



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

Wynola Water District Audited Financial Statements June 30, 2023

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	i-iv
FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Revenues, Expenses, and Changes in Net Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13
REQUIRED SUPPLEMENTARY INFORMATION	
Budget to Actual Comparison Schedule	14



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wynola Water District

Opinion

We have audited the accompanying financial statements of Wynola Water District, (the "District"), which comprise the statement of net position as of June 30, 2023, and the related statement of revenues, expenses, changes in net position as of and for the year then ended, 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 financial statements referred to above present fairly, in all material respects, the financial position of Wynola Water District as of June 30, 2023, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing Special Districts.

Basis Opinion

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 Wynola Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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.

Report on Summarized Comparative Information

We have previously audited the Wynola Water District's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those financial statements our report dated December 13, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages i through iv and Budget to Actual Comparison Schedule on page 14 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.

December 8, 2023


Sonnenberg & Company, CPAs

Wynola Water District

MANAGEMENT'S DISCUSSION AND ANALYSIS

Wynola Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Wynola Water District (District) provides an introduction to the financial statements of the District for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased 6% or \$42,860 from \$712,100 to \$754,960 respectively in FY2022 and FY2023. The increase in net position is how the District annually generates sufficient net income to then spend on capital improvement projects on a pay-go basis. The increase in cash will be utilized in future fiscal year(s) for capital improvement spending.
- The District's total revenue increased 2% or \$3,846 from \$180,021 to \$183,867, respectively in FY2022 and FY2023. The increase is due mainly to an increase in grants and contribution.
- The District's total expense increased 43% or \$42,325 from \$98,682 to \$141,007, respectively in FY2022 and FY2023 due to more spending on payroll, professional fee and repairs/maintenance

Financial Analysis of the District

One of the most important questions asked about the District's finances "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and change in net position. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

See Financial Analysis of the Statements on page iv for more detailed information.

Wynola Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), the obligations to creditors (liabilities), and net position. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 7 through 13.

Budgetary Highlights

See Required Supplementary Information – Budget to Actual Report on page 14 for more detailed information. Major differences between the actual figures and the original budgeted figures can be briefly summarized as follows:

- Total revenue was \$34,433 less than anticipated due to the decrease of service charges on water usage.
- Total expense was \$1,800 more than anticipated mainly due to a combination of the increase of payroll expenses and water testing, treatment, & transportation and the decrease of professional fees.

Wynola Water District
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Capital Asset Administration

The District's capital assets include Central System Equipment, Source of Supply - Wells, Access Roads & Well Site Preparation, and Storage Tanks & Distribution System. At June 30, 2023, the District had invested \$312,690 in capital assets as shown below.

	Beginning Balance	Additions	Deletions	Ending Balance
Pumps, Valves, and Equipment	\$ 271,523	\$ -	\$ -	\$ 271,523
Source of Supply - Wells	101,283	-	-	101,283
Access Roads & Well Site Preparation	27,145	-	-	27,145
Storage Tanks & Distribution System	366,714	3,631	-	370,345
Total Capital Assets	766,665	3,631	-	770,296
Accumulative Depreciation	(440,974)	(16,632)	-	(457,606)
Net Capital Assets	\$ 325,691	\$ (13,001)	-	\$ 312,690

Debt Administration

As of June 30, 2023 the District had no long-term debt. No new debt was issued during the year and the District has no immediate needs to issue additional debt.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the District's Treasurer at wynolawater@gmail.com or P.O. Box 193, Santa Ysabel, CA 92070.

Wynola Water District
Financial Analysis of the Statements

	<u>2023</u>	<u>2022</u>	<u>Incr (Decr)</u>	<u>% Change</u>
<u>Condensed Statement of Net Position:</u>				
Operating Assets:				
Cash	\$ 392,552	341,068	\$ 51,484	15%
Receivables	47,544	43,059	4,485	10%
Inventory	-	6,488	(6,488)	100%
Prepaid Expenses	4,624	4,513	111	2%
Capital Assets (Net of Depreciation)	312,690	325,691	(13,001)	-4%
Total Assets	<u>757,410</u>	<u>720,819</u>	<u>36,591</u>	<u>5%</u>
Liabilities:				
Accounts Payable	1,521	7,480	(5,959)	-80%
Other Accrued Liabilities	929	1,239	(310)	100%
Total Liabilities	<u>2,450</u>	<u>8,719</u>	<u>(6,269)</u>	<u>-72%</u>
Net Position:	<u>754,960</u>	<u>712,100</u>	<u>42,860</u>	<u>6%</u>
Total Liabilities & Net Position	<u>\$ 757,410</u>	<u>\$ 720,819</u>	<u>\$ 36,591</u>	<u>5%</u>

Condensed Statement of Revenues, Expenses and Changes in Net Position:

Revenues:				
Charges for Services	\$ 141,846	150,608	\$ (8,762)	-6%
Property Taxes and Assessments	27,951	26,777	1,174	4%
Interest Income	110	37	73	197%
Grants and Contributions	12,010	-	12,010	100%
Other Revenues	1,950	2,599	(649)	-25%
Total Revenues	<u>183,867</u>	<u>180,021</u>	<u>3,846</u>	<u>2%</u>
Expenses:				
Administrative and General	12,350	9,876	2,474	25%
Depreciation	16,632	15,239	1,393	9%
Payroll and Related Expenses	37,929	23,555	14,374	100%
Professional Services	15,943	18,506	(2,563)	-14%
Repairs and Maintenance	45,824	18,745	27,079	144%
Water Testing, Treatment, and Transport	12,329	12,761	(432)	-3%
Total Expenses	<u>141,007</u>	<u>98,682</u>	<u>42,325</u>	<u>43%</u>
Change In Net Position	42,860	81,339	(38,479)	-47%
Beginning Net Position	<u>712,100</u>	<u>630,761</u>	<u>81,339</u>	<u>13%</u>
Ending Net Position	<u>\$ 754,960</u>	<u>\$ 712,100</u>	<u>\$ 42,860</u>	<u>6%</u>

Wynola Water District

FINANCIAL STATEMENTS

Wynola Water District
Statement of Net Position
June 30, 2023
(With Summarized Comparative Information for June 30, 2022)

	2023	2022
ASSETS		
Cash	\$ 392,552	\$ 341,068
Accounts Receivable	47,544	43,059
Inventory	-	6,488
Prepaid Expenses	4,624	4,513
Capital Assets	770,296	766,665
Less Accumulated Depreciation	(457,606)	(440,974)
Capital Assets, Net	312,690	325,691
TOTAL ASSETS	\$ 757,410	\$ 720,819
LIABILITIES		
Accounts Payable	\$ 1,521	\$ 7,480
Other Accrued Liabilities	929	1,239
TOTAL LIABILITIES	2,450	8,719
NET POSITION		
Net Invested in Capital Assets	312,690	325,691
Unrestricted	442,270	386,409
TOTAL NET POSITION	754,960	712,100
TOTAL LIABILITIES AND NET POSITION	\$ 757,410	\$ 720,819

The accompanying notes are an integral part of this financial statement

Wynola Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023
(With Summarized Comparative Information for the Year Ended June 30, 2022)

	2023	2022
REVENUES		
Charges for Services	\$ 141,846	\$ 150,608
Property Taxes and Assessments	27,951	26,777
Contributions and Grants	12,010	-
Interest Income	110	37
Other Revenues	1,950	2,599
TOTAL REVENUES	183,867	180,021
EXPENSES		
Administrative and General	12,350	9,876
Depreciation	16,632	15,239
Payroll and Related Expenses	37,929	23,555
Professional Services	15,943	18,506
Repairs and Maintenance	45,824	18,745
Water Testing, Treatment, and Transport	12,329	12,761
TOTAL EXPENSES	141,007	98,682
Change in Net Position	\$ 42,860	\$ 81,339
Net Position, Beginning of Year	712,100	630,761
Net Position, End of Year	\$ 754,960	\$ 712,100

The accompanying notes are an integral part of this financial statement

Wynola Water District
Statement of Cash Flows
For the Year Ended June 30, 2023
(With Summarized Comparative Information for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 139,311	\$ 146,447
Payments to suppliers	(86,028)	(62,516)
Payments to Employees	(38,239)	(23,555)
Net Cash Provided by Operating Activities	<u>15,044</u>	<u>60,376</u>
Cash Flows from Capital Financing Activities		
Acquisition and Construction of Capital Assets	(3,631)	(47,623)
Contribution and Grants	12,010	-
Property Taxes and Assessments	27,951	26,777
Net Cash Provided by (Used in) by Capital Financing Activities	<u>36,330</u>	<u>(20,846)</u>
Cash Flows from Investing Activities		
Interest Income	110	37
Net Cash Provided by Investing Activities	<u>110</u>	<u>37</u>
Net Increase in Cash	51,484	39,567
Cash - Beginning of the Year	341,068	301,501
Cash - End of the Year	<u>\$ 392,552</u>	<u>\$ 341,068</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Change in Net Position	\$ 42,860	\$ 81,339
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	16,632	15,239
Contribution and Grants	(12,010)	-
Property Taxes and Assessments	(27,951)	(26,777)
Interest Income	(110)	(37)
Change in Operating Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	(4,485)	(7,999)
Decrease (Increase) in Inventory	6,488	(6,488)
Decrease (Increase) in Prepaid Expenses	(111)	613
Increase (Decrease) in Accounts Payable	(5,959)	3,247
Increase (Decrease) in Other Accrued Liabilities	(310)	1,239
Net Cash Provided By Operating Activities	<u>\$ 15,044</u>	<u>\$ 60,376</u>

The accompanying notes are an integral part of this financial statement

Wynola Water District

NOTES TO FINANCIAL STATEMENTS

Wynola Water District
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Reporting Entity

Wynola Water District (the District) was established in 1969 to support a community water system within the approximate 0.4 square mile Wynola Estates development. The District is located in an unincorporated area adjacent to the Cleveland National Forest, west of the community of Julian. The District pumps and distributes local groundwater to 86 units in Wynola Estates Homeowners' Association (the Association). The District owns eleven wells and two reservoir storage tanks with a combined capacity of approximately 111,000 gallons. The District is governed by an elected 5-member Board of Directors.

The District accounts for its financial transactions in accordance with the policies and procedures for the Irrigation District Law, now Division 11 of the California State Water Code. The accounting policies of the District conform to accounting principles generally accepted in the United State of American ("GAAP") as applicable to governments and to general practice within California Special Districts. The District accounts for its financial transactions in accordance with the policies and procedures of the State Controller's Office Division of Local Government Fiscal Affairs Minimum Audit Requirements and Reporting Guidelines for California Special Districts.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Cod. Sec. 2100 "Defining the Financial Reporting Entity". The District is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the District. The District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statement

Note 2. Summary of Significant Accounting Policies

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America. The more significant of the District's accounting policies are described below.

Wynola Water District
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (water sales and services) or similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flow took place. Operating revenues and expenses are generated and incurred through the water sales activities to the District's customers. Administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

The District's basic financial statements are presented in conformance with the provisions of BASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, and subsequently amended by GASB Statement No. 61. This statement established revised financial reporting requirements for state and local governments throughout the United State for the purpose of enhancing the understandability and usefulness of financial reporting.

The District's basic financial statements are also presented in conformance with the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The objective of this Statement is to provide guidance to include two classifications separate from assets and liabilities. Amounts reported as deferred outflows of resources are required to be reported in a Statement of Net Position in separate section following assets. Similarly, amounts reported as deferred inflows of resources are required to be reported in a Statement of Net Position in a separate section following liabilities. In addition, the totals of these two new classifications should be added to the total or assets and liabilities, respectively.

The District did not have any deferred inflows or outflows of resources as of June 30, 2023.

Wynola Water District
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (continued)

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents consist of short-term highly liquid investments with original maturities of ninety days or less from the date of purchase. These include cash on hand, and deposits in banks. The District did not have any investment for the year ended June 30, 2023.

Water Sales:

Water sales revenue is recorded when water is delivered, and service is rendered.

Accounts Receivable and Allowance for Doubtful Accounts:

Accounts receivable are from billed and unbilled customer accounts totaling \$47,544 as of June 30, 2023. Management believes that all accounts receivable are fully collectible; therefore no allowance for doubtful accounts was recorded as of June 30, 2023.

Inventory

Inventory consists primarily of materials and supplies and supplies used in the construction and maintenance of capital assets. Inventory is valued at cost using a weighted-average cost method. Inventory items are charged to expenses at the time that individual items are withdrawn from inventory or consumed. There was no balance on inventory as of June 30, 2023.

Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Wynola Water District
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets Class	Estimated Useful Lives
Pumps, Valves, and Equipment	20
Source of Supply - Wells	20
Storage Tanks & Distribution System	50
Access Roads & Well Site Preparation	20

Net Position:

The financial statements utilize a net position presentation. Net position is categorized as follows:

- Net Investment in Capital Assets Component of Net Position- This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position.
- Restricted Component of Net Position - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The District had no restricted net position at June 30, 2023.
- Unrestricted Component of Net Position - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

Wynola Water District
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (continued)

Property Taxes

Secured property taxes attach as an enforceable lien on property annually on January 1. Taxes are payable in two installments on November 1 and February 1 and are delinquent after December 10 and April 10 respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects taxes for the District.

The District receives property taxes under the Teeter Plan, whereby the County of San Diego determines the amounts due and pays the District ratably throughout the year with the County of San Diego bearing the risk of delinquent property taxes and retaining any interest and penalties earned thereon.

Use of Estimates

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

Budgetary Accounting:

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period.

Prior Year Summarized Totals

The summarized totals reported for the year ended June 30, 2022 are included to provide a basis for comparison and present reclassified summarized totals only. Accordingly, the amounts are not intended to present all information necessary to be in conformity with accounting principles generally accepted in the United States of America. Accordingly, it should be read in conjunction with the District's financial statements for the year ended June 30, 2022 from the summarized information was derived.

Wynola Water District
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 3. Cash

Cash in Banks

Deposits at FDIC-insured institutions are insured up to at least \$250,000 per depositor. There was no uninsured fund balance as of June 30, 2023. Management of the District believes that it is not exposed to any significant credit risk with respect to its cash balances.

Note 4. Capital Assets

Summary of changes in capital assets for the year ended June 30, 2023, were as follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Ending Balance</u>
Pumps, Valves, and Equipment	\$ 271,523	\$ -		\$ -		\$ 271,523	
Source of Supply - Wells	101,283	-		-		101,283	
Access Roads & Well Site Preparation	27,145	-		-		27,145	
Storage Tanks & Distribution System	<u>366,714</u>	<u>3,631</u>		<u>-</u>		<u>370,345</u>	
Total Capital Assets	<u>766,665</u>	<u>3,631</u>		<u>-</u>		<u>770,296</u>	
Accumulative Depreciation	<u>(440,974)</u>	<u>(16,632)</u>		<u>-</u>		<u>(457,606)</u>	
Net Capital Assets	<u>\$ 325,691</u>	<u>\$ (13,001)</u>		<u>-</u>		<u>\$ 312,690</u>	

Depreciation expense was \$16,632 for the year ended June 30, 2023.

Note 5. Risk Management

The District is insured under a plan for commercial general liability. No claims have been asserted during the fiscal year under examination, and there are no unpaid claims.

Note 6. Economic Dependency

The District produces water from its own wells. Interruption of this source would impact the District negatively.

Wynola Water District
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 7. Board of Directors

The District is governed by five elected Board of Directors. The Board of Directors for fiscal year ended June 30, 2023 was composed of the following members.

<u>Name</u>	<u>Officer Title</u>	<u>Term Expires</u>
James Madaffer	President	December 2024
Steven Kincaid	Vice President	December 2026
Ronald Placa	Director	December 2026
Brenden Kelso	Treasurer	December 2026
Sandra McCann	Director	December 2024

With the Board of Director's approval, an employee related to a board member provides administrative services to the District. The total payment made to the employee was \$1,000 for the year ended June 30, 2023.

Note 8. Management's Review:

The District's Management has evaluated subsequent events through December 8, 2023, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require adjustment to, or disclosures in, the financial statements.

Wynola Water District

REQUIRED SUPPLEMENTARY INFORMATION

Wynola Water District
Budget to Actual Comparison Schedule
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Charges for Services	\$ 191,400	\$ 141,846	\$ (49,554)
Property Taxes and Assessments	26,900	27,951	1,051
Contributions and Grants	-	12,010	12,010
Interest Income	-	110	110
Other Revenues	-	1,950	1,950
	<u>\$ 218,300</u>	<u>\$ 183,867</u>	<u>\$ (34,433)</u>
TOTAL REVENUES			
EXPENSES:			
Administrative and General	15,615	12,350	3,265
Depreciation	16,632	16,632	-
Payroll and Related Expenses	28,200	37,929	(9,729)
Professional Services	28,500	15,943	12,557
Repairs and Maintenance	44,960	45,824	(864)
Water Testing, Treatment, and Transport	5,300	12,329	(7,029)
	<u>\$ 139,207</u>	<u>\$ 141,007</u>	<u>\$ (1,800)</u>
TOTAL EXPENSES			