

**LATON COMMUNITY SERVICES
DISTRICT**

ANNUAL FINANCIAL REPORT

**JUNE 30, 2023
&
JUNE 30, 2022**

LATON COMMUNITY SERVICES DISTRICT

LATON, CALIFORNIA

JUNE 30, 2023

MEMBER	OFFICE	TERM EXPIRES
Paul Garcia	President	December 2024
Carol Hall	Vice President	December 2026
Timothy Wolf	Secretary	December 2026
Lucy Nino	Treasurer	December 2024
Francisco Orbe	Director	December 2026

ADMINISTRATION

Daniel Chapa	District General Manager
JoAnne Rempp	Office Manager/Secretary to the Board of Directors

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LATON COMMUNITY SERVICES DISTRICT

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Laton Community Services District
Laton, California

REPORT ON THE FINANCIAL STATEMENTS

Opinions

We have audited the financial statements of the Laton Community Services District, as of and for the years ended June 30, 2023 and June 30, 2022, and the related notes to the financial statements, which collectively comprise Laton Community Services 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 respective financial position of the Laton Community Services District, as of June 30, 2023 and June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Laton Community Services 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

RT DENNIS
ACCOUNTANCY

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- ❖ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Laton Community Services District's internal control. Accordingly, no such opinion is expressed.⁵
- ❖ 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 Laton Community Services District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

A handwritten signature in cursive script that reads "R. J. Dennis" followed by a horizontal line and the word "Accountancy" written below it.

February 16, 2024

LATON COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
ASSETS		
Current assets		
Cash and Cash Equivalents	\$ 1,078,997	\$ 1,123,677
Accrued Receivables	109,155	89,393
Prepaid Expenditures	1,683	-
Total current assets	1,189,835	1,213,070
Non-current assets		
Capital Assets, Non-Depreciable	491,649	477,118
Capital Assets, Depreciable	939,146	1,058,139
Total non-current assets	1,430,795	1,535,257
Total Assets	2,620,630	2,748,327
TOTAL ASSETS	\$ 2,620,630	\$ 2,748,327
LIABILITIES		
Current liabilities		
Accrued Payables	\$ 45,914	\$ 109,582
Current portion of long-term debt	13,308	12,742
Total current liabilities	59,222	122,324
Non-current liabilities		
Deposits	52,960	44,018
Long-term Liabilities, non-current	61,049	74,812
Total non-current liabilities	114,009	118,830
Total Liabilities	173,231	241,154
NET POSITION		
Net investment in capital assets	1,358,073	1,449,673
Restricted Net Position		
Restricted for pipelines & well	186,719	186,719
Restricted for sewer system	218,753	218,753
Restricted for fire engine	48,272	48,272
Total Restricted Net Position	453,744	453,744
Unrestricted Net Position	635,582	603,756
Total Net Position	2,447,399	2,507,173
TOTAL LIABILITIES AND NET POSITION	\$ 2,620,630	\$ 2,748,327

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

LATON COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED

	June 30, 2023	June 30, 2022
OPERATING REVENUE		
Water	\$ 241,866	\$ 243,698
Sewer	263,477	255,574
Garbage	182,001	153,560
Other Services	30,452	20,414
Total operating revenue	717,796	673,246
OPERATING EXPENSE		
Salaries	197,071	188,065
Employee Benefits	38,381	38,285
Supplies	34,125	50,607
Services	594,671	707,048
Depreciation	118,873	123,622
Total operating expenses	983,121	1,107,627
OPERATING LOSS	(265,325)	(434,381)
NON-OPERATING REVENUES/(EXPENSES)		
Revenue from use of money/(Loss)	(23,689)	(20,041)
Property Taxes, general purpose	145,197	133,941
Intergovernmental - State	847	869
Intergovernmental - Other	84,489	117,243
Other revenues, non-operating	2,161	50
Interest expense	(3,454)	(2,332)
Total non-operating revenues/(expenses)	205,551	229,730
CHANGE IN NET POSITION	(59,774)	(204,651)
Net Position - Beginning	2,507,173	2,711,824
Net Position - Ending	\$ 2,447,399	\$ 2,507,173

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

LATON COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED

	June 30, 2023	June 30, 2022
Cash flows from operating activities		
Cash receipts from customers	\$ 706,976	\$ 676,065
Cash payments to employees for services	(232,345)	(226,669)
Cash payments to suppliers for goods and services	(697,709)	(682,084)
Net cash used by operating activities	(223,078)	(232,688)
Cash flows from non-capital financing activities		
Property taxes received	146,044	134,810
Non-operating grants received	2,161	50
Net cash provided by non-capital financing activities	148,205	134,860
Cash flows from capital and related financing		
Acquisition of capital assets	(14,531)	(78,517)
Grant proceeds	35,953	80,898
Principal paid	(12,742)	(12,200)
Interest paid	(3,798)	(4,340)
Net cash used in operating activities	4,882	(14,159)
Cash flows from investing activities		
Interest received	25,311	19,530
NET DECREASE IN CASH	(44,680)	(92,457)
CASH		
Beginning of year	1,123,677	1,216,134
End of year	\$ 1,078,997	\$ 1,123,677
Reconciliation of operating loss to cash used in operating activities		
Operating Loss	\$ (265,325)	\$ (434,381)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	118,873	123,622
(Increase)/Decrease in accounts receivable	(19,762)	475
(Increase)/decrease in inventory	-	6,670
(Increase)/decrease in prepaid expenses	(1,683)	6,119
Increase/(decrease) in accounts payable	(63,668)	62,018
Increase/(decrease) in compensated absences	(455)	445
Increase/(decrease) in customer deposits	8,942	2,344
Net cash used by operating activities	\$ (223,078)	\$ (232,688)

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

LATON COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023 AND JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 - A. Description of Financial Statements

The Laton Community Services District is a California special district that was created on March 28, 1952, upon the approval of the Board of Supervisors of Fresno County. The District was organized to provide and maintain sewer and water operations in the community of Laton, County of Fresno, State of California. The District is governed by a board of directors.

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units, and by the Financial Accounting Standards Board (when applicable).

1 - B. Basis of Presentation

The statement of net position and the statement of activities display information about the primary government (“the District”). These statements include the financial activities of the overall government.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

1 - C. Basis of Accounting – Measurement Focus

Proprietary Financial Statements. The proprietary fund financial statements are reported using the economic resources measurement focus. The proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from grantor restrictions on their net position use.

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

1 - D. Assets, Liabilities, and Net Position

Deposits and Investments. The cash balances of the cash in county are invested by the Fresno County Treasurer for the purpose of increasing earnings through investment activities.

LATON COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2023 AND JUNE 30, 2022

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

Acquisition Value. The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

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

Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20 – 40
Equipment	10 – 20

Accrued Liabilities and Long-Term Obligations. All payables, accrued liabilities, and long-term obligations are reported in the financial statements.

Compensated Absences. Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the financial statements. The liability for compensated absences reported in the proprietary fund statements consists of unpaid, accumulated vacation balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pensions. The District offers a defined contribution pension plan (Simple IRA Plan) that provides a two percent District contribution of participating employee wages. Benefits vest upon contribution. District contributions to the plan for the years ended June 30, 2023 and June 30, 2022 were \$2,694 and \$2,535, respectively.

Net Position. Net Position represents the difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The District has related debt outstanding as of June 30, 2023 and June 30, 2022. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

LATON COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2023 AND JUNE 30, 2022

1 - E. Revenues, Expenditures/Expense

Revenues – Exchange Transactions (Program Revenue). Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Property Tax Calendar

July 1	Beginning of the fiscal year.
August 31	Unsecured deadline date. A 10% penalty is added as of 5:00 P.M. (*)
October 31	Tax Collection Unit mails out original secured property tax bills.
November 1	First installment of the secured taxes are due and payable.
December 10	First installment of secured taxes payment deadline. A 10% penalty is added as of 5:00 P.M. (*)
January 1	Tax lien date (affects the upcoming fiscal year).
February 1	Second installment of secured taxes due and payable.
March	Public auction of tax-defaulted properties. Date varies.
April 10	Second installment of secured taxes payment deadline. A 10% penalty plus \$10.00 cost is added as of 5:00 P.M. (*)
May	Tax Collection Division mails out delinquent notices for any unpaid current secured and supplemental taxes.
June 30	End of fiscal year 5:00 P.M.; Delinquent property not paid in full subject to 1.5% penalty per month in addition to other fees as well as being considered in default.

(*) If a delinquent date falls on a weekend or holiday, the delinquent date is the next business day.

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

Operating Revenues and Expenses. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund’s principal services.

NOTE 2 – CASH AND CASH EQUIVALENTS

2 - A. Summary of Deposit and Investment Balances

Cash and investments consist of the following:

	<u>Jun. 30, 2023</u>	<u>Jun. 30, 2022</u>
Deposits in financial institutions	\$ 22,826	\$ 123,522
Cash in county	1,023,637	967,641
Money market account	32,534	32,514
Total Cash and Cash Equivalents	\$ 1,078,997	\$ 1,123,677

LATON COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2023 AND JUNE 30, 2022

2 - B. Policies and Practices

INVESTMENT TYPE	MAX. MATURITY	MAX % OF PORTFOLIO	MIN QUALITY	GOV'T CODE §s
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% ^{oE}	None	53601(g)
Commercial Paper— Non-Pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSRO	53601(h)(2)(C)
Commercial Paper— Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSRO	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^{oJ}	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% ^{oK}	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% ^{oK}	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund ("LAIF")	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

Investment in County Treasury. The District is considered to be a participant in an external investment pool. The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon 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.

2 - C. Cash Deposits

As of June 30, 2023:

Investments	Fair Value Level	Rating	Maturity (years)	% of Portfolio	Fair Value
Cash in county	2	NA	1.90	97%	\$ 1,023,637
Money market	1	NA	-	3%	32,534

Credit Risk. As of June 30, 2023, the District's Cash in County pool consisted of debt securities and the ratings ranged from A to AA+ by Standard & Poor's.

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the District's deposits may not be returned. The District's deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation ("FDIC") or are collateralized as required by Statutes of the State. As of June 30, 2023 and June 30, 2022, the respective bank balances totaled \$19,327 and \$110,367, all of which was insured through the FDIC.

LATON COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2023 AND JUNE 30, 2022

Custodial Credit Risk. There is a risk that, in the event of a counterparty failure, the District’s investments may not be returned. As of June 30, 2023 and June 30, 2022 total investment balances were insured through the Securities Investor Protection Corporation (“SIPC”).

NOTE 3 – ACCRUED RECEIVABLES

Receivables were as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Accounts receivable	\$ 96,349	\$ 80,473
Allowance for doubtful accounts	(1,700)	(1,700)
Interest receivable	6,954	3,670
Employee cash advance	7,552	6,950
Total Accrued Receivables	\$ 109,155	\$ 89,393

All receivables are considered by management collectible in full.

NOTE 4 – CAPITAL ASSETS

Capital asset activity were as follows:

	<u>Balance</u>		<u>Balance</u>
	<u>Jul. 01, 2022</u>	<u>Additions</u>	<u>Jun. 30, 2023</u>
Capital Assets Not Being Depreciated			
Land	\$ 203,912	\$ -	\$ 203,912
Construction in progress	273,206	14,531	287,737
Total Capital Assets Not Being Depreciated	\$ 477,118	\$ 14,531	\$ 491,649
Capital Assets Being Depreciated			
Infrastructure	\$ 2,372,104	\$ -	\$ 2,372,104
Buildings and improvements	951,388	-	951,388
Equipment	1,139,096	-	1,139,096
Total assets being depreciated	4,462,588	-	4,462,588
Less Accumulated Depreciation			
Infrastructure	1,641,631	54,566	1,696,197
Buildings and improvements	794,111	24,209	818,320
Equipment	968,827	40,098	1,008,925
Total accumulated depreciation	3,404,569	118,873	3,523,442
Total Capital Assets Being Depreciated, Net	\$ 1,058,019	\$ (118,873)	\$ 939,146

LATON COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
 JUNE 30, 2023 AND JUNE 30, 2022

	Balance		Balance	
	Jul. 01, 2021	Additions	Jun. 30, 2022	
Capital Assets Not Being Depreciated				
Land	\$ 203,912	\$ -	\$ 203,912	
Construction in progress	196,018	77,188	273,206	
Total Capital Assets Not Being Depreciated	\$ 399,930	\$ 77,188	\$ 477,118	
Capital Assets Being Depreciated				
Infrastructure	\$ 2,372,104	\$ -	\$ 2,372,104	
Buildings and improvements	951,388	-	951,388	
Equipment	1,139,096	-	1,139,096	
Total assets being depreciated	4,462,588	-	4,462,588	
Less Accumulated Depreciation				
Infrastructure	1,587,065	54,566	1,641,631	
Buildings and improvements	767,797	26,314	794,111	
Equipment	926,086	42,741	968,827	
Total accumulated depreciation	3,280,948	123,621	3,404,569	
Total Capital Assets Being Depreciated, Net	\$ 1,181,640	\$ (123,621)	\$ 1,058,019	

NOTE 5 – ACCRUED PAYABLES

Payables were as follows:

	June 30, 2023	June 30, 2022
Accounts payable	\$ 36,718	\$ 103,665
Payroll related	7,580	4,018
Interest payable	1,616	1,899
Total Accrued Payables	\$ 45,914	\$ 109,582

NOTE 6 – LONG-TERM LIABILITIES

6 - A. Long-Term Liabilities Summary

Long-term liability activity was as follows:

	Balance		Balance		Due In
	Jul. 01, 2022	Deletions	Jun. 30, 2023	One Year	
Compensated absences	\$ 2,090	\$ 455	\$ 1,635	\$ -	
Note payable	85,464	12,742	72,722	13,308	
Total Long-Term Liabilities	\$ 87,554	\$ 13,197	\$ 74,357	\$ 13,308	

LATON COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS, Continued
JUNE 30, 2023 AND JUNE 30, 2022

	Balance	(Additions) /	Balance	Due In
	Jul. 01, 2021	Deletions	Jun. 30, 2022	One Year
Compensated absences	\$ 1,635	\$ (455)	\$ 2,090	\$ -
Note payable	97,664	12,200	85,464	12,742
Total Long-Term Liabilities	\$ 99,299	\$ 11,745	\$ 87,554	\$ 12,742

6 - B. Compensated Absences

The District employees accrue vested annual leave at a variable rate based on years of service. Employees shall not be entitled to vacation leave credit for the first six (6) months of service. On the first day of the monthly pay period following completion of six (6) qualifying monthly pay periods of continuous service, all full-time employees covered by this Section shall receive a one-time vacation bonus of 24 hours of vacation credit. Thereafter, for each additional qualifying monthly pay period, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period the rate after 7.5 months is 6.5 hours per month and “caps out” at 13.0 hours per month after 20 years of service.

6 - C. Note Payable

On March 15, 2013, the District entered into an agreement to finance the purchase of a new Rosenbauer Ford F-550 mini pumper fire truck. The truck had a total cost of \$218,460 with accumulated depreciation of \$210,086. The truck is pledged as collateral for the lease. Interest on the lease is assessed at 3.990 percent per year.

Year Ending June 30,	Principal	Interest	Total
2024	\$ 13,308	\$ 3,232	\$ 16,540
2025	13,899	2,641	16,540
2026	14,517	2,023	16,540
2027	15,162	1,378	16,540
2028	15,836	704	16,540
Total	\$ 72,722	\$ 9,977	\$ 82,699

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