

**Apple Valley Foothill  
County Water District**

**Report on Audit**

**June 30, 2019 and 2018**

**Apple Valley Foothill County Water District**  
(A Special District)

June 30, 2019 and 2018

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the basic financial statements of Apple Valley Foothill County Water District (the "District"), as of and for the years ended June 30, 2019 and 2018, 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.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

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, 2019 and 2018, 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.

## **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 on them.

### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule of operating expenses, shown on page 15, 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

Victorville, California  
June 15, 2020

# Apple Valley Foothill County Water District

(A Special District)

Management's Discussion and Analysis

June 30, 2019 and 2018

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## THE AGENCY

Apple Valley Foothill County Water District (the "District") was formed July 1, 1957, under the provision of the California Water Code. Its boundaries encompass approximately 717 acres. The District is governed by the board of directors (five members) elected by the voters within the District for two to four year terms. The District provides water to customers within its boundaries.

## THE BASIC FINANCIAL STATEMENTS

Apple Valley Foothill 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 Foothill County Water District

(A Special District)

Management's Discussion and Analysis

June 30, 2019 and 2018

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## SUMMARY FINANCIAL INFORMATION ANALYSIS

### Net Assets

As illustrated in the following table, the June 30, 2019 fiscal year ended with an increase in net assets of approximately \$48,031.

	<u>2019</u>	<u>2018</u>	<u>Net Change</u>
Total assets	\$ 551,891	\$ 550,926	\$ 965
Total liabilities	7,710	54,776	(47,066)
<b>Net assets</b>	<u>\$ 544,181</u>	<u>\$ 496,150</u>	<u>\$ 48,031</u>
Revenues	\$ 201,532	\$ 161,010	\$ 40,522
Expenses	153,501	135,603	17,898
<b>Change in net assets</b>	48,031	25,407	22,624
<b>Net Assets - Beginning</b>	496,150	470,743	25,407
<b>Net Assets - Ending</b>	<u>\$ 544,181</u>	<u>\$ 496,150</u>	<u>\$ 48,031</u>

### Capital Assets

	<u>2019</u>	<u>2018</u>	<u>Net Change</u>
Land	\$ 37,449	\$ 37,449	\$ -
Plant and equipment	671,206	625,267	45,939
Accumulated depreciation	(423,184)	(398,116)	(25,068)
<b>Total Capital Assets</b>	<u>\$ 285,471</u>	<u>\$ 264,600</u>	<u>\$ 20,871</u>

# **Apple Valley Foothill County Water District**

(A Special District)

Management's Discussion and Analysis

June 30, 2019 and 2018

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## **ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS**

The District has completed an annual budget for fiscal year 2019-2020 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 22545 Del Oro Road, Apple Valley, CA 92308

**FINANCIAL STATEMENTS**

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**Apple Valley Foothill County Water District**  
(A Special District)

Statements of Net Assets  
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	237,674	263,445
Accounts receivable and other current assets	<u>28,746</u>	<u>22,881</u>
Total current assets	266,420	286,326
Non-current assets:		
Utility plant, net	<u>285,471</u>	<u>264,600</u>
Total non-current assets	285,471	264,600
 <b>TOTAL ASSETS</b>	 <u><u>\$ 551,891</u></u>	 <u><u>\$ 550,926</u></u>
 <b>LIABILITIES</b>		
Current liabilities:		
Accrued expenses	415	47,476
Customer Deposits	<u>7,295</u>	<u>7,300</u>
<b>Total liabilities</b>	<u>7,710</u>	<u>54,776</u>
 <b>NET ASSETS</b>		
Invested in capital assets, net of related debt	285,471	264,600
Unrestricted	<u>258,710</u>	<u>231,550</u>
<b>Total net assets</b>	<u>544,181</u>	<u>496,150</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 551,891</u></u>	 <u><u>\$ 550,926</u></u>

See the accompanying notes to the financial statements.

# Apple Valley Foothill County Water District

(A Special District)

Statements of Revenues, Expenses, and Changes in Net Assets  
For the Years Ended June 30, 2019 and 2018

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	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Water sales and services	176,255	\$ 136,029
Standby charges	21,069	21,054
<b>Total operating revenues</b>	<u>197,324</u>	<u>157,083</u>
 <b>OPERATING EXPENSES</b>		
Source of supply	3,150	1,856
Pumping	16,994	17,363
Transmission and distribution	33,171	26,105
General and administrative	75,027	71,894
Depreciation	25,069	18,385
<b>Total operating expenses</b>	<u>153,411</u>	<u>135,603</u>
 <b>OPERATING INCOME</b>	43,913	21,480
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	4,027	3,927
Miscellaneous	181	0
Other Expenses	(90)	0
<b>Total non-operating revenues (expenses)</b>	<u>4,118</u>	<u>3,927</u>
 <b>CHANGE IN NET ASSETS</b>	48,031	25,407
 Net Assets - Beginning	<u>496,150</u>	<u>470,743</u>
 Net Assets - Ending	<u>\$ 544,181</u>	<u>\$ 496,150</u>

See the accompanying notes to the financial statements.

**Apple Valley Foothill County Water District**  
(A Special District)

Statements of Cash Flows  
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 183,253	\$ 153,392
Cash payments to suppliers for goods and services	(111,189)	(17,730)
Cash payments to employees and directors for services	(55,923)	(54,187)
	<u>16,141</u>	<u>81,475</u>
<b>Cash flows from capital and related financing activities</b>		
Cash used for purchase of equipment	(45,939)	(68,477)
	<u>(45,939)</u>	<u>(68,477)</u>
<b>Cash flows from investing activities</b>		
Interest received	4,027	3,927
	<u>4,027</u>	<u>3,927</u>
NET INCREASE (DECREASE) IN CASH	(25,771)	16,925
Cash - Beginning	<u>263,445</u>	<u>246,520</u>
Cash - Ending	<u>\$ 237,674</u>	<u>\$ 263,445</u>
<b>Reconciliation of cash and cash equivalents to the statements of net assets</b>		
Reconciliation of operating income to cash provided by (used in) operating activities:		
Operating income	\$ 43,913	\$ 21,480
Depreciation	25,069	18,385
Miscellaneous non-operating revenue / expense	4,118	-
(Increase) decrease:		
Accounts receivable and other current assets	(5,865)	42,579
Accrued expenses	(51,084)	(444)
Customer Deposits	<u>(5)</u>	<u>(525)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 16,141</u>	<u>\$ 81,475</u>

See the accompanying notes to the financial statements.

# Apple Valley Foothill County Water District

(A Special District)

Notes to Financial Statements

June 30, 2019 and 2018

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Reporting Entity**

Apple Valley Foothill County Water District (the “District”) was formed July 1, 1957, under the provision of the California Water Code. Its boundaries encompass approximately 717 acres. The District is governed by the board of directors (five members) elected by the voters within the District for two to four year terms. The District provides water to customers within its boundaries.

### **Fund 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.

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 Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund is accounted for on a flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. 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.

Pursuant to GASB Statement No. 20, “*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*”, all Financial Accounting Standards Board (FASB) statements and authoritative pronouncements issued before November 30, 1989 are applied to proprietary operations unless they conflict with GASB pronouncements. The District has elected not to apply FASB statements issued subsequent to November 30, 1989.

The District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”. Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components: (1) invested in capital assets, net of related debt; (2) restricted; and (3) unrestricted.

# Apple Valley Foothill County Water District

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Notes to Financial Statements

June 30, 2019 and 2018

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These classifications are defined as follows:

- (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”.

## **Budgets and Budgetary Accounting**

The Board of Directors does not operate under any legal budgeting constraints.

## **Cash**

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash, including restricted assets. Cash in banks is considered to be cash.

## **Accounts Receivable**

The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

## **Prepaid Expenses**

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

## **Capital Assets**

Capital assets are stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives which range from two to sixty years. Depreciation expense, for the years ended June 30, 2019 and 2018, was \$25,068 and \$18,385, respectively. It is the policy of the District to capitalize property, plant and equipment with a cost of \$1,000 or more.

# Apple Valley Foothill County Water District

(A Special District)

Notes to Financial Statements

June 30, 2019 and 2018

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## **Compensated Absences**

The District has no requirement for retirement or compensated absences.

## **Revenue Recognition**

Operating revenues are defined as revenues realized by the District in support of its water related activities.

## **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**

The District maintains a cash and investment pool that is available for all funds. Each fund type balance in the pool is reflected on the combined balance sheet as cash and investments. The District apportions interest earnings to all funds based on their monthly cash balances.

### **Cash Deposits**

The carrying amounts of the District's cash deposits were \$237,674 at June 30, 2019. Bank balances before reconciling items were \$253,330 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.

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The market value of the pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The District follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investments balances. Interest income from cash and investments with fiscal agents is credited directly to the related funds.

# Apple Valley Foothill County Water District

(A Special District)

Notes to Financial Statements

June 30, 2019 and 2018

## NOTE 3 – RECEIVABLES AND OTHER ASSETS

The following summarizes the significant categories of receivables and other assets (current and non-current) at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Receivables:		
Water sales and water services	\$ 25,701	\$ 19,227
	25,701	19,227
Prepaid expenses	3,045	3,654
Total receivables and other assets	<u>\$ 28,746</u>	<u>\$ 22,881</u>

## NOTE 4 – CAPITAL ASSETS

The detail of capital assets and the changes, for the year ended June 30, 2019, are as follows:

<b>Capital Assets:</b>	Balance July 1, 2018	Adjustments/ Additions	Deletions	Balance June 30, 2019
Land	\$ 37,449	\$ -	\$ -	\$ 37,449
Work in Progress	-	10,000	-	10,000
Transmission and distribution	158,810	-	-	158,810
Buildings & Improvements	16,774	-	-	16,774
Water tank and pumping	387,227	33,820	-	421,047
Equipment	62,456	2,119	-	64,575
Total Capital Assets	<u>662,716</u>	<u>45,939</u>	<u>-</u>	<u>708,655</u>
Accumulated Depreciation				
Transmission and distribution	121,968	5,554	-	127,522
Buildings & Improvements	16,273	322	-	16,595
Water tank and pumping	208,355	15,078	-	223,433
Equipment	51,520	4,114	-	55,634
Total Accumulated Depreciation	<u>398,116</u>	<u>\$ 25,068</u>	<u>\$ -</u>	<u>423,184</u>
Capital Assets, net	<u>\$ 264,600</u>	25,068		<u>\$ 285,471</u>

# Apple Valley Foothill County Water District

(A Special District)

Notes to Financial Statements

June 30, 2019 and 2018

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The detail of capital assets and the changes, for the year ended June 30, 2018, are as follows:

<b>Capital Assets:</b>	<u>Balance July 1, 2017</u>	<u>Adjustments/ Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Land	\$ 37,449	\$ -	\$ -	\$ 37,449
Transmission and distribution	158,810	-	-	158,810
Buildings and Improvements	16,774	-	-	16,774
Water tank and pumping	318,750	68,477	-	387,227
Equipment	<u>62,456</u>	<u>-</u>	<u>-</u>	<u>62,456</u>
Total Capital Assets	<u>594,239</u>	<u>68,477</u>	<u>-</u>	<u>662,716</u>
Accumulated Depreciation				
Transmission and distribution	117,717	4,251	-	121,968
Buildings & Improvements	16,016	257	-	16,273
Water tank and pumping	199,419	8,936	-	208,355
Equipment	<u>46,579</u>	<u>4,941</u>	<u>-</u>	<u>51,520</u>
Total Accumulated Depreciation	<u>379,731</u>	<u>\$ 18,385</u>	<u>\$ -</u>	<u>398,116</u>
Capital Assets, net	<u>\$ 214,508</u>			<u>\$ 264,600</u>

## NOTE 5 – 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 6) for nature of participation. Settled claims have not exceeded this coverage in any of the past two fiscal years.

## NOTE 6 – JOINT VENTURE

The District participates in a joint venture under a Joint Powers Agreement (JPA): The Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA). 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.



# Apple Valley Foothill County Water District

(A Special District)

Notes to Financial Statements

June 30, 2019 and 2018

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The Association of California Water Agencies Insurance Authority has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements.

- |    |                 |   |
|----|-----------------|---|
| A. | Entity          | The Association of California Water Agencies Joint Powers Insurance Authority   |
| B. | Purpose         | To purchase property and liability insurance for member districts and provide a program of self-insurance for workers compensation. |
| C. | Participants    | California Water Agencies   |
| D. | Governing Board | The JPA is governed by a board consisting of a representative from each district.   |

## NOTE 7 – SUBSEQUENT EVENTS

Events occurring after June 30, 2019 have been evaluated for possible adjustment to the financial statements or disclosure as of June 15, 2020, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

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**Apple Valley Foothill County Water District**  
(A Special District)

Schedule of Operating Expenses  
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Source of supply		
Water Fees	1,181	856
Well monitoring	1,969	1,000
Total	<u>3,150</u>	<u>1,856</u>
Pumping		
Plant power	16,994	17,363
Transmission and distribution		
Salaries and wages	12,000	12,000
Repairs and maintenance	15,513	4,391
Supplies	5,658	9,714
Total transmission and distribution	<u>33,171</u>	<u>26,105</u>
General and administrative		
Salaries and wages	36,900	35,867
Payroll taxes	4,138	3,997
Meeting Fees	2,880	2,325
Bank Charges	184	78
Dues and subscriptions	5,863	2,577
Insurance expense	5,675	10,079
License & Permits	1,107	820
Office supplies	5,663	3,707
Auto Expense	911	558
Professional fees	6,400	6,400
Telephone	2,877	2,492
Advertising	0	383
Repairs and maintenance	870	108
Security	384	384
Travel and mileage	0	746
Uniforms	0	108
Utilities	1,175	1,265
Total general and administrative	<u>75,027</u>	<u>71,894</u>
Depreciation	<u>25,069</u>	<u>18,385</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><u>\$ 152,230</u></u>	<u><u>\$ 135,603</u></u>

See the accompanying notes to the financial statements.

## **FINDINGS AND RECOMMENDATIONS**

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**Apple Valley Foothill County Water District**  
(A Special District)

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

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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 Foothill County Water District**  
(A Special District)

Schedule of Prior Year Findings  
For the Year Ended June 30, 2019

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No Prior Year Findings