5230 Miscellaneous/Holiday Lights	\$0	\$0	\$0	\$3,000
Sub-total Landscape Maintenance	\$14,510	\$14,708	\$198	\$199,500
ADMINISTRATION:				
6100 LID Management	\$3,077	\$3,077	\$0	\$36,924
6120 LID Professional Services	\$0	\$0	\$0	\$2,000
6130 LID Conferences (50% SID)*	\$0	\$0	\$0	\$1,500
6140 LID Dues (50% SID)*	\$1,335	\$1,300	(\$35)	\$3,100
6160 LID Insurance (50% SID)	\$14,431	\$14,500	\$69	\$20,000
6180 LID Audit (50% SID)*	\$0	\$0	\$0	\$10,000
6200 LID Directors Comp. (50% SID)*	\$0	\$0	\$0	\$3,000
6240 LID Misc./Contingency	\$12	\$12	\$0	\$1,000
Sub-total Administration	\$18,855	\$18,889	\$34	\$77,524
Total Expenditures	\$33,365	\$33,597	\$232	\$277,024
NET GAIN/(LOSS) ON OPERATIONS	(\$21,121)	(\$23,264)		\$153,976
PROJECTS:				
2425-01 Plantings at Las Palomas/Via De La Valle	\$0	\$0	\$0	\$40,000
2425-02 · Plantings at Front of Median - Cancha De Golf	\$0	\$0	\$0	\$25,000
	\$0	\$0	\$0	\$65,000

*Split 50/50 with SID

Whispering Palms CSD
SID Check Register
From 07/01/2024 through 07/31/2024

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
07/05/2024	EFT	EDCO	2110 · Accounts Payable		356.83	X		220,411.36
07/16/2024	4788	Cintas Fire Protection	2110 · Accounts Payable		590.98			219,820.38
07/16/2024	4789	Clean Water SoCal	2110 · Accounts Payable		1,800.00			218,020.38
07/16/2024	4790	County of San Diego...	2110 · Accounts Payable		500.00			217,520.38
07/16/2024	4791	DMV RENEWAL	2110 · Accounts Payable		252.00			217,268.38
07/16/2024	4792	Golden Bell Products...	2110 · Accounts Payable		1,021.47			216,246.91
07/16/2024	4793	JMD Landscapes, Inc.	2110 · Accounts Payable		490.00			215,756.91
07/16/2024	4794	Rust Logistics	2110 · Accounts Payable		5,460.66			210,296.25
07/16/2024	4795	Underground Service...	2110 · Accounts Payable		36.25			210,260.00
07/20/2024	EFT	SDG&E	2110 · Accounts Payable		2,716.84	X		207,543.16
07/20/2024	EFT	SDG&E	2110 · Accounts Payable		621.77	X		206,921.39
07/22/2024	EFT	Sparkletts	2110 · Accounts Payable		58.55	X		206,862.84
07/23/2024	EFT	OMWD	2110 · Accounts Payable		174.77	X		206,688.07
07/25/2024	EFT	US Bank	2110 · Accounts Payable		3,205.68	X		203,482.39
07/26/2024	4796	County of S. D. - Au...	2110 · Accounts Payable		719.59	X		202,762.80
07/26/2024	4797	CSDA - SD Chapter	2110 · Accounts Payable		150.00			202,612.80
07/26/2024	4798	Dudek	2110 · Accounts Payable		30,594.00			172,018.80
07/26/2024	4799	Rust Logistics	2110 · Accounts Payable		1,824.24			170,194.56
07/26/2024	4800	San Elijo JPA	2110 · Accounts Payable		5,575.00			164,619.56
07/29/2024	EFT	AT & T (SBC)	2110 · Accounts Payable		53.50	X		164,566.06
07/31/2024			4000 · REVENUES:45...	Interest		X	3.80	164,569.86

Whispering Palms CSD
LID Check Register
From 07/01/2024 through 07/31/2024

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
07/20/2024	EFT	SDG&E	2110 · Accounts Payable		46.46	X		21,498.99
07/20/2024	EFT	SDG&E	2110 · Accounts Payable		68.50	X		21,430.49
07/20/2024	EFT	SDG&E	2110 · Accounts Payable		1,048.70	X		20,381.79
07/20/2024	EFT	SDG&E	2110 · Accounts Payable		62.49	X		20,319.30
07/23/2024	EFT	OMWD	2110 · Accounts Payable		1,831.99	X		18,487.31
07/23/2024	EFT	OMWD	2110 · Accounts Payable		1,975.42	X		16,511.89
07/23/2024	EFT	OMWD	2110 · Accounts Payable		375.17	X		16,136.72
07/23/2024	EFT	OMWD	2110 · Accounts Payable		311.27	X		15,825.45
07/23/2024	EFT	OMWD	2110 · Accounts Payable		193.54	X		15,631.91
07/26/2024		Wire fees	6000 · ADMINISTRA...		12.00	X		15,619.91
07/26/2024	1738	APL Electrical, Inc	2110 · Accounts Payable		900.00			14,719.91
07/26/2024	1739	Baker Pool Service Inc	2110 · Accounts Payable		180.00			14,539.91
07/26/2024	1740	Dudek	2110 · Accounts Payable		2,964.00			11,575.91
07/26/2024	1741	JMD Landscape, Inc	2110 · Accounts Payable		5,546.15			6,029.76
07/26/2024	1742	Pacific Backflow Co....	2110 · Accounts Payable		321.16			5,708.60
07/26/2024			1017 · Gemini Fund-C...	Funds Transfer		X	50,000.00	55,708.60
07/31/2024			4000 · REVENUES:42...	Interest		X	0.52	55,709.12



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Investment Account Summary

07/01/2024 through 07/31/2024

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Jul 31 (\$)	Value on Jul 31 (\$)	Average Cost Amount (\$)	Cumulative Change in Value (\$)
WHISPERING PALMS COMMUNITY SERVICES DIST IRCT	20100029590					
CalTRUST Liquidity Fund	20100029590	2,180,836.950	1.00	2,180,836.95	2,180,836.95	0.00
Portfolios Total value as of 07/31/2024				2,180,836.95		

DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
CalTRUST Liquidity Fund								
WHISPERING PALMS COMMUNITY SERVICES DIST IRCT							Account Number: 20100029590	
Beginning Balance	07/01/2024			2,220,716.550	1.00	2,220,716.55		
Redemption	07/26/2024	50,000.00	50,000.000	2,170,716.550	1.00	2,170,716.55	50,000.00	0.00
Accrual Income Div Reinvestment	07/31/2024	10,120.40	10,120.400	2,180,836.950	1.00	2,180,836.95	0.00	0.00
Change in Value						0.00		
Closing Balance as of	Jul 31			2,180,836.950	1.00	2,180,836.95		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.



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Investment Account Summary

08/01/2024 through 08/31/2024

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Aug 31 (\$)	Value on Aug 31 (\$)	Average Cost Amount (\$)	Cumulative Change in Value (\$)
WHISPERING PALMS COMMUNITY SERVICES DIST IRCT	20100029590					
CalTRUST Liquidity Fund	20100029590	2,190,813.460	1.00	2,190,813.46	2,190,813.46	0.00
Portfolios Total value as of 08/31/2024				2,190,813.46		

DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
CalTRUST Liquidity Fund								
WHISPERING PALMS COMMUNITY SERVICES DIST IRCT							Account Number: 20100029590	
Beginning Balance	08/01/2024			2,180,836.950	1.00	2,180,836.95		
Accrual Income Div Reinvestment	08/30/2024	9,976.51	9,976.510	2,190,813.460	1.00	2,190,813.46	0.00	0.00
Change in Value						0.00		
Closing Balance as of	Aug 31			2,190,813.460	1.00	2,190,813.46		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

	CalTRUST Liquidity	BofAML 3-Month US Treasury Bill Index		CalTRUST Liquidity Return	BofAML 3-Month US Treasury Bill Index
Net Assets	\$1,686,235,432.99	N/A	One Month	0.46%	0.45%
NAV per Share	\$1.00	N/A	Three Month	1.37%	1.35%
30 Day SEC Yield	5.37%	N/A	Six Month	2.73%	2.67%
Distribution Yield	5.40%	N/A	One Year*	5.60%	5.48%
Period Net Total Return	0.46%	0.45%	Two Year*	4.88%	4.73%
Effective Duration	N/A	N/A	Three Year*	3.34%	3.20%
Weighted Average Maturity	43.73 days	N/A	Five Year*	2.26%	2.22%
Weighted Average Life	74.74 days	N/A	Ten Year*	NA	NA
			Since Inception*	2.27%	2.24%
			*Annualized		

Portfolio Sector Breakdown

- Commercial Paper - 36.27%
- Corporate Fixed Rate - 1.70%
- Fixed Rate Certificate of Deposit - 12.98%
- Floating Rate Certificate of Deposit - 9.29%
- Money Market Fund - 3.50%
- Repurchase Agreement -28.56%
- US Treasury Bill - 7.72%

	CalTRUST Historical Liquidity 30 day SEC Yield
7/24	5.37%
6/24	5.39%
5/24	5.39%
4/24	5.41%
3/24	5.40%
2/24	5.43%
1/24	5.40%
12/23	5.54%
11/23	5.52%
10/23	5.52%
9/23	5.46%
8/23	5.47%
7/23	5.07%

Rated AAAM by S&P Global Ratings

General Manager
Chuck Duffy

Board of Directors
Byron Hanchett
Bill Haynor
Doug Manatt
Ed Munsch
Al Panton

MEMORANDUM

To: Board of Directors
From: Chuck Duffy, General Manager
Subject: Sewer Systems Operations Report
Date: September 10, 2024

During the month of August, the treatment plant and pump station operated normally. There were no reportable sewer spills or odor complaints during this period.