

**MARINWOOD COMMUNITY SERVICES DISTRICT
SAN RAFAEL, CALIFORNIA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2025**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Marinwood Community Services District
San Rafael, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Marinwood Community Services District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Marinwood Community Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Marinwood Community Services District, as of June 30, 2025, and the respective changes in financial position 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. 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 Marinwood Community Services District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Marinwood Community Services District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marinwood Community Services District’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, which follows this report letter, and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund, the Schedule of Proportionate Share of the Net Pension Liability - Miscellaneous and Safety, the Schedule of District’s Contributions - Miscellaneous and Safety, the Schedule of District’s Contributions – OPEB, and the Schedule of Changes in the Net OPEB Liability and Related Ratios, (pages 31-35), listed as required supplementary information 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.



O’Connor & Company

Novato, California
February 10, 2026

Marinwood Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

This section of Marinwood Community Services District's (the District's) basic financial statements presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2025. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

Introduction to the Basic Financial Statements

The required financial statements include the Combined Government-wide and Fund Financial statements; the Statement of Net Position and Governmental Funds Balance Sheet; and the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

The Basic Financial Statements

The basic financial statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the District's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the District's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All the District's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report the District's operations in more detail than the Government-wide Financial Statements and focus primarily on the short-term activities of the District's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the District and are presented individually. Major Funds are explained below.

The Government-wide Financial Statements

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the District as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities

The District's basic services are considered to be governmental activities. These services are supported by specific revenues, state and federal grants, and general revenues from taxes and use of money.

Marinwood Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2025

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the District's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by Governmental Accounting Standards Board (GASB) Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities.

In the District's case, there are two Major Governmental Funds – the General Fund and the Debt Service Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

Analyses of Major Funds

Governmental Funds:

General Fund revenue increased by \$474,114 this fiscal year, due primarily to an increase in recreation service participation and property tax revenue.

General fund expenditure decreased by \$344,241 from the prior year due to the 2024 playground remodel, and emergency creek repairs completed in the prior year.

Governmental Activities

Table 1
Governmental Net Position

	Governmental Activities	
	2025	2024
Current and other assets	\$ 10,839,154	\$ 9,159,149
Capital assets, net of accumulated depreciation	5,317,389	5,007,710
Total assets	16,156,543	14,166,859
Deferred outflows of resources	2,797,659	3,701,863
Current liabilities	1,718,124	1,337,183
Long-term liabilities	11,824,779	12,047,001
Total liabilities	13,542,903	13,384,184
Deferred inflows of resources	1,371,350	2,112,853
Net position:		
Net Investment in capital assets	4,846,860	4,434,458
Restricted	515,357	298,155
Unrestricted	(1,322,268)	(2,360,928)
Total net position	\$ 4,039,949	\$ 2,371,685

The District's governmental net position amounted to \$4,039,949 as of June 30, 2025, an increase of \$1,668,261 from 2024. This increase is the Change in Net Position reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.

Marinwood Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2025

The District's net assets as of June 30, 2025 comprised the following:

- Cash and investments of \$10,396,140, Restricted Measure A fund cash and investments of \$197,087, and accounts receivable of \$245,927.
- Capital assets of \$5,317,389, net of depreciation charges, which includes all the District's capital assets used in governmental activities.
- Deferred outflows of resources related to the net pension liability and OPEB liability of \$2,797,659 and deferred inflows of resources related to the net pension liability and OPEB liability of \$(1,371,350).
- Accounts payable and other current liabilities of \$459,697, as well as unearned revenue of \$1,025,947 .
- Long-term debt of \$470,529 and net pension liability and OPEB liability of \$11,354,250.
- Net investment in capital assets of \$4,846,860, representing the District's investment in capital assets used in Governmental Activities, net of amounts borrowed to finance that investment.
- The Restricted Net Position of \$515,357 represents the District's Measure A & MWPA funds.
- The Unrestricted Net Position is the part of the net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The District had \$(1,322,268) of unrestricted net position as of June 30, 2025.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2
Changes in Governmental Net Position

	Governmental Activities	
	2025	2024
<u>Expenses</u>		
Park	\$ 231,773	\$ 759,282
Recreation	2,488,008	2,501,382
Public safety	3,708,000	3,678,894
Street lighting	29,225	32,795
Measure A	-	81,305
Marin Wildfire Prevention Authority	64,122	98,115
Interest on long-term debt	12,255	14,891
Total expenses	6,533,383	7,166,664
<u>Revenues</u>		
Program revenues:		
Charges for services	3,103,772	2,713,320
Total program revenues	3,103,772	2,713,320
General revenues:		
Taxes and special assessments	4,525,813	4,361,271
Investment earnings and other general revenues	572,059	649,778
Total general revenues	5,097,872	5,011,049
Total revenue	8,201,644	7,724,369
Change in net position	\$ 1,668,261	\$ 557,705

As Table 2 above shows, \$3,103,772, or 38% of the District's governmental revenue, came from program revenues and \$5,097,872, or 62%, came from general revenues such as taxes and special assessments.

Marinwood Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2025

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

Capital Assets

GASB Statement No. 34 requires the District to record all of its capital assets, which were not recorded in prior years. As of June 30, 2025, the cost of infrastructure and other capital assets recorded in the District's financial statements was as shown in Table 3 below:

Table 3
Capital Assets, Net

	June 30, 2025
<u>Governmental Activities</u>	
Land (not depreciated)	\$ 1,930,268
Buildings	5,631,536
Equipment	1,996,385
Other	435,815
Less: accumulated depreciation	<u>(4,676,615)</u>
Total Governmental Activity capital assets, net	<u>\$ 5,317,389</u>

Details on capital assets, current year's additions and current year disposals can be found in Note 4.

Debt Administration

The District made all scheduled repayments of existing debt. Each of the District's debt issues is discussed in detail in Note 5 to the financial statements. As of June 30, 2025, the District's debt comprised:

Table 4
Outstanding Debt

	June 30, 2025
<u>Government Activities</u>	
CSDA lease	\$ 470,529
Net Pension Liability	6,292,856
Other Post Employment Benefits	<u>5,061,394</u>
Total Governmental Activity outstanding debt	<u>\$ 11,824,779</u>

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability. The District will continue to maintain a watchful eye over expenditures and remains committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

Contacting the District's Financial Management

This comprehensive Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the District's finances. Questions about this Report should be directed to Marinwood Community Services District, 775 Miller Creek Road, San Rafael, CA 94903-1323.

Marinwood Community Services District

STATEMENT OF NET POSITION

June 30, 2025

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments	\$ 10,396,140
Restricted cash and investments	197,087
Accounts receivable	245,927
Non-current assets:	
Non-depreciable capital assets	1,930,268
Depreciable capital assets, net	<u>3,387,121</u>
Total assets	<u>16,156,543</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources related to pensions	1,940,041
Deferred outflows of resources related to OPEB	<u>857,618</u>
Total deferred outflows of resources	<u>2,797,659</u>
<u>LIABILITIES</u>	
Accounts payable	207,471
Accrued expenses	252,226
Compensated absences	218,441
Accrued interest	14,039
Unearned revenue	1,025,947
Non-current liabilities:	
Due within one year	62,645
Due in more than one year	407,884
Net pension liability	6,292,856
Other post-employment benefit obligation	<u>5,061,394</u>
Total liabilities	<u>13,542,903</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources related to pensions	202,229
Deferred inflows of resources related to OPEB	<u>1,169,121</u>
Total deferred inflows of resources	<u>1,371,350</u>
<u>NET POSITION</u>	
Net investment in capital assets	4,846,860
Restricted	515,357
Unrestricted (deficit)	<u>(1,322,268)</u>
Total net position	<u>\$ 4,039,949</u>

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

Marinwood Community Services District
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Capital Grants & Contributions	Governmental Activities
Governmental activities:				
Park	\$ 231,773	\$ -	\$ -	\$ (231,773)
Recreation	2,488,008	2,222,202	-	(265,806)
Public safety	3,708,000	881,570	-	(2,826,430)
Street lighting	29,225	-	-	(29,225)
Marin Wildfire Prevention Authority	64,122	-	-	(64,122)
Interest on long-term debt	12,255	-	-	(12,255)
Total governmental activities	<u>\$ 6,533,383</u>	<u>\$ 3,103,772</u>	<u>\$ -</u>	<u>\$ (3,429,611)</u>
General revenues:				
Taxes				2,691,687
Special assessments				1,834,126
Investment earnings, net				380,551
Other general revenues				191,508
Total general revenues				<u>5,097,872</u>
Change in net position				1,668,261
Net position, beginning of period				<u>2,371,688</u>
Net position, end of period				<u>\$ 4,039,949</u>

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

Marinwood Community Services District
GOVERNMENTAL FUNDS BALANCE SHEET
 June 30, 2025

	General Fund	Measure A Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 10,396,140	\$ -	\$ 10,396,140
Restricted cash and investments	-	197,087	197,087
Accounts receivable	245,927	-	245,927
Total assets	\$ 10,642,067	\$ 197,087	\$ 10,839,154
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 207,471	\$ -	\$ 207,471
Accrued expenses	252,226	-	252,226
Unearned revenue	1,025,947	-	1,025,947
Total liabilities	1,485,644	-	1,485,644
Fund balances:			
Restricted	318,270	197,087	515,357
Assigned for Board Designated reserves	800,000	-	800,000
Unassigned	8,038,153	-	8,038,153
Total fund balances	9,156,423	197,087	9,353,510
Total liabilities and fund balances	\$ 10,642,067	\$ 197,087	\$ 10,839,154

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

Marinwood Community Services District
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
June 30, 2025

Total Governmental Funds Fund Balances	\$ 9,353,510
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

Capital Assets

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	5,317,389
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Long-Term Liabilities

The liabilities below are not due and payable in the current period and therefore are not reported in the Fund Financial Statements.

Deferred outflows of resources related to pensions	1,940,041
Deferred outflows of resources related to OPEB	857,618
Long-term debt	(470,529)
Accrued interest	(14,039)
Compensated absences	(218,441)
Net pension liability	(6,292,856)
Other post-employment benefit obligation	(5,061,394)
Deferred inflows of resources related to pensions	(202,229)
Deferred inflows of resources related to OPEB	<u>(1,169,121)</u>

Net Position of Governmental Activities	\$ <u>4,039,949</u>
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The accompanying notes are an integral part of these financial statements.

Marinwood Community Services District
GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2025

	General Fund	Measure A Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes	\$ 2,561,417	\$ 130,270	\$ 2,691,687
Special assessments	1,834,126	-	1,834,126
Charges for services	3,103,772	-	3,103,772
Investment earnings, net	380,551	-	380,551
Other general revenues	191,508	-	191,508
Total revenues	<u>8,071,374</u>	<u>130,270</u>	<u>8,201,644</u>
Expenditures:			
Park	730,700	-	730,700
Recreation	2,373,664	-	2,373,664
Public safety	3,013,121	-	3,013,121
Street lighting	25,282	-	25,282
Measure A	-	-	-
Marin Wildfire Prevention Authority	64,122	-	64,122
Capital outlay	506,824	-	506,824
Debt service:			
Principal	102,720	-	102,720
Interest	13,688	-	13,688
Total expenditures	<u>6,830,121</u>	<u>-</u>	<u>6,830,121</u>
Excess (deficiency) of revenues over (under) expenditures	1,241,253	130,270	1,371,523
Fund balance, beginning of period	<u>7,915,170</u>	<u>66,817</u>	<u>7,981,987</u>
Fund balance, end of period	<u>\$ 9,156,423</u>	<u>\$ 197,087</u>	<u>\$ 9,353,510</u>

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

Marinwood Community Services District
RECONCILIATION OF THE NET CHANGE IN FUND BALANCES WITH
THE CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES
For the Fiscal Year Ended June 30, 2025

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net Change in Fund Balances	\$ 1,371,523
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital Assets Transactions

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense:

The capital outlay expenditures are therefore added back to fund balance	506,824
Depreciation expense is deducted from the fund balance	(197,145)

Long-Term Debt Proceeds and Payment

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities:

Repayment of debt principal is added back to fund balance	102,720
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Accrual of Non-Current Items

The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in the governmental funds (net change):

Accrued interest	1,433
Compensated absences	(73,892)
Pension expense	(462,027)
Other post-employment benefits	<u>418,825</u>

Change in Net Position of Governmental Activities	\$ <u>1,668,261</u>
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The accompanying notes are an integral part of these financial statements.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - GENERAL

Marinwood Community Services District (the District) was formed on February 23, 1960, and is regulated under sections 61000 through 61891 of the California Government Code. The District is governed by an elected board of directors. The District does not exercise oversight responsibility over any other government unit, thus, its financial statements do not include any financial activity of any other agency. It is not a component unit of any other reporting entity.

The District offers a wide variety of recreational activities for people of all ages, from preschoolers to senior citizens. Some of the major activities include parks, playgrounds, swimming pools, recreation buildings, development of open space, and a wide range of recreation programs and activities. The District also provides fire protection, emergency services, and street lighting services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying policies of the District conform to U.S. generally accepted accounting principles and are applicable to governments. The following is a summary of the significant policies:

A. Basis of Presentation

The District's basic financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These standards require that the financial statements described below be presented.

Government-wide Statements

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 District.

These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no fiduciary or business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs; (b) grants and contributions that are restricted to meeting the operational needs of a particular program; and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (concluded)

The Fund Financial Statements are presented after the government-wide financial statements. These statements display information about major funds individually in a separate column and non-major funds in the aggregate for governmental funds.

B. Major Funds

GASB Statement No. 34 defines major funds and requires that the District's major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The District reported the following major governmental funds in the accompanying financial statements:

General Fund: This is used for all the general revenues of the District not specifically levied or collected for other District funds and the related expenditure. The General Fund accounts for all financial resources of a governmental unit that are not accounted for in another fund.

Measure A Fund: This fund is used to account for resources used to complete Measure A projects.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the times liabilities are *incurred*, regardless of when the related cash flow takes place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable" and "available". The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property taxes, certain other intergovernmental revenues, certain charges for services and interest revenue.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (concluded)

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

D. Budgets and Budgetary Accounting

Budgets are used to control spending. Unexpended allocations lapse at the end of each fiscal year and are not carried forward to the following period. Preliminary budgets are determined by the first day of July. A notice of this budget is published, and no less than one month thereafter, the District's Board of Directors approves the final budget. The final budget is reported by the tenth day of August.

The District's budget, as included in these financial statements, represents the budget approved by the Board of Directors. The adopted budget is made for the District as a whole. The District uses the same basis of accounting for budget and financial statement purposes. All appropriations lapse at year-end. Actual General Fund expenditures were more than appropriations by \$71,986.

E. Property Taxes

Property Taxes are levied each November 1 on the assessed value as of the prior March 1. The County of Marin's property tax calendar is as follows:

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	March 1	March 1
First installment due date	50% on November 1	July 1 (total due)
Delinquent as of	December 10	August 31
Second installment due date	50% on February 1	
Delinquent as of	April 10	

F. Compensated Absences

The District adopted a new accounting pronouncement, GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. The implementation of this new accounting standard did not have a material impact on the District's financial statements but resulted in an updated presentation of the financial statements and related disclosures in the notes to the financial statements.

The District employees earn vacation, compensatory time, floating holidays, and management leave in accordance with District policies. These balances are recorded when earned and are fully payable upon termination of employment. Employees also earn sick leave benefits in accordance with District policies. A liability is recognized for the portion of accumulated sick leave that is more likely than not to be used or paid. Management evaluates sick leave for employees to determine the amount that is probable to be used or paid, considering historical usage, forfeitures, payments, and District policies related to compensated absences. Compensated absences are measured at the estimated amount payable, including salary-related payments such as the employer's share of Social Security and Medicare taxes.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Compensated Absences (concluded)

Changes in compensated absences are as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Compensated absences	\$ 144,549	\$ 73,892	\$ -	\$ 218,441

* Compensated absences activity shown in the table above is presented on a net increase (decrease) basis as permitted by GASB Statement 101.

G. Unearned Revenue

Unearned revenues represent park and recreation fees received but not yet earned. Unearned revenue at June 30, 2025 was \$1,025,947.

H. Contingent Liabilities

The District is subject to litigation arising in the normal course of business. In the opinion of the District's management there is no pending litigation that can currently be determined to have a material adverse effect on the financial position of the District.

I. Use of Estimates

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles, and as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

J. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Marinwood Community Services District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' 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 they are due and payable in accordance with the benefit terms. Investments are reported at fair value.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

M. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuration of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of the year end. All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments at June 30, 2025 consisted of the following:

Pooled cash in the County of Marin	\$ 10,063,955
Demand deposit accounts	332,185
Total	<u>\$ 10,396,140</u>
Restricted:	
Measure A	<u>\$ 197,087</u>

Authorized Investments:

Under the provision of the District's Investment Policy, and in accordance with Section 53601 of the California Government Code, the District may invest in the following types of investments:

Securities of the U.S. Government or its agencies; time certificates of deposit; County of Marin Cash and Investment Pool; and California Local Agency Investment Fund deposits.
The District's investment policy is consistent with the County of Marin's investment policy.

County of Marin Investment Pool:

The District maintains specific cash deposits with the County of Marin (the County) and involuntarily participates in the external investment pool of the County. The balance deposited and invested with the County at June 30, 2025 was \$10,261,042. The County is restricted by the state code in the types of investments it can make. Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than the state code as to terms of maturity and type of investment. Also, the County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool. At June 30, 2025, the District's cash with the County Treasurer is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

Custodial Credit Risk – Deposits:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3 - CASH AND INVESTMENTS (concluded)

The custodial credit risk for deposits and 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.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California agents of depository is held for, and in the name of, the local government.

Credit Risk – Investments:

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2025 are provided by Standard and Poor's except as noted. All District investment types are not rated.

Fair Value Measurements:

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, that can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

The District did not have investments subject to recurring fair value measurements as of June 30, 2025.

Concentration of Credit Risk:

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Interest Rate Risk:

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk:

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 4 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Effective July 1, 2016, the District's policy was updated to capitalize all land, structures and improvements more than \$5,000 and that have greater than one-year useful life.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro-rata share of the cost of capital assets. Depreciation expense for the current year was \$197,145.

Depreciation is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

Buildings	15-30 years	Equipment	5-20 years
Improvements	5-30 years	Infrastructure	25-50 years

An analysis of fixed assets at June 30, 2025, is as follows:

<u>Governmental Activities</u>	<u>Balance at June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2025</u>
Capital assets, not being depreciated:				
Land	\$ 1,930,268	\$ -	\$ -	\$ 1,930,268
Total capital assets, not being deprec.	<u>1,930,268</u>	<u>-</u>	<u>-</u>	<u>1,930,268</u>
Capital assets, being depreciated:				
Buildings	5,494,196	137,340	-	5,631,536
Equipment – Fire	1,197,990	262,622	-	1,460,612
Equipment – Park	187,352	78,191	-	265,543
Equipment – Recreation	196,181	21,613	-	217,794
Hydrants	47,086	-	-	47,086
Office furniture and equipment	314,363	7,058	-	321,421
Streetlights	<u>119,744</u>	<u>-</u>	<u>-</u>	<u>119,744</u>
Total capital assets, being depreciated	<u>7,556,912</u>	<u>506,824</u>	<u>-</u>	<u>8,063,736</u>
Less accumulated depreciation for:				
Buildings	2,788,092	99,237	-	2,887,329
Equipment – Fire	1,039,832	69,724	-	1,109,556
Equipment – Park	180,420	2,463	-	182,883
Equipment – Recreation	166,612	2,149	-	168,761
Hydrants	39,749	468	-	40,217
Office furniture and equipment	182,661	17,846	-	200,507
Streetlights	<u>82,104</u>	<u>5,258</u>	<u>-</u>	<u>87,362</u>
Total accumulated depreciation	<u>4,479,470</u>	<u>197,145</u>	<u>-</u>	<u>4,676,615</u>
Total capital assets being deprec., net	<u>3,077,442</u>	<u>309,679</u>	<u>-</u>	<u>3,387,121</u>
Capital assets, net	<u>\$ 5,007,710</u>	<u>\$ 309,679</u>	<u>\$ -</u>	<u>\$ 5,317,389</u>

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 4 - CAPITAL ASSETS (concluded)

Depreciation allocation:

Park	\$	7,897
Recreation		114,344
Public Safety		70,972
Street Lighting		3,943
Total	\$	<u>197,145</u>

NOTE 5 - LONG-TERM DEBT

The District's changes in long-term debt are as follows:

<u>Governmental Activities</u>	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025	Current
Fire truck lease	\$ 41,511	\$ -	\$ 41,511	\$ -	\$ -
CSDA lease	531,742	-	61,213	470,529	62,645
Other Post Employment Benefits	5,046,308	15,086	-	5,061,394	-
Net Pension Liability	<u>6,427,441</u>	<u>-</u>	<u>134,585</u>	<u>6,292,856</u>	<u>-</u>
Total	<u>\$ 12,047,002</u>	<u>\$ 15,086</u>	<u>\$ 237,309</u>	<u>\$ 11,824,779</u>	<u>\$ 62,645</u>

CSDA Lease

In June 2021, the District entered into a lease agreement with CSDA Finance Corporation to finance the construction costs of a new maintenance facility. The lease term is for ten years with an annual interest rate of 2.34% and total lease obligation of \$650,000. Annual payments are made in July. The amortization schedule is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 62,645	\$ 11,010	\$ 73,655
2027	64,111	9,544	73,655
2028	65,611	8,044	73,655
2029	67,147	6,509	73,655
2030	68,718	4,938	73,655
2031	70,326	3,330	73,655
2032	71,972	1,684	73,656
Total	<u>\$ 470,529</u>	<u>\$ 45,060</u>	<u>\$ 515,589</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District's following cost-sharing multiple employer defined benefit pension plans (Plans):

- District Miscellaneous (Tier 1)
- District Safety (Tier 1)
- District Safety (Tier 2)
- District Miscellaneous PEPRA
- District Safety PEPRA

The Plans are administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State Statute and District resolution.

CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on CalPERS' website.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided - CalPERS 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. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The applicable PERS plan depends on the employee classification and hire date. In some situations, hiring of an employee who was previously an active member in PERS results in the "Classic" Plan benefit regardless of the date of hiring. The Plan provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<u>District Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% 60	2% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	9.120%	7.470%
 <u>District Safety</u>		
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	3% 50	2.7% 57
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensations	3%	2.0% to 2.7%
Required employee contribution rates	9.000%	13.000%
Required employer contribution rates	22.470% for Tier 1 20.640% for Tier 2	12.780%

The District's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The District sponsors five rate plans (two miscellaneous and three safety).

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 actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2025, the contributions recognized as part of pension expense for each Plan were as follows:

	Contributions - Employer
Miscellaneous	\$ 173,275
Safety	566,696
Total	\$ 739,971

As of June 30, 2025, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,322,013
Safety	4,970,843
Total	\$ 6,292,856

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2023 and June 30, 2024 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2023	0.02664%	0.06816%	0.05152%
Proportion - June 30, 2024	0.02733%	0.06818%	0.05189%
Change – Increase/(Decrease)	-0.00069%	-0.00182%	-0.00037%

For the year ended June 30, 2025, the District recognized pension expense/(credit) of \$1,201,998. 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
Pension contributions subsequent to the measurement date	\$ 739,971	\$ -
Differences between expected and actual experience	519,965	17,650
Changes in assumptions	156,540	-
Change in employer proportion	30,608	-
Differences between actual contributions vs. proportionate share of contributions	176,672	52,092
Net difference between projected and actual earnings on plan investments	316,375	132,486
Total	\$ 1,940,131	\$ 202,228

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

The District reported \$739,971 as deferred outflows of resources related to contributions subsequent to the measurement date that 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 as pension expense as follows:

<u>Year Ended June 30</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2026	\$ 56,267	\$ 299,745	\$ 356,012
2027	168,079	573,339	741,418
2028	2,305	6,395	8,700
2029	(26,081)	(82,209)	(108,290)
Total	<u>\$ 200,570</u>	<u>\$ 797,270</u>	<u>\$ 997,840</u>

Actuarial Assumptions - For the measurement period ended June 30, 2024, the total pension liabilities were determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2024 total pension liability was based on the following actuarial methods and 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%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Investment Rate of Return	6.90%
Increase	Contract COLA up to 2.3% until purchasing power. Protection allowance floor on power applies.

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The EARSL for PERF C for June 30, 2024, measurement date is 3.8 years.

Discount Rate - The discount rate used to measure the total pension liability as of June 30, 2024 was 6.90% for each Plan. This discount rate is not adjusted for administrative expenses. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans 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 plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6 - DEFINED BENEFIT PENSION PLAN (concluded)

In determining the expected long-term rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical and forecast information for all the funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits of cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 ^{1,2}</u>
Global equity – cap-weighted	30.00%	4.45%
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%

1. An expected inflation of 2.30% used for this period.
2. Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the 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 for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

<u>Plan's Net Pension Liability</u>	<u>Discount Rate -1% 5.90%</u>	<u>Current Discount Rate 6.90%</u>	<u>Discount Rate +1% 7.90%</u>
Miscellaneous	\$ 1,992,948	\$ 1,322,013	\$ 769,735
Safety	7,246,847	4,970,843	3,109,392
Total	<u>\$ 9,239,795</u>	<u>\$ 6,292,856</u>	<u>\$ 3,879,127</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Post-employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Marinwood Community Services District Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating in interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Plan Description

The District pays 90% of miscellaneous employees' cost and 80% of the safety employees' cost for post-retirement health care benefits for its retirees and their dependents.

Employees Covered by Benefit Terms

At June 30, 2024 (the measurement date), the benefit terms covered the following employees:

Number of active members	17
Number of retired members and beneficiaries	14
Inactive participants with deferred benefits	<u>0</u>
Total participants	<u><u>31</u></u>

Contributions

The District establishes rates based on an actuarially determined rate.

For the year ended June 30, 2025 the District's expected contribution rate is 25% of covered-employee payroll. Employees pay the difference between the benefit they receive and the monthly premium.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Actuarial Cost Method	Entry Age Normal
Amortization Methodology	Straight-line amortization
Plan Fiduciary Net Position	Market value of assets as of the measurement date
Measurement Date	June 30, 2024
Valuation Date	June 30, 2024
Funding Policy	The final equivalent single discount rate used for accounting disclosure is 4.65% with the expectation that the District will continue to pay for benefit payments from outside of the Trust and contribute \$100,000 annually to the Trust in perpetuity. Under this Funding Policy, the OPEB Trust is not expected to be depleted in the future.
Discount Rate	4.75%
Net Investment Return	5.50%
Inflation	Assumed 2.50% annual inflation.
Payroll Increases	2.80% annual increases.
Administrative Expenses	Administrative expenses were \$118 for the measurement period ending June 30, 2024.
Healthcare trend rates	Based on the Gretzen model that reflects actual premium increases through 2025 followed by 7.0% (non-Medicare)/6.0% (Medicare) in 2025, decreasing gradually to ultimate rate of 3.94% (non-Medicare)/4.00% (Medicare)
Health Plan Participation	Assumed that 100% of eligible participants will participate.
Medicare Coverage	Assumed that all future and existing retirees will be eligible for Medicare when they reach the age of 65.
Termination	CalPERS Experience study and Review of Actuarial Assumptions 2021
Disability	CalPERS Experience study and Review of Actuarial Assumptions 2021
Mortality	The mortality rates used in this valuation are those produced in 2021 CalPERS experience study.
Retirement	Used the retirement rates that were based on the PERS Experience Study and Review of Actuarial Assumptions published in November 2021 for Public Agency Miscellaneous and Fire members.

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	34.00%	4.50%
Fixed Income	41.00%	1.40%
TIPS	5.00%	0.50%
Real Estate	17.00%	3.70%
Commodities	<u>3.00%</u>	1.10%
Total	<u>100.00%</u>	

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75%. The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Measurement as of June 30, 2023	\$ 5,644,992	\$ 598,684	\$ 5,046,308
Recognized Changes Resulting from:			
Service cost	\$ 164,609	\$ -	\$ 164,609
Interest	271,497		271,497
Net investment income	-	(54,845)	(54,845)
Contributions – employer	-	(290,463)	(290,463)
Benefit payments, including refunds of employee contributions	(190,463)	190,463	-
Differences between expected and actual experience	531	-	531
Trust administrative expenses	-	561	561
Change of assumptions	(76,804)	-	(76,804)
Net changes	<u>169,370</u>	<u>154,284</u>	<u>15,086</u>
Measurement as of June 30, 2024	<u>\$ 5,814,362</u>	<u>\$ 752,968</u>	<u>\$ 5,061,394</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.75%) or 1% point higher (5.75%) than the current rate:

	Discount Rate -1% 3.75%	Current Discount Rate 4.75%	Discount Rate +1% 5.75%
Plan's Net OPEB Liability	\$ 6,656,946	\$ 5,814,362	\$ 5,123,237

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current set of healthcare cost trend rates:

	1% Decrease	Healthcare Trend Rates	1% Increase
Plan's Net OPEB Liability	\$ 5,903,978	\$ 5,061,394	\$ 4,370,269

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (concluded)

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense/(credit) of \$(114,651). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 304,174	\$ 312,496
Differences between actual and expected experience	47,308	856,625
Changes in assumptions	495,980	-
Net differences between projected and actual earnings on plan investments	10,156	-
Total	\$ 857,618	\$ 1,169,121

The District reported \$304,174 as deferred outflows of resources related to contributions after the measurement date that will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30</u>			
2026		\$	(375,230)
2027			(93,830)
2028			37,602
2029			(116,571)
2030			(56,751)
Thereafter			(10,897)
Total		\$	(615,677)

OPEB Trust Cash and Investments

For the year ended June 30, 2025, the District established a Section 115 irrevocable trust with the CalPERS California Employees Retirement Benefit Trust (CERBT). As of June 30, 2025, the District account balance was \$936,974.

NOTE 8 - RISK MANAGEMENT

The District manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized, and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related joint powers agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member government entities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. The obligations and liabilities of these risk pools are not the District's responsibility.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 8 - RISK MANAGEMENT (concluded)

The District maintains insurance coverage for liability up to \$5,000,000, property up to \$1,000,000,000 per occurrence, automobile physical damage up to \$5,000,000 per accident, Public Officials and Employees Errors and Omissions up to \$5,000,000 per occurrence and Workers' Compensation up to \$5,000,000 per occurrence through the Special District Risk Management Authority (a public entity risk pool) and underwritten by various insurance companies.

Financial statements for the risk pool may be obtained from SDRMA, 1112 I Street, Suite 300, Sacramento, CA 95814.

NOTE 9 - NET POSITION AND FUND BALANCE

GASB Statement No. 34 added the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

A. Net Position

The Statement of Net Position breaks out net position as follows:

Restricted describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the District cannot unilaterally alter.

Unrestricted describes the portion of Net Position that is not restricted from use.

Net investment in Capital Assets describes the portion of Net Position that is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Net Position Flow Assumption

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

B. Fund Balance

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Non-spendable, Restricted, Committed, Assigned, and Unassigned. Non-spendable and Restricted fund balances represent the restricted classifications, and Committed, Assigned, and Unassigned represent the unrestricted classifications:

Non-spendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Marinwood Community Services District
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 - NET POSITION AND FUND BALANCE (concluded)

B. Fund Balance (concluded)

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

Fund Balance Flow Assumption

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District's policy specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

NOTE 10 - JOINT POWERS AGREEMENTS

The District, along with 15 other Districts, has a financial interest and a financial responsibility in the Hazardous Materials Response Unit pursuant to a joint powers agreement in order to coordinate management of hazardous material spills, establishing a formula for financing joint expenses for such management, and defining signatory agency responsibilities. Separate financial statements can be obtained by writing to the Marin County Administrator's Office, 3501 Civic Center Drive, Room 325, San Rafael, CA 94903, or by calling (415) 507-4104.

The District, along with 23 other Districts, also has a financial interest and financial responsibility in the Marin Emergency Radio Authority pursuant to a joint powers agreement in order to issue bonds to be used to finance the acquisition, construction, and improvement of certain public capital improvements. Separate financial statements can be obtained by contacting the Marin Emergency Radio Authority, PO Box 159, Corte Madera, CA 94976-0159, or by calling (415) 883-9100.

The District, along with 17 other Districts, has a financial interest and financial responsibility in the Marin Wildfire Prevention Authority pursuant to a joint powers agreement in order to plan, finance, implement, manage, own and operate a multi-jurisdictional and county-wide agency to prevent and mitigate wildfires in Marin County. Separate financial statements can be obtained by contacting the Marin Wildfire Prevention Authority, 1600 Los Gamos Dr, Suite 345, San Rafael, CA 94903, or by calling (415) 539-6972.

NOTE 11 - USE OF SPECIAL TAX REVENUES

The District receives revenues from three voter-approved special taxes. These taxes were applied to the appropriate department expenditures as follows:

<u>Departments</u>	<u>Special Tax Revenues</u>
Park	\$ 450,499
Public Safety	1,359,449
Street Lighting	24,178

The tax revenue amounts above were reported in the County of Marin (cash basis) general ledger at June 30, 2025, and were converted to the modified accrual basis in accordance with generally accepted accounting principles.

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
General Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 2,395,700	\$ 2,395,700	\$ 2,561,417	\$ 165,717
Special assessments	1,830,389	1,830,389	1,834,126	3,737
Charges for services	2,930,280	2,930,280	3,103,772	173,492
Investment earnings, net	5,100	5,100	380,551	375,451
Other general revenues	900	900	191,508	190,608
Total revenues	7,162,369	7,162,369	8,071,374	909,005
Expenditures:				
Park	878,891	878,891	730,700	148,191
Recreation	2,454,868	2,454,868	2,373,664	81,204
Public safety	3,000,458	3,000,458	3,013,121	(12,663)
Street lighting	24,860	24,860	25,282	(422)
Marin Wildfire Prevention Authority	-	-	64,122	(64,122)
Capital	282,650	282,650	506,824	(224,174)
Debt service:				
Principal	102,720	102,720	102,720	-
Interest	13,688	13,688	13,688	-
Total expenditures	6,758,135	6,758,135	6,830,121	(71,986)
Excess (deficiency) of revenues over (under) expenditures	\$ 404,234	\$ 404,234	1,241,253	\$ 837,019
Fund balance, beginning of period			7,915,170	
Fund balance, end of period			\$ 9,156,423	

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - MISCELLANEOUS AND SAFETY
For the Fiscal Year Ended June 30, 2025

<u>Measurement Year Ending June 30</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Plan's proportionate share of the net pension liability	0.05189%	0.05152%	0.05260%	0.06140%	0.04945%	0.04888%	0.04876%	0.04769%	0.05051%	0.04840%
Plan's proportionate share of the net pension liability	6,292,856	6,427,441	6,075,660	3,320,621	\$ 5,380,770	\$ 5,009,157	\$ 4,699,021	\$ 4,729,270	\$ 4,370,936	\$ 3,322,117
Plan's covered payroll	1,603,630	1,510,624	1,440,566	1,442,732	\$ 1,423,052	\$ 1,297,374	\$ 1,345,795	\$ 1,473,628	\$ 1,556,027	\$ 1,497,000
Plan's proportionate share of the net pension liability as a percentage of its covered payroll	392.41%	425.48%	421.76%	230.16%	378.11%	386.10%	349.16%	320.93%	280.90%	221.92%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	70.91%	70.24%	70.94%	83.04%	71.93%	72.64%	73.01%	72.03%	74.06%	77.08%
Plan's proportionate share of aggregate employer contributions	\$ 571,113	\$ 610,104	\$ 941,063	\$ 817,185	\$ 689,927	\$ 575,639	\$ 523,046	\$ 431,387	\$ 443,660	\$ 381,897

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - MISCELLANEOUS AND SAFETY
For the Fiscal Year Ended June 30, 2025

<u>Measurement Year Ending June 30</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 739,971	\$ 741,909	\$ 717,396	\$ 665,718	\$ 618,668	\$ 572,798	\$ 492,452	\$ 472,676	\$ 428,599	\$ 405,307
Contributions in relation to the actuarially determined contribution	(739,971)	(741,909)	(717,396)	(665,718)	(618,668)	(572,798)	(492,452)	(472,676)	(428,599)	(405,469)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (162)
Covered payroll	\$ 1,589,478	\$ 1,510,624	\$ 1,510,624	\$ 1,440,566	\$ 1,442,732	\$ 1,297,374	\$ 1,345,795	\$ 1,473,628	\$ 1,556,027	\$ 1,497,000
Contributions as a percentage of covered payroll	46.55	49.11%	47.49%	46.21%	42.88%	44.15%	36.59%	32.08%	27.54%	27.07%

Notes to Schedule:

Fiscal year 2014 was the first year of implementation.

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
For the Fiscal Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 543,934	\$ 556,097	\$ 539,791	\$ 448,081	\$ 418,799	\$ 414,936	\$ 531,502
Contributions in relation to the actuarially determined contribution	<u>(304,174)</u>	<u>(590,463)</u>	<u>(323,857)</u>	<u>(327,906)</u>	<u>(317,213)</u>	<u>(311,322)</u>	<u>(254,225)</u>
Contribution deficiency (excess)	<u>\$ 239,760</u>	<u>\$ (34,366)</u>	<u>\$ 215,934</u>	<u>\$ 120,175</u>	<u>\$ 101,586</u>	<u>\$ 103,614</u>	<u>\$ 277,277</u>
Covered-employee payroll	\$ 1,495,806	\$ 1,452,915	\$ 1,322,934	\$ 1,377,552	\$ 1,296,259	N/A	N/A
Contributions as a percentage of covered-employee payroll	20%	20%	24%	24%	24%	N/A	N/A

The schedules present information to illustrate changes in the District's contributions over a ten year period when the information is available.

Marinwood Community Services District
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019
<u>Total OPEB Liability</u>							
Service cost	\$ 164,609	\$ 169,824	\$ 186,939	\$ 101,946	\$ 97,092	\$ 104,223	\$ 209,502
Interest	271,497	270,122	260,828	302,846	291,210	292,697	235,360
Difference between expected and actual experience	531	(264,852)	(158,272)	(76,706)	13,169	154,672	3,936
Change of assumptions	(76,804)	(56,145)	(233,541)	1,157,284	-	(353,132)	(2,212,829)
Benefit payments	<u>(190,463)</u>	<u>(223,857)</u>	<u>(227,906)</u>	<u>(237,726)</u>	<u>(217,213)</u>	<u>(211,322)</u>	<u>(194,225)</u>
Net change in total OPEB liability	\$ 169,370	(104,908)	(171,952)	1,247,644	184,258	(12,862)	(1,958,256)
Total OPEB liability - beginning	<u>5,644,992</u>	<u>5,749,900</u>	<u>5,921,852</u>	<u>4,674,208</u>	<u>4,489,950</u>	<u>4,502,812</u>	<u>6,461,068</u>
Total OPEB liability - end	<u>\$5,814,362</u>	<u>\$5,644,992</u>	<u>\$5,749,900</u>	<u>\$5,921,852</u>	<u>\$4,674,208</u>	<u>\$4,489,950</u>	<u>\$4,502,812</u>
<u>Plan Fiduciary Net Position</u>							
Contributions - employer	\$ 100,000	\$ 100,000	\$ 327,906	\$ 337,726	\$ 317,213	\$ 311,322	\$ 254,225
Contributions - employee	-	-	-	-	-	-	-
Net investment income	54,845	20,932	(67,121)	63,251	10,969	10,363	826
Benefit payments	-	-	(227,906)	(237,726)	(217,213)	(211,322)	(194,225)
Administrative expense	<u>(561)</u>	<u>(150)</u>	<u>(124)</u>	<u>(118)</u>	<u>(105)</u>	<u>(23)</u>	<u>(16)</u>
Net change in plan fiduciary net position	\$ 154,284	120,782	32,755	163,133	110,864	110,340	60,810
Plan fiduciary net position - beginning	<u>598,684</u>	<u>477,902</u>	<u>445,147</u>	<u>282,014</u>	<u>171,150</u>	<u>60,810</u>	<u>-</u>
Plan fiduciary net position - end	<u>\$ 752,968</u>	<u>598,684</u>	<u>477,902</u>	<u>445,147</u>	<u>282,014</u>	<u>171,150</u>	<u>60,810</u>
Net OPEB liability - end	<u>\$5,061,394</u>	<u>\$5,046,308</u>	<u>\$5,271,998</u>	<u>\$5,476,705</u>	<u>\$4,392,194</u>	<u>\$4,318,800</u>	<u>\$4,442,002</u>
Plan fiduciary net position as a percentage of the total OPEB liability	13%	11%	8%	8%	6%	4%	1%
Covered employee payroll	1,495,806	1,452,915	1,322,934	1,377,552	1,296,259	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	338%	347%	399%	398%	339%	N/A	N/A

The schedules present information to illustrate changes in the District's changes in the net OPEB liability over a ten year period when the information is available.