

**JUNIPER RIVIERA COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 25, 2023 5:00pm
AGENDA**

Board of Directors:
Erin D’Orio, President
Brad Pace, Vice-President
Eric Engleman, Director

Staff:
Lorrie Steely, General Manager
Lee Logsdon, Director of Operations

- **CALL TO ORDER/FLAG SALUTE/ROLL CALL**
- **PUBLIC COMMENTS:** The public is invited to address the Board on matters relating to water district business. Comments regarding specific agenda items may also be addressed when the item is before the Board of Directors, with prior notice being given. Time for comments may be limited to three minutes as needed.

- **CONSIDER APPLICANT(S) FOR THE TWO VACANT BOARD SEATS**

- **INTRODUCE PAUL MESSNER WITH MESSNER & HADLEY, REVIEW AND APPROVE 2022-2023 FISCAL AUDIT**

- **REVIEW/APPROVE MEETING MINUTES OF THE REGULAR BOARD MEETING HELD DECEMBER 21, 2023**

- **REVIEW/APPROVE FINANCIAL REPORTS FOR DECEMBER 2023**

- **OPERATIONS/WATER SYSTEM UPDATE – Lee Logsdon**
 - Report on system operations during the month of December 2023.

- **DISTRICT BUSINESS/GENERAL MANAGERS UPDATE – Lorrie Steely**
 - Discuss Small Water Systems Committee Meeting attended last Weds Jan 17th at MWA.
 - Discuss the Committee Meeting and review the draft Operations and Maintenance Program.
 - Discuss the recent changes in the Board of Directors and how those changes affect banking and signors for the District.

- **GRANT UPDATES**
 - **IRWMP Grant Update/PRV Stations:** The next phase of the project, PRV Replacement will be advertised next week, work to be done Spring 2024.
 - **State Water Resources Control Board Grant – Generators:** Funding for this grant will be incorporated into the Prop 1 Grant funding & construction process which is currently underway. Until such time that Staff can confirm this has occurred, we will keep this as a topic of discussion on the monthly agenda.
 - **Prop 1 Grant (NV-5 James Nolte/Sac State) :** Ongoing grant process includes infrastructure improvements District-wide, 2 new storage tanks and new well #04. Staff was able to contact BLM and we are identifying needs for environmental and biological requirements to add amendment to the Grant for the top tank. James Owens with NV-5 Engineering was not available to attend this month, will attend February meeting to provide an update on the status of the project.

ACTION ITEMS:

- Discuss District’s recent changes in the Board of Directors and the need to change the signers for the bank, removing Waldo Stakes and Jason Chormicle and adding new Directors.
- Approve job description and position for permanent part-time office administrative person.

NEW BUSINESS:

ADJOURN MEETING:

NEXT REGULAR MEETING DATE: 5:00pm Thursday, February 15TH, 2024

DECEMBER 2023
MEETING MINUTES
FOR REVIEW

JUNIPER RIVIERA COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
MEETING MINUTES
December 21, 2023

Board of Directors/All Present
Erin D’Orio, President
Jason Chormicle, Vice-President
Waldo Stakes, Director
Eric Engleman, Director
Brad Pace, Director

Staff /Present
Lorrie L. Steely, General Manager
Lee Logsdon, Director of Operations

- **CALL TO ORDER/FLAG SALUTE/ROLL CALL**
- **PUBLIC COMMENTS:** There were no public comments, Dean Steely was in attendance as a member of the public.
- **REVIEW/APPROVE MEETING MINUTES OF THE REGULAR BOARD MEETING HELD NOVEMBER 16, 2023;** After a review of the meeting minutes, Jason Chormicle made the motion to approve and Waldo Stakes made the second. All in Favor – 5, all Opposed – 0; Motion passed 5/0.

- **REVIEW/APPROVE FINANCIAL REPORTS FOR OCTOBER & NOVEMBER 2023,** Peggy Einhorn with P&S Accounting participated in the meeting via telephone. Peggy discussed the expenditures and income for October and November, and discussed that Messner and Hadley had completed our 2022—2023 fiscal audit. After a review of the financials, Waldo Stakes made motion to approve financial reports for October and November 2023, Jason Chormicle made the second, All in Favor – 5, All Opposed – 0, Motion Passes 5/0.

- **OPERATIONS/WATER SYSTEM UPDATE – Lee Logsdon**
 - Report on system operations during the month of November, Lee stated that the system is operating well, relays were replaced at the pump station at Tank #2, one leak was repaired on Santa Rosa Road and there was an issue with Tank 3 SCADA settings that caused the tank to overflow, settings were adjusted in summer to manage levels and now reset so the overflow should not occur again.

- **DISTRICT BUSINESS/GENERAL MANAGERS UPDATE – Lorrie Steely**
 - Discuss maintenance done to both Pump Stations at Tank 1 & Tank 2, Bob Porter was onsite and performed maintenance on both Pump Stations, staff report was provided which the Board reviewed.
 - Discuss levels sensors purchased for Wells 1 & 2, in response to monthly reporting required by State, Lorrie Steely stated that the state is beginning to require reporting on a regular basis including well levels so sensors were ordered for both Wells 1 & 2. They should arrive in February and we will have Mike Crabtree with Forshock install.
 - Advertisement was published for part-time operations position Saturday & Sunday in Daily Press, also published online for 30 days, copy of the ad was provided to the Board.
 - Distribute fiscal year 2022-2023 Audit for review, Lorrie Steely provided the Board with the FY Audit for 2022-2023 to be action item for January Board Meeting.
 - Discuss Administrative Assistant Position, Lorrie Steely provided the job description and history on the hiring of Chris Garland as the part-time permanent office assistant, the allocation of the expenditure on the budget for the fiscal year 2022-2023. Lorrie Steely discussed the tasks that Chris performs for the District. Lee Logsdon discussed the need for the Board to permanently approve the job description and position as permanent for the office assistant. Lee further stated the organizational structure of the District and how it was set-up when Denise Johnson retired with both the new Administrative Manager Rick Porter and Lee Lodsdon as Operations System Manager reporting directly to the Board. After further discussion, the Board determined the desire to hold a future closed-session meeting to discuss District issues was scheduled for Thursday January 11th.
 - Schedule Committee Meeting to discuss O&M Program, Lorrie Steely discussed the O&M Program that she has been working on in anticipation of our next Sanitary Survey that will be upcoming in the next several months. The Committee meeting was scheduled for January 9th at 6pm with participants to be Brad Pace, Eric Engleman, Lorrie Steely and Lee Logsdon.

- **GRANT UPDATES**

- **IRWMP Grant Update/PRV Stations:** The Well remediation of this project has been completed and the Well was found to not viable for remediation, the next phase of this project, PRV Replacement, will be done after summer heat when the water consumption is not such an issue.
- **State Water Resources Control Board Grant – Generators:** Funding for this grant will be incorporated into the Prop 1 Grant funding & construction process which is currently underway. Until such time that Staff can confirm this has occurred, we will keep this as a topic of discussion on the monthly agenda.
- **Prop 1 Grant (NV-5 James Nolte/Sac State) :** Ongoing grant process includes infrastructure improvements District-wide, 2 new storage tanks and new well #04. Staff was able to contact BLM to identify needs for environmental and biological requirements to add amendment to the Grant for the top tank. James Owens of NV-5 Engineering is tentative for the January meeting to provide an update on the status of the project.

ACTION ITEMS:

- **DISCUSS/APPROVE APPOINTMENT OF NEW LEGAL COUNSEL FOR THE DISTRICT;**
Lorrie Steely explained that she had contacted our legal counsel to discover he had taken a partnership offer at a new firm that practices in primarily trial law. Their rates are significantly higher \$800 - \$1200 per hour vs the \$250 we were paying. As such Staff has identified a new attorney that has worked with water systems for 25 years, with a focus on small water districts since he opened his own practice seven years ago. He serves two other local districts, Mariana Ranchos & Thunderbird County Water District and his rates are \$125 per hour. A phone call was made to Michael Silander who introduced himself and provided his experience, hourly fees and stated he does not charge a retainer fee to provide his services. Question and answer session occurred and the Board was satisfied with the outcome, Brad Pace made the motion and Jason Chormicle made the second to approve Michael Silander be appointed as new legal counsel for the District, All in Favor 5, All Opposed 0, Motion Passed 5/0.
- **DISCUSS/APPROVE AMENDMENT TO RESOLUTION FOR MORATORIUM ON METER SALES – CARRIED OVER**
- **NOMINATE & ELECT BOARD OFFICERS; PRESIDENT & VICE PRESIDENT,** After a discussion, a nomination was made by Jason Chormicle to nominate that Erin D’Orio be re-appointed as President; Waldo Stakes made a nomination of Brad Pace as President and Eric Engleman as Vice-President. After a discussion, Erin D’Orio was nominated as President, Brad Pace was nominated as Vice President. The vote for Erin D’Orio as President was 4/0 and the vote for Brad Pace as Vice President was 4/0, which will be the District’s Officer’s for calendar year 2024.

ADJOURN MEETING: Brad Pace made the motion to adjourn and Waldo Stakes made the second, the meeting was adjourned at 7:48pm.

DECEMBER 2023
FINANCIAL DOCUMENTS
FOR REVIEW

Juniper Riviera County Water District
Balance Sheet Prev Year Comparison
As of December 31, 2023

	Dec 31, 23	Dec 31, 22	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
101 FFB General Acct	109,933.71	77,079.95	32,853.76
102 FFB Bond Fund Acct	2,500.00	2,500.00	0.00
103 Citizens Bus Bank-GrantAcct	93,871.29	94,154.75	-283.46
104 FFB Capital Improvements	131,287.88	131,159.81	128.07
Total Checking/Savings	337,592.88	304,894.51	32,698.37
Other Current Assets			
120 Accounts Receivable	23,898.69	21,404.08	2,494.61
130 Prepaid Expenses	4,514.00	4,261.25	252.75
Total Other Current Assets	28,412.69	25,665.33	2,747.36
Total Current Assets	366,005.57	330,559.84	35,445.73
Fixed Assets			
142 Computer Equipment	8,924.19	8,924.19	0.00
144 Telemetry Equipment	44,093.00	44,093.00	0.00
146 Vehicles	10,000.00	10,000.00	0.00
149 Land	29,799.00	29,799.00	0.00
150 Building Improvements	44,507.25	44,507.25	0.00
151 Demonstration Garden	20,429.96	0.00	20,429.96
152 Water System (Tanks, Wells)	2,553,689.95	2,472,807.87	80,882.08
160 Accumulated Depreciation	-1,858,977.00	-1,856,181.00	-2,796.00
Total Fixed Assets	852,466.35	753,950.31	98,516.04
TOTAL ASSETS	1,218,471.92	1,084,510.15	133,961.77
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	4,590.75	3,474.32	1,116.43
Total Accounts Payable	4,590.75	3,474.32	1,116.43
Other Current Liabilities			
210 Accounts Payable	0.00	3,295.00	-3,295.00
215 Accrued Payroll	0.00	4,213.18	-4,213.18
220 Payroll Taxes Payable	6,065.47	5,541.79	523.68
225 Customer Deposits	500.00	0.00	500.00
228 Compensated Advances	865.00	0.00	865.00
230 Accrued Interest	138.00	525.00	-387.00
240 Current Portion-Bond	11,000.00	15,000.00	-4,000.00
Total Other Current Liabilities	18,568.47	28,574.97	-10,006.50
Total Current Liabilities	23,159.22	32,049.29	-8,890.07
Long Term Liabilities			
250 Bond Payable	0.00	11,000.00	-11,000.00
Total Long Term Liabilities	0.00	11,000.00	-11,000.00
Total Liabilities	23,159.22	43,049.29	-19,890.07
Equity			
280 Unrestricted Net Assets	1,103,487.00	1,103,487.00	0.00
Retained Earnings	125,972.42	-12,582.10	138,554.52
Net Income	-34,146.72	-49,444.04	15,297.32
Total Equity	1,195,312.70	1,041,460.86	153,851.84
TOTAL LIABILITIES & EQUITY	1,218,471.92	1,084,510.15	133,961.77

Juniper Riviera County Water District
Profit & Loss Budget vs. Actual
 July through December 2023

	Jul - Dec 23	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
1300 Operating Revenue			
1301 Water Revenue	48,884.97	42,500.00	6,384.97
1302 Service Charges	59,852.95	66,000.00	-6,147.05
1305 Standby Charges	27,058.96	21,000.00	6,058.96
1310 Property Tax Assess-Levy	62,037.82	52,500.00	9,537.82
1315 Meter Installation	0.00	0.00	0.00
1318 Charges & Fees	5,801.20	1,250.00	4,551.20
1320 Miscellaneous Revenue	0.00		
1350 Adjustment	0.00	0.00	0.00
Total 1300 Operating Revenue	203,635.90	183,250.00	20,385.90
Total Income	203,635.90	183,250.00	20,385.90
Expense			
1400 Operating Expenses			
1401 Wages			
1410 Wages-General Manager	45,000.00	45,000.00	0.00
1415 Wages-Operations	20,000.04	20,000.00	0.04
1420 Wages-Maintenance	0.00	9,000.00	-9,000.00
1422 Wages-Accounting	0.00	0.00	0.00
1425 Wages-Clerical	6,660.00	7,500.00	-840.00
1450 Payroll Taxes	5,412.12	7,500.00	-2,087.88
1460 Workers Comp Insurance	2,424.00	2,748.00	-324.00
Total 1401 Wages	79,496.16	91,748.00	-12,251.84
1500 Other Operating Expenses			
1502 Accounting Fees	2,250.00	2,250.00	0.00
1504 Alarm	406.35	500.00	-93.65
1506 Audit Fees	0.00	3,000.00	-3,000.00
1508 Bank Charges	66.32	187.50	-121.18
1509 Community Relations	0.00	1,000.00	-1,000.00
1510 Chlorine Charges	1,319.92	1,000.00	319.92
1513 Citations & Fines	498.00		
1511 Computer Software	951.69	2,750.00	-1,798.31
1512 Directors Fees	2,900.00	3,500.00	-600.00
1516 Dues & Subscriptions	0.00	500.00	-500.00
1517 Education & Seminars	0.00	1,500.00	-1,500.00
1518 Gasoline	765.85	2,250.00	-1,484.15
1520 Insurance-General	3,246.00	3,500.00	-254.00
1522 Insurance-Health	3,850.00	3,300.00	550.00
1525 Legal Fees	0.00	1,250.00	-1,250.00
1526 L.A.F.C.O.	177.41	50.00	127.41
1530 Licenses & Permits	0.00	1,750.00	-1,750.00
1532 Maintenance-General	2,399.36	1,500.00	899.36
1536 Maintenance-Vehicles	10,549.44	2,000.00	8,549.44
1538 Maintenance-Water System	33,944.98	12,500.00	21,444.98
1539 Water System Improvements	59,878.86	15,000.00	44,878.86
1548 Meter Installation	0.00	0.00	0.00
1550 Miscellaneous Expenses	121.94	126.00	-4.06
1555 Office Expenses	1,733.95	1,227.00	506.95
1558 Office Assistant	0.00		
1562 Propane	71.09	500.00	-428.91
1563 Postage	748.91	600.00	148.91
1564 Replacement Water Assessmt	2,500.00	2,250.00	250.00
1566 Southern California Edison	31,811.20	23,000.00	8,811.20
1570 Telemetry System	1,260.00	2,000.00	-740.00
1572 Telephone & Cellular	1,330.21	1,500.00	-169.79
1574 Trash Service	225.95	200.00	25.95
1576 Water Testing	2,095.00	3,000.00	-905.00
Total 1500 Other Operating Expenses	165,102.43	93,690.50	71,411.93
Total 1400 Operating Expenses	244,598.59	185,438.50	59,160.09
Total Expense	244,598.59	185,438.50	59,160.09
Net Ordinary Income	-40,962.69	-2,188.50	-38,774.19
Other Income/Expense			
Other Income			
2000 Non-Operating Revenue			
2010 Interest Income-Banks	63.02	2,250.00	-2,186.98
Total 2000 Non-Operating Revenue	63.02	2,250.00	-2,186.98

Juniper Riviera County Water District Profit & Loss Budget vs. Actual July through December 2023

	Jul - Dec 23	Budget	\$ Over Budget
3000 Bond Revenue			
3010 Prop Tax Assess-Debt Serv	7,027.95	0.00	7,027.95
Total 3000 Bond Revenue	7,027.95	0.00	7,027.95
Total Other Income	7,090.97	2,250.00	4,840.97
Other Expense			
3050 Bond Expenses			
3060 Bond Payments	0.00	0.00	0.00
3070 Interest on Bonds	275.00		
Total 3050 Bond Expenses	275.00	0.00	275.00
3150 Grant Expenses			
3160 Grant #1 PER Expenses	0.00	0.00	0.00
3170 Grant #2 MWA-IRWMP Expense	0.00	0.00	0.00
Total 3150 Grant Expenses	0.00	0.00	0.00
Total Other Expense	275.00	0.00	275.00
Net Other Income	6,815.97	2,250.00	4,565.97
Net Income	-34,146.72	61.50	-34,208.22

**Juniper Riviera County Water District
Profit & Loss Detail
December 2023**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Ordinary Income/Expense								
Income								
1300 Operating Revenue								
1301 Water Revenue								
General Journal	12/31/2023	Sales		Water Revenue		120 Accounts ...	6,558.45	6,558.45
Total 1301 Water Revenue							6,558.45	6,558.45
1302 Service Charges								
General Journal	12/31/2023	Sales		Service Charg...		120 Accounts ...	10,350.67	10,350.67
Total 1302 Service Charges							10,350.67	10,350.67
1305 Standby Charges								
Deposit	12/20/2023		San Bernardino Cou...	Stand By Cha...		101 FFB Gene...	14,175.67	14,175.67
Total 1305 Standby Charges							14,175.67	14,175.67
1310 Property Tax Assess-Levy								
Deposit	12/07/2023		San Bernardino Cou...	Tax Levy		101 FFB Gene...	96.23	96.23
Deposit	12/20/2023		San Bernardino Cou...	Tax Levy		101 FFB Gene...	42,786.71	42,882.94
Total 1310 Property Tax Assess-Levy							42,882.94	42,882.94
1318 Charges & Fees								
General Journal	12/31/2023	Sales		Late Fees		120 Accounts ...	827.27	827.27
General Journal	12/31/2023	Sales		Late Fee Adju...		120 Accounts ...	-30.86	796.41
Total 1318 Charges & Fees							796.41	796.41
Total 1300 Operating Revenue							74,764.14	74,764.14
Total Income							74,764.14	74,764.14
Expense								
1400 Operating Expenses								
1401 Wages								
1410 Wages-General Manager								
General Journal	12/15/2023	Payroll				-SPLIT-	3,750.00	3,750.00
General Journal	12/31/2023	Payroll				-SPLIT-	3,750.00	7,500.00
Total 1410 Wages-General Manager							7,500.00	7,500.00
1415 Wages-Operations								
General Journal	12/15/2023	Payroll				1410 Wages-G...	1,666.67	1,666.67
General Journal	12/31/2023	Payroll				1410 Wages-G...	1,666.67	3,333.34
Total 1415 Wages-Operations							3,333.34	3,333.34
1425 Wages-Clerical								
General Journal	12/15/2023	Payroll				1410 Wages-G...	555.00	555.00
General Journal	12/31/2023	Payroll				1410 Wages-G...	555.00	1,110.00
Total 1425 Wages-Clerical							1,110.00	1,110.00
1450 Payroll Taxes								
General Journal	12/15/2023	Payroll		Employers		1410 Wages-G...	456.84	456.84
General Journal	12/31/2023	Payroll		Employers		1410 Wages-G...	456.82	913.66
Total 1450 Payroll Taxes							913.66	913.66
1460 Workers Comp Insurance								
General Journal	12/31/2023	PPD ...		Workers Com...		130 Prepaid Ex...	346.50	346.50
Total 1460 Workers Comp Insurance							346.50	346.50
Total 1401 Wages							13,203.50	13,203.50
1500 Other Operating Expenses								
1502 Accounting Fees								
Bill	12/31/2023	1649	Peggy Einhorn	Accounting & ...		Accounts Paya...	375.00	375.00
Total 1502 Accounting Fees							375.00	375.00
1504 Alarm								
Bill	12/31/2023	105181	Hi Desert Alarm	Monitoring 1/...		Accounts Paya...	135.45	135.45
Total 1504 Alarm							135.45	135.45
1508 Bank Charges								
Check	12/11/2023	Debit	First Foundation Bank	Analysis Char...		101 FFB Gene...	19.92	19.92
Total 1508 Bank Charges							19.92	19.92

Juniper Riviera County Water District Profit & Loss Detail December 2023

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
1511 Computer Software								
Bill	12/19/2023	2019-...	gWorks	UBMax /UB P...		Accounts Paya...	231.00	231.00
Total 1511 Computer Software							231.00	231.00
1512 Diretors Fees								
Check	12/19/2023	1306	Erin D'Orio	Directors Fee...		101 FFB Gene...	100.00	100.00
Check	12/19/2023	1307	Jason Chormicle	Directors Fee...		101 FFB Gene...	100.00	200.00
Check	12/19/2023	1308	Waldo Stakes	Directors Fee...		101 FFB Gene...	100.00	300.00
Check	12/19/2023	1309	Brad Pace	Board Fee No...		101 FFB Gene...	100.00	400.00
Check	12/19/2023	1310	Eric Engleman	Directors Fee...		101 FFB Gene...	100.00	500.00
Total 1512 Diretors Fees							500.00	500.00
1520 Insurance-General								
General Journal	12/31/2023	Ppd G...		General Insur...		130 Prepaid Ex...	541.00	541.00
Total 1520 Insurance-General							541.00	541.00
1522 Insurance-Health								
Check	12/19/2023	1305	Lorrie L Steely	Medical Rem...		101 FFB Gene...	550.00	550.00
Check	12/31/2023	1312	Lorrie L Steely	Medical Rem...		101 FFB Gene...	550.00	1,100.00
Total 1522 Insurance-Health							1,100.00	1,100.00
1536 Maintenance-Vehicles								
Check	12/19/2023	1311	Lorrie Steely	Hesperia Hos...		101 FFB Gene...	59.74	59.74
Total 1536 Maintenance-Vehicles							59.74	59.74
1538 Maintenance-Water System								
Bill	12/05/2023	11202...	Underground Service	Invoice# 1120...		Accounts Paya...	5.25	5.25
Bill	12/07/2023		Roland Engineering ...	Booster Statio...		Accounts Paya...	3,000.00	3,005.25
Bill	12/19/2023		G.A.Osborne Pipe &...	Meter Boxes ...		Accounts Paya...	514.68	3,519.93
Total 1538 Maintenance-Water System							3,519.93	3,519.93
1539 Water System Improvements								
Bill	12/12/2023	T8581...	Core & Main	Well #2 Meter...		Accounts Paya...	570.00	570.00
Bill	12/19/2023		G.A.Osborne Pipe &...	Well #1 Well ...		Accounts Paya...	195.57	765.57
Bill	12/19/2023		G.A.Osborne Pipe &...	Well #2 Well ...		Accounts Paya...	59.56	825.13
Bill	12/19/2023		G.A.Osborne Pipe &...	Well #2 Well ...		Accounts Paya...	186.84	1,011.97
Total 1539 Water System Improvements							1,011.97	1,011.97
1550 Miscellaneous Expenses								
Check	12/14/2023	POS	Gan CA LocalLiq A	Legal Ad for P...		101 FFB Gene...	521.44	521.44
General Journal	12/31/2023	AP Wr...		Write off this ...		210 Accounts ...	-435.00	86.44
Total 1550 Miscellaneous Expenses							86.44	86.44
1555 Office Expenses								
Check	12/04/2023	DDA	Lucerne Valley	TP, Broom, El...		101 FFB Gene...	57.60	57.60
Check	12/13/2023	POS	Staples	Supplies, Paper		101 FFB Gene...	107.13	164.73
Check	12/13/2023	POS	Staples	Copier for Chr...		101 FFB Gene...	430.98	595.71
Check	12/19/2023	1311	Lorrie Steely	Staples-Office...		101 FFB Gene...	27.97	623.68
Total 1555 Office Expenses							623.68	623.68
1563 Postage								
Check	12/04/2023	POS	USPS			101 FFB Gene...	115.20	115.20
Total 1563 Postage							115.20	115.20
1566 Southern California Edison								
Bill	12/31/2023		So Cal Edison	Electricity Dist...		Accounts Paya...	3,982.90	3,982.90
Total 1566 Southern California Edison							3,982.90	3,982.90
1572 Telephone & Cellular								
Bill	12/05/2023		Frontier Communica...	December 20...		Accounts Paya...	224.18	224.18
Total 1572 Telephone & Cellular							224.18	224.18
1574 Trash Service								
Check	12/12/2023	ACH	Burrtec Waste			101 FFB Gene...	32.65	32.65
Bill	12/31/2023		Burrtec Waste	Trash Service...		Accounts Paya...	32.65	65.30
Total 1574 Trash Service							65.30	65.30

**Juniper Riviera County Water District
Profit & Loss Detail
December 2023**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
1576 Water Testing								
Bill	12/19/2023	27602	Geo Monitor	Water Quality...		Accounts Paya...	445.00	445.00
Bill	12/28/2023	27652	Geo Monitor	Water Quality...		Accounts Paya...	260.00	705.00
Total 1576 Water Testing							705.00	705.00
Total 1500 Other Operating Expenses							13,296.71	13,296.71
Total 1400 Operating Expenses							26,500.21	26,500.21
Total Expense							26,500.21	26,500.21
Net Ordinary Income							48,263.93	48,263.93
Other Income/Expense								
Other Income								
2000 Non-Operating Revenue								
2010 Interest Income-Banks								
Deposit	12/31/2023		First Foundation Bank	INterest FFB ...		104 FFB Capit...	10.59	10.59
Total 2010 Interest Income-Banks							10.59	10.59
Total 2000 Non-Operating Revenue							10.59	10.59
3000 Bond Revenue								
3010 Prop Tax Assess-Debt Serv								
Deposit	12/20/2023		San Bernardino Cou...	Debt Service		101 FFB Gene...	4,376.74	4,376.74
Total 3010 Prop Tax Assess-Debt Serv							4,376.74	4,376.74
Total 3000 Bond Revenue							4,376.74	4,376.74
Total Other Income							4,387.33	4,387.33
Net Other Income							4,387.33	4,387.33
Net Income							52,651.26	52,651.26

2022 - 2023
ANNUAL FISCAL AUDIT
FOR REVIEW

**Juniper Riviera
County Water District**

Report on Audit

June 30, 2023

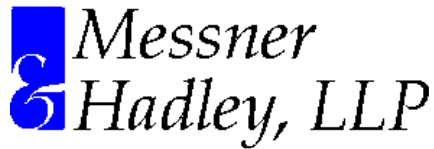
Juniper Riviera County Water District

(A Special District)

June 30, 2023

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

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Juniper Riviera County Water District
Apple Valley, California

Opinion

We have audited the accompanying financial statements of the Juniper Riviera Water District (District), which comprise the statement of net position as of June 30, 2023, and related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the 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 the District as of June 30, 2023, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government 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 *and Government 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.
- 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.

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.

Supplementary 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 as a whole. The Schedule of Operating Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which such partial information was derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a separate report dated December 19, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Messner & Hadley, LLP

Certified Public Accountants

Apple Valley, California
December 19, 2023

Juniper Riviera County Water District

(A Special District)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

As management of the Juniper Riviera County Water District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, June 30, 2023. The management's discussion and analysis is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, and (3) identify changes in the District's financial position. Please read and review it in conjunction with the District's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- In fiscal year 2022-2023, the District's net position increased 12.70%, or \$138,554 from the prior year's net position of \$1,090,905 to \$1,229,459, as a result of the year's operations. In fiscal year 2021-2022, the District's net position increased 1.31%, or \$14,055 from the prior year's net position of \$1,076,850 to \$1,090,905, as a result of the year's operations.
- In fiscal year 2022-2023, operating revenues increased by 9.58%, or \$21,164 from \$221,031 to \$242,195, from the prior year. In fiscal year 2021-2022, operating revenues increased by 20.07%, or \$36,949 from \$184,082 to \$221,031, from the prior year.
- fiscal year 2022-2023, operating expenses before depreciation expense increased by 13.71% or \$39,316 from \$286,777 to \$326,093, from the prior year. In fiscal year 2021-2022, operating expenses before depreciation expense increased by 7.16% or \$19,155 from \$267,622 to \$286,777, from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include four components: (1) Balance Sheet; (2) Statement of Revenues, Expenses, and Changes in Net Position; (3) Statement of Cash Flows; and (4) Notes to the Financial Statements.

The financial statements accompanying this MD&A present the net position, results of operations, and changes in cash flow during the years ending June 30, 2023 and 2022. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

REQUIRED FINANCIAL STATEMENTS

Balance Sheet

The Balance Sheet presents information on the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, zoning, and new or changed legislation or regulations also need to be considered when establishing financial position. Assets exceed liabilities, resulting in a net position of \$1,229,459 and \$1,090,905 as of June 30, 2023 and 2022, respectively.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the District's net position changed during the year. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position.

Juniper Riviera County Water District

(A Special District)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

This statement measures the results of the District's operations for the year and can be used to determine if the District has successfully recovered all of its costs through user fees and other charges. Operating revenues and expenses are related to the District's core activities. Non-operating revenues and expenses are not directly related to the core activities of the District (e.g. interest income, interest expense, property taxes). For the year ended June 30, 2023, net position from operations increased \$138,554. Also, for the year ended June 30, 2022, net position from operations increased \$14,055.

Statement of Cash Flows

The Statement of Cash Flows presents information regarding the District's use of cash during the year. It reports cash receipts, cash payments, and net changes in cash resulting from operations, financing and investing activities. The Statement of Cash Flows provides answers to such questions as: Where did cash come from? What was cash used for? What was the change in the cash balance during the reporting period?

District cash flows for the years have been categorized into one of the following activities: operating, noncapital financing, capital and related financing, or investing. For 2022-2023, the total of these categories represents a decrease in cash and cash equivalents of \$61,841 which is subtracted from the beginning cash and cash equivalents of \$367,801 to arrive at ending cash and cash equivalents of \$305,960. For 2021-2022, the total of these categories represents a increase in cash and cash equivalents of \$48,309, which is added to the beginning cash and cash equivalents of \$319,492, to arrive at ending cash and cash equivalents of 367,801.

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Balance Sheets

	2023	2022	Net Change
Current assets	\$ 410,069	\$ 293,373	\$ 116,696
Capital assets, net	852,466	753,950	98,516
Other noncurrent assets	2,500	106,581	(104,081)
Total assets	<u>\$ 1,265,035</u>	<u>\$ 1,153,904</u>	<u>\$ 111,131</u>
Current liabilities	\$ 35,576	\$ 51,999	\$ (16,423)
Noncurrent liabilities	-	11,000	(11,000)
Total liabilities	<u>\$ 35,576</u>	<u>\$ 62,999</u>	<u>\$ (27,423)</u>
Net position			
Investment in capital assets, net of related debt	\$ 811,667	\$ 698,151	\$ 113,516
Restricted	2,500	106,581	(104,081)
Unrestricted	415,292	286,173	129,119
Net position	<u>\$ 1,229,459</u>	<u>\$ 1,090,905</u>	<u>\$ 138,554</u>

The condensed statement above presents a summary of the District's statement of net position.

The District's Net Position as of June 30, 2023 totaled \$1,229,459 compared with \$1,090,905 as of June 30, 2022, an increase of 12.70%.

Net position is accumulated from revenues, expenses, and contributed capital combined with the beginning balance of net position as presented in the Statement of Revenues, Expenses, and Changes in Net Position.

Juniper Riviera County Water District

(A Special District)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2023	2022	Net Change
Operating revenues	\$ 242,195	\$ 221,031	21,164
Operating expenses	(326,093)	(286,777)	(39,316)
Operating loss before depreciation	(83,898)	(65,746)	(18,152)
Depreciation	(2,796)	(52,908)	50,112
Operating loss after depreciation	(86,694)	(118,654)	31,960
Nonoperating revenues(expenses), net	129,719	122,760	6,959
Net loss before capital contributions	43,025	4,106	38,919
Capital contributions	95,529	9,949	85,580
Change in net position	138,554	14,055	124,499
Net Position - Beginning	1,090,905	1,076,850	14,055
Net Position - Ending	\$ 1,229,459	\$ 1,090,905	\$ 138,554

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased from operations by \$138,554 and \$14,055 for the years ended June 30, 2023, and 2022 respectively.

CAPITAL ASSETS

At the end of 2023-2022, and 2021-2022, the District's investment in capital assets was \$852,466 and \$753,950, net of accumulated depreciation, respectively. Capital asset additions during the years ended June 30, 2023 and 2022 were \$101,312 and \$0, for various projects and equipment. Total depreciation expense for the year was \$2,796 and \$52,908 as of June 30, 2023 and 2022, respectively.

Table A-3: Capital Assets at Year End, Net of Depreciation

	2023	2022	Net Change
Land	\$ 29,799	\$ 29,799	\$ -
Plant and equipment	2,681,644	2,580,332	101,312
Accumulated depreciation	(1,858,977)	(1,856,181)	(2,796)
Total Capital Assets	\$ 852,466	\$ 753,950	\$ 98,516

LONG-TERM DEBT

At year-end the District had \$11,000 and \$26,000 in bonds payable at June 30, 2023 and 2022 respectively, as shown in Table A-4.

Table A-4: Outstanding Long-Term Debt at Year-End

	2023	2022	Net Change
Bonds Payable	\$ 11,000	\$ 26,000	\$ (15,000)

Juniper Riviera County Water District

(A Special District)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

ECONOMIC FACTORS AND FUTURES BUDGET CONSIDERATIONS

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's financials and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District at P.O. Box 386, Apple Valley, California 92307.

FINANCIAL STATEMENTS

Juniper Riviera County Water District

(A Special District)

STATEMENT OF NET POSITION

June 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 303,460
Accounts receivable-water services, net	23,701
Accounts receivable-other	77,127
Prepaid expenses	5,781
Total current assets	<u>410,069</u>

Non-Current Assets

Restricted-cash and cash equivalents	2,500
Capital assets-being depreciated	822,667
Capital assets-notbeing depreciated	29,799
Total non-current assets	<u>854,966</u>

TOTAL ASSETS

\$ 1,265,035

LIABILITIES

Current liabilities:

Accounts payable	\$ 13,708
Accrued expenses	9,865
Accrued interest	138
Compensated absences	865
Current portion of long-term debt	11,000
Total current liabilities	<u>35,576</u>

Non-current liabilities

Bonds payable	<u>-</u>
---------------	----------

Total liabilities

35,576

NET POSITION

Net investment in capital assets	811,667
Restricted	2,500
Unrestricted	415,292
Total net position	<u>1,229,459</u>

TOTAL LIABILITIES AND NET POSITION

\$ 1,265,035

See Accompanying Notes and Auditors' Report

Juniper Riviera County Water District

(A Special District)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2023

OPERATING REVENUES

Water sales	\$ 85,394
Basic service charges	111,044
Standby charges	45,757
Total operating revenues	<u>242,195</u>

OPERATING EXPENSES

Source of supply	16,300
Transmission and distribution	90,367
Pumping power	44,253
General and administrative	175,173
Total operating expenses	<u>326,093</u>

OPERATING LOSS BEFORE DEPRECIATION

	(83,898)
Depreciation	<u>(2,796)</u>

OPERATING LOSS

(86,694)

NON-OPERATING REVENUES (EXPENSES)

Interest income	166
Property tax and assessments	125,785
Miscellaneous revenue	4,681
Bond interest expense	(913)
Total non-operating revenues (expenses)	<u>129,719</u>

Net income (loss) before capital contributions

43,025

CAPITAL CONTRIBUTIONS

Grant revenue	89,079
Meter sales and installations	6,450
Total capital contributions	<u>95,529</u>

CHANGE IN NET POSITION

138,554

NET POSITION

Beginning of year	1,090,905
End of year	<u>\$ 1,229,459</u>

See Accompanying Notes and Auditors' Report

Juniper Riviera County Water District

(A Special District)

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2023

Cash flows from operating activities

Receipts from customers	168,723
Payments to suppliers	(188,747)
Payments related to payroll	<u>(150,366)</u>
Net cash used in operating activities	(170,390)

Cash flows from capital and related financing activities

Property tax receipts	125,785
Meter sales and installations	6,450
Grants	89,079
Other income received	4,681
Payments for plant property and equipment	(101,312)
Payments on long term debt principal	(15,000)
Interest paid on long term debt	<u>(1,300)</u>
Net cash provided by capital and related financing activities	108,383

Cash flows from investing activities

Interest receipts	<u>166</u>
Net cash provided by investing activities	<u>166</u>

NET DECREASE IN CASH

(61,841)

Cash - Beginning

367,801

Cash - Ending

\$ 305,960

Reconciliation of cash and cash equivalents to the statements of net assets

Reconciliation of operating loss to cash used in operating activities:

Operating loss \$ (86,694)

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation 2,796

Changes in assets and liabilities:

Accounts receivable (73,472)

Prepayments (984)

Current Liabilities (12,036)

NET CASH USED IN OPERATING ACTIVITIES

\$ (170,390)

See Accompanying Notes and Auditors' Report

Juniper Riviera County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Juniper Riviera County Water District (the “District”) was formed in 1976, under the provision of the California Water Code. The District completed its water system and became operational in August of 1981. The District’s service area includes an unincorporated area of Apple Valley, California. The District obtains its water supply from local wells.

Accounting Basis

The District’s financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

For financial reporting purposes, Juniper Riviera County Water District has included all funds, organizations, agencies, boards, districts and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of organization’s governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Juniper Riviera County Water District has no component units which meet the Governmental Accounting Standards Board criteria.

Basis of Presentation

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

Measurement Focus and Basis of Accounting

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

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

Income Taxes

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

Juniper Riviera County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 periods. Actual results could differ from those estimates.

Cash, Cash Equivalents and Pooled Investments

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

Restricted Cash

Funds set aside for payment of debt issuances are classified as restricted.

Accounts Receivable

The District recognizes bad debt expense on the direct write-off method.

Inventory

Inventories are valued at the lower of cost (first in, first out) or market. Inventories consist of parts for the assembly and repair of new and existing water systems. When inventory is used for capital projects, it is included as a cost of the related project. Excess inventory held for sale is stated at estimated realizable value.

Capital Assets

Capital assets are accounted for at historical cost. The cost of repair and maintenance are charged to expense while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation/amortization of assets disposed of are deleted, with any gain or loss recorded in current operations.

Reportable capital assets are defined by the District as assets with initial, individual costs in excess of \$1,000 and estimated useful lives in excess of two years.

Capital assets of the District are depreciated/amortized using the straight line method over the following useful lives:

<u>Classifications</u>	<u>Estimated Useful Lives</u>
Utility plant	10-50 years
Building	30 years
Transportation equipment	8 years
Office furniture and equipment	5 years

Compensated Absences

The District's policy is to pay vacation pay full-time employees one week vacation pay after one year and two weeks vacation after two years.

Juniper Riviera County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net position is classified into three separate components: net investment in capital assets, restricted, and unrestricted. These classifications focus on the accessibility of the underlying assets, and are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, 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 are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation (restricted or unrestricted depending on the constraints on the unexpended resources).
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

Grants

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a capital or operating grant receivable on the statements of net position and as capital grant contribution or operating grant revenue, as appropriate, on the statements of revenues, expenses, and changes in net position.

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

Water sales

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

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

Juniper Riviera County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents were classified in the accompanying financial statements as follows:

	<u>06/30/2023</u>	<u>06/30/2022</u>
Cash and cash equivalents	\$ 303,460	\$ 261,220
Restricted-cash and cash equivalents	<u>2,500</u>	<u>\$ 106,581</u>
Total cash and cash equivalents	<u>\$ 305,960</u>	<u>\$ 367,801</u>

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Capital Assets:	<u>Balance 06/30/2022</u>	<u>Adjustments/ Additions</u>	<u>Deletions</u>	<u>Balance 06/30/2023</u>
Transportation equipment	\$ 10,000	\$ -	\$ -	\$ 10,000
Office equipment	8,924	-	-	8,924
Building	44,507	20,430	-	64,937
Utility plant	2,516,901	80,882	-	2,597,783
Land	<u>29,799</u>	<u>-</u>	<u>-</u>	<u>29,799</u>
Total Capital Assets	<u>2,610,131</u>	<u>101,312</u>	<u>-</u>	<u>2,711,443</u>
Accumulated Depreciation	<u>(1,856,181)</u>	<u>(2,796)</u>	<u>-</u>	<u>(1,858,977)</u>
Capital Assets, net	<u>\$ 753,950</u>			<u>\$ 852,466</u>

Depreciation expense for the year was \$2,796.

NOTE 4 – BONDS PAYABLE

On June 20, 1978, General Obligation Bonds in the amount of \$1,050,000 were approved by the voters to finance construction of a water system. These bonds are to be repaid by a tax levy sufficient to pay principal and interest when due.

Series A of the bonds totaling \$762,500 was issued in 1979. As of June 30, 2023, \$0 was outstanding. In 1984, issuance began on Series B consisting of \$285,000. As of June 30, 2023, \$11,000 was outstanding. The interest rate on the outstanding bonds is 5%.

Summarized below is the bond activity for the year:

	<u>Balance 06/30/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Due in one year</u>	<u>Long-term balance 06/30/2023</u>
Series B	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>

Juniper Riviera County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 4 – LONG-TERM OBLIGATIONS (continued)

The bonds mature on October 1 and April 1, respectively, of each year as follows:

	<u>Series B</u>
Year ending June 30,	
2024	<u>\$ 11,000</u>

NOTE 5 – RISK MANAGEMENT POOL

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

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

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

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, de minimis lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are de minimis with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards

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

Litigation

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

Juniper Riviera County Water District

(A Special District)

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 19, 2023, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

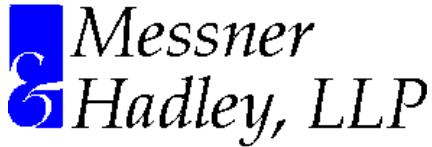
Juniper Riviera County Water District
(A Special District)

SCHEDULE OF OPERATING EXPENSES
For the Year Ended June 30,

Source of supply	
Purification and testing	11,300
Water	5,000
Total	<u>\$ 16,300</u>
Transmission and distribution	
Labor and payroll cost	40,000
Maintenance and repair	50,367
Total	<u>\$ 90,367</u>
Pumping Power	
Southern California Edison	<u>44,253</u>
Pumping Power	<u>\$ 44,253</u>
General and administrative	
Labor and payroll costs	109,501
Building maintenance & non system repairs	3,612
Contributions	931
Office supplies and expense	10,706
Office utilities and alarm monitoring	4,892
Insurance	28,967
Directors fees	4,800
Legal, accounting and other professional fees	8,592
Miscellaneous	2,307
Total general and administrative	<u>\$ 174,308</u>
Depreciation	<u>\$ 2,796</u>

See Accompanying Notes and Auditors' Report

OTHER INDEPENDENT AUDITORS' REPORT



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

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Juniper Riviera County Water District
Apple Valley, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and 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, the financial statements of the business-type activities of Juniper Riviera County Water District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Messner & Hadley, LLP.

Messner & Hadley, LLP
Certified Public Accountants

Apple Valley, California
December 19, 2023

FINDINGS AND RESPONSES

Juniper Riviera County Water District

(A Special District)

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2023

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

Juniper Riviera County Water District

(A Special District)

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2023

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