

**Apple Valley Heights
County Water District**

Report on Audit

June 30, 2023 and 2022

Apple Valley Heights County Water District
(A Special District)

June 30, 2023 and 2022

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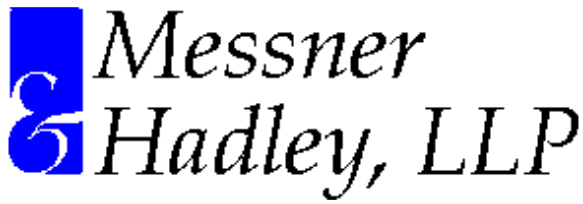
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Certified Public Accountants

Paul S. Messner, CPA
Cindra J. Hadley, CPA
James M. Quinn, CPA, CFE

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Apple Valley Heights County Water District
Apple Valley, California

Opinion

We have audited the basic financial statements of Apple Valley Heights County Water District (the "District"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Water District, as of June 30, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. 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 Apple Valley Heights County Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for the period ending June 30, 2023.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

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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 text basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Districts internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Districts ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, shown on page 16, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

May 6, 2024

Apple Valley Heights County Water District

(A Special District)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023 and 2022

THE AGENCY

Apple Valley Heights County Water District (the "District") was formed January 17, 1957, under the provision of the California Water Code. Its boundaries encompass approximately 960 acres. The District is governed by the board of directors (five members) elected by the voters within the District for four year terms. The District provides water to customers within its boundaries.

THE BASIC FINANCIAL STATEMENTS

Apple Valley Heights County Water District is a special purpose government (special district) engaged only in activities that support themselves through user charges and tax levies. Accordingly, the accompanying financial statements are presented in the format prescribed for proprietary funds by the Governmental Accounting Standards Board. As a proprietary fund, the Agency uses the full accrual basis of accounting. Proprietary fund statements offer short-term and long-term financial information about the activities that operate like a business.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are located immediately after the basic financial statements.

The basic financial statements are made up of the statement of net assets, statement of revenues, expenses, and changes in net assets, and the statement of cash flows. Each statement is described in detail below.

The statement of net assets presents information on the District's assets and liabilities. Assets reflect what is owned and liabilities reflect what is owed. The difference between assets and liabilities is reported as net assets. The change in net assets is one way to measure the District's financial health. Increases and decreases are indicators of whether its financial health is improving or deteriorating, respectively.

The statement of revenues, expenses and changes in net assets describes the results of the District's financial activities during the years reported. It shows the change in net assets by comparing operating and non-operating revenues with operating and non-operating expenses. Operating revenues and expenses relate to the principal business activity of the District. All other revenues and expenses are classified as non-operating.

The statement of cash flows describes to the financial statement users how the District managed its cash during the year. It tells the user from what sources the District received cash and for what purposes cash was used. The statement converts operating income (or loss) from the statement of revenues, expenses and changes in net assets into actual cash provided by and used in operations. Additionally, the statement of cash flows details how the District obtains and spends cash for investing financing activities.

Apple Valley Heights County Water District
(A Special District)

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023 and 2022

SUMMARY FINANCIAL INFORMATION ANALYSIS

Net Assets

As illustrated in the following table, the June 30, 2023 fiscal year ended with an increase in net assets of approximately \$60,517.

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>
Total assets	\$ 1,462,131	\$ 1,398,886	\$ 63,245
Total liabilities	23,078	20,350	2,728
Net assets	<u>\$ 1,439,053</u>	<u>\$ 1,378,536</u>	<u>\$ 60,517</u>
Revenues	\$ 404,258	\$ 384,326	\$ 19,932
Expenses	343,741	354,319	(10,578)
Change in net assets	60,517	30,007	30,510
Net Assets - Beginning	1,378,536	1,348,529	30,007
Net Assets - Ending	<u>\$ 1,439,053</u>	<u>\$ 1,378,536</u>	<u>\$ 60,517</u>

Capital Assets

The District had capital asset purchases of \$65,117 during the year.

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>
Land	\$ 4,873	\$ 4,873	\$ -
Plant and equipment	1,389,656	1,324,539	65,117
Accumulated depreciation	(988,370)	(965,598)	(22,772)
Total Capital Assets	<u>\$ 406,159</u>	<u>\$ 363,814</u>	<u>\$ 42,345</u>

Apple Valley Heights County Water District

(A Special District)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023 and 2022

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

The District had completed an annual budget for fiscal year 2023-2024 that has been approved by the Board of Directors.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's financials and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at 9429 Cerra Vista St. Apple Valley, CA 92308

FINANCIAL STATEMENTS

Apple Valley Heights County Water District
(A Special District)

STATEMENTS OF NET ASSETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets:		
Cash and cash equivalents	611,236	598,998
Accounts receivable and other current assets	50,075	41,413
Prepaid expenses	<u>28,486</u>	<u>28,486</u>
Total current assets	689,797	668,897
Non-current assets:		
Utility plant, net	406,159	363,814
Construction in Progress	<u>366,175</u>	<u>366,175</u>
Total non-current assets	772,334	729,989
 TOTAL ASSETS	 <u><u>\$ 1,462,131</u></u>	 <u><u>\$ 1,398,886</u></u>
 LIABILITIES		
Current liabilities:		
Customer Deposits	<u>23,078</u>	<u>20,350</u>
Total current liabilities	23,078	20,350
 Total liabilities	 <u>23,078</u>	 <u>20,350</u>
 NET ASSETS		
Invested in capital assets, net of related debt	406,159	363,814
Restricted	-	-
Unrestricted	<u>1,032,894</u>	<u>1,014,722</u>
 Total net assets	 <u>1,439,053</u>	 <u>1,378,536</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 1,462,131</u></u>	 <u><u>\$ 1,398,886</u></u>

See Accompanying Notes and Auditors' Report

Apple Valley Heights County Water District
(A Special District)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Water sales and services	381,926	\$ 366,350
Standby charges	24,762	20,772
Total operating revenues	<u>406,688</u>	<u>387,122</u>
OPERATING EXPENSES		
Source of supply	21,566	14,190
Pumping	29,984	27,116
Transmission and distribution	82,858	80,598
General and administrative	186,561	197,841
Depreciation	22,772	34,574
Total operating expenses	<u>343,741</u>	<u>354,319</u>
OPERATING INCOME	62,947	32,803
NON-OPERATING REVENUES (EXPENSES)		
Interest income	58	51
Miscellaneous	(2,488)	(2,847)
Total non-operating revenues (expenses)	<u>(2,430)</u>	<u>(2,796)</u>
CHANGE IN NET ASSETS	60,517	30,007
Net Assets - Beginning	<u>1,378,536</u>	<u>1,348,529</u>
Net Assets - Ending	<u><u>\$ 1,439,053</u></u>	<u><u>\$ 1,378,536</u></u>

See Accompanying Notes and Auditors' Report

Apple Valley Heights County Water District
(A Special District)

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Cash received from customers	\$ 397,926	\$ 383,366
Cash payments to suppliers for goods and services	(176,086)	(183,767)
Cash payments to employees and directors for services	<u>(142,056)</u>	<u>(132,395)</u>
Net cash provided by operating activities	79,784	67,204
Cash flows provided by non-capital and related financing activities	(2,487)	(2,846)
Cash flows from capital and related financing activities		
Cash used for purchase of equipment	<u>(65,117)</u>	-
Net cash used in capital and related financing activities	(65,117)	-
Cash flows from investing activities		
Cash payments on long-term debt	-	-
Interest received	<u>58</u>	<u>51</u>
Net cash provided by used in investing activities	58	51
NET INCREASE (DECREASE) IN CASH	12,238	64,409
Cash - Beginning	<u>598,998</u>	<u>534,589</u>
Cash - Ending	<u>\$ 611,236</u>	<u>\$ 598,998</u>
Reconciliation of cash and cash equivalents to the statements of net assets		
Reconciliation of operating income to cash provided by (used in) operating activities:		
Operating income	\$ 60,517	\$ 30,007
Depreciation	22,772	34,574
Miscellaneous non-operating revenue / expense	5,157	2,309
(Increase) decrease:		
Accounts receivable and other current assets	(8,662)	(3,506)
Accrued expenses	-	3,820
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 79,784</u>	<u>\$ 67,204</u>

See Accompanying Notes and Auditors' Report

Apple Valley Heights County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Apple Valley Heights County Water District (the “District”) was formed January 17, 1957, under the provision of the California Water Code. Its boundaries encompass approximately 960 acres. The District is governed by the board of directors (five members) elected by the voters within the District for four year terms. The District provides water to customers within its boundaries.

Method of Accounting

The accounts of the District are organized on the basis of fund accounting. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The District’s funds are accounted for as an enterprise fund type of the proprietary fund group. The accrual basis of accounting is used for the enterprise fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with water sales to customers.

Basis of Presentation

The accounts of the District are organized as an Enterprise Fund. Enterprise Funds are used to account for operations (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District distinguishes operating revenues from nonoperating revenues. Operating revenues generally result from providing services in connection with the District’s principal ongoing operations. All revenues not meeting this definition are reported as nonoperating revenues.

Apple Valley Heights County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

Net Position

- (1) ***Invested in capital assets, net of related debt*** – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- (2) ***Restricted*** – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- (3) ***Unrestricted*** – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

When both restricted and unrestricted resources are available, it is the District’s policy to use unrestricted resources first and the restricted resources as needed. As of June 30, 2023, the District had no restricted resources.

Water Sales

Water sales are billed cyclically on a monthly basis and the respective revenues are recognized when they are earned.

Income Taxes

The District, as a political subdivision of the State of California, is exempt from income taxes.

Cash and Cash Equivalents

The District considers all short term investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Accounts Receivable

The District extends credit to customers in the normal course of operation. The District recognizes bad debt expense on the direct write-off method.

Prepaid Expenses

Expenses for insurance or other operating costs extending to future accounting periods have been recorded as prepaid expenses.

Apple Valley Heights County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

Capital Assets

Capital assets are stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives which range from five to forty years. Depreciation expense, for the years ended June 30, 2023 and 2022, was \$22,772 and \$34,574 respectively. It is the policy of the District to capitalize property, plant and equipment with a cost of \$5,000 or more. Expenses for routine maintenance and repairs are charged to expense as incurred.

Compensated Absences

The District has no requirement for retirement or compensated absences.

Use of Estimates

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

NOTE 2 – CASH AND INVESTMENTS

Cash Deposits

The carrying amounts of the District's cash deposits were \$634,220 at June 30, 2023. Bank balances before reconciling items were \$611,084 at that date, the total amount of which was collateralized or insured with securities held by pledging financial institutions in the District's name as discussed below.

Apple Valley Heights County Water District
(A Special District)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 3 – ACCOUNTS RECEIVABLE AND OTHER ASSETS

The following summarizes the significant categories of receivables and other assets (current and non-current) at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Receivables:		
Water sales and water services	\$ 50,075	\$ 41,413
Prepaid expenses	28,486	28,486
Total receivables and other assets	<u>\$ 78,561</u>	<u>\$ 69,899</u>

NOTE 4 – CAPITAL ASSETS

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

Capital Assets:	Balance July 1, 2022	Adjustments/ Additions	Deletions	Balance June 30, 2023
Land	\$ 4,873	\$ -	\$ -	\$ 4,873
Transmission and distribution	642,841	65,117	-	707,958
Water tank and pumping	604,492	-	-	604,492
Equipment	77,206	-	-	77,206
Total Capital Assets	<u>1,329,412</u>	<u>65,117</u>	<u>-</u>	<u>1,394,529</u>
Accumulated Depreciation				
Transmission and distribution	410,638	6,883	-	417,521
Water tank and pumping	501,464	12,493	-	513,957
Equipment	53,496	3,396	-	56,892
Total Accumulated Depreciation	<u>965,598</u>	<u>\$ 22,772</u>	<u>\$ -</u>	<u>988,370</u>
Capital Assets, net	<u>\$ 363,814</u>			<u>\$ 406,159</u>

Apple Valley Heights County Water District
(A Special District)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

Capital asset activity, for the fiscal year ended June 30, 2022, was as follows:

Capital Assets:	Balance July 1 2021	Adjustments/ Additions	Deletions	Balance June 20, 2022
Land	\$ 4,873	\$ -	\$ -	\$ 4,873
Transmission and distribution	642,841	-	-	642,841
Water tank and pumping	604,492	-	-	604,492
Equipment	77,206	-	-	77,206
Total Capital Assets	<u>1,329,412</u>	<u>-</u>	<u>-</u>	<u>1,329,412</u>
Accumulated Depreciation				
Transmission and distribution	395,118	15,520	-	410,638
Water tank and pumping	487,051	14,413	-	501,464
Equipment	48,855	4,641	-	53,496
Total Accumulated Depreciation	<u>931,024</u>	<u>\$ 34,574</u>	<u>\$ -</u>	<u>965,598</u>
Capital Assets, net	<u>\$ 398,388</u>			<u>\$ 363,814</u>

NOTE 5 – CONSTRUCTION IN PROGRESS

Mesa Vista pipeline and storage tank project. This project includes the installation of Mesa Vista street pipeline and the three aging Mesa vista Storage Tanks will be removed and replaced with two new bolted steel tanks. The two new tanks are proposed to have a combined storage capacity greater than the required 79,711 gallons. Well site electrical improvements include installation of a pump station to transfer water purchased from Golden State Water Company to the Mesa Vista tank site, as well as installation of permanent or portable generator. The costs incurred to date include design and engineering. The construction phase of the project has not been scheduled.

Apple Valley Heights County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 6 – UNRESTRICTED NET ASSETS

Certain amounts shown as unrestricted net assets have been reserved by the Board to be used for specified purposes as listed below:

	<u>2023</u>	<u>2022</u>
Reserved for capital improvement (Meter Sales)	242,008	216,331
Surcharge Reserve Fund	92,032	66,433
Reserved for water rights	17,960	17,960
Reserve for Construction - Grant Fund	9,306	9,971
Reserved for capital improvement (replacement fund)	138,864	\$ 114,247
Total Reserved unrestricted net assets	<u>\$ 500,170</u>	<u>\$ 424,942</u>

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets, and injuries to employees. The District mitigates these risks through internal control procedures, physical security of assets, and safety training of employees. Additionally, the District maintains liability and property insurance through participation in the Joint Powers Authority, Association of California Water Agencies Joint Power Insurance Authority (ACWA/JPIA). See the Joint Power Agreement (Note 8) for nature of participation. Settled claims have not exceeded this coverage in any of the past two fiscal years.

NOTE 8 – JOINT VENTURE

The District participates in a joint venture under a Joint Powers Agreement (JPA): the Special District Risk Management Authority. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The Special District Risk Management Authority has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements.

- | | |
|--------------------|---|
| A. Entity | Special District Risk Management Authority |
| B. Purpose | To purchase property and liability insurance for member districts and provide a program of self-insurance for workers compensation. |
| C. Participants | Special districts in California |
| D. Governing Board | Two directors selected by the California Special Districts Association and five elected from membership and certain members from the special districts. |

Apple Valley Heights County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 9-COMMITMENTS AND CONTINGENCIES

Grant Awards

Grant funds received by the District are subject to audit by grantor agencies. Such an audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. The management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 10- SUBSEQUENT EVENTS

Events occurring after June 30, 2023 have been evaluated for possible adjustment to the financial statements or disclosure, as of May 6, 2024 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Apple Valley Heights County Water District
(A Special District)

SCHEDULE OF OPERATING EXPENSES
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Source of supply		
Purchased water	21,566	14,190
Pumping		
Plant power	29,984	27,116
Transmission and distribution		
Salaries and wages	81,098	78,016
Lab fees	1,760	2,582
Total transmission and distribution	<u>82,858</u>	<u>80,598</u>
General and administrative		
Salaries and wages	48,162	43,257
Payroll taxes	9,497	15,616
Directors' fees	2,695	2,500
Rent	5,400	4,800
Dues and subscriptions	5,812	5,683
Insurance expense	18,207	16,531
Miscellaneous	1,080	925
Office supplies	17,834	13,632
Professional fees	17,482	7,852
Training	604	446
Repairs and maintenance	47,007	70,494
Travel and mileage	12,062	14,965
Utilities	719	1,140
Total general and administrative	<u>186,561</u>	<u>197,841</u>
Depreciation	<u>22,772</u>	<u>34,574</u>
TOTAL OPERATING EXPENSES	<u>\$ 343,741</u>	<u>\$ 354,319</u>

See Accompanying Notes and Auditors' Report

FINDINGS AND RECOMMENDATIONS

Apple Valley Heights County Water District
(A Special District)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

The results of our tests did not disclose any findings related to the financial statements that are required to be reported under *Government Auditing Standards*.

Apple Valley Heights County Water District
(A Special District)

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2023

No Prior Year Findings