

Manager's Report

11/13/2025

Administration

- | | | |
|---|-----------------------------|--|
| 1 | <u>Joint Use Agreement</u> | Final draft provided to new Battalion Chief Dusty Gyves.
Being reviewed by County attorney. |
| 2 | <u>CC-CSD WTP Agreement</u> | Next meeting December 8th
Notice of Completion filed 3/31/1997. We have 30 years. |
| 3 | <u>Audit 2025</u> | Completed |

Committee Meetings

- | | |
|-------------------------------|---|
| <u>R&P Committee</u> | Future Meeting: TBD |
| <u>Personnel Committee</u> | Future Meeting: Nov/Dec
Indoor Heat & Illness Policy
Succession Planning |
| <u>Ordinance Committee</u> | Future Meeting: Nov/Dec
Document Management Policy |
| <u>Finance Committee</u> | Future Meeting: Nov/Dec
Asset Management Plan
Clear Creek CSD invoices |
| <u>Public Info. Committee</u> | Future Meeting: TBD |
| <u>Ad Hoc - WTP Contract</u> | Dec. 8th next meeting |

Operations

1. Leaks

	Current	FYTD
<u>Mainline Leaks - Repaired</u>	0	3
<u>Service Leaks - Repaired</u> See below for details	4	8
<u>Service Lines - Replaced</u>	0	3
<u>Service Lines - Planned</u>		

2 New Meters - Installed

This past month:	0	Fiscal Year TOTAL:	1
sold to:		Annual Projection:	4
		WAC Total	0

3. Misc Activities

		To Date	Total
Dead End Flushing	18	80 of	100
Tank Maintenance Program	Planning C1 in spring 2026		
JPIA Infrared Imaging	Scheduled Friday, December 12th		
Cross Control Update	Coordinating with County for Well Completion Reports. Russell Roberts is the certified person		
Pump Maintenance	Muletown Pump #1 Bearing Seal Repair CPS VFD To Be Updated		
MT Turn-Out Valves	16" solenoid valve replaced - Approximately \$1,100		
Service Line Leaks	2343 Dartmouth curb stop replacement 8290 Taylor curb stop replacement 15869 Macleod service line repaired Middletown blow off service line leak repaired		
Water Treatment Plant Tour	Toured and discussed latest repairs and upgrades at Clear Creek Water Treatment		



Regular Board Meeting of the Board of Directors
Wednesday, November 19, 2025

7:00 PM

AGENDA

TO ADDRESS THE BOARD DURING OPEN TIME OR NOTICED PUBLIC HEARINGS:
pursuant to the Brown Act (Government Code Section 54950 et seq.) action or Board discussion can not be taken on open time matters other than to receive the comments, and if deemed necessary, to refer the subject matter to the District Manager for follow-up and/or to schedule the matter on a subsequent Board agenda.

ITEM

FUNCTION

PRELIMINARY BUSINESS

- | | | |
|---|--|-------------|
| 1 | Call to Order | |
| 2 | Public Comment Period – Open Time – This time is set for members of the public to address the Board on matters not on the agenda. If your comments concern an item noted on the regular agenda, please address the Board after that item is open to public comments. By law, the Board of Directors cannot discuss or make decisions on matters that are not on the agenda. The Board will customarily refer these matters to the District Manager's Office. Each speaker is allocated (5) minutes to speak for a maximum of 20 minutes on each subject. Speakers may not cede their time. Comments should be limited to matters within the jurisdiction of the District. After receiving recognition from the Board President, please state your name and comments. | |
| 3 | Approval of the minutes of:
October 15, 2025, Regular Board Meeting | Action |
| 4 | Authorize Payment of Bills for Current Expenses | Action |
| 5 | Status of the Budget Report | Information |

NEW BUSINESS

- | | | |
|---|---|--------|
| 1 | Approval of Financial Statements for Fiscal Year Ending
June 30, 2025 – Audit Report by Horton, McNulty and Saeteurn | Action |
|---|---|--------|

OLD BUSINESS

- | | | |
|---|--|-------------|
| 1 | Muletown Pump Station Generator Project Update | Information |
| 2 | Carr Fire Recovery Project Update | Information |
| 3 | PLC, Radio and Antenna Replacement Project | Information |
| 4 | Muletown Turnout 10-Inch Meter Replacement Project | Information |

CLOSED SESSION

- 1 Real Property Negotiations (§ 54956.8)
Property: Water Treatment Plant
Agency Negotiation: Chris Muehlbacher
Negotiating Parties: Dale Mancino
Under Negotiation: Terms for Water Treatment Plant

GENERAL BUSINESS

- | | | |
|---|---|-------------|
| 1 | Correspondence | Information |
| 2 | Director's Report | Information |
| 3 | Manager's Report | Information |
| 4 | Committee Reports | Information |
| | Ad Hoc – Oct 22 nd , Nov 3 rd | |
| | Finance – Nov 18 th | |
| 5 | Announcements | |
| 6 | Adjournment | |

Next Scheduled Board Meeting
December 17, 2025 @ 7:00 P.M.

"This is an equal opportunity provider"

In compliance with the Americans with Disabilities Act, the Centerville Community Services District will make available to any member of the public who has a disability, a needed modification or accommodation, including an auxiliary aid or service, for that person to participate in the public meeting. A person needing assistance should contact the district office by telephone at (530) 246-0680, or in person or by mail at 8930 Placer Road, Redding, California 96001, or by e-mail at tteuscher@centervillecsd.com, at least two working days in advance. Accommodation may include, but are not limited to, interpreters, assistive listening devices, accessible seating, or documentation in an alternate format. If requested, this document and other agenda materials can be made available in an alternative format for persons with a disability who are covered by the Americans with Disabilities Act.

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

Directors Present: President Hopson, Vice President Oliver, Director Woodstrom, Director Whitehead and Director Richison

Absent: None

Others Present: Bryan Gentles, Tina Teuscher and Chris Muehlbacher

PRELIMINARY BUSINESS:

1. Call to Order: President Hopson called the meeting to order at 7:00 pm.
2. Public Comment Period: President Hopson opened the public comment period. No comments were received. The public comment period was closed.
3. Approval of September 17, 2025, minutes: Vice President Oliver moved to approve the minutes. Director Woodstrom seconded. The vote was unanimous. Motion carried.
4. Authorize Payment of Bills for Current Expenses: Director Woodstrom moved to pay the bills. Director Richison seconded. Director Woodstrom asked if the Clear Creek invoices were verified and if they had provided the requested information. Mr. Muehlbacher stated that the invoices being paid tonight were being paid using the old Admin factor. He mentioned that he had received the backup for the other invoices and would schedule a Finance Committee meeting soon. The vote was unanimous. Motion carried.
5. Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenue thru September was \$554,587 versus expenses of \$403,800. He mentioned that Consumption continues to trend lower than budget. Regarding expenses, water costs are trending lower as well.

The Capital revenue was \$38,461 versus expenses of \$140,775. Regarding revenue, he mentioned that a meter was sold on Nantucket and is reflected this month. He also mentioned that the Clear Creek invoices are included in the profit and loss; however, the check has not been mailed.

Reserve Fund Status Sheet: The total reserve is \$1,496,993. Mr. Muehlbacher stated that the changes include payments to Wagner Electric, Sage Design and PACE Engineering for the Telemetry project as well as the Tank Coating payment last month.

NEW BUSINESS

1. Consider Change Order for the PLC, Radio and Antenna Replacement Project: Mr. Bryan Gentles explained the change orders. Change order #1 is to install two optix panels at the Muletown and C Pump Stations. The existing panels are reaching their end of life and the proposed new panels are compatible with the new PLC's. Bryan explained that the new panels are made by the company that made the PLC's. He stated that the \$6,400 is for the product and the installation.

President Hopson asked why this wasn't part of the initial project. Mr. Gentles stated that it wasn't part of the focus initially, but it was brought to their attention when programming the PLC's. President Hopson asked if we would be getting a credit because it stated that they will be saving time in programming the old PLC's and that programming was part of their bid. Mr. Gentles stated no. Mr. Muehlbacher stated that PACE Engineering is currently over their bid amount; however, Mr. Reuter has reassured Mr. Muehlbacher that they will not bill more than their original bid.

The second change order is to install two Hand-Off-Auto mode switches for the two pumps at the C Pump Station as well as install a circulating fan for the control cabinets at the Zone A and Zone B tanks. Mr. Gentles stated that right now the operators have no easy way to turn the switches off. The new switches will provide a direct ability to control the equipment and will be much easier.

Director Woodstrom moved to approve the change orders. Director Richison seconded. The vote was unanimous. Motion carried.

OLD BUSINESS

- 1 Muletown Pump Station Generator Project Update: Mr. Muehlbacher stated that there is no further information at this time. Vice President Oliver asked if he was going to request another extension. Mr. Muehlbacher stated yes.
- 2 Carr Fire Recovery Project Update: Mr. Muehlbacher stated that there is no further information at this time.
- 3 Muletown Turnout 10-Inch Meter Replacement Project: Mr. Muehlbacher stated that the meter is in possession and will be installed by Sunrise Construction.

GENERAL BUSINESS:

- 1 Correspondence: None.
- 2 Director's Report: President Hopson stated that he and Mr. Muehlbacher attended the CSDA Leadership training. The class talked about strategic planning, community leadership, District finances and engagement with the community and staff. He mentioned that he enjoyed the class and learned a lot. He recommended it to everyone.
- 3 Manager's Report: Mr. Muehlbacher stated he too enjoyed the class. He mentioned that there was a lot of good information to use moving forward.

Mr. Muehlbacher stated that the Treatment Plant Ad Hoc Committee meeting has been scheduled for November 3rd at Clear Creek's office.

The Field staff replaced two saddles in Rutgers. He shared the damaged saddle that was replaced and stated that moving forward staff will replace every saddle that is exposed. He does not want to pay for paving twice. While the line is exposed, he wants them to replace everything. The field staff also replaced a service line in Glendive.

- 4 Committee Reports: None.
- 5 Announcements: The next Board Meeting will be held November 19, 2025.
- 6 Adjournment: The meeting adjourned at 7:39 pm.



**Clear Creek CSD and Centerville CSD
Ad-Hoc Committees for the Dedicated Capacity contract.**

November 3, 2025 – 5pm

Location: Clear Creek CSD

Purpose: for board members of each CSD to discuss and exchange information between agencies and then report back to each respective Board.

Meeting Notes

1. Introduction – Started at 5:10

In attendance:	Centerville:	Directors Woodstrom & Oliver GM Muehlbacher
	Clear Creek:	Directors Fickes & Beaver GM Mancino Admin Assistant King

2. Consider establishing a Strategic Plan for the Ad Hoc.

Agreeable to both agencies as follows:

a. Mission – Why the Ad Hoc exists?

To discuss and exchange ideas and information related to the joint use of the Water Treatment Plant (WTP) so that it is both fair and equitable to both Districts.

b. Vision – What is the desired future?

That the WTP be properly operated & maintained to ensure a safe & reliable water supply for both Districts. That the costs are shared in a fair and equitable manner. That planning is made in advance of the need.

c. Values – What is important about the way we work and act together?

Fairness; equitable to both parties; transparency of activities, costs & planning; open communications.



3. Consider First Amendment to reduce the 1-year requirement included in the Contract to 6-months.

This amendment would change the termination notice requirement as included in the existing contract from 1-year to 6-months. Doing this would provide the Ad Hoc Committee with more time to negotiate a replacement agreement prior to the termination requirements as contained in the current contract. This was tabled to provide more time for the Committee to consider.

4. Consider drafting updated contract along with the meetings – who will draft? How to share cost?

Agreeable to both agencies that Centerville's attorney to draft update sharing cost 50-50. A budgetary estimate from the attorney is requested for Clear Creek's confirmation.

5. Discuss CPI Adjustment

Generally discussed the CPI and its history. The Ad Hoc Committee directed staff to evaluate options and present them to the Committee for consideration. Further, that the CPI and its procedure will need to be documented in the new agreement.

6. Follow-Up Items (see April 10, 2025 Meeting notes).

General agreement that these items would be discussed by staff and brought back to the Ad Hoc Committee for further consideration.

7. USBR Lease Agreement – Clear Creek WTP

Briefly discussed that the land lease for where the water treatment plant is located is effective through August 31, 2047. Considering that the new WTP agreement will exceed that date, it was identified as a benefit to extend it in alignment with the new agreement.

8. Open Discussion

Discussed meeting schedule requirements. Centerville will confirm and report back.

9. Next Steps / Schedule – Ended at 6:23 pm

Next meeting: December 8th at 5pm – Centerville's Office
Discuss: CPI & Amendment 1

Centerville Community Services District
Profit & Loss Budget Performance
October 2025

	Oct 25	Budget	\$ Over Budget	Jul - Oct 25	YTD Budget	\$ Over Budget
Ordinary Income/Expense						
Income						
41000 · WATER SALES						
41100 · Base Rate	48,660.75	48,420.00	240.75	194,347.25	193,680.00	667.25
41200 · Consumption Rate	58,975.64	82,000.00	-23,024.36	363,013.86	411,000.00	-47,986.14
41210 · Late Fees	2,281.11	2,000.00	281.11	8,697.20	9,900.00	-1,202.80
41400 · Pump Zone A (Base Rate)	1,608.75	1,700.00	-91.25	6,435.00	6,700.00	-265.00
41450 · Pump Zone A (Power Comp)	2,065.74	2,500.00	-434.26	12,835.38	14,300.00	-1,464.62
41500 · Pump Zone A-1 (Base Rate)	455.00	460.00	-5.00	1,820.00	1,840.00	-20.00
41550 · Pump Zone A-1(Power Comp)	520.23	800.00	-279.77	3,362.09	4,200.00	-837.91
Total 41000 · WATER SALES	114,567.22	137,880.00	-23,312.78	590,510.78	641,620.00	-51,109.22
41600 · RESERVE FUNDS						
41605 · Consumption Surcharge	2,078.80	2,700.00	-621.20	12,816.24	14,300.00	-1,483.76
41700 · Water Treatment Plant Fee	4,133.14	5,700.00	-1,566.86	25,441.28	28,900.00	-3,458.72
41800 · Rate Stabilization Fee	6,193.88	8,600.00	-2,406.12	38,139.20	43,400.00	-5,260.80
56250 · Transfer Reserve Funds	-12,405.82	-17,000.00	4,594.18	-76,396.72	-86,600.00	10,203.28
Total 41600 · RESERVE FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
42000 · SERVICE INSTALLATION - METERS						
42100 · Connection Charges	0.00	0.00	0.00	500.00	400.00	100.00
Total 42000 · SERVICE INSTALLATION - METERS	0.00	0.00	0.00	500.00	400.00	100.00
43000 · INTEREST						
43001 · LAIF	15,104.08	13,000.00	2,104.08	29,436.15	26,000.00	3,436.15
43002 · Other Interest	1.63	4.00	-2.37	6.83	16.00	-9.17
Total 43000 · INTEREST	15,105.71	13,004.00	2,101.71	29,442.98	26,016.00	3,426.98
44100 · General Property Tax-422						
44840 · Cent. Admin Fee TSWAD 2001-1	0.00	0.00	0.00	2,500.00	0.00	2,500.00
Total 44100 · General Property Tax-422	0.00	0.00	0.00	2,500.00	0.00	2,500.00

Centerville Community Services District
Profit & Loss Budget Performance
October 2025

	Oct 25	Budget	\$ Over Budget	Jul - Oct 25	YTD Budget	\$ Over Budget
45000 · OTHER OPER. REVENUE						
45400 · Misc. Revenue	0.00	40.00	-40.00	201.29	160.00	41.29
45850 · Backflow Prevention Testing	251.75	300.00	-48.25	1,007.00	1,200.00	-193.00
45955 · Will Serve - Admin	0.00			50.00		
Total 45000 · OTHER OPER. REVENUE	251.75	340.00	-88.25	1,258.29	1,360.00	-101.71
49706 · Water Sales Bella Vista	0.00	0.00	0.00	60,300.00	60,300.00	0.00
Total Income	129,924.68	151,224.00	-21,299.32	684,512.05	729,696.00	-45,183.95
Gross Profit	129,924.68	151,224.00	-21,299.32	684,512.05	729,696.00	-45,183.95
Expense						
51000 · WATER COSTS						
51100 · Raw Water Charge	1,529.36	4,600.00	-3,070.64	11,934.47	23,200.00	-11,265.53
51300 · Oper.& Maint. - Clear Creek	12,570.05	13,800.00	-1,229.95	66,585.48	54,100.00	12,485.48
51305 · Administration - Clear Creek	3,411.57	5,800.00	-2,388.43	35,280.97	28,900.00	6,380.97
51315 · Restoration Fee	1,527.12	4,700.00	-3,172.88	11,830.59	22,800.00	-10,969.41
51317 · Water Right Fees	0.00	0.00	0.00	0.00	0.00	0.00
51325 · WINN Act Lawsuit	20.94	170.00	-149.06	670.99	680.00	-9.01
Total 51000 · WATER COSTS	19,059.04	29,070.00	-10,010.96	126,302.50	129,680.00	-3,377.50
52000 · TRANSMISSION & DISTRIB.						
52100 · General Repair & Maint.	9,997.93	6,100.00	3,897.93	22,785.01	24,400.00	-1,614.99
52130 · Zone A - Repair and Maintenance	0.00	1,600.00	-1,600.00	0.00	1,600.00	-1,600.00
52140 · Zone A1 - Repair and Maintenanc	0.00	1,600.00	-1,600.00	0.00	1,600.00	-1,600.00
52200 · Operating Supplies & Expense	1,216.66	2,000.00	-783.34	5,867.99	8,000.00	-2,132.01
52400 · Utilities - General Plant	239.77	140.00	99.77	609.47	580.00	29.47
52425 · Elect., Muletown Pump Station	148.53	250.00	-101.47	1,206.70	1,150.00	56.70
52450 · Elect., Towerview Pump Station	64.74	250.00	-185.26	769.17	1,000.00	-230.83
52500 · Utilities Pump Zone A	2,714.31	4,200.00	-1,485.69	20,074.51	22,200.00	-2,125.49
52600 · Utilities Pump Zone A-1	617.35	900.00	-282.65	3,637.20	4,200.00	-562.80
52850 · Backflow Prevention Testing	0.00	0.00	0.00	0.00	0.00	0.00
Total 52000 · TRANSMISSION & DISTRIB.	14,999.29	17,040.00	-2,040.71	54,950.05	64,730.00	-9,779.95

Centerville Community Services District

Profit & Loss Budget Performance

October 2025

	<u>Oct 25</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>Jul - Oct 25</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>
53000 · EQUIPMENT						
53100 · Equipment Repairs & Maint.	0.00	700.00	-700.00	643.18	2,800.00	-2,156.82
53200 · Gasoline	0.00	700.00	-700.00	1,788.05	2,800.00	-1,011.95
Total 53000 · EQUIPMENT	<u>0.00</u>	<u>1,400.00</u>	<u>-1,400.00</u>	<u>2,431.23</u>	<u>5,600.00</u>	<u>-3,168.77</u>
54000 · ADMINISTRATIVE						
54100 · Liability Insurance - District	21,762.79	29,000.00	-7,237.21	33,367.68	40,000.00	-6,632.32
54150 · Utilities-District Office	805.93	1,000.00	-194.07	3,951.79	4,000.00	-48.21
54200 · Telephone - District Office	900.61	750.00	150.61	3,412.65	3,000.00	412.65
54250 · SWRCB Fees	0.00	0.00	0.00	0.00	0.00	0.00
54300 · Travel & Training	0.00	500.00	-500.00	1,718.06	2,000.00	-281.94
54325 · Employee Recognition	0.00	100.00	-100.00	33.31	400.00	-366.69
54375 · LAFCO	0.00	0.00	0.00	2,554.86	4,000.00	-1,445.14
54400 · Miscellaneous	0.00	50.00	-50.00	80.00	200.00	-120.00
54455 · Watershed Sanitary Survey	496.05			1,488.15		
54500 · Engineering - District Engineer	0.00	900.00	-900.00	0.00	3,600.00	-3,600.00
54550 · Legal-Dist. Attorney	0.00	900.00	-900.00	5,616.07	3,600.00	2,016.07
54600 · Accounting-Audit & Consult	0.00	0.00	0.00	15,400.00	17,000.00	-1,600.00
54625 · Meals	0.00	75.00	-75.00	330.82	300.00	30.82
54650 · Office Supplies	370.00	750.00	-380.00	1,424.42	3,000.00	-1,575.58
54680 · Merchant Fees	150.10	100.00	50.10	387.25	400.00	-12.75
54700 · Postage	0.00	900.00	-900.00	1,123.23	3,600.00	-2,476.77
54710 · Billing and Notices	1,243.01			2,456.88		
54750 · Office Equipment (Small)	3,863.27	1,800.00	2,063.27	8,797.95	7,200.00	1,597.95
54800 · Office Building - R&M	774.19	750.00	24.19	2,034.22	3,000.00	-965.78
54850 · Directors Compensation	200.00	450.00	-250.00	900.00	1,800.00	-900.00
54900 · Subscription & Licenses	5,851.00	7,000.00	-1,149.00	20,856.94	16,900.00	3,956.94
Total 54000 · ADMINISTRATIVE	<u>36,416.95</u>	<u>45,025.00</u>	<u>-8,608.05</u>	<u>105,934.28</u>	<u>114,000.00</u>	<u>-8,065.72</u>

Centerville Community Services District
Profit & Loss Budget Performance
October 2025

	Oct 25	Budget	\$ Over Budget	Jul - Oct 25	YTD Budget	\$ Over Budget
55000 · WAGES & BENEFITS						
55100 · Salaries	53,353.72	53,100.00	253.72	158,078.40	159,300.00	-1,221.60
55110 · Salaries - Standby	600.00	500.00	100.00	1,725.00	2,000.00	-275.00
55120 · Overtime	415.20	700.00	-284.80	4,660.62	2,800.00	1,860.62
55200 · Salaries - Part Time Employees	2,265.12	1,800.00	465.12	6,650.44	7,200.00	-549.56
55300 · Pension - Retirement	4,379.74	5,600.00	-1,220.26	72,955.36	76,200.00	-3,244.64
55400 · Insurance - Emp. Health&Dental	9,525.42	10,000.00	-474.58	38,824.11	40,000.00	-1,175.89
55500 · Workman's Comp. Insurance	4,974.37	7,000.00	-2,025.63	4,974.37	7,000.00	-2,025.63
55600 · F.I.C.A.	3,466.54	2,400.00	1,066.54	10,474.74	9,600.00	874.74
55700 · Medicare Tax	810.71	550.00	260.71	2,449.74	2,200.00	249.74
Total 55000 · WAGES & BENEFITS	79,790.82	81,650.00	-1,859.18	300,792.78	306,300.00	-5,507.22
Total Expense	150,266.10	174,185.00	-23,918.90	590,410.84	620,310.00	-29,899.16
Net Ordinary Income	-20,341.42	-22,961.00	2,619.58	94,101.21	109,386.00	-15,284.79
Net Income	-20,341.42	-22,961.00	2,619.58	94,101.21	109,386.00	-15,284.79

11:44 AM

11/13/25

Accrual Basis

Centerville Community Services District
Capital Profit & Loss Budget Performance
October 2025

	Oct 25	Budget	Jul - Oct 25	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
43000 · INTEREST					
43003 · Shasta Co 422 Interest	0.00	0.00	160.33	200.00	400.00
Total 43000 · INTEREST	0.00	0.00	160.33	200.00	400.00
44100 · General Property Tax-422					
44125 · Current Secured Taxes-0&M	0.00	0.00	3,684.36	4,000.00	223,000.00
44127 · Current Unitary Taxes	0.00	0.00	0.00	0.00	10,000.00
44130 · Curr Sec Adv Teeter	0.00	0.00	4,758.09	4,000.00	4,000.00
44131 · Curr Supp Teeter	0.00	0.00	606.62	500.00	500.00
44135 · Supp Taxes Current	263.62	300.00	947.37	1,100.00	2,300.00
44140 · Curr Unsecured Taxes	11,313.30	11,000.00	11,373.64	11,100.00	22,800.00
44145 · Supp Taxes Prior	8.86	10.00	15.79	20.00	60.00
44150 · Prior Year Unsecured Taxes	42.48	50.00	88.89	70.00	150.00
44155 · Homeowner's Exemption - 422	0.00	0.00	0.00	0.00	2,100.00
Total 44100 · General Property Tax-422	11,628.26	11,360.00	21,474.76	20,790.00	264,910.00
46000 · CAPITAL FUNDS					
46100 · Capacity Charge	0.00	0.00	22,147.00	22,500.00	88,588.00
Total 46000 · CAPITAL FUNDS	0.00	0.00	22,147.00	22,500.00	88,588.00
49000 · TAXES & ASSESSMENTS					
49350 · Sp./Asst Texas Springs 2001-1	0.00	0.00	5,706.83	6,000.00	34,000.00
Total 49000 · TAXES & ASSESSMENTS	0.00	0.00	5,706.83	6,000.00	34,000.00
49500 · OTHER CAPITAL REVENUE					
49505 · Other Interest	0.27	5.00	1.26	20.00	50.00
49550 · New Water Purchase Fee	0.00	0.00	600.00	600.00	600.00
Total 49500 · OTHER CAPITAL REVENUE	0.27	5.00	601.26	620.00	650.00
Total Income	11,628.53	11,365.00	50,090.18	50,110.00	388,548.00
Gross Profit	11,628.53	11,365.00	50,090.18	50,110.00	388,548.00
Expense					
51000 · WATER COSTS					
51255 · Clear Creek SWRCB Contract	0.00	4,400.00	13,266.81	4,400.00	4,400.00
Total 51000 · WATER COSTS	0.00	4,400.00	13,266.81	4,400.00	4,400.00
52000 · TRANSMISSION & DISTRIB.					
52950 · Treatment Plant Pond's Project	0.00	0.00	11,107.28	0.00	0.00
Total 52000 · TRANSMISSION & DISTRIB.	0.00	0.00	11,107.28	0.00	0.00

11:44 AM

11/13/25

Accrual Basis

Centerville Community Services District
Capital Profit & Loss Budget Performance
October 2025

	Oct 25	Budget	Jul - Oct 25	YTD Budget	Annual Budget
57000 · DISTRIBUTION SYSTEM IMPROVE.					
57090 · Tank Coating Program	0.00	45,000.00	39,699.08	90,000.00	180,000.00
Total 57000 · DISTRIBUTION SYSTEM IMPROVE.	0.00	45,000.00	39,699.08	90,000.00	180,000.00
57400 · PRINCIPAL EXPENSE					
57406 · Sp./Asst. Txs Sprg 2001-1 Prin.	0.00	0.00	9,700.00	9,000.00	9,000.00
Total 57400 · PRINCIPAL EXPENSE	0.00	0.00	9,700.00	9,000.00	9,000.00
57500 · INTEREST EXPENSE					
57506 · Sp./Asst. Txs Sprg 2001-1 Int.	0.00	0.00	5,368.50	5,400.00	9,800.00
Total 57500 · INTEREST EXPENSE	0.00	0.00	5,368.50	5,400.00	9,800.00
57800 · BOND ADMIN. FEE					
57806 · NBS Admin. Fee TSWAD 2002-1	0.00	0.00	1,264.08	1,250.00	5,000.00
57840 · Cent. Admin Fee TSWAD 2001-1	0.00	0.00	0.00	0.00	2,500.00
Total 57800 · BOND ADMIN. FEE	0.00	0.00	1,264.08	1,250.00	7,500.00
58000 · OTHER CAPITAL EXPENSES					
58070 · Muletown Pump - Generator	0.00	0.00	-7,288.54	0.00	52,000.00
58080 · Telemetry Replacement Program	0.00	44,000.00	61,027.19	150,000.00	156,000.00
58085 · Clear Creek SCADA Tie In	0.00		6,631.13		
Total 58000 · OTHER CAPITAL EXPENSES	0.00	44,000.00	60,369.78	150,000.00	208,000.00
Total Expense	0.00	93,400.00	140,775.53	260,050.00	418,700.00
Net Ordinary Income	11,628.53	-82,035.00	-90,685.35	-209,940.00	-30,152.00
Net Income	11,628.53	-82,035.00	-90,685.35	-209,940.00	-30,152.00

CENTERVILLE COMMUNITY SERVICES DISTRICT RESERVE FUND STATUS

October 31, 2025

DESCRIPTION		Balance as of 7-1-2025	Balance as of Last Month	Current Balance	Projected Balance As of 7-1-2026	Goal Range
DESIGNATED RESERVES:						
Operation & Maintenance		\$406,359.97	\$536,108.94	\$554,353.73	\$486,000.00	\$614k - \$920k (2)
Water Treatment Plant		\$249,846.89	\$267,108.40	\$276,639.88	\$303,000.00	\$250k - \$500k (3)
Carr Fire Funds		\$156,297.70	\$157,981.71	\$159,633.57	\$158,000.00	
Pump Sta. Rep. & Maint. (Zones A & A1)		\$16,024.24	\$16,196.89	\$16,366.25	\$22,000.00	
Capital Improvement Reserve		\$372,107.57	\$336,176.55	\$354,166.84	\$350,000.00	
Subtotal		\$1,200,636.37	\$1,313,572.49	\$1,361,160.27	\$1,319,000.00	
OBLIGATED RESERVES:						
Capacity Charge		\$119,370.25	\$130,958.19	\$154,474.49	\$209,000.00	
Subtotal		\$119,370.25	\$130,958.19	\$154,474.49	\$209,000.00	
RESTRICTED RESERVES;						
	<u>Maturity Date</u>					
Texas Springs Assessment	6/30/2041	\$44,793.92	\$31,687.11	\$30,423.30	\$33,000.00	
Subtotal		\$44,793.92	\$31,687.11	\$30,423.30	\$33,000.00	
Total Reserve Balance		\$1,364,800.54	\$1,476,217.79	\$1,546,058.06	\$1,561,000.00	

- | | | |
|---|----------------|---|
| 1 | O&M Goal Range | Goal Range is projected to achieve the Reserve Policy range within 3 - 7 years using the Rate Stabilization Fee. |
| 2 | WTP Goal Range | Goal Range is projected to achieve the Reserve Policy range within 1.5 - 5 years using the Water Treatment Plant Fee. |



MEMORANDUM

Date: November 12, 2025
To: Board of Directors
From: Chris Muehlbacher
Subject: **New Business Item 1 – Approval of Financial Statements for Fiscal Year Ending June 30, 2025 – Audit Report by Horton, McNulty & Saeteurn**

Recommendation

ACTION – It is recommended that the Board approve the Financial Statements for Fiscal Year ending June 30, 2025, following the presentation by Francisco Langarica.

Item Explanation

Horton, McNulty and Saetern, LLP has completed their Financial Statement which includes the Management's Discussion and Analysis as completed by staff. Mr. Francisco Langarica will be presenting the Financial Statement.

This year ended with a 5.36% increase in Net Position of \$364,630. At present, the District has elected to not fund depreciation. The Financial Statements provide an overview of the District's overall financial position.

Attachment

- Financial Statement for Fiscal Year Ending June 30, 2025

Centerville Community Services District
Redding, California

REPORT TO THE BOARD OF DIRECTORS

June 30, 2025





To the Board of Directors
Centerville Community Services District
Redding, California

We have audited the financial statements of Centerville Community Services District (the District), as of and for the year ended June 30, 2025, and have issued our report thereon dated November 13, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 5, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and state regulations governing special districts. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance With All Ethics Requirements Regarding Independence

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

Safeguards have been implemented to reduce the threats on our independence. These safeguards include continuing education related to independence and ethics requirements; external peer review of our firm's quality control system; our firm's internal policies and procedures which are designed to monitor compliance with the independence requirements; and the involvement of another firm member who is responsible for completing an independent technical review of the financial statements and significant audit conclusions.

Significant Risks Identified

Management override of internal controls was identified as a significant risk. Although not a risk solely specific to the District, override of internal controls warrants attention as intentional override may be more difficult to detect than an unintentional error. To address this risk, we maintained professional skepticism throughout the audit, and incorporated an element of unpredictability in designing our audit procedures.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in note 1 to the financial statements. As described in note 1 to the financial statements, the District adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. This statement outlines a unified recognition and measurement model that results in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the District adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*, as of July 1, 2024. This statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of substantial impact. Accordingly, the District's financial statements have been presented in accordance with the guidance from these statements. No matters have come to our attention that would require us, under professional standards, to inform you about: (1) the methods used to account for significant unusual transactions, and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

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

The most sensitive accounting estimates affecting the financial statements are depreciation, other postemployment benefits (OPEB), and unbilled receivables.

Management's estimate of the annual depreciation is based on the estimated useful lives of the assets, which are described in note 1 to the financial statements.

Management's estimate of the net pension liability and related balances are based on certain assumptions and allocations as determined by CalPERS.

We evaluated the key factors and assumptions used to develop the depreciation expense and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the District's financial statements relate to the net pension liability.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during the audit. We did not identify any significant unusual transactions.

Identified or Suspected Fraud

For the purposes of this communication, professional standards require us to communicate to you any identified or suspected fraud detected during the audit. We did not identify any fraud, although there is always a risk that fraud may exist that has not been identified.

Significant Difficulties Encountered During the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances, or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements and miscellaneous adjustments in the attached schedule were brought to the attention of, and corrected by, management.

Disagreements With Management

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

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this communication, professional standards require that we communicate any circumstances that affect the form and content of our auditors' report. We did not identify any such circumstances.

Representations Requested From Management

We have requested certain written representations from management that are included in the management representation letter dated November 13, 2025.

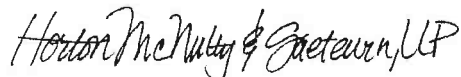
Management's Consultations With Other Accountants

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

Other Significant Matters, Findings, or Issues

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

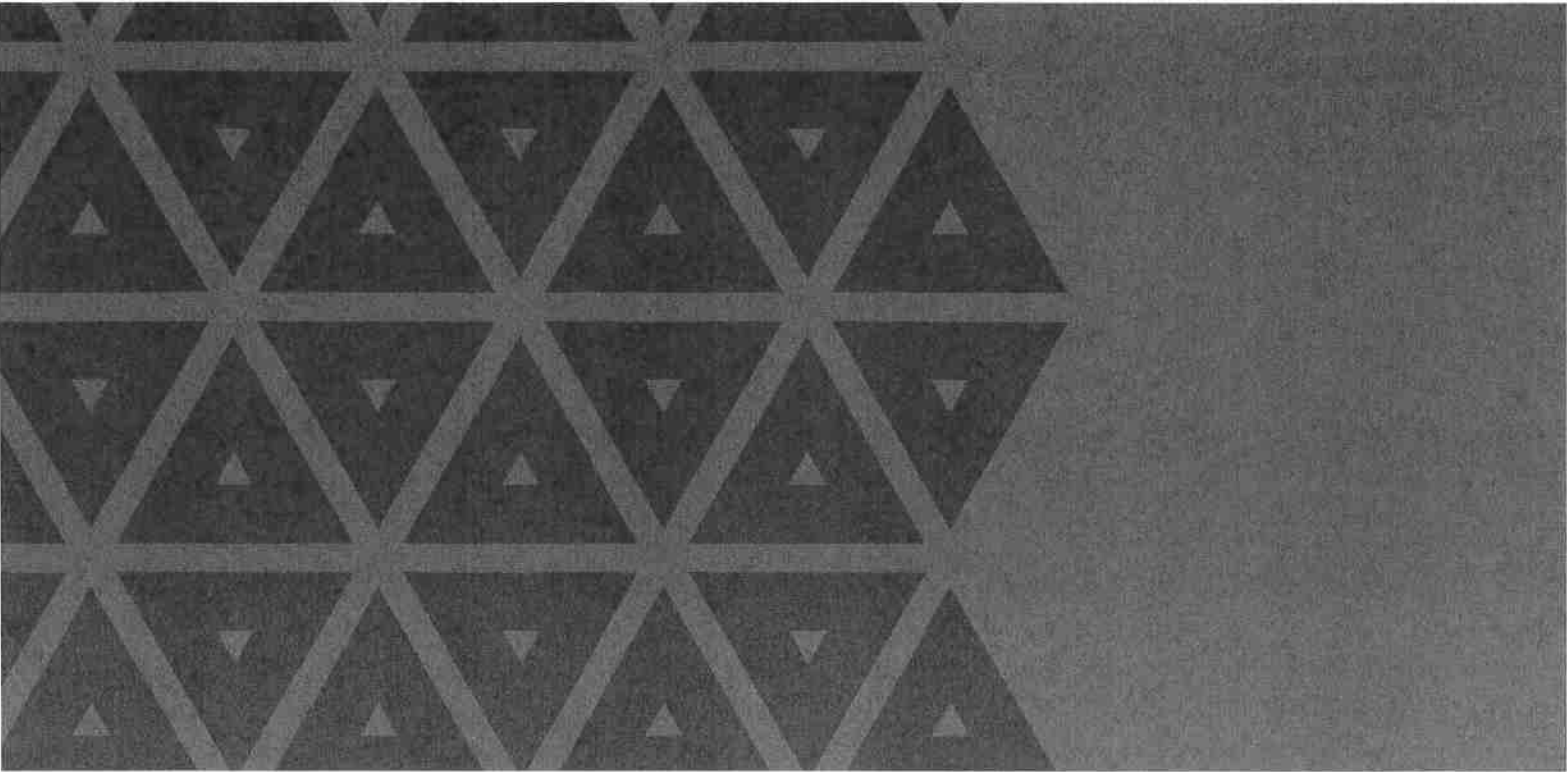
This report is intended solely for the information and use of the Board of Directors and management of the District, and is not intended to be, and should not be, used by anyone other than these specified parties.



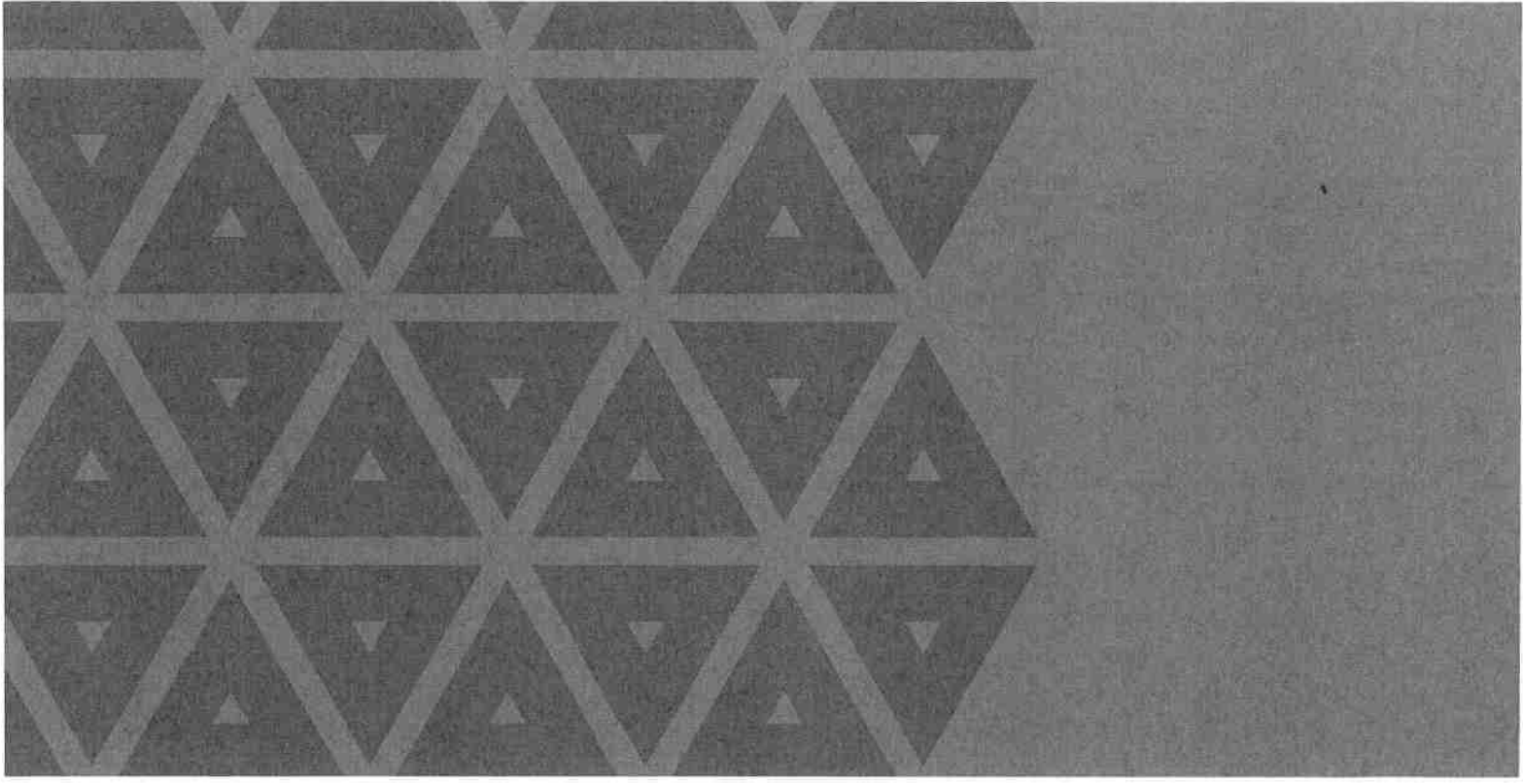
November 13, 2025
Chico, California

Client: 31570 - Centerville Community Services District
Engagement: 31570 - 06-30-25 - Audit & SCR - Centerville Community Service District
Period Ending: 6/30/2025
Trial Balance: TB - Annual Trial Balance - 2 Year
Workpaper: JE-01 - Adjusting Journal Entries Report

Account	Description	Debit	Credit
Entries to post as of 6/30/25.			
Adjusting Journal Entries JE # 1			
To adjust pension amounts to 6/30/25 balances.			
21800	21800 -- Net Pension Liability	11,551.00	
21900	21900 -- Deferred Inflows	5,617.00	
55300	55300 -- Pension - Retirement	53,416.00	
16000	16000 -- Deferred Outflows		70,584.00
Total		70,584.00	70,584.00
Adjusting Journal Entries JE # 2			
To adjust capital assets and A/P to actual for tank renovations and maintenance contract.			
14000	14000 -- Utility Plant-Transm & Dist	35,926.00	
20003	Accrued Accounts Payable		35,926.00
Total		35,926.00	35,926.00
Adjusting Journal Entries JE # 3			
To dispose of Master Water Plan from 1999.			
13350	13350 -- A/A Master Water Plan Update	23,300.00	
13325	13325 -- Master Water Plan Update		23,300.00
Total		23,300.00	23,300.00
Adjusting Journal Entries JE # 4			
To record disposals and update asset list.			
14000	14000 -- Utility Plant-Transm & Dist	83,269.00	
14200	14200 -- Acc Depr-Other Property	4,292.00	
14025	14025 -- Meter Replacement Program		83,269.00
14300	14300 -- Automotive Equipment		4,292.00
Total		87,561.00	87,561.00



Centerville Community Services District
Redding, California
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORTS
June 30, 2025



Centerville Community Services District

TABLE OF CONTENTS

June 30, 2025

	<u>Page Number</u>
Independent Auditors' Report	1
FINANCIAL SECTION	
Required Supplementary Information	
Management's Discussion and Analysis	7
Basic Financial Statements	
Statement of Net Position	17
Statement of Revenues, Expenses, and Changes in Net Position	19
Statement of Cash Flows	20
Notes to the Financial Statements	22
Required Supplementary Information	
Schedule of District's Proportionate Share of Net Pension Liability – California Public Employees' Retirement System	44
Schedule of District's Contributions – California Public Employees' Retirement System	45
Notes to the Required Supplementary Information	46
OTHER SUPPLEMENTARY INFORMATION SECTION	
Schedule of General and Administrative Expenses	48
OTHER REPORT SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	50
FINDINGS AND RECOMMENDATIONS SECTION	
Schedule of Findings and Recommendations	53
Summary Schedule of Prior Audit Findings	54



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Centerville Community Services District
Redding, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Centerville Community Services District (the District), as of and for the year ended June 30, 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the California State Controller's Office and the state regulations governing special districts.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the California State Controller's *Minimum Audit Requirements for California Special Districts*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the California State Controller's Office and state regulations governing special districts; 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.

INDEPENDENT AUDITORS' REPORT

(Continued)

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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, the California State Controller's *Minimum Audit Requirements for California Special Districts*, and the standards applicable to financial audits contained in *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the California State Controller's *Minimum Audit Requirements for California Special Districts*, and the standards applicable to financial audits contained in *Government Auditing Standards* we:

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

INDEPENDENT AUDITORS' REPORT

(Continued)

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

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of General and Administrative Expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Schedule of General and Administrative Expenses is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of General and Administrative Expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



November 13, 2025
Chico, California

FINANCIAL SECTION

Required Supplementary Information

Centerville Community Services District

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Centerville Community Services District (the District), we offer the readers of the District's Financial Statements the following comments and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. This presentation is designed to: (a) provide an overview of the District's financial activity, (b) assist the reader in focusing on significant financial issues, (c) identify major changes in the District's financial position, and (d) identify material variations from the approved financial budgetary plan.

We encourage the readers to consider the information presented here in conjunction with the Financial Statements, which begin on page 17 of this reporting packet.

FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and brief description of the District's Financial Statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District's Financial Statements include five components:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Other Information

The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as Net Position. Net Position may be displayed in three categories:

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The Statement of Net Position provides the basis of computing rate of return, evaluating the capital structure of the District, and assessing its liquidity and financial flexibility.

The Statement of Revenues, Expenses, and Changes in Net Position presents information which shows how the District's Net Position changed during the year. The Financial Statements, except for the Statement of Cash Flows, are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The Statement of Revenues, Expenses, and Changes in Net Position measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

Centerville Community Services District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Noncapital financing
- Capital and related financing
- Investing

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

In addition to the financial statements and accompanying notes, the Basic Financial Statements also present certain required supplementary information, which follows the notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

The District's Net Position was \$7,170,930 at the close of fiscal year 2024-25. This was an increase of \$364,630 (or 5.36%) from the prior year. Of this amount, \$5,848,855 was the net investment in capital assets, \$77,310 was restricted for debt service and contractual obligations, while \$1,244,765 was unrestricted.

Operating revenues were \$1,588,815 as compared to last year's \$1,368,645 (an increase of 16.09%). Net nonoperating revenues were \$317,104 as compared to last year's at \$318,258 (a decrease of 0.36%).

USING THIS ANNUAL REPORT

The annual report consists of the following series of financial information: (1) Management's Discussion and Analysis; (2) Independent Auditors' Report; (3) Statement of Net Position; (4) Statement of Revenues, Expenses, and Changes in Net Position; (5) Statement of Cash Flows; and (6) Notes to Financial Statements.

The financial statements include all assets and liabilities using the accrual basis of accounting, which is like accounting used by most private sector companies. All the current year's revenue and expenses are considered regardless of when cash is received or disbursed. Thus, revenues and expenses are reported in these statements for some items that will impact cash flows in future fiscal periods (i.e., uncollected receivables and earned, but unused, vacation leave).

The Statement of Net Position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these items reported as Net Position. Over time, the changes in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Whereas the Statement of Revenues, Expenses, and Changes in Net Position describes the net income or deficit of the District for the fiscal year, the Statement of Cash Flows describes the overall change in the cash position of the District for the same period.

Notes to Financial Statements provide additional information, which is essential to the full understanding of the data provided in the audited financial statements.

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

CONDENSED FINANCIAL INFORMATION

The difference between assets and liabilities is one way to measure the District's financial health. As mentioned earlier, increases and decreases in net position may be an indicator of whether the District's financial condition is improving or deteriorating.

The District's net position increased from last year's \$6,806,300 to this year's \$7,170,930; an increase of \$364,630 (or 5.36%). In contrast, last year's net position showed an increase of \$225,588 (or 3.43%) when compared to 2023.

Table 1 displays a summary breakdown of the District's net position for the last two fiscal years.

Table 1
Net Position

June 30	2025	2024	Percentage Change 2024-25
ASSETS			
Current and other assets	\$ 2,485,499	\$ 2,253,988	10.27%
Capital assets	6,087,455	5,943,132	2.43%
TOTAL ASSETS	8,572,954	8,197,120	4.58%
DEFERRED OUTFLOWS OF RESOURCES	166,645	237,229	-29.75%
Total Assets and Deferred Outflows of Resources	8,739,599	8,434,349	3.62%
LIABILITIES			
Current liabilities	477,452	544,330	-12.29%
Long-term accounts payable	215,782	180,765	19.37%
Compensated absences payable	16,049	16,700	-3.90%
Net pension liability	622,303	633,854	-1.82%
Long-term debt outstanding	228,900	238,600	-4.07%
TOTAL LIABILITIES	1,560,486	1,614,249	-3.33%
DEFERRED INFLOWS OF RESOURCES	8,183	13,800	-40.70%
Total Liabilities and Deferred Inflows of Resources	1,568,669	1,628,049	-3.65%
Total Net Position	\$ 7,170,930	\$ 6,806,300	5.36%
NET POSITION			
Net investment in capital assets	\$ 5,848,855	\$ 5,694,632	2.71%
Restricted:			
Debt service	44,794	32,542	37.65%
Contractual obligations	32,516	38,282	-15.06%
Unrestricted	1,244,765	1,040,844	19.59%
TOTAL NET POSITION	\$ 7,170,930	\$ 6,806,300	5.36%

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Total Net Position increased by \$364,630. The most significant contributors to the increase in total Net Position were a significant increase in net operating revenue.

Table 2 provides a summary of the District's changes in net position for the last two fiscal years.

June 30			Percentage Change 2024-25
	2025	2024	
Operating revenues	\$ 1,588,815	\$ 1,368,645	16.09%
Operating and maintenance expenses	1,671,101	1,590,807	5.05%
Operating Income (Loss)	(82,286)	(222,162)	62.96%
Net nonoperating revenue (expenses)	317,104	318,258	-0.36%
Capital contributions	129,812	129,492	0.25%
Change in Net Position	\$ 364,630	\$ 225,588	61.64%

Total Operating Revenues increased by \$220,170 (or 16.09%) as compared to the previous year. Notable contributors include:

- a) Consumption rate increased approximately \$148,000, and the Base Rate increased approximately \$32,000.

Total Operating and Maintenance Expenses increased by \$80,294 (or 5.05%) as compared to the previous year. Notable contributors include:

- a) Consistent with increased consumption is an increase to the water-related expenses as well as an increase in salary expense and systemwide depreciation.

Total net non-operating revenues decreased by \$1,154 (or -0.36%), primarily due to interest and property tax revenue.

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

BUDGETARY HIGHLIGHTS

The District's 2024-25 Operation and Maintenance (O&M) and was discussed and approved at the July 17, 2024 meeting. The Capital Budget was discussed and approved at the Board of Director's Regular Meeting on June 19, 2024. Included in the O&M Budget was the continued implementation of the Wage Step Increase program for non-exempt employees as well as a Cost of Living Adjustment (COLA) of 2.60%.

Table 3 displays the difference between the actual and budgeted revenues and expenses.

Table 3
Actual Compared to Budget

	2024-25 Actual	2024-25 Budget	Positive (Negative) Variance
Operating Revenues			
Charges for services	\$ 1,580,658	\$ 1,472,200	\$ 108,458
Installations and extensions	4,613	87,700	(83,087)
Miscellaneous	3,544	4,000	(456)
Total Operating Revenues	1,588,815	1,563,900	24,915
Operating and Maintenance Expenses			
Water purchases	66,326	47,000	(19,326)
Pumping electric charge	54,663	46,000	(8,663)
Transmission and distribution	41,093	88,700	47,607
General and administrative	1,018,931	965,400	(53,531)
Clear Creek treatment and transmission	187,366	212,000	24,634
Total Operating and Maintenance Expenses	1,368,379	1,359,100	(9,279)
Operating Income Before Depreciation and Amortization	220,436	-	220,436
Depreciation and amortization	302,722	-	(302,722)
Operating Income (Loss)	(82,286)	-	(82,286)
Net Nonoperating Revenue			
Interest and fiscal fee revenue	55,315	30,200	25,115
Property tax revenue	287,167	279,750	7,417
Interest and fiscal charge expense	(25,378)	18,100	(43,478)
Total Net Nonoperating Revenue	317,104	328,050	(10,946)
Capital Contributions	129,812	-	129,812
Change in Net Position	\$ 364,630	\$ 328,050	\$ 36,580

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Explanations of major variances between budget and actual are as follows:

- a) Installation and extensions – experienced significantly fewer new meter installs than budgeted.
- b) Pumping electric charge – experienced higher electrical charges in pump zones A and A1.
- c) Clear Creek treatment and transmission – experienced lower expenses resulting from actual needs.
- d) Capital Contributions – increased due to the FEMA Muletown Generator and ARPA Telemetry projects.

In accounting, depreciation is a term used as an estimate or allowance made for the loss in value resulting from the deterioration, usage, or age of such facilities as pipelines, pump stations, buildings, etc. Currently, the District does not have a funding mechanism for this particular item.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of June 30, 2025, totaled \$6,087,455. This investment in capital assets includes the distribution pipeline system, storage reservoirs, pumping facilities, land, buildings, vehicles, and machinery and equipment.

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Changes in capital assets are shown in Table 4 below.

Table 4
Changes in Capital Assets

Year ended June 30, 2025	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciated Capital Assets				
Land	\$ 38,759	\$ -	\$ -	\$ 38,759
Construction in progress	209,634	194,350	54,814	349,170
Total Nondepreciated Capital Assets	248,393	194,350	54,814	387,929
Depreciated Capital Assets				
Utility plant	8,695,962	247,391	-	8,943,353
Replacement meters	203,173	-	83,269	119,904
Office buildings	368,882	-	-	368,882
Equipment storage buildings	290,129	54,814	-	344,943
Office equipment	35,322	-	25,343	9,979
Automotive	188,652	-	4,292	184,360
1995 water project	1,153,838	-	-	1,153,838
Machinery and equipment	285,794	-	-	285,794
Radio telementry system	116,149	-	-	116,149
TS/Honeybee project	633,176	-	-	633,176
TS Pipeline oversize	7,169	-	-	7,169
Foxwood annexation	4,854	-	-	4,854
GIS development	57,701	-	-	57,701
Telemetry Clear Creek tank	5,666	-	-	5,666
Total Depreciated Capital Assets	12,046,467	302,205	112,904	12,235,768
Totals at Historical Cost	12,294,860	496,555	167,718	12,623,697
Less: Accumulated depreciation				
Utility plant	4,254,428	195,788	83,269	4,366,947
Other capital assets	2,097,300	101,630	29,635	2,169,295
Total Accumulated Depreciation	6,351,728	297,418	112,904	6,536,242
Total Depreciated Capital Assets - Net	5,694,739	4,787	-	5,699,526
CAPITAL ASSETS - NET	\$ 5,943,132	\$ 199,137	\$ 54,814	\$ 6,087,455

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Long-Term Debt Administration

Table 5 shows the changes in long-term debt for the year. At year end, the District had \$238,600 in outstanding debt. The District's total long-term debt decreased by \$9,900 during the year ended June 30, 2025, due to regularly scheduled debt service payments.

Table 5
Changes in Long-Term Debt

June 30, 2025		USDA Rural Development - Texas Springs Project
Original date		2001
Maturity date		2041
Interest rate		4.5%
Original Amount Borrowed	\$	456,480
Balance - Beginning of Year	\$	248,500
Balance - End of Year	\$	238,600

Capacity Reserve

The Water Master Plan sets forth a Capital Improvement Plan (CIP) identifying improvements necessary to ensure the continued availability of physical facilities for the District's water distribution system which defines the necessary Capacity Charge for new meter sales. This amount will be charged for each new service connection at the time of meter installation.

There are currently no anticipated public improvements to be made from the Capacity Reserve. There are currently no interfund transfers or loans from the Capacity Reserve.

Table 6 below displays the changes in the Capacity Reserve for the year.

Table 6
Transfer From Capacity Charges

June 30, 2025	
Cash Balance - Beginning of Year	\$ 119,370
Add	
Capacity fees received	4,613
Interest income	5,579
Deduct	
Transfers to unrestricted cash for capital improvements*	-
Cash Balance - End of Year	\$ 129,562

*No expenditures during 2024-25.

Centerville Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District will continue to review its policy of increasing capacity charges annually to address those capital projects outlined in the Water Master Plan.

Water rates are reviewed annually and are not changed automatically. In determining any rate adjustments, a balanced budget of estimated revenues, expenses, and reserve funding are reviewed.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or a request for additional financial information should be directed to the District Manager, Centerville Community Services District, 8930 Placer Road, Redding, CA 96001, or by calling (530) 246-0680.

Basic Financial Statements

Centerville Community Services District

STATEMENT OF NET POSITION

June 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,381,644
Cash and cash equivalents - restricted	52,735
Receivables:	
Special assessment taxes - current	13,088
Customer accounts	164,853
Grants	43,235
Accrued interest - LAIF	14,332
Inventories	156,985
Prepaid costs	20,388

Total Current Assets	1,847,260
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Noncurrent Assets

Cash and cash equivalents - restricted	24,575
Water rights	384,386
Special assessment taxes receivable - noncurrent	228,915
Master water plan - net	363
Nondepreciated capital assets	387,929
Depreciated capital assets - net	5,699,526

Total Noncurrent Assets	6,725,694
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TOTAL ASSETS	8,572,954
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources from pension	\$ 166,645
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The accompanying notes are an integral part of these financial statements.

Centerville Community Services District**STATEMENT OF NET POSITION**

(Continued)

June 30, 2025

LIABILITIES**Current Liabilities**

Accounts payable	\$	280,830
Advances from grantors		141,538
Payable from restricted assets:		
Accrued interest payable		6,286
Current portion of long-term debt		9,700
Customer deposits		39,098

Total Current Liabilities		477,452
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Long-Term Liabilities

Long-term accounts payable		215,782
Compensated absences payable		16,049
Long-term debt, net of current maturities		228,900
Net pension liability		622,303

Total Long-Term Liabilities		1,083,034
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TOTAL LIABILITIES		1,560,486
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources from pension		8,183
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NET POSITION

Net investment in capital assets		5,848,855
Restricted:		
Debt service		44,794
Contractual obligations		32,516
Unrestricted		1,244,765

TOTAL NET POSITION	\$	7,170,930
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The accompanying notes are an integral part of these financial statements.

Centerville Community Services District

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended June 30, 2025

Operating Revenues	
Charges for services	\$ 1,580,658
Installations and extensions	4,613
Miscellaneous	3,544
Total Operating Revenues	1,588,815
Operating and Maintenance Expenses	
Water purchases	66,326
Pumping electric charge	54,663
Transmission and distribution	41,093
General and administrative	1,018,931
Clear Creek treatment and transmission	187,366
Total Operating and Maintenance Expenses	1,368,379
Operating Income Before Depreciation and Amortization	220,436
Depreciation and amortization	302,722
Operating Loss	(82,286)
Nonoperating Revenues (Expenses)	
Interest and fiscal fee revenue	55,315
Property tax revenue	287,167
Interest and fiscal charge expense	(25,378)
Total Nonoperating Revenues (Expenses)	317,104
Operating Income Before Contributions	234,818
Capital contributions	129,812
Change in Net Position	364,630
Net Position - Beginning of Year	6,806,300
Net Position - End of Year	\$ 7,170,930

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

Centerville Community Services District**STATEMENT OF CASH FLOWS**

Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers and noncapital grantors	\$ 1,569,776
Cash payments to suppliers for goods and services	(660,584)
Cash payments to/on behalf of employees	(737,863)
Cash payments to Board of Directors	(3,950)

NET CASH PROVIDED BY OPERATING ACTIVITIES 167,379**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

General property taxes received	265,983
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital contributions received	154,423
Acquisition of capital assets	(441,741)
Principal paid on long-term debt	(9,900)
Interest and fiscal charges paid	(25,527)
Special assessment taxes received	33,898

NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES (288,847)**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and fiscal fees received	53,576
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Net Change in Cash and Cash Equivalents 198,091**Cash and Cash Equivalents - Beginning of Year** 1,260,863**Cash and Cash Equivalents - End of Year** \$ 1,458,954**COMPONENTS OF CASH AND CASH EQUIVALENTS**

Current assets	\$ 1,381,644
Current assets - restricted	52,735
Noncurrent assets - restricted	24,575

Total Cash and Cash Equivalents \$ 1,458,954*The accompanying notes are an integral part of these financial statements.*

Centerville Community Services District**STATEMENT OF CASH FLOWS**

(Continued)

Year Ended June 30, 2025

**RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating loss	\$	(82,286)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization		302,722
Net amortization of deferred outflows (inflows) of resources from pension		43,979
Changes in:		
Customer accounts		(6,925)
Inventories		(65,492)
Prepaid costs		(1,893)
Deferred outflows of resources from pension		16,652
Accounts payable		(31,043)
Customer deposits		(466)
Compensated absences payable		(651)
Net pension liability		(11,551)
Deferred inflows of resources from pension		4,333

NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	167,379
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The accompanying notes are an integral part of these financial statements.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity Centerville Community Services District (the District) was formed in 1959 for the purpose of providing a domestic water supply to approximately 6,000 acres of unincorporated territory, immediately west of the City of Redding within the state of California. Special districts, such as the District, are formed to provide a limited range of public functions rather than provide a full range of government services. Community services districts are governed by the Community Services District Law starting at section 61000 of the *California Government Code*.

The initial water system improvements were financed through the Davis-Grunsky Act loan from the State Department of Water Resources. Additional water mains, storage, and booster pumping facilities were constructed by the District in 1982 and 1983, utilizing a combination of a Farm Home Administration grant and loan funding. Through the years, the water distribution system has been expanded due to the formation of assessment districts as well as to private development, particularly the Olney Park, Ranchland, Montgomery Ranch, Monte De Las Flores, Westside Estates, and Placer Pines subdivisions. The District currently serves approximately 1,250 water connections with a service boundary of approximately 11,000 acres and is governed by a five-member Board of Directors.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following summary of the more significant accounting policies of the District is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

Implementation of New Accounting Standards The District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, as of July 1, 2024. This statement outlines a unified recognition and measurement model that results in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The model can be applied consistently to any type of compensated absence and eliminates potential comparability issues between governments that offer different types of leave. The model also results in a more robust estimate of the amount of compensated absences that a government will pay or settle, which enhances the relevance and reliability of information about the liability for compensated absences. This statement has been applied as of the beginning of the period of implementation. Upon analysis of the District's compensated absence accruals and policies, the District determined that the previous accounting for compensated absences resulted in a liability that is materially consistent with the liability estimated under GASB Statement No. 101. As such, no retrospective restatement is deemed necessary.

The District has adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*, as of July 1, 2024. This statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met, the government must disclose information in the notes to the financial statements to enable users of the financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. As a result of this statement, the District has presented additional disclosures in note 9.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Measurement Focus and Basis of Accounting The District's activities are accounted for as an enterprise fund (a business-type activity) and the accounting records are maintained on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents The District considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash and cash equivalents.

The District is generally authorized, under state statute and local resolutions, to invest in demand deposits with financial institutions, savings accounts, certificates of deposit, U.S. Treasury securities, federal agency securities, state of California notes or bonds, notes or bonds of agencies within the state of California, obligations guaranteed by the Small Business Administration, bankers' acceptances, commercial paper, and the Local Agency Investment Fund (LAIF) of the State of California.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The District maintains some of its cash in the Shasta County Treasury (the County) as part of the common investment pool. The County is restricted by *California Government Code*, Section 53635 pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The fair value of the District's investment in the pool is based on the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The pool has deposits and investments with a weighted-average maturity of more than one year. As of June 30, 2025, the fair value of the County pool was 101.38% of the carrying value and is deemed to not represent a material difference. Information regarding the amount of dollars invested in derivatives with the County was not available. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by *California Government Code*, Section 27130. The District is considered to be an involuntary participant in the external investment pool.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The District also participates in LAIF, an investment pool managed by the state of California. As of June 30, 2025, the LAIF pool includes structured notes and asset-backed securities which total 2.02% of the total portfolio. These structured notes and asset-backed securities are subject to market risk as to change in interest rates. As of June 30, 2025, the fair value of LAIF is 100.12% of the carrying value and is deemed to not represent a material difference. There are no LAIF funds invested in derivatives as of June 30, 2025. LAIF has oversight by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the State Treasurer or their designated representative. The District is considered to be a voluntary participant in the LAIF investment pool. LAIF has a weighted-average maturity of less than one year.

Receivables Amounts due from private individuals, organizations, or other governments which pertain to charges for services rendered by the District or grant amounts earned but not received are reported as receivables. Receivables are reviewed periodically to establish or update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the age of various accounts. Management expects to collect on all accounts receivable accrued as of June 30, 2025.

Inventories The District's inventories consist of materials and supplies held for consumption and are valued at the lower of cost or market. Cost is determined by using the first-in, first-out method.

Prepaid Costs Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid costs.

Restricted Assets The use of certain assets of the District are restricted by specific provisions of bond resolutions and agreements with various parties. Assets so designated are identified as restricted assets on the statement of net position. When both restricted and unrestricted resources are available for use, the District's policy is to use unrestricted resources first, then restricted resources as they are needed. Restricted assets are classified as noncurrent if they are for acquisition or construction of capital assets, for liquidation of long-term debt, or are for other than current operations.

Capital Assets Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated fair value on the date of donation. The District capitalizes assets with a useful life of more than one year and a cost basis greater than \$5,000. Costs of maintenance and repairs that do not add to the value of assets or extend their useful lives are not capitalized.

All capital assets except land and construction in progress are depreciated using the straight-line method over the following estimated useful lives:

Transmission and distribution plant	50 years
Buildings	40-50 years
Building improvements	15-50 years
Office equipment	5-10 years
Other equipment	5-10 years
Master water plan	5 years
Vehicles	5-10 years

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Compensated Absences The District accrues a liability for compensated absences when the benefits are attributable to services already rendered, the obligation has been earned but not yet used, and are more likely than not to be used or paid. The estimated liability is based on the District's leave policies and historical usage patterns. Compensated absences, if any, are reported in compensated absences payable on the statement of net position.

Deferred Outflows/Inflows of Resources In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period which will only be recognized as an outflow of resources (expense) in the future. District contributions subsequent to the measurement date related to the pension plan, are reported as deferred outflows of resources in the statement of net position. District contributions subsequent to the measurement date will be amortized during the next fiscal year.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and would only be recognized as an inflow of resources (revenue) at that time.

Changes in proportion and differences between the District's contributions and proportionate share of pension contributions, the District's proportionate share of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the differences between the District's expected and actual experience, are reported as deferred inflows of resources or deferred outflows of resources in the statement of net position. These amounts are amortized over the estimated service lives of the pension plan participants.

Net Pension Liability In general, the District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the District's prior fiscal year end. Changes in the net pension liability are recorded in the period incurred as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions and pension expense, information about the fiduciary net position of the District's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Advances from Grantors Cash received for special projects and programs is recognized as revenue to the extent qualified expenses have been incurred. Advances from grantors are recorded to the extent that cash received on specific projects and programs exceed qualified expenses.

Net Position Net position represents the difference between assets and liabilities. The District's net position is classified as follows:

Net Investment in Capital Assets: Net investment in capital assets represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position: Restricted net position represents resources which are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

Unrestricted Net Position: Unrestricted net position represents resources available for transactions relating to the general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

Operating and Non-Operating Revenues and Expenses The District's financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses are those that result from providing services associated with the principal activities of the District. Primary examples of operating revenues are charges for water services and installation and extensions. Operating expenses include the cost of sales and services, administrative costs, and depreciation and amortization costs. Non-operating revenues and expenses are all those that do not meet the criteria described previously and include interest, tax revenues, and debt service expenses.

Property Tax Revenues The County of Shasta assesses, bills, and collects ad valorem property taxes for the District. Ad valorem property taxes levied in July 2024 are for the purpose of financing the budget of the 2025 fiscal year. Property tax revenue recognized for the 2025 fiscal year was levied in July 2024.

Key dates in the property tax cycle are as follows:

Fiscal year ended June 30, 2025	Revenues
Property taxes levied	July 1, 2024
Property taxes payable	November 1, 2024 and February 1, 2025
Property taxes delinquent	December 10, 2024 and April 10, 2025
Lien date	March 1, 2025

Special Assessments Section 37203 of the *California Water Code*, upon a vote of the affected property owners, allows a California Water District to compel the county in which it is located to levy and collect ad valorem assessments on all lands located within the District, sufficient to raise monies to provide for the operations and debt service of the District.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Capital Contributions Transmission and distribution system assets contributed to the District by installers are capitalized at the installers' costs, which approximate fair value at the time of the District's acquisition. The funds are recorded as capital contributions on the statement of revenues, expenses, and changes in net position. Grants that fund capital assets are also recorded as capital contributions.

2. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents:

June 30, 2025	Maturities	Fair Value
Petty cash/cash awaiting deposit	\$	100
Deposits (1)		112,979
Subtotal		113,079
Investments That Are Not Securities (2)		
County treasurer's investment pool	20.3 months average	15,676
Local Agency Investment Fund (LAIF)	8.2 months average	1,330,199
Subtotal		1,345,875
Total Cash and Cash Equivalents	\$	1,458,954

(1) **Deposits** The carrying amount of deposits includes checking accounts, savings accounts, nonnegotiable certificates of deposit, and money market accounts at financial institutions, if any.

(2) **Investments That Are Not Securities** A "security" is a transferable financial instrument that evidences ownership or creditorship, whether in physical or book-entry form. Investments that are not securities do not have custodial credit risk because they do not involve a transferable financial instrument. Thus, they are not categorized into custodial credit risk categories.

The above amounts include both unrestricted and restricted cash, which are further classified in the statement of net position and statement of cash flows.

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 possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as LAIF.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The *California Government Code* requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral for bank deposits in excess of deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The District has confirmed with its financial institutions that they are in compliance with these codes. Management does not believe the District is exposed to any significant custodial credit risk with respect to its deposits and investments.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2025:

- County treasurer's investment pool of \$15,676 and LAIF of \$1,330,199 are valued using quoted prices for similar instruments in active markets and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

Credit Risk - Investments

The District has a formal investment policy on managing credit risk; the District's policy and the *California Government Code* authorize the District to invest in obligations, participations, or other investments of the U.S. Government or its agencies, state and municipal bonds, commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Standard & Poor's Corporation or Moody's Investment Service, Inc., bankers' acceptances, repurchase agreements, and the State Treasurer's Investment Pool (LAIF). The District's investment in the County investment pool and LAIF are unrated.

Concentration of Credit Risk

California Government Code, Section 53635, places the following concentration limits on the County investment pool:

- No more than 40% may be invested in eligible commercial paper and no more than 10% may be invested in the outstanding commercial paper of any single issuer.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

California Government Code, Section 53601, places the following concentration limits on the District's investments:

- No more than 10% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises and where otherwise noted; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 40% may be invested in bankers' acceptances and no more than 30% may be invested in bankers' acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% may be invested in reverse repurchase agreements; no more than 30% may be invested in medium-term notes; no more than 20% may be invested in mortgage passthrough and related securities; and no more than 30% may be invested in certain unsecured, unsubordinated obligations.

The District's policy limits the amount that may be invested in any one permissible investment type.

3. INVENTORIES

Inventories of \$156,985 as of June 30, 2025 consisted of pipes and other supplies.

4. WATER RIGHTS

In August 2000, the District entered into a Water Exchange Contract with the United States Bureau of Reclamation (BOR) whereby the District obtained 900 acre-feet of federal Central Valley Project (CVP) water in exchange for the District's pre-1914 water rights on Clear Creek. In April 2001, the U.S. Bureau of Reclamation and the Shasta County Water Agency assigned all rights, title, and interest to an additional 2,900 acre-feet of the CVP water to the District. Therefore, the District's current total water entitlement under contract is 3,800 acre-feet per year. These water rights are reflected in the statement of net position in the amount of \$384,386.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. SPECIAL ASSESSMENT TAXES RECEIVABLE

The District has a special assessment district, AD 2001-1. A special assessment district is a geographical area consisting of real estate parcels that a government can charge and assess taxes against to finance certain public projects. The District's special assessment taxes receivable consisted of the following:

June 30, 2025

Special Assessment Taxes Receivable

AD 2001-1	\$	242,003
Current portion		(13,088)

Special Assessment Taxes Receivable - Noncurrent Portion	\$	228,915
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AD 2001-1 was formed and financed with limited obligation improvement bonds under the *California Improvement Bond Act of 1915*. The special assessment district was formed to improve the water distribution system within the special assessment district and benefits 31 parcels.

The property owners within the special assessment district are responsible for paying an annual special assessment tax to repay the bonded debt. The annual assessment appears on the County property tax bill and is collected with it. Property owners have the option to prepay, in part or in full, the assessment for their property tax bill to relieve the burden of annual payments.

The annual assessment amount for each unpaid parcel within the special assessment district is based on a repayment schedule which shows the amount to be collected each year to pay off the parcel's share of the bonded debt. To determine the net assessment amounts from each parcel, the following steps are taken:

- The parcel's principal and interest payment is taken from its original repayment schedule.
- If applicable, a pro-rata share of interest earned is deducted from the assessment.
- In accordance with Section 8682 and 8682.1 of the *California Streets and Highways Code*, the parcel's share of consulting expenses, fiscal agent expenses, agency staff expenses, and other costs of managing the special assessment district are added to the assessment.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. CAPITAL ASSETS

Changes in capital assets consisted of the following:

Year Ended June 30, 2025	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciated Capital Assets				
Land	\$ 38,759	\$ -	\$ -	\$ 38,759
Construction in progress:				
West Ridge Estates	15,894	-	-	15,894
Storage building	6,228	-	6,228	-
Silver King main line	30,197	-	-	30,197
Muletown generator	88,787	44,748	-	133,535
AC pipe	2,103	-	-	2,103
Shop building improvements	26,127	22,459	48,586	-
Telemetry	40,298	119,206	-	159,504
Watershed sanitary survey	-	7,937	-	7,937
Total Nondepreciated Capital Assets	248,393	194,350	54,814	387,929
Depreciated Capital Assets				
Utility plant	8,695,962	247,391	-	8,943,353
Replacement meters	203,173	-	83,269	119,904
Office buildings	344,653	-	-	344,653
Equipment storage buildings	290,129	54,814	-	344,943
Office equipment	59,551	-	25,343	34,208
Automotive	188,652	-	4,292	184,360
1995 water project	1,153,838	-	-	1,153,838
Machinery and equipment	285,793	-	-	285,793
Radio telemetry system	116,150	-	-	116,150
TS/Honeybee project	633,176	-	-	633,176
TS Pipeline oversize	7,169	-	-	7,169
Foxwood annexation	4,854	-	-	4,854
GIS development	57,701	-	-	57,701
Telemetry Clear Creek tank	5,666	-	-	5,666
Total Depreciated Capital Assets	12,046,467	302,205	112,904	12,235,768
Totals at Historical Cost	12,294,860	496,555	167,718	12,623,697
Less: Accumulated depreciation				
Utility plant	4,254,428	195,788	83,269	4,366,947
Other capital assets	2,097,300	101,630	29,635	2,169,295
Total Accumulated Depreciation	6,351,728	297,418	112,904	6,536,242
Total Depreciated Capital Assets - Net	5,694,739	4,787	-	5,699,526
CAPITAL ASSETS - NET	\$ 5,943,132	\$ 199,137	\$ 54,814	\$ 6,087,455

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

7. NET PENSION LIABILITY

Qualified employees are covered under a cost-sharing multiple-employer defined benefit pension plan maintained by the California Public Employees' Retirement System (CalPERS).

Summary

Net pension liability, deferred outflows or resources, deferred inflows of resources, and pension expense are reported as follows:

		Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
June 30, 2025					
CalPERS Public Agency Pool	\$	622,303	\$ 166,645	\$ 8,183	\$ 120,967

Net pension liability, deferred outflows of resources, and deferred inflows of resources are reported in the accompanying statement of net position; pension expense is reported in the accompanying statement of revenues, expenses, and changes in net position.

Plan Description All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Annual Comprehensive Financial Report (ACFR), which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the District. The District's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Misc.). The District does not have any rate plans in the safety risk pool.

Benefits Provided The plan provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The benefits are based on members' years of service, age, final compensation, and benefit formula. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The Plan provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

Employer rate plan	Miscellaneous	PEPRA Miscellaneous
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% at 60	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.93%	7.75%
Required employer contribution rates	10.15%	7.87%

Contributions Section 20814(c) of the *California Public Employees' Retirement Law* requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's agreement with employees is to split contributions 50/50. The District's contributions to the risk pools in the Plan for the year ended June 30, 2025, were \$67,551, and equaled 100% of the required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2025, the District reported a net pension liability of \$622,303 for its proportionate share of the Miscellaneous Risk Pool net pension liability. The District's net pension liability is measured as the proportionate share of the risk pool's net pension liability. GASB Statement No. 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

The District's proportionate share of the net pension liability as of June 30, 2023, the valuation date, was calculated as follows:

In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2023. Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The District's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the District's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The District's proportionate share of the net pension liability as of June 30, 2024, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2024, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2023, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2024, was calculated by applying the District's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2024, to obtain the total pension liability and fiduciary net position as of June 30, 2024. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The District's proportionate share percentage of the net pension liability for the risk pool as of June 30, 2023, and June 30, 2024, was as follows:

	Miscellaneous Risk Pool
Proportion at measurement date - June 30, 2023	0.012676%
Proportion at measurement date - June 30, 2024	0.012867%
Change - increase (decrease)	0.000191%

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$119,143. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 43,301	\$ 1,663
Net difference between projected and actual earnings on pension plan investments	25,021	-
Change in assumptions	12,679	-
Changes in proportion and differences between District contributions and proportionate share of contributions	18,093	6,520
District contributions subsequent to the measurement date	67,551	-
Total	\$ 166,645	\$ 8,183

The \$67,551 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30		
2026	\$	33,415
2027		64,128
2028		2,699
2029		(9,331)
Total	\$	90,911

Actuarial Assumptions The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	2.80%
Salary increases (1)	Varies by entry age and length of service
Investment rate of return (2)	6.80%
Mortality rate table	Derived using CalPERS' Membership Data for all Funds

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

(2) Net of pension plan investment and administrative expenses; includes inflation

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. The mortality table used was developed based on CalPERS' specific data. The table includes generational mortality improvements using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

	Assumed Asset Allocation	Real Rate of Return (1, 2)
Asset Class		
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on 2021-22 Asset Liability Management study.

Discount Rate The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2024 based on June 30, 2023 Valuations*, that can be obtained from the CalPERS website.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 6.80% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 10 basis points. An investment return excluding administrative expenses would have been 6.90%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as the District's proportionate share of the net pension liability if it was calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
June 30, 2025			
District's proportionate share of the net pension liability	\$ 960,207	\$ 622,303	\$ 344,158

Pension Plan Fiduciary Net Position Detailed information about the pension plan's fiduciary net position is available in CalPERS' separately issued ACFR.

8. LONG-TERM DEBT

Changes in Long-Term Debt

A summary of the changes in long-term debt (current and noncurrent portions) of the District is as follows:

Year Ended June 30, 2025	Beginning Balance	Additions	Deductions	Ending Balance
Long-Term Debt				
USDA Rural Development	\$ 248,500	\$ -	\$ 9,900	\$ 238,600
Current portion				(9,700)
Noncurrent Portion				\$ 228,900

Centerville Community Services District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Principal and Interest Requirements to Maturity

USDA Rural Development This limited obligation improvement bond was issued under the *California Improvement Bond Act of 1915* and is related to the AD 2001-1 special assessment district as discussed in the special assessment taxes receivable note in these financial statements. The bond was issued to finance improvements to the distribution system within the special assessment district. The total bond issue of \$456,480 is to be repaid from the assessments to individual property owners within the special assessment district. The bond originated in 2001, matures in 2042, and accrues interest annually at a rate of 4.5%. The bond requires an annual principal payment in September and semi-annual interest payments in March and September of each year.

The remaining annual debt service payments are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 9,700	\$ 10,519	\$ 20,219
2027	10,100	10,073	20,173
2028	10,500	9,610	20,110
2029	11,100	9,124	20,224
2030	11,500	8,615	20,115
2031-2035	65,600	34,673	100,273
2036-2040	82,000	18,117	100,117
2041-2042	38,100	1,735	39,835
Total	238,600	\$ 102,466	\$ 341,066
Current portion	(9,700)		
Noncurrent Portion	\$ 228,900		

The amount of interest incurred during the year was \$10,883, all of which was charged to expenses.

9. COMMITMENTS AND CONTINGENCIES

Dedicated-Capacity Contract

On October 20, 1994, Clear Creek Community Services District (Clear Creek) and the District entered into a dedicated-capacity contract. Clear Creek treats and conveys water to the District. In accordance with this contract, Clear Creek agrees to sell and the District agrees to purchase dedicated-capacity in the Plant, such that the District shall be entitled to the availability of 25% of the treatment capacity of the Plant. Additionally, the District is obligated to pay operational costs; treatment, transmission and conduit costs; and administrative and general costs based on the District's percentage use of the total quantity of water treated by the Plant. In accordance with the dedicated-capacity contract, the District may be obligated to pay its portion of unanticipated costs that may arise during the term of the contract that cause a material change in operations.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WIIN Act

On September 15, 2020, the District's Board of Directors authorized a contract amendment, authorized by the WIIN Act. The WIIN Act is comprehensive legislation relating to water infrastructure. Section 4011 of Subtitle J outlines the authority and direction for the Secretary of the Interior to negotiate contracts for repayment terms, which may include prepayments, lump sum, or accelerated payments, on existing water service contracts. The contract amendment results in a perpetual repayment contract providing for Project Water Service and Facilities Repayment with the BOR. While the amendment guarantees a perpetual contract, it does not guarantee a water allocation. Under the amendment, the District remitted accelerated repayment on facilities during fiscal year 2020-21, in the amount of \$41,388.

A coalition of California environmental groups is challenging the validity of the perpetual contracts of nearly one hundred water purveyors throughout California, including the District. The outcome is uncertain and could result in the District's perpetual water contract becoming subject to renewal by the BOR.

Multi-year Contract Commitment

On July 29, 2021, the District entered into an agreement for tank restoration and maintenance. The agreement is for ten years, beginning September 1, 2021, and ending August 31, 2031, and calls for annual costs of approximately \$156,000, to be paid in quarterly installments. Due to timing of the completion of the work against the payment schedule, prepaid or accounts payable balances can result. As of June 30, 2025, the District's current and long-term accounts payable includes a balance of \$157,983 and \$215,782, respectively, related to this agreement.

Concentrations

The District provides water services to customers within its boundaries. Nearly all revenue is generated from water sales, related services, and tax allocations. This geographic concentration exposes the District to risks related to natural disasters such as drought or wildfire. A significant adverse event impacting the service area could disproportionately affect the District's customer base and financial condition.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

10. RISK MANAGEMENT AND INSURANCE COVERAGE

The District has obtained general liability, auto liability, public officials' liability, workers' compensation, property coverage, and fidelity coverage through the Association of California Water Agencies - Joint Powers Insurance Authority (JPIA), a joint powers authority of the California public water agencies.

June 30, 2025	JPIA Pooled Amount	Commercial Insurance Additional Coverage
General, auto, and public officials' liability	\$ 5,000,000	\$ 55,000,000
Cyber	\$ -	\$ 5,000,000 *
Workers' compensation	\$ 2,000,000	\$ 4,000,000
Property coverage	\$ 10,000,000	\$ 150,000,000
Fidelity	\$ 100,000	\$ -

**\$3,000,000/member, \$5,000,000 aggregate*

Each member's share of pooled insurance costs depends on the losses of all members. In addition, the cost to a member district will also depend on the loss experience of that district. Districts with a consistent record of costly claims will pay more than districts with a consistent record of less serious claims activity. Settled claims resulting from the risks identified above have not exceeded insurance coverage in the past three years. No significant reductions in insurance coverage from the prior year have been made.

A representative of each member district, appointed by the board of directors of that district, serves on the board of directors of the JPIA. The board of directors is responsible for deciding the risks the JPIA will underwrite, monitoring the costs of claims, and arranging financial programs. Each member of the board of directors has an equal vote in matters concerning the JPIA.

The District's share of year-end assets, liabilities, and fund equity is not calculated by the JPIA. Separately issued financial statements can be requested from the JPIA.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

11. RESTRICTED AND DESIGNATED NET POSITION

Restricted net position consisted of the following:

June 30, 2025

RESTRICTED FOR DEBT SERVICE

Operating

Texas Springs assessment	\$	44,794
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RESTRICTED FOR CONTRACTUAL OBLIGATIONS

Texas Springs reimbursement agreement	3,938
Customer rental deposits	28,578

TOTAL RESTRICTED FOR CONTRACTUAL OBLIGATIONS	32,516
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Total Restricted Net Position	\$ 77,310
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Net position is designated to indicate management does not consider it to be available for general operations. Designated net position is part of unrestricted net position since the constraints on resources are internal, which management can remove or modify.

Designated net position consisted of the following:

June 30, 2025

Operating

General operation and maintenance	\$	406,360
Pump station repair and replacement		16,024
Water treatment plant		249,847

Subtotal	672,231
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Capital

General facility improvement	372,108
Plant capacity	129,562

Subtotal	501,670
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Total Designated Net Position	\$ 1,173,901
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Pump Station Repair and Replacement

These funds have been designated by the Board of Directors for the repair and replacement of the pumping equipment in the District's three pump stations.

Centerville Community Services District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Water Treatment Plan Funds

These funds have been designated by the Board of Directors toward maintenance projects related to the water treatment plant.

General Facility Improvement

These funds have been combined with the Cash Flow Stabilization funds and designated by the Board of Directors for the purchase and/or construction of those items described in the District's ten-year General Facilities Improvement Plan and for improvements to the District's operation facilities which are not listed in the District's Master Plan.

Plant Capacity

These funds have been designated by the Board of Directors to fund those major capital improvements described in the District's Master Water Plan that will be necessary as the District grows to reach its planned ultimate development.

12. FUTURE GASB IMPLEMENTATION

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement establishes new accounting and financial reporting requirements, or modifies existing requirements relating to management's discussion and analysis; unusual or infrequent items; presentation of proprietary fund information; major component units; budgetary comparison information; and financial trends information. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2025, will have on the District's financial statements, if any.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement requires that lease assets and subscription assets be separately disclosed. The statement also requires additional disclosures for capital assets held for sale. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2025, will have on the District's financial statements, if any.

Required Supplementary Information

Centerville Community Services District

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Years Ended June 30	2025	2024	2023	2022	2021
District's proportion of the net pension liability (asset)	0.012867%	0.012676%	0.012494%	0.014987%	0.011690%
District's proportionate share of the net pension liability (asset)	\$ 622,303	\$ 633,854	\$ 584,614	\$ 284,576	\$ 493,079
District's covered-employee payroll	\$ 418,085	\$ 418,085	\$ 369,131	\$ 349,030	\$ 330,436
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	148.85%	151.61%	158.38%	81.53%	149.22%
Plan fiduciary net position as a percentage of the total pension liability	75.15%	72.80%	73.28%	86.07%	74.94%

Years Ended June 30	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.011293%	0.010864%	0.014470%	0.010048%	0.009011%
District's proportionate share of the net pension liability (asset)	\$ 452,218	\$ 409,436	\$ 411,817	\$ 349,050	\$ 247,209
District's covered-employee payroll	\$ 328,046	\$ 301,251	\$ 268,415	\$ 267,958	\$ 270,585
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	137.85%	135.91%	153.43%	130.26%	91.36%
Plan fiduciary net position as a percentage of the total pension liability	75.87%	77.32%	76.82%	78.73%	78.40%

See the accompanying notes to the required supplementary information.

Centerville Community Services District
SCHEDULE OF DISTRICT'S CONTRIBUTIONS –
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Years Ended June 30	2025		2024		2023		2022		2021
Actuarially determined contribution	\$	64,224	\$	83,990	\$	72,303	\$	65,578	\$ 60,242
Contributions in relation to the actuarially determined contribution		(67,552)		(83,990)		(72,303)		(65,578)	(60,242)
Contribution Deficiency (Excess)	\$	(3,328)	\$	-	\$	-	\$	-	\$ -
Covered-employee payroll	\$	418,085	\$	418,085	\$	369,131	\$	349,030	\$ 330,436
Contributions as a percentage of covered-employee payroll		16.16%		20.09%		19.59%		18.79%	18.23%

Years Ended June 30	2020		2019		2018		2017		2016
Actuarially determined contribution	\$	52,071	\$	44,003	\$	33,577	\$	29,802	\$ 26,287
Contributions in relation to the actuarially determined contribution		(52,071)		(44,003)		(33,577)		(29,802)	(26,287)
Contribution Deficiency (Excess)	\$	-	\$	-	\$	-	\$	-	\$ -
Covered-employee payroll	\$	328,046	\$	301,251	\$	268,415	\$	267,958	\$ 270,585
Contributions as a percentage of covered-employee payroll		15.87%		14.61%		12.51%		11.12%	9.71%

See the accompanying notes to the required supplementary information.

Centerville Community Services District

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

1. CHANGES OF BENEFIT TERMS

There were no significant changes of benefit terms during the measurement period ended June 30, 2024.

2. CHANGES OF ASSUMPTIONS

There were no significant changes of assumptions during the measurement period ended June 30, 2024.

OTHER SUPPLEMENTARY INFORMATION SECTION

Centerville Community Services District
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

Year Ended June 30, 2025

Auditing and accounting fees	\$	19,545
Department of Health Services fee		13,916
Directors' compensation		3,950
Dues and subscriptions		31,477
Employee insurance		121,979
Engineering		12,546
LAFCO		3,081
Legal fees		8,716
Liability insurance		38,256
Miscellaneous		17,732
Office supplies		8,819
Office repairs and maintenance		12,031
Payroll taxes		35,761
Postage		10,785
Rent		20,401
Retirement		145,081
Salary expense		473,332
Telephone		11,075
Travel		3,772
Utilities		12,201
Workers' compensation		14,475
Total General and Administrative Expenses	\$	1,018,931

OTHER REPORT SECTION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Centerville Community Services District
Redding, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Centerville Community Services District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

(Continued)

Report on Compliance and Other Matters

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

Purpose of This Report

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

Horton McNulty & Gaetavn, LLP

November 13, 2025
Chico, California

FINDINGS AND RECOMMENDATIONS SECTION

Centerville Community Services District
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2025

None.

Centerville Community Services District
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2025

None.



MEMORANDUM

Date: November 12, 2025
To: Board of Directors
From: Chris Muehlbacher
Subject: **Old Business 1 – Muletown Pump Station Generator Project Update**

Recommendation

INFORMATION – This memo provides a project update.

Discussion

The change in scope of work and budget amendment has been finalized by CalOES and submitted to FEMA for consideration. No further update is available.

The District also requested an 18-month time extension. The extension was approved until January 9, 2026.

Below is a summary of amended project costs:

Description	Amount
Revised Project Budget	\$705,900
FEMA Funding	\$529,425
REU Funding	\$125,000
Centerville Funding	\$51,475

Attachment(s) – None

CENTURYVILLE



COMMUNITY SERVICES DISTRICT

MEMORANDUM

Date: November 12, 2025
To: Board of Directors
From: Chris Muehlbacher
Subject: **Old Business 2 – Carr Fire Recovery Project Update**

Recommendation

INFORMATION – This is a project update and an agenda place holder. Currently, no further update is available.

The remaining \$158k continues to be held in the District's LAIF account compounding interest.

Discussion

At present, FEMA is finalizing the close-out process. Of the seven projects total, FEMA has reconciled and closed out five of them. The remaining two projects needing to be reconciled and closed include Direct Administrative Charges (DAC) and Miscellaneous projects. The DAC will pay an additional \$16k for the District's administrative costs. Once staff completes the DAC details for FEMA, it is anticipated that the remaining close out process will be completed within the near future.

Fiscal Impact

It is anticipated that the remaining reserve funds will be retained by the District. It has been reaffirmed by the consultant that part of the close-out process is to confirm that the projects were completed, the expenses are valid, and that there were no additional funding sources such as an insurance claim.

In summary, FEMA awarded a total of seven (7) projects totaling \$347k for the benefit of this District because of Carr Fire impacts. At present, there remains approximately \$156k in reserve which was not used in completing the approved projects and continues to compound interest. It appears that an additional \$16k will become available as part of the close-out process.

Attachment(s) – None



MEMORANDUM

DATE: November 13, 2025
TO: Board of Directors
FROM: Chris Muehlbacher
Subject: **Old Business 3 – PLC, Radio, and Antenna Replacement Project**

Recommendation

INFORMATION – This item provides a project update.

Item Explanation

The Board approved Change Orders 1 & 2 at the October Board meeting.

Below is a summary of each change order.

Change Order 1 - \$6,426

This change order is to supply and install two Optix Panels at the Muletown Pump Station and the C Pump Station. The existing panels are approaching the end of their remaining useful lives and are not directly compatible with the new PLCs. These panels are anticipated to be received the week of November 20th.

Change Order 2 - \$5,238

This change order is to install two Hand-Off-Auto (HOA) Mode switches for the two pumps at the C Pump Station as well as install a circulating fan for the control cabinets at the Zone A and Zone B Tanks.

It is anticipated that both change orders will be completed before the December Board meeting.

Attachments – None



MEMORANDUM

Date: November 13, 2025
To: Board of Directors
From: Chris Muehlbacher
Subject: **Old Business 4 – Muletown Turnout 10-Inch Meter Replacement Project**

Recommendation

INFORMATION – This provides a project update.

Discussion

The 10-inch UltraMag Meter has been installed and has been returned to service. Installation was completed by Sunrise Construction at a cost of \$1,750. Wagner provided the electrical work. The project remains within budget.

Fiscal Impacts

This project is funded using the O&M Reserve. The total project cost is as follows:

	BUDGET	ACTUAL
10-inch UltraMag Meter	\$ 7,500	\$7,402
Contractor Installation	\$ 2,000	\$1,750
Electrician Connection	\$ 500	\$ 550
Sub-Total	\$10,000	\$9,702
Contingency	\$ 1,000	\$ 0
Total	\$11,000	\$9,702

Attachment(s) – None