



# 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, 2024

### 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	7-12
REQUIRED SUPPLEMENTARY INFORMATION	
Budget to Actual Comparison Schedule	13



# 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, 2024, 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, 2024, 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, 2023 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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 13 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.



February 7, 2025

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, 2024**

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, 2024. 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 7% or \$56,026 from \$754,960 to \$810,986 respectively in FY2023 and FY2024. 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 9% or \$17,155 from \$183,867 to \$201,022, respectively in FY2023 and FY2024. The increase is due mainly to an increase in grants and contribution.
- The District's total expense increased 3% or \$3,989 from \$141,007 to \$144,996, respectively in FY2023 and FY2024 due to a combination of an increase of water testing/treatment/transport, professional fees, and grant expenses and a decrease of 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, 2024**

**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 12.

**Budgetary Highlights**

See Required Supplementary Information – Budget to Actual Report on page 13 for more detailed information. Major differences between the actual figures and the original budgeted figures can be briefly summarized as follows:

- Total revenue was \$23,900 less than anticipated in service charges on water usage.
- Total expense was \$8,482 less than anticipated mainly due to less spending on repairs and maintenance.

**Wynola Water District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2024**

**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, 2024, the District had invested \$304,427 in capital assets as shown below.

	Beginning Balance	Additions	Deletions	Ending Balance
Pumps, Valves, and Equipment	\$ 271,523	\$ 7,300	\$ -	\$ 278,823
Source of Supply - Wells	101,283	-	-	101,283
Access Roads & Well Site Preparation	27,145	-	-	27,145
Storage Tanks & Distribution System	370,345	-	-	370,345
Total Capital Assets	770,296	7,300	-	777,596
Accumulative Depreciation	(457,606)	(15,563)	-	(473,169)
Net Capital Assets	\$ 312,690	\$ (8,263)	-	\$ 304,427

**Debt Administration**

As of June 30, 2024 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](mailto:wynolawater@gmail.com) or P.O. Box 193, Santa Ysabel, CA 92070.



**Wynola Water District**  
Financial Analysis of the Statements

	<u>2024</u>	<u>2023</u>	<u>Incr (Decr)</u>	<u>% Change</u>
<b><u>Condensed Statement of Net Position:</u></b>				
<b>Operating Assets:</b>				
Cash and Investment	\$ 463,755	392,552	\$ 71,203	18%
Receivables	42,411	47,544	(5,133)	-11%
Prepaid Expenses	2,444	4,624	(2,180)	-47%
Capital Assets (Net of Depreciation)	304,427	312,690	(8,263)	-3%
Total Assets	<u>813,037</u>	<u>757,410</u>	<u>55,627</u>	<u>7%</u>
<b>Liabilities:</b>				
Accounts Payable	1,134	1,521	(387)	-25%
Other Accrued Liabilities	917	929	(12)	100%
Total Liabilities	<u>2,051</u>	<u>2,450</u>	<u>(399)</u>	<u>-16%</u>
<b>Net Position:</b>	<u>810,986</u>	<u>754,960</u>	<u>56,026</u>	<u>7%</u>
Total Liabilities & Net Position	<u>\$ 813,037</u>	<u>\$ 757,410</u>	<u>\$ 55,627</u>	<u>7%</u>

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

<b>Revenues:</b>				
Charges for Services	\$ 149,458	141,846	\$ 7,612	5%
Property Taxes and Assessments	28,220	27,951	269	1%
Interest Income	73	110	(37)	-34%
Contributions and Grants	20,571	12,010	8,561	100%
Other Revenues	2,700	1,950	750	38%
Total Revenues	<u>201,022</u>	<u>183,867</u>	<u>17,155</u>	<u>9%</u>
<b>Expenses:</b>				
Administrative and General	15,930	12,350	3,580	29%
Depreciation	15,563	16,632	(1,069)	-6%
Payroll and Related Expenses	36,023	37,929	(1,906)	100%
Professional Services	29,084	15,943	13,141	82%
Repairs and Maintenance	9,410	45,824	(36,414)	-79%
Water Testing, Treatment, and Transport	25,420	12,329	13,091	106%
Grant Expenses	13,566	-	13,566	100%
Total Expenses	<u>144,996</u>	<u>141,007</u>	<u>3,989</u>	<u>3%</u>
Change In Net Position	56,026	42,860	13,166	31%
Beginning Net Position	<u>754,960</u>	<u>712,100</u>	<u>42,860</u>	<u>6%</u>
Ending Net Position	<u>\$ 810,986</u>	<u>\$ 754,960</u>	<u>\$ 56,026</u>	<u>7%</u>

**Wynola Water District**

**FINANCIAL STATEMENTS**

**Wynola Water District**  
**Statement of Net Position**  
**June 30, 2024**  
(With Summarized Comparative Information for June 30, 2023)

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 114,755	\$ 392,552
Investment - Certificates of Deposit	349,000	-
Accounts Receivable	42,411	47,544
Prepaid Expenses	2,444	4,624
Capital Assets	777,596	770,296
Less Accumulated Depreciation	<u>(473,169)</u>	<u>(457,606)</u>
Capital Assets, Net	<u>304,427</u>	<u>312,690</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 813,037</u></b>	<b><u>\$ 757,410</u></b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,134	\$ 1,521
Other Accrued Liabilities	<u>917</u>	<u>929</u>
<b>TOTAL LIABILITIES</b>	<b><u>2,051</u></b>	<b><u>2,450</u></b>
<b>NET POSITION</b>		
Net Invested in Capital Assets	304,427	312,690
Unrestricted	<u>506,559</u>	<u>442,270</u>
<b>TOTAL NET POSITION</b>	<b><u>810,986</u></b>	<b><u>754,960</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 813,037</u></b>	<b><u>\$ 757,410</u></b>

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, 2024**  
(With Summarized Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
REVENUES		
Charges for Services	\$ 149,458	\$ 141,846
Property Taxes and Assessments	28,220	27,951
Contributions and Grants	20,571	12,010
Interest Income	73	110
Other Revenues	2,700	1,950
TOTAL REVENUES	<u>201,022</u>	<u>183,867</u>
EXPENSES		
Administrative and General	15,930	12,350
Depreciation	15,563	16,632
Payroll and Related Expenses	36,023	37,929
Professional Services	29,084	15,943
Repairs and Maintenance	9,410	45,824
Water Testing, Treatment, and Transport	25,420	12,329
Grant Expenses	13,566	-
TOTAL EXPENSES	<u>144,996</u>	<u>141,007</u>
Change in Net Position	\$ 56,026	\$ 42,860
Net Position, Beginning of Year	<u>754,960</u>	<u>712,100</u>
Net Position, End of Year	<u><u>\$ 810,986</u></u>	<u><u>\$ 754,960</u></u>

The accompanying notes are an integral part of this financial statement

**Wynola Water District**  
**Statement of Cash Flows**  
For the Year Ended June 30, 2024  
(With Summarized Comparative Information for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 157,291	\$ 139,311
Payments to suppliers	(91,617)	(86,028)
Payments to Employees	<u>(36,035)</u>	<u>(38,239)</u>
Net Cash Provided by Operating Activities	<u>29,639</u>	<u>15,044</u>
<b>Cash Flows from Capital Financing Activities</b>		
Acquisition and Construction of Capital Assets	(7,300)	(3,631)
Contribution and Grants	20,571	12,010
Property Taxes and Assessments	<u>28,220</u>	<u>27,951</u>
Net Cash Provided by Capital Financing Activities	<u>41,491</u>	<u>36,330</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Investment	(349,000)	-
Interest Income	<u>73</u>	<u>110</u>
Net Cash Provided by Investing Activities	<u>(348,927)</u>	<u>110</u>
Net Increase in Cash	(277,797)	51,484
Cash - Beginning of the Year	<u>392,552</u>	<u>341,068</u>
Cash - End of the Year	<u><u>\$ 114,755</u></u>	<u><u>\$ 392,552</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Change in Net Position	\$ 56,026	\$ 42,860
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	15,563	16,632
Contribution and Grants	(20,571)	(12,010)
Property Taxes and Assessments	(28,220)	(27,951)
Interest Income	(73)	(110)
Change in Operating Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	5,133	(4,485)
Decrease (Increase) in Inventory	-	6,488
Decrease (Increase) in Prepaid Expenses	2,180	(111)
Increase (Decrease) in Accounts Payable	(387)	(5,959)
Increase (Decrease) in Other Accrued Liabilities	<u>(12)</u>	<u>(310)</u>
<b>Net Cash Provided By Operating Activities</b>	<u><u>\$ 29,639</u></u>	<u><u>\$ 15,044</u></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, 2024

**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 of 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.

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.

**Wynola Water District**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**Note 2. Summary of Significant Accounting Policies (continued)**

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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, 2024.

Cash and Equivalents

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.

Investment

Investments that consist of two certificates of deposit held at the financial institutions are recorded at cost, which approximates fair value, and therefore, are not subject to provisions of fair value measurements.

Water Sales:

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

Accounts Receivable and Allowance for Doubtful Accounts:

Accounts receivable consists primarily of noninterest-bearing amounts due for water sales services provided by consumers.

The District recognizes an allowance for credit losses for accounts receivable carried at amortized cost to present the net amount expected to be collected as of the financial position date. Such allowance is based on the credit losses expected to arise over the contractual term which includes consideration of prepayments and is based on the expectation as of the financial position date. Accounts receivable are written off when the District determines that such



**Wynola Water District**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**Note 2. Summary of Significant Accounting Policies (continued)**

Accounts Receivable and Allowance for Doubtful Accounts (continued):

accounts are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the financial position date. The District pools its accounts receivable based on similar risk characteristics and types of receivables in estimating expected credit losses. The District continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change. Accounts receivable are from billed and unbilled customer accounts totaling \$42,411 as of June 30, 2024. Management believes that all accounts receivable are fully collectible; therefore, no allowance for credit losses was recorded as of June 30, 2024.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital 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.

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

<u>Assets Class</u>	<u>Estimated Useful Lives</u>
Pumps, Valves, and Equipment	5-20
Source of Supply - Wells	20
Storage Tanks & Distribution System	50
Access Roads & Well Site Preparation	20

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.

**Wynola Water District**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**Note 2. Summary of Significant Accounting Policies (continued)**

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.

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, 2024.
- 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.

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.

Prior Year Summarized Totals

The summarized totals reported for the year ended June 30, 2023 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, 2023 from the summarized information was derived.

**Note 3. Cash**

The District held a combined total of \$363,265 in the Bank of Chase as of June 30, 2024. This amount is in excess of the federally insured limit as of that date. Deposits at FDIC-insured institutions are insured up to at least \$250,000 per depositor.

**Wynola Water District**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**Note 4. Investments**

Investment consists of two certificates of deposit held at the financial institutions totaling \$349,000. Certificates of deposit are recorded at cost, which approximates fair value, and therefore, are not subject to provisions of fair value measurements. two certificates of deposit mature between July 2024 and October 2024 and bear interest rates between 3% and 5%. Any penalties for early withdrawal would not have a material effect on the financial statements.

**Note 5. Capital Assets**

Summary of changes in capital assets for the year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Pumps, Valves, and Equipment	\$ 271,523	\$ 7,300	\$ -	\$ 278,823
Source of Supply - Wells	101,283	-	-	101,283
Access Roads & Well Site Preparation	27,145	-	-	27,145
Storage Tanks & Distribution System	370,345	-	-	370,345
Total Capital Assets	770,296	7,300	-	777,596
Accumulative Depreciation	(457,606)	(15,563)	-	(473,169)
Net Capital Assets	\$ 312,690	\$ (8,263)	-	\$ 304,427

Depreciation expense was \$15,563 for the year ended June 30, 2024.

**Note 6. 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 7. 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, 2024

**Note 8. Board of Directors**

The District is governed by five elected Board of Directors. The Board of Directors for fiscal year ended June 30, 2024 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 was paid \$1,000 during the year ended June 30, 2024.

**Note 9. Management's Review:**

The District's Management has evaluated subsequent events through February 7, 2025, 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, 2024**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Charges for Services	\$ 191,400	\$ 149,458	\$ (41,942)
Property Taxes and Assessments	27,951	28,220	269
Contributions and Grants	-	20,571	20,571
Interest Income	-	73	73
Other Revenues	<u>-</u>	<u>2,700</u>	<u>2,700</u>
TOTAL REVENUES	\$ <u>219,351</u>	\$ <u>201,022</u>	\$ <u>(18,329)</u>
EXPENSES:			
Administrative and General	12,868	15,930	(3,062)
Depreciation	16,632	15,563	1,069
Payroll and Related Expenses	36,811	36,023	788
Professional Services	18,710	29,084	(10,374)
Repairs and Maintenance	38,500	9,410	29,090
Water Testing, Treatment, and Transport	17,957	25,420	(7,463)
Grant Expenses	<u>12,000</u>	<u>13,566</u>	<u>(1,566)</u>
TOTAL EXPENSES	<u>153,478</u>	<u>144,996</u>	<u>8,482</u>
Net	\$ <u><u>65,873</u></u>	\$ <u><u>56,026</u></u>	\$ <u><u>(26,811)</u></u>