



# **DESCANSO COMMUNITY WATER DISTRICT**

**September 15<sup>th</sup>, 2020**

POSTED:

## **NOTICE**

A Regular Meeting of the Board of Directors of the Descanso Community Water District (DCWD) has been called for:

**Tuesday, September 15, 2020, 7:00 pm**

**Descanso Town Hall, Viejas Grade Blvd., Descanso, CA**

### **AGENDA**

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE.**
2. **ROLL CALL.**
3. **APPROVAL OF AGENDA.**
4. **PUBLIC COMMENT:** An opportunity for the public to comment on any topic that is within the jurisdiction of the Board and not on this agenda. No Board action is authorized for items not on this agenda. The total amount of time allocated for public comment may be limited, and each speaker may be limited to no more than 3 minutes (Brown Act, Section 54954.3).
5. **ELECTION OF OFFICERS FOR 2021:** The Board will nominate and vote to elect members of the Board to the Offices of District Board President, District Board Vice-President and District Finance Officer for the Descanso Community Water District Board of Directors for the 2021 calendar year.
6. **APPROVAL OF THE MINUTES:** The Board will review the draft minutes from the following meetings and take appropriate action:
  - Special Meeting held on July 21<sup>st</sup>, 2020
7. **PRESENTATION OF THE 2019-2020 AUDIT:** The District's accountant will present the 2019-2020 audit to the Board for approval.
8. **FINANCIAL REPORT:** The District's accountant will present the financial report to the Board. The Board will consider approval and take appropriate action.
9. **GENERAL MANAGER'S REPORT:** The GM will provide a report for activities occurring since the last meeting.
  - A. Water quality and customer complaints
  - B. Water usage and testing results
  - C. Engineering Report
  - D. Q&A
10. **DCWD BOARD OF DIRECTORS NEWSLETTER:** The Board will discuss a draft outline of the DCWD Board of Directors Newsletter and take appropriate action.
11. **OTHER ITEMS DIRECTLY RELATED TO THE ABOVE-DESCRIBED MATTERS AS MAY BE BROUGHT BEFORE THE BOARD OF DIRECTORS**
12. **MOTION TO ADJOURN**

<b>Board of Directors</b>		
<p>Maureen Phillips</p> <p>President</p> <p>(619) 445-6042</p>	<p>Gary Sanner</p> <p>Vice President</p> <p>(619) 445-9138</p>	<p>Lee Johnson</p> <p>Financial Officer</p> <p>(619) 445-4122</p>
<p>Vacancy</p>	<p>Vacancy</p>	<p>Dan DeMoss</p> <p>General Manager</p> <p>(916) 616-7761</p>

NOTE: Arrangements will be made for handicapped accessibility as required. Please contact the District by calling (855) 224-6981 (7 days a week-24/7). The next regular meeting of the Descanso Community Water District Board of Directors will be held on December 15th, 2020.

**Item 1**

**CALL TO ORDER, PLEDGE OF ALLEGIANCE**

## Item 2

### **ROLL CALL:**

1. Lee Johnson
2. Dan DeMoss
4. Gary Sanner
5. Maureen Phillips





**Item 5**

**ELECTION OF OFFICIERS FOR 2021:**

The Board will nominate and vote to elect members of the Board to the Offices of District Board President, District Board Vice-President and District Finance Officer for the Descanso Community Water District Board of Directors for the 2021 calendar year.

**Notes:**

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## Item 6

### APPROVAL OF THE MINUTES:

The Board will review the draft minutes from the following meetings:

- Regular Meeting held on July 21st, 2020

### Notes:

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# Minutes

A Meeting of the Board of Directors of the Descanso Community Water District (DCWD) has been called for:

*Tuesday, July 21, 2020 7:00 pm  
Descanso Town Hall, Viejas Grade Blvd., Descanso, CA*

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE.** The meeting was called to order by President Phillips at 5:00 PM
2. **ROLL CALL.** Members present were Phillips, Sanner, and Johnson. General Manager Dan DeMoss with SUSP and SUSP Operations Manager Julianna Meeks. James Owens NV5 and Jason Kaminsky with Nakawatase and Kaminsky.
3. **APPROVAL OF AGENDA.** The agenda was approved unanimously. A motion was given by Sanner and a second by Johnson all were in favor.
4. **PUBLIC COMMENT:** Bob Merigan expressed concerns on the placement of the airgaps above ground. DeMoss explained that these items have been placed and the concerns should have been brought up during the planning phase of the project over the last several years.
5. **APPROVAL OF THE MINUTES OF THE December 17th, 2019 MINUTES:** The Board reviewed the December 17, 2019 Minutes. A motion was given by Sanner and a second by Johnson, all were in favor of approval.
6. **FINANCIAL REPORT:** Jason with Nakawatase & Kaminsky went over the financial reports and answered any questions. No action required.
7. **PROPOSED FY 2020/2021 BUDGET:**  
Jason went over the proposed budget and answered questions. Johnson if the new census would change grant eligibility. DeMoss said there is a possibility, but we will have to see how it comes out. The Budget was excepted unanimously with a motion from Johnson and a second from Sanner, all were in favor.
8. **ACCOUNTING SERVICE RENEWAL:**  
The Board approved unanimously to continue accounting service with Nakawatase & Kaminsky, CPA's, LLP for service through July 31, 2021. A motion was given by Sanner and a second by Johnson, all were in favor.
9. **GENERAL MANAGERS REPORT:**  
General Manager DeMoss went of the GM reports in the Board packet and answered any questions. At this time James Owens with NV5 also went over project updates.
10. **DCWD BOARD OF DIRECTORS NEWSLETTER:**  
There were no items and no action required on the newsletter

11. **SUCH OTHER ITEMS DIRECTLY RELATED TO THE ABOVE-DESCRIBED MATTERS AS MAY BE BROUGHT BEFORE THE BOARD OF DIRECTORS:**

President Phillips would like SUSP to search for new legal counsel once the project is complete.

12. **MOTION TO ADJOURN:**

A motion was given by Sanner and a second by Johnson to adjourn the meeting at 7:40 PM.

**TAPE RECORDING FROM MEETING WAS INAUDIBLE, DUE TO MEETING BEING HELD OUTSIDE BECAUSE OF COVID 19. TOO MUCH OVER HEAD NOISE.**

<b>Board of Directors</b>		
Maureen Phillips President (619) 445-6042	Gary Sanner Vice President (619) 445-9138	Lee Johnson Finance Officer (619) 445-4122
	Vacant Director	Dan DeMoss General Manager (916) 616-7761

**Item 7**

**PRESENTATION OF THE 2019-2020 AUDIT:**

The District's accountant will present the 2019-2020 audit to the Board for approval.

**Notes:**

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**DESCANSO COMMUNITY WATER DISTRICT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**DESCANSO COMMUNITY WATER DISTRICT  
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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Descanso Community Water District  
Descanso, California**

### **Report on Financial Statements**

We have audited the accompanying financial statements of Descanso Community Water District, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Descanso Community Water District as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2020 on our consideration of Descanso Community Water 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 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 Descanso Community Water District's internal control over financial reporting and compliance.

*Wilkinson Hadley King & Co., LLP*

El Cajon, California  
September 9, 2020



**DESCANSO COMMUNITY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

This section of the District's financial report presents our analysis of the District's financial performance during the year ended June 30, 2020 and 2019. Please read in conjunction with the financial statements, which follow this section.

***FINANCIAL  
HIGHLIGHTS***

- The District's net position increased by \$195,794 or 16 percent.
- The District's operating income was \$228,630. This is a \$25,506 increase compared to June 30, 2019.
- The District's long-term debt decreased by \$18,397. The District maintains \$37,065 in cash reserves as required by bond debt covenant requirements.

***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) Statement of Net Position; 2) Statement of Revenues, Expenses, and Changes in Net Position; 3) Statements of Cash Flows; and 4) Notes to the Financial Statements.

The financial statements accompanying this MD&A present the financial position, results of operations, and changes in cash flow during the fiscal year ending June 30, 2020 and 2019. 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***

***Statement of Net Position***

The Statement of Net Position presents information on the District's assets (investments in resources) and liabilities (obligations to creditors), 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 in excess of liabilities (net position) were \$1,421,884 and \$1,226,090 as of June 30, 2020 and 2019, respectively.

**DESCANSO COMMUNITY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEARS ENDED 2020 AND 2019  
(Continued)**

***REQUIRED FINANCIAL STATEMENTS***

***Statements of Revenues, Expenses, and Changes in Net Position***

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how the District's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. 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 activity (providing water distribution services). Non-operating revenues and expenses are not directly related to the core activity of the District (e.g. interest income, interest expense, gain or loss on sale of assets). For the fiscal year ended June 30, 2020 net position increased \$195,794, which is added to the beginning net position of \$1,226,090 to arrive at ending total net position of \$1,421,884.

***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? And what was the change in the cash balance during the reporting period?

District cash flow for the year has been categorized into one of the following activities: operating, noncapital financing, capital and related financing, or investing. The total of these categories represents an increase in cash and cash equivalents of \$15,464, which is added from beginning cash and cash equivalents of \$593,082, to arrive at ending cash and cash equivalents of \$608,546.

**DESCANSO COMMUNITY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019  
(Continued)**

**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION**

**Condensed Statement of Net Assets**

	2020	2019	Change (\$)	Change (%)
<b>ASSETS</b>				
Current Assets	\$ 778,931	\$ 732,555	\$ 46,376	6%
Non-current Assets	2,108,353	1,399,937	708,416	51%
<b>TOTAL ASSETS</b>	<b>2,887,284</b>	<b>2,132,492</b>	<b>754,792</b>	<b>35%</b>
<b>LIABILITIES</b>				
Long-term Debt Outstanding	522,668	541,989	(19,321)	-4%
Other Liabilities	942,732	364,413	578,319	159%
<b>TOTAL LIABILITIES</b>	<b>1,465,400</b>	<b>906,402</b>	<b>558,998</b>	<b>61.67%</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	969,416	598,098	371,318	62%
Restricted	37,065	37,270	(205)	-0.55%
Unrestricted	415,403	590,722	(175,319)	-30%
<b>TOTAL NET POSITION</b>	<b>\$ 1,421,884</b>	<b>\$ 1,226,090</b>	<b>\$ 195,794</b>	<b>16%</b>

As a result of operating and non-operating activities, the District's overall net position increased by \$195,794. An increase of \$371,318 was noted in the District's investment in capital assets, representing capital additions less depreciation minus the debt related to capital assets. There is a decrease of \$205 noted in the District's restricted bond reserve and the balance of \$175,319 decreased the District's unrestricted net assets.

**DESCANSO COMMUNITY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019  
(Continued)**

***FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)***

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	2020	2019	Change (\$)	Change (%)
<b>REVENUES</b>				
Operating Revenues	\$ 659,581	\$ 642,020	\$ 17,561	3%
Non-operating Revenues	825	1,195	(370)	-31%
<b>TOTAL REVENUES</b>	<b>660,406</b>	<b>643,215</b>	<b>17,191</b>	<b>3%</b>
<b>EXPENSES</b>				
Depreciation	42,057	35,151	6,906	20%
Other Operating Expenses	388,894	403,745	(14,851)	-4%
Non-Operating Expenses	33,661	35,842	(2,181)	-6%
<b>TOTAL EXPENSES</b>	<b>464,612</b>	<b>474,738</b>	<b>(10,126)</b>	<b>-2%</b>
<b>CHANGE IN NET POSITION</b>	<b>195,794</b>	<b>168,477</b>	<b>27,317</b>	<b>16%</b>
<b>BEGINNING NET POSITION</b>	<b>1,226,090</b>	<b>1,057,613</b>	<b>168,477</b>	<b>16%</b>
<b>ENDING NET POSITION</b>	<b>\$ 1,421,884</b>	<b>\$ 1,226,090</b>	<b>\$ 195,794</b>	<b>16%</b>

While the Statement of Net Position shows the change in financial position of net assets, the Statement of Revenues, Expenses and Changes in Net Position, provides answers to the nature and source of these changes. Increase in operations was the main source of the change in ending net position of \$195,794 in fiscal 2020.

Non-operating revenue in 2020 includes \$825 in interest income, while in 2019 non-operating revenue includes \$1,195 in interest income. Other operating expenses decreased by \$14,851 as compared to year 2019.

**DESCANSO COMMUNITY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019  
(Continued)**

***FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)***

**CAPITAL ASSETS AND DEBT**

	2020	2019	Change (\$)	Change (%)
<b>CAPITAL ASSETS</b>				
Land	\$ 152,779	\$ 152,778	\$ 1	0%
Wells	122,868	122,868	0	0%
Distribution Systems	1,375,288	1,078,154	297,134	28%
Equipment	27,650	27,649	1	0%
Water Tanks	286,053	294,879	(8,826)	-3%
Work in Progress	973,681	511,518	462,163	90%
<b>Total</b>	<b>2,938,319</b>	<b>2,187,846</b>	<b>750,473</b>	<b>34%</b>
Less: Accumulated Depreciation	(829,966)	(787,909)	11,527	-1%
<b>NET CAPITAL ASSETS</b>	<b>\$ 2,108,353</b>	<b>\$ 1,399,937</b>	<b>\$ 708,416</b>	<b>51%</b>

Net capital assets increased by \$708,416 from the prior year, contributing towards the ending balance of \$2,108,353. This increase consisted of current year asset additions less current year depreciation expense, and less the disposition of some assets. The majority of the asset additions were for Work in Progress and Distribution Systems.

**DESCANSO COMMUNITY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019  
(Continued)**

***CAPITAL ASSETS AND DEBT (continued)***

**Long Term Debt**

	<u>2020</u>	<u>2019</u>	<u>Change (\$)</u>	<u>Change (%)</u>
County of San Diego	116,153	119,950	(3,797)	-3%
Rural Development Agency	<u>425,836</u>	<u>440,436</u>	<u>(14,600)</u>	<u>-3%</u>
<b>Total Long Term Debt</b>	<b><u>\$ 541,989</u></b>	<b><u>\$ 560,386</u></b>	<b><u>\$ (18,397)</u></b>	<b><u>-3%</u></b>

Total long term debt decreased by \$18,397 during the year ended June 30, 2020 as a result of principal payments made during the year.

***CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our Board of Directors, citizens, customers, ratepayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives and the stewardship of the facilities it owns and operates. If you have questions about this report or need additional information, please contact the General Manager, Descanso Community Water District, P.O. Box 610, Descanso, CA 91916.

## **FINANCIAL STATEMENTS**

**DESCANSO COMMUNITY WATER DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020 AND 2019**

	For the Year Ended June 30, 2020	
	2020	2019
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 571,481	\$ 555,812
Cash and cash equivalents, restricted	37,065	37,270
Accounts receivable, net	138,961	109,689
Inventory	29,483	27,411
Prepaid expenses	332	-
Security deposit	1,610	1,610
Other assets	-	763
<b>TOTAL CURRENT ASSETS</b>	<b>778,931</b>	<b>732,555</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment, net	2,108,353	1,399,937
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,108,353</b>	<b>1,399,937</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,887,284</b>	<b>\$ 2,132,492</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,887,284</b>	<b>\$ 2,132,492</b>
<b>LIABILITIES AND DEFERRED INFLOWS OR RESOURCES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 319,490	\$ 97,354
Accrued expenses	6,973	7,209
Current portion of long-term debt	19,321	18,396
Line of credit	596,948	241,454
<b>TOTAL CURRENT LIABILITIES</b>	<b>942,733</b>	<b>364,413</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt, net of current portion	522,668	541,989
<b>TOTAL LIABILITIES</b>	<b>1,465,400</b>	<b>906,402</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
	-	-
<b>NET POSITION</b>		
Net investment in capital assets	969,416	598,098
Restricted for debt services	37,065	37,270
Unrestricted net assets	415,403	590,722
<b>TOTAL NET POSITION</b>	<b>1,421,884</b>	<b>1,226,090</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 2,887,284</b>	<b>\$ 2,132,492</b>

The accompanying notes are an integral part of these financial statements.



**DESCANSO COMMUNITY WATER DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	For the Year Ended June 30,	
	2020	2019
<b>OPERATING REVENUES</b>		
Water sales	\$ 71,408	\$ 67,889
Water availability sales	422,868	396,772
Supplemental debt fees	54,054	54,226
Other operating revenues	111,251	123,133
<b>TOTAL OPERATING REVENUES</b>	659,581	642,020
 <b>TOTAL REVENUE AND SUPPORT</b>	 \$ 659,581	 \$ 642,020
 <b>OPERATING EXPENSES</b>		
Transmission and distribution	\$ 290,753	\$ 292,842
Pumping	11,529	12,342
Repairs and maintenance	15,032	15,042
Water treatment	11,560	14,792
General and administrative	60,020	68,727
Depreciation	42,057	35,151
<b>TOTAL OPERATING EXPENSES</b>	\$ 430,951	\$ 438,896
 <b>OPERATING INCOME</b>	 228,630	 203,124
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	\$ 825	\$ 1,195
Interest expense	(33,661)	(35,842)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	\$ (32,836)	\$ (34,647)
 <b>INCREASE (DECREASE) IN NET POSITION</b>	 195,794	 168,477
 <b>NET POSITION, BEGINNING OF YEAR</b>	 1,226,090	 1,057,613
 <b>NET ASSETS, END OF YEAR</b>	 \$ 1,421,884	 \$ 1,226,090

The accompanying notes are an integral part of these financial statements.

**DESCANSO COMMUNITY WATER DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

**Cash Flows from Operating Activities**

Receipts from federal, state, and local contracts	\$ 630,309	\$ 655,877
Payments to vendors	(167,810)	(355,902)
Interest paid	(33,661)	(35,842)
Net Cash Used for Operating Activities	<u>428,838</u>	<u>264,133</u>

**Cash Flows from Investing Activities**

Purchases of property and equipment (net)	<u>(750,472)</u>	<u>(85,869)</u>
Net Cash Used for Investing Activities	<u>(750,472)</u>	<u>(85,869)</u>

**Cash Flows from Financing Activities**

Principal payments on debt	(18,396)	(22,745)
Proceeds from increase in line of credit	<u>355,494</u>	<u>17,730</u>
Net Cash Provided from Financing Activities	<u>337,098</u>	<u>(5,015)</u>

<b>Net Change in Cash and Cash Equivalents</b>	15,464	173,249
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>593,082</u>	<u>419,833</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 608,546</u>	<u>\$ 593,082</u>

**Reconciliation of Change in Net Assets to Net Cash from Operating Activities**

Change in net assets	\$ 195,794	\$ 168,477
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	42,057	35,151
Changes in operating assets and liabilities		
Accounts receivable	(29,272)	(13,857)
Inventory	(2,072)	879
Prepaid expenses	(332)	741
Security deposits	-	1,044
Other assets	763	(316)
Accounts payable	222,136	72,280
Accrued expenses	(236)	(266)
Net Cash Used for Operating Activities	<u>\$ 428,838</u>	<u>\$ 264,133</u>

The accompanying notes are an integral part of these financial statements.

**DESCANSO COMMUNITY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

**A. Organization and Operation:**

The Descanso Community Water District (the District) is a community water district organized under the provisions of the California Government Code, Section 61000 et. seq., the Community Services District Law. The District was formed in 1983 for the purpose of acquiring the Descanso Park Water Company and its operations in Descanso, California. The District provides its services through approximately 310 water connections.

**B. Summary of Significant Accounting Policies:**

*Basis of Presentation and Accounting*

The District's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The District has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements.

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of the fund are accounted for with a set of self-balancing accounts that comprise the District's assets, liabilities, net position, revenues, and expenses.

Enterprise funds account for activities that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or that are required by laws and regulations that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net assets.

*Use of Estimates*

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

**DESCANSO COMMUNITY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019  
(Continued)**

*Inventory*

Inventory is stated at lower of cost or market using the first-in, first-out method and consists of expendable supplies held for consumption.

*Cash and Cash Equivalents*

For the purpose of the statement of cash flows, the District considers all highly liquid debt or equity investments purchased with an original maturity of three months or less to be cash equivalents.

*Utility Plant*

Utility plant assets owned directly by the District are stated at historical cost. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Cost includes direct labor, outside services, materials and transportation, and overhead. The cost and accumulated depreciation of property sold or retired is deducted from capital assets, and any profit or loss resulting from the disposal is credited or charged in the non-operating section of revenues, expenses and changes in net assets. The cost of current repairs, maintenance, and minor replacements is charged to expense. Depreciation is provided over the estimated useful lives of assets using the straight-line method.

Estimated useful lives are as follows:

Wells	10 to 38 years
Water tanks	10 to 40 years
Transmission facilities	3 to 40 years
Pump station	5 to 10 years
Machinery equipment	3 to 7 years
Water meters	15 years

*Operating Revenues and Expenses*

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities. Significantly all of the District's operating revenues are derived from water sales to its customers.

*Donated Property and Equipment*

Donations of property and equipment are recorded as donations at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

**DESCANSO COMMUNITY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019  
(Continued)**

*Deferred Inflows and Deferred Outflows of Resources*

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

*Income Taxes*

The District is a governmental organization exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

*Materials and Supplies*

Material and supplies inventory consists principally of spare parts that are recorded when purchased and expensed when used and is recorded at weighted average cost.

**C. Cash and Cash Equivalents:**

Cash and cash equivalents held by the District is comprised of the following:

	June 30,	
	2020	2019
Unrestricted		
Cash	\$ 503,092	\$ 366,148
Cash-capital improvement fund	68,389	189,664
Total unrestricted cash	<u>571,481</u>	<u>555,812</u>
Restricted		
Cash with fiscal agent	<u>37,065</u>	<u>37,270</u>
Total restricted cash	<u>37,065</u>	<u>37,270</u>
Total cash	<u>\$ 608,546</u>	<u>\$ 593,082</u>

Restricted cash consists of Blackrock Institutional funds held by a fiscal agent at Union Bank.

**DESCANSO COMMUNITY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED 2020 AND 2019  
(Continued)**

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District is restricted by the California Government Code to invest in local agency bonds, U.S. treasury and agency securities, bankers acceptances, commercial paper, negotiable certificates of deposits, and other authorized investments. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. At year end, the District had \$302,164 on deposit with a single financial institution which exceeded the Federal Deposit Insurance Coverage amount.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

**DESCANSO COMMUNITY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED 2020 AND 2019  
(Continued)**

**D. Capital Assets:**

Capital Assets are summarized as follows:

	June 30,	
	2020	2019
Land	\$ 152,779	\$ 152,778
Wells	122,868	122,868
Distribution system	1,375,288	1,078,154
Equipment	27,650	27,649
Water tank	286,053	294,879
Work in progress	<u>973,681</u>	<u>511,518</u>
Total capital assets	2,938,319	2,187,846
Less accumulated depreciation	<u>(829,966)</u>	<u>(787,909)</u>
Capital assets, net	<u>\$ 2,108,353</u>	<u>\$ 1,399,937</u>

**E. Accounts Receivable:**

The District grants credit to individuals and businesses, substantially all of whom are in the community of Descanso, California. The District performs ongoing credit evaluations of its customers and, generally, requires no collateral. Concentrations of credit risk with respect to accounts receivable are limited due to the number of individuals and businesses comprising the District's customer base. As of June 30, 2020 and 2019, the District had no significant concentrations of credit risk.

Accounts receivable as of June 30, 2020 and 2019 are considered collectible by management, net of an allowance for doubtful accounts of \$5,054 at June 30, 2020.

**F. Commitments and Contingencies:**

Litigation

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

**DESCANSO COMMUNITY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED 2020 AND 2019  
(Continued)**

**G. Long Term Debt Obligations:**

Long-term obligations include debt and other long-term liabilities. Changes in long term obligations for the year ended June 30, 2020 are as follows:

	<u>06/30/19</u>	<u>Additions</u>	<u>Payments</u>	<u>06/30/20</u>	<u>Due Within One Year</u>
State of California	\$ -	\$ -	\$ -	\$ -	\$ -
County of San Diego	119,950	-	3,797	116,153	3,921
Rural Development Agency	440,436	-	14,600	425,836	15,400
<b>Total</b>	<b>\$ 560,386</b>	<b>\$ -</b>	<b>\$ 18,397</b>	<b>\$ 541,989</b>	<b>\$ 19,321</b>

The changes in long-term debt for the year ended June 30, 2019 are as follows:

	<u>06/30/18</u>	<u>Additions</u>	<u>Payments</u>	<u>06/30/19</u>	<u>Due Within One Year</u>
State of California	\$ 5,170	\$ -	\$ 5,170	\$ -	\$ -
County of San Diego	123,624	-	3,674	119,950	3,796
Rural Development Agency	454,336	-	13,900	440,436	14,600
<b>Total</b>	<b>\$ 583,130</b>	<b>\$ -</b>	<b>\$ 22,744</b>	<b>\$ 560,386</b>	<b>\$ 18,396</b>

Future principal and interest maturities are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 19,321	\$ 23,880	\$ 43,201
2022	20,251	23,010	43,261
2023	21,185	22,096	43,281
2024	22,123	21,141	43,264
2025	23,065	20,144	43,209
2026-2030	131,637	84,143	215,780
2031-2035	164,678	51,469	216,147
2036-2040	132,222	13,001	145,223
2041-2045	7,507	248	7,755
<b>Total</b>	<b>\$ 541,989</b>	<b>\$ 259,132</b>	<b>\$ 801,121</b>



**DESCANSO COMMUNITY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED 2020 AND 2019  
(Continued)**

**H. Subsequent Events:**

In preparing these financial statements the District has evaluated events and transactions for potential recognition or disclosure between June 30, 2020 and the date the financial statements were issued.

**I. Line of Credit:**

The Water District has obtained an extension on a line of credit from COBANK. The balance on the line of credit at June 30, 2020 is \$596,948. The line of credit is due January 31, 2021. The line of credit is for the construction of a water treatment plant. The line of credit is interest only at the LIBOR rate plus 2%. The line of credit will be converted to long term debt once construction begins on the water treatment plant.

**OTHER INDEPENDENT AUDITOR'S REPORTS**

**Independent Auditor's 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***

**To the Board of Directors  
Descanso Community Water District  
Descanso, California**

We have audited, in accordance with the 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, the financial statements of Descanso Community Water District, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise basic financial statements, and have issued our report thereon dated September 9, 2020.

**Internal Control Over Financial Reporting**

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Descanso Community Water 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Williamson Hubley King & Co., LLP*

El Cajon, California  
September 9, 2020

**FINDINGS AND RECOMMENDATIONS**

**DESCANSO COMMUNITY WATER DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Section I – Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Reportable conditions identified not considered  
to be material weaknesses? No

Noncompliance material to financial  
statements noted? No

*Federal Awards*

Type of auditor’s report issued on compliance for  
Major programs: Not Applicable

Internal control over major programs:

Material weaknesses identified? Not Applicable

Reportable conditions identified not considered  
to be material weaknesses? Not Applicable

Any audit findings disclosed that are required to be  
reported in accordance with Circular A-133,  
Section .510(a) Not Applicable

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
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Not Applicable	Not Applicable
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Dollar threshold to distinguish between Type A and  
Type B programs: Not Applicable

Auditee qualified as a low-risk auditee? Not Applicable

**Section II - Financial Statement Findings**

No matters reported.

**Section III - Federal Award Findings and Questioned Costs**

Not applicable

**DESCANSO COMMUNITY WATER DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

There were no reportable findings and/or questioned costs for the year ended June 30, 2019.

**Item 8**

**FINANCIAL REPORT:**

The District's accountant will present the financial report to the Board. The Board will consider approval and take appropriate action.

**Notes:**

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**Descanso Community Water District**  
**Balance Sheet**  
As of June 30, 2020

	<b>Jun 30, 20</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>Cash and Cash Equivalents</b>	
<b>Cash</b>	
General Fund7573-Cal Bank	492,978
Checking7680-Cal Bank	6,195
Emgncy/Cap ImproveFund-Cal Bank	68,389
Installment Fund - UBOC	2
Reserve Fund - UBOC	37,064
Deposits In Transit	
PayPal	3,919
<b>Total Deposits In Transit</b>	3,919
<b>Total Cash</b>	608,547
<b>Total Cash and Cash Equivalents</b>	608,547
<b>Total Checking/Savings</b>	608,547
<b>Accounts Receivable</b>	
<b>Customer Accounts Receivable</b>	
Customer Accounts Receivable	
Customer Prepayments	-2,440
Customer Accounts Receivable - Other	146,440
<b>Total Customer Accounts Receivable</b>	144,000
<b>Total Customer Accounts Receivable</b>	144,000
<b>Allowance for Doubtful Accounts</b>	-5,040
<b>Total Accounts Receivable</b>	138,960
<b>Other Current Assets</b>	
<b>Security Deposits</b>	
Office 28857B Old Hwy 80	450
County of San Diego	1,160
<b>Total Security Deposits</b>	1,610
<b>Materials and Supplies</b>	
Plant Material	29,483
<b>Total Materials and Supplies</b>	29,483
<b>Prepayments</b>	
G&A	190
Taxes/Fees	141
<b>Total Prepayments</b>	331
<b>Total Other Current Assets</b>	31,424
<b>Total Current Assets</b>	778,931

**Descanso Community Water District**  
**Balance Sheet**  
As of June 30, 2020

	<u>Jun 30, 20</u>
<b>Fixed Assets</b>	
<b>Utility Plant-At Original Cost</b>	
<b>Utility plant-original cost</b>	
Land & Ld Rights-TD	152,779
Struct & Improv-Pump	7,764
Pumping Struct & Improvement	4,139
Pumping Struct & Improvements	9,419
<b>Wells &amp; Springs</b>	
Well #1	11,463
Well #5	80,327
Well #6	31,078
<b>Total Wells &amp; Springs</b>	<u>122,868</u>
Dist Res & Standpipes	6,250
Dist. Res & Standpipes	279,803
T & D Mains-4" and less	3,635
T & D Mains-6"-8"	340,295
T & D Mains- 6"-8"	104,049
T & D Mains -6"-8"	548,970
T & D Mains -12"	194,866
Services	36,108
Meters	51,594
Hydrants	13,171
Other T&D Plant	44,931
Fencing	5,200
Other P/E - Eng Evaluation	11,148
Power Operated Equipment	854
Tools/Shop/Garage Equip	1,875
Miscellaneous Equipment	24,920
<b>Total Utility plant-original cost</b>	<u>1,964,638</u>
<b>Total Utility Plant-At Original Cost</b>	<u>1,964,638</u>
<b>Accumulated Depreciation</b>	
Utility Plant-Acc Depr	-829,966
<b>Total Accumulated Depreciation</b>	<u>-829,966</u>
<b>Total Fixed Assets</b>	<u>1,134,672</u>

**Descanso Community Water District**  
**Balance Sheet**  
As of June 30, 2020

	<b>Jun 30, 20</b>
<b>Other Assets</b>	
<b>Uncapitalized Fixed Assets -WIP</b>	
<b>Fe/Mn Pipeline</b>	
Main Contractor (\$1.147M)	213,689
Task 12 (\$34670)	10,528
Fe/Mn Pipeline - Other	4,275
Total Fe/Mn Pipeline	228,492
<b>Well #5-Fe/Mn Plant</b>	
Task 04 (\$29945)	25,808
Task 06 (\$56990)	56,990
Task 08 (\$174605)	172,474
Task 09 (\$151.5K)	71,689
Task 11 (\$10.6K)	8,525
Well #5-Fe/Mn Plant - Other	36,952
Total Well #5-Fe/Mn Plant	372,438
<b>Well #6-Fe/Mn Plant</b>	
Task 04 (\$29945)	25,808
Task 06 (\$56990)	56,990
Task 08 (\$174605)	172,474
Task 09 (\$151.5K)	71,689
Task 11 (\$10.6K)	8,525
Well #6-Fe/Mn Plant - Other	36,952
Total Well #6-Fe/Mn Plant	372,438
Uncapitalized Fixed Assets -WIP - Other	311
Total Uncapitalized Fixed Assets -WIP	973,679
Total Other Assets	973,679
<b>TOTAL ASSETS</b>	<b>2,887,282</b>

**Descanso Community Water District**  
**Balance Sheet**  
As of June 30, 2020

	<b>Jun 30, 20</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accts Pay - General	319,489
<b>Total Accounts Payable</b>	319,489
<b>Other Current Liabilities</b>	
CoBank Bridge Loan (\$1.492M)	596,948
<b>Current Portion of LTD</b>	
Loan Payable - Union Bank of Ca	15,400
Loan Payable - SD County	3,921
<b>Total Current Portion of LTD</b>	19,321
<b>Interest Accrued</b>	
Int Accr-LTD-Outside	6,973
<b>Total Interest Accrued</b>	6,973
<b>Total Other Current Liabilities</b>	623,242
<b>Total Current Liabilities</b>	942,731
<b>Long Term Liabilities</b>	
<b>Long-Term Debt</b>	
Loan Payable - UBOC 4/2038	410,436
Loan Payable-SD County 1/2041	112,232
<b>Total Long-Term Debt</b>	522,668
<b>Total Long Term Liabilities</b>	522,668
<b>Total Liabilities</b>	1,465,399
<b>Equity</b>	
Retained Earnings	1,226,090
Net Income	195,795
<b>Total Equity</b>	1,421,885
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,887,284</b>

## Descanso Community Water District Profit & Loss Budget vs. Actual April through June 2020

	Apr 20	Budget	\$ Over Budget	% of Budget	May 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
Income								
Operating Revenues	42,114	41,184	930	102%	47,359	43,823	3,536	108%
Total Income	42,114	41,184	930	102%	47,359	43,823	3,536	108%
Gross Profit	42,114	41,184	930	102%	47,359	43,823	3,536	108%
Expense								
Operating Expenses	684	971	-287	70%	837	1,046	-209	80%
Water Treatment	3,316	1,796	1,520	185%	285	525	-240	54%
Repairs and Maintenance	1,993	3,501	-1,508	57%	238	3,501	-3,263	7%
Transmission & Distribution	24,229	24,955	-726	97%	24,229	24,955	-726	97%
Depreciation	3,560	2,897	663	123%	3,560	2,897	663	123%
General & Administrative	8,666	4,598	4,068	188%	3,538	4,524	-986	78%
Total Expense	42,448	38,718	3,730	110%	32,687	37,448	-4,761	87%
Net Ordinary Income	-334	2,466	-2,800	-14%	14,672	6,375	8,297	230%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,639	0	100%
Veijas Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,505	0	100%
Interest Income	35	90	-55	39%	14	90	-76	16%
Total Other Income	13,760	13,815	-55	100%	13,739	13,815	-76	99%
Other Expense								
Interest Expense	2,757	2,005	752	138%	2,626	2,005	621	131%
Total Other Expense	2,757	2,005	752	138%	2,626	2,005	621	131%
Net Other Income	11,003	11,810	-807	93%	11,113	11,810	-697	94%
Net Income	10,669	14,276	-3,607	75%	25,785	18,185	7,600	142%

## Descanso Community Water District Profit & Loss Budget vs. Actual April through June 2020

	Jun 20	Budget	\$ Over Budget	% of Budget	Apr - Jun 20	Budget	\$ Over Budget	% of Budget
<b>TOTAL</b>								
Ordinary Income/Expense								
Income								
Operating Revenues	42,115	43,820	-1,705	96%	131,588	128,827	2,761	102%
Total Income	42,115	43,820	-1,705	96%	131,588	128,827	2,761	102%
Gross Profit	42,115	43,820	-1,705	96%	131,588	128,827	2,761	102%
Expense								
Operating Expenses	967	1,302	-335	74%	2,488	3,319	-831	75%
Water Treatment	331	1,942	-1,611	17%	3,932	4,263	-331	92%
Repairs and Maintenance	1,811	3,502	-1,691	52%	4,042	10,504	-6,462	38%
Transmission & Distribution	24,230	24,955	-725	97%	72,688	74,865	-2,177	97%
Depreciation	3,560	2,897	663	123%	10,680	8,691	1,989	123%
General & Administrative	3,659	4,894	-1,235	75%	15,863	14,016	1,847	113%
Total Expense	34,558	39,492	-4,934	88%	109,693	115,658	-5,965	95%
Net Ordinary Income	7,557	4,328	3,229	175%	21,895	13,169	8,726	166%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	22,917	22,917	0	100%
Veijas Grade Project Charge	1,581	1,581	0	100%	4,743	4,743	0	100%
Supp Debt Charge	4,505	4,505	0	100%	13,515	13,515	0	100%
Interest Income	16	90	-74	18%	65	270	-205	24%
Total Other Income	13,741	13,815	-74	99%	41,240	41,445	-205	100%
Other Expense								
Interest Expense	2,791	2,005	786	139%	8,174	6,015	2,159	136%
Total Other Expense	2,791	2,005	786	139%	8,174	6,015	2,159	136%
Net Other Income	10,950	11,810	-860	93%	33,066	35,430	-2,364	93%
Net Income	18,507	16,138	2,369	115%	54,961	48,599	6,362	113%

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through June 2020

	Jul 19	Budget	\$ Over Budget	% of Budget	Aug 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
Operating Revenues	41,755	43,682	-1,927	96%	41,656	43,682	-2,026	95%
Total Income	41,755	43,682	-1,927	96%	41,656	43,682	-2,026	95%
<b>Gross Profit</b>	41,755	43,682	-1,927	96%	41,656	43,682	-2,026	95%
<b>Expense</b>								
Operating Expenses	1,097	1,365	-268	80%	1,325	1,404	-79	94%
Water Treatment	434	1,813	-1,379	24%	4,776	1,967	2,809	243%
Repairs and Maintenance	507	3,495	-2,988	15%	339	3,495	-3,156	10%
Transmission & Distribution	24,229	24,955	-726	97%	24,230	24,955	-725	97%
Depreciation	2,897	2,897	0	100%	3,560	2,897	663	123%
General & Administrative	3,693	5,486	-1,793	67%	5,014	4,598	416	109%
Total Expense	32,857	40,011	-7,154	82%	39,244	39,316	-72	100%
<b>Net Ordinary Income</b>	8,898	3,671	5,227	242%	2,412	4,366	-1,954	55%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,639	0	100%
Viejias Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,505	0	100%
Interest Income	114	90	24	127%	111	90	21	123%
Total Other Income	13,839	13,815	24	100%	13,836	13,815	21	100%
<b>Other Expense</b>								
Interest Expense	2,974	2,073	901	143%	2,945	2,073	872	142%
Total Other Expense	2,974	2,073	901	143%	2,945	2,073	872	142%
<b>Net Other Income</b>	10,865	11,742	-877	93%	10,891	11,742	-851	93%
<b>Net Income</b>	<u>19,763</u>	<u>15,413</u>	<u>4,350</u>	<u>128%</u>	<u>13,303</u>	<u>16,108</u>	<u>-2,805</u>	<u>83%</u>

## Descanso Community Water District Profit & Loss Budget vs. Actual July 2019 through June 2020

	Sep 19	Budget	\$ Over Budget	% of Budget	Oct 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
Income								
Operating Revenues	39,390	42,680	-3,290	92%	36,982	42,623	-5,641	87%
Total Income	39,390	42,680	-3,290	92%	36,982	42,623	-5,641	87%
Gross Profit	39,390	42,680	-3,290	92%	36,982	42,623	-5,641	87%
Expense								
Operating Expenses	1,303	1,124	179	116%	1,017	1,171	-154	87%
Water Treatment	105	707	-602	15%	1,179	1,843	-664	64%
Repairs and Maintenance	364	3,502	-3,138	10%	5,749	3,501	2,248	164%
Transmission & Distribution	24,229	24,955	-726	97%	24,230	24,955	-725	97%
Depreciation	3,560	2,897	663	123%	3,560	2,897	663	123%
General & Administrative	6,631	11,594	-4,963	57%	5,004	7,461	-2,457	67%
Total Expense	36,192	44,779	-8,587	81%	40,739	41,828	-1,089	97%
Net Ordinary Income	3,198	-2,099	5,297	-152%	-3,757	795	-4,552	-473%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,639	0	100%
Viejas Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,505	0	100%
Interest Income	92	90	2	102%	103	90	13	114%
Total Other Income	13,817	13,815	2	100%	13,828	13,815	13	100%
Other Expense								
Interest Expense	2,889	2,073	816	139%	2,857	2,045	812	140%
Total Other Expense	2,889	2,073	816	139%	2,857	2,045	812	140%
Net Other Income	10,928	11,742	-814	93%	10,971	11,770	-799	93%
Net Income	14,126	9,643	4,483	146%	7,214	12,565	-5,351	57%



## Descanso Community Water District Profit & Loss Budget vs. Actual July 2019 through June 2020

	Nov 19	Budget	\$ Over Budget	% of Budget	Dec 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
Income								
Operating Revenues	41,522	39,462	2,060	105%	38,817	40,253	-1,436	96%
Total Income	41,522	39,462	2,060	105%	38,817	40,253	-1,436	96%
Gross Profit	41,522	39,462	2,060	105%	38,817	40,253	-1,436	96%
Expense								
Operating Expenses	1,550	1,427	123	109%	658	913	-255	72%
Water Treatment	239	557	-318	43%	140	1,865	-1,725	8%
Repairs and Maintenance	168	3,501	-3,333	5%	475	3,502	-3,027	14%
Transmission & Distribution	24,229	24,955	-726	97%	24,230	24,955	-725	97%
Depreciation	3,560	2,897	663	123%	3,560	2,897	663	123%
General & Administrative	3,192	4,599	-1,407	69%	5,689	4,894	795	116%
Total Expense	32,938	37,936	-4,998	87%	34,752	39,026	-4,274	89%
Net Ordinary Income	8,584	1,526	7,058	563%	4,065	1,227	2,838	331%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,639	0	100%
Viejias Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,505	0	100%
Interest Income	75	90	-15	83%	69	90	-21	77%
Total Other Income	13,800	13,815	-15	100%	13,794	13,815	-21	100%
Other Expense								
Interest Expense	2,800	2,045	755	137%	2,823	2,045	778	138%
Total Other Expense	2,800	2,045	755	137%	2,823	2,045	778	138%
Net Other Income	11,000	11,770	-770	93%	10,971	11,770	-799	93%
Net Income	<b>19,584</b>	<b>13,296</b>	<b>6,288</b>	<b>147%</b>	<b>15,036</b>	<b>12,997</b>	<b>2,039</b>	<b>116%</b>

## Descanso Community Water District Profit & Loss Budget vs. Actual July 2019 through June 2020

	Jan 20	Budget	\$ Over Budget	% of Budget	Feb 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
Income								
Operating Revenues	41,905	41,640	265	101%	41,366	41,637	-271	99%
Total Income	41,905	41,640	265	101%	41,366	41,637	-271	99%
Gross Profit	41,905	41,640	265	101%	41,366	41,637	-271	99%
Expense								
Operating Expenses	763	978	-215	78%	714	885	-171	81%
Water Treatment	132	451	-319	29%	355	493	-138	72%
Repairs and Maintenance	826	3,501	-2,675	24%	2,371	3,501	-1,130	68%
Transmission & Distribution	24,229	24,955	-726	97%	24,229	24,955	-726	97%
Depreciation	3,560	2,897	663	123%	3,560	2,897	663	123%
General & Administrative	3,645	5,722	-2,077	64%	3,229	4,599	-1,370	70%
Total Expense	33,155	38,504	-5,349	86%	34,458	37,330	-2,872	92%
Net Ordinary Income	8,750	3,136	5,614	279%	6,908	4,307	2,601	160%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,639	0	100%
Viejas Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,505	0	100%
Interest Income	69	90	-21	77%	68	90	-22	76%
Total Other Income	13,794	13,815	-21	100%	13,793	13,815	-22	100%
Other Expense								
Interest Expense	2,802	2,034	768	138%	2,745	2,034	711	135%
Total Other Expense	2,802	2,034	768	138%	2,745	2,034	711	135%
Net Other Income	10,992	11,781	-789	93%	11,048	11,781	-733	94%
Net Income	19,742	14,917	4,825	132%	17,956	16,088	1,868	112%

## Descanso Community Water District Profit & Loss Budget vs. Actual July 2019 through June 2020

	Mar 20	Budget	\$ Over Budget	% of Budget	Apr 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
Income								
Operating Revenues	39,908	41,184	-1,276	97%	42,114	41,184	930	102%
Total Income	39,908	41,184	-1,276	97%	42,114	41,184	930	102%
Gross Profit	39,908	41,184	-1,276	97%	42,114	41,184	930	102%
Expense								
Operating Expenses	613	1,014	-401	60%	684	971	-287	70%
Water Treatment	267	541	-274	49%	3,316	1,796	1,520	185%
Repairs and Maintenance	190	3,502	-3,312	5%	1,993	3,501	-1,508	57%
Transmission & Distribution	24,229	24,955	-726	97%	24,229	24,955	-726	97%
Depreciation	3,560	2,897	663	123%	3,560	2,897	663	123%
General & Administrative	8,059	6,094	1,965	132%	8,666	4,598	4,068	188%
Total Expense	36,918	39,003	-2,085	95%	42,448	38,718	3,730	110%
Net Ordinary Income	2,990	2,181	809	137%	-334	2,466	-2,800	-14%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,639	0	100%
Viejias Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,505	0	100%
Interest Income	60	90	-30	67%	35	90	-55	39%
Total Other Income	13,785	13,815	-30	100%	13,760	13,815	-55	100%
Other Expense								
Interest Expense	2,653	2,034	619	130%	2,757	2,005	752	138%
Total Other Expense	2,653	2,034	619	130%	2,757	2,005	752	138%
Net Other Income	11,132	11,781	-649	94%	11,003	11,810	-807	93%
Net Income	14,122	13,962	160	101%	10,669	14,276	-3,607	75%

## Descanso Community Water District Profit & Loss Budget vs. Actual July 2019 through June 2020

	May 20	Budget	\$ Over Budget	% of Budget	Jun 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
Income								
Operating Revenues	47,359	43,823	3,536	108%	42,115	43,820	-1,705	96%
Total Income	47,359	43,823	3,536	108%	42,115	43,820	-1,705	96%
Gross Profit	47,359	43,823	3,536	108%	42,115	43,820	-1,705	96%
Expense								
Operating Expenses	837	1,046	-209	80%	967	1,302	-335	74%
Water Treatment	285	525	-240	54%	331	1,942	-1,611	17%
Repairs and Maintenance	238	3,501	-3,263	7%	1,811	3,502	-1,691	52%
Transmission & Distribution	24,229	24,955	-726	97%	24,230	24,955	-725	97%
Depreciation	3,560	2,897	663	123%	3,560	2,897	663	123%
General & Administrative	3,538	4,524	-986	78%	3,659	4,894	-1,235	75%
Total Expense	32,687	37,448	-4,761	87%	34,558	39,492	-4,934	88%
Net Ordinary Income	14,672	6,375	8,297	230%	7,557	4,328	3,229	175%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,639	0	100%
Veijas Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,505	0	100%
Interest Income	14	90	-76	16%	16	90	-74	18%
Total Other Income	13,739	13,815	-76	99%	13,741	13,815	-74	99%
Other Expense								
Interest Expense	2,626	2,005	621	131%	2,791	2,005	786	139%
Total Other Expense	2,626	2,005	621	131%	2,791	2,005	786	139%
Net Other Income	11,113	11,810	-697	94%	10,950	11,810	-860	93%
Net Income	25,785	18,185	7,600	142%	18,507	16,138	2,369	115%

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
**July 2019 through June 2020**

	TOTAL			
	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
Income				
Operating Revenues	494,889	505,670	-10,781	98%
Total Income	494,889	505,670	-10,781	98%
Gross Profit	494,889	505,670	-10,781	98%
Expense				
Operating Expenses	11,528	13,600	-2,072	85%
Water Treatment	11,559	14,500	-2,941	80%
Repairs and Maintenance	15,031	42,004	-26,973	36%
Transmission & Distribution	290,752	299,460	-8,708	97%
Depreciation	42,057	34,764	7,293	121%
General & Administrative	60,019	69,063	-9,044	87%
Total Expense	430,946	473,391	-42,445	91%
Net Ordinary Income	63,943	32,279	31,664	198%
Other Income/Expense				
Other Income				
Treatment Plant Project Charge	91,668	91,668	0	100%
Viejias Grade Project Charge	18,972	18,972	0	100%
Supp Debt Charge	54,060	54,060	0	100%
Interest Income	826	1,080	-254	76%
Total Other Income	165,526	165,780	-254	100%
Other Expense				
Interest Expense	33,662	24,471	9,191	138%
Total Other Expense	33,662	24,471	9,191	138%
Net Other Income	131,864	141,309	-9,445	93%
Net Income	<u>195,807</u>	<u>173,588</u>	<u>22,219</u>	<u>113%</u>

**Descanso Community Water District**  
**Statement of Cash Flows**  
 April through June 2020

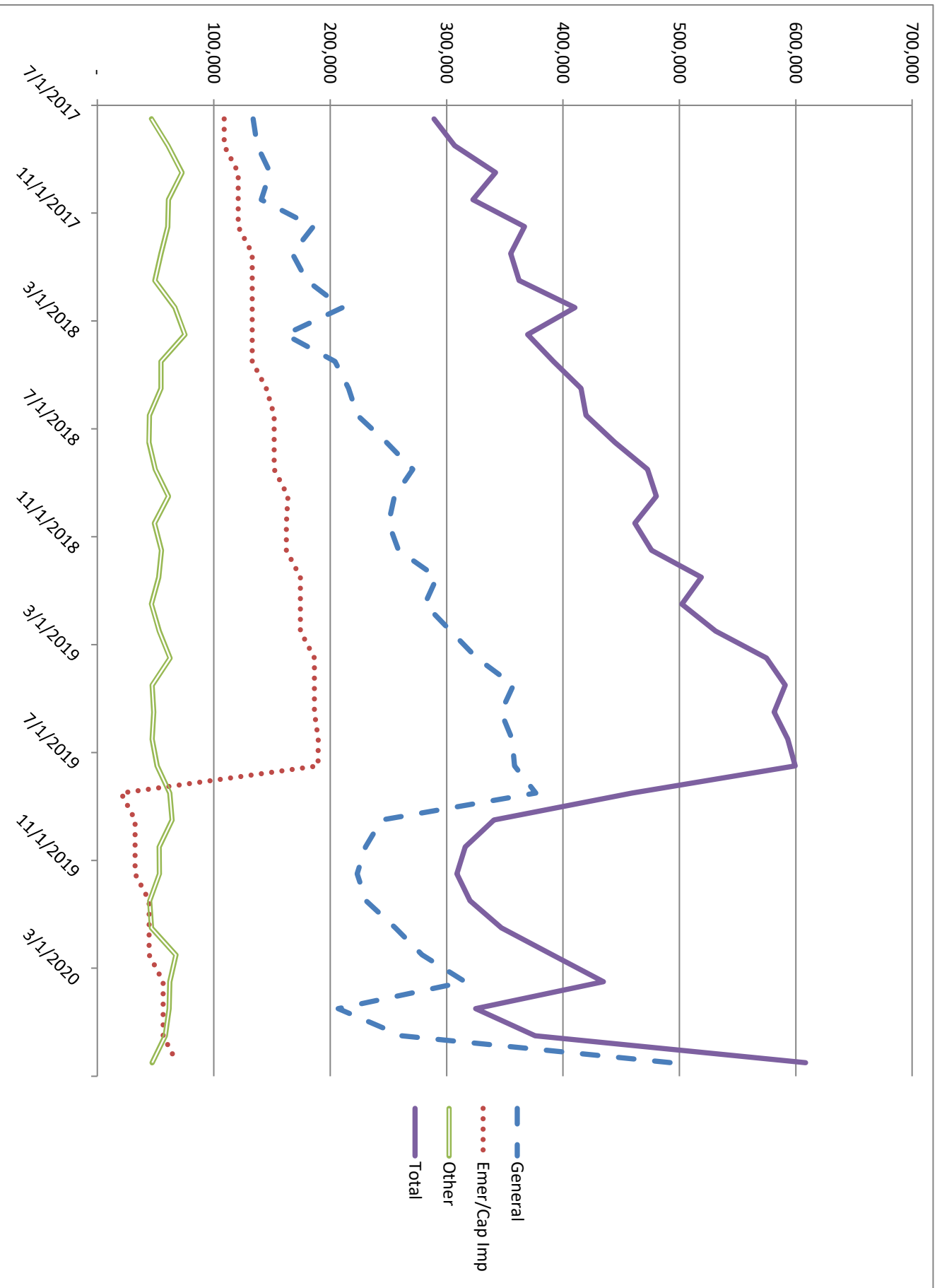
	Apr - Jun 20
<b>OPERATING ACTIVITIES</b>	
Net Income	54,957
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	3,311
Customer Accounts Receivable:Customer Accounts Receivable:Customer Prepayments	-1,021
Allowance for Doubtful Accounts	-12,583
Materials and Supplies:Plant Material	-2,072
Prepayments:G&A	64
Prepayments:Taxes/Fees	243
Accts Pay - General	210,725
Accts Pay - Accrued	-4,138
Interest Accrued:Int Accr-LTD-Outside	-4,274
CoBank Bridge Loan (\$1.492M)	273,111
<b>Net cash provided by Operating Activities</b>	<b>518,322</b>
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation:Utility Plant-Acc Depr	10,776
Accumulated Depreciation:Utility Plant-Scrap	-96
Uncapitalized Fixed Assets -WIP	-311
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant	-1,006
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 08 (\$174605)	-19,312
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant	-1,006
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 08 (\$174605)	-19,312
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline	-4,275
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline:Main Contractor (\$1.147M)	-213,689
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline:Task 12 (\$34670)	-10,528
Uncapitalized Fixed Assets -WIP:Viejias Grade Pipeline:Task 10 (\$11,350)	-1,913
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 09 (\$151.5K)	-31,994
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 11 (\$10.6K)	-6,190
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 09 (\$151.5K)	-31,993
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 11 (\$10.6K)	-6,190
<b>Net cash provided by Investing Activities</b>	<b>-337,037</b>
<b>FINANCING ACTIVITIES</b>	
Current Portion of LTD:Loan Payable - Union Bank of Ca	400
Long-Term Debt:Loan Payable - UBOC 4/2038	-7,800
<b>Net cash provided by Financing Activities</b>	<b>-7,400</b>
<b>Net cash increase for period</b>	<b>173,885</b>
<b>Cash at beginning of period</b>	<b>434,662</b>
<b>Cash at end of period</b>	<b>608,546</b>

**Descanso Community Water District**  
**Statement of Cash Flows**  
 July 2019 through June 2020

09/09/20

	Jul '19 - Jun 20
<b>OPERATING ACTIVITIES</b>	
Net Income	195,795
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	-18,650
Customer Accounts Receivable:Customer Accounts Receivable:Customer Prepayments	-38
Allowance for Doubtful Accounts	-10,583
Materials and Supplies:Plant Material	-2,072
Prepayments:G&A	-15
Prepayments:Taxes/Fees	-0
ACH Rejected	447
Accts Pay - General	222,136
Interest Accrued:Int Accr-LTD-Outside	-236
CoBank Bridge Loan (\$1.492M)	596,948
	983,731
Net cash provided by Operating Activities	983,731
<b>INVESTING ACTIVITIES</b>	
Utility Plant-At Original Cost:Utility plant-original cost:T & D Mains-6"-8"	-270,309
Utility Plant-At Original Cost:Utility plant-original cost:Meters	-18,000
Accumulated Depreciation:Utility Plant-Acc Depr	42,153
Accumulated Depreciation:Utility Plant-Scrap	-96
Uncapitalized Fixed Assets -WIP	-311
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline	9,866
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 03 (\$36.6K)	3,336
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 05 (\$5.58K)	5,072
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant	-30,823
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 08 (\$174605)	-21,622
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant	-30,823
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 08 (\$174605)	-21,622
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline	-4,275
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline:Main Contractor (\$1.147M)	-213,689
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline:Task 12 (\$34670)	-10,528
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 10 (\$11,350)	1,518
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 09 (\$151.5K)	-65,607
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 11 (\$10.6K)	-8,525
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 09 (\$151.5K)	-65,607
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 11 (\$10.6K)	-8,525
	-708,416
Net cash provided by Investing Activities	-708,416
<b>FINANCING ACTIVITIES</b>	
Line of Credit-CoBank (\$250K)	-241,454
Current Portion of LTD:Loan Payable - Union Bank of Ca	800
Current Portion of LTD:Loan Payable - SD County	125
Long-Term Debt:Loan Payable - UBOC 4/2038	-15,400
Long-Term Debt:Loan Payable-SD County 1/2041	-3,921
	-259,850
Net cash provided by Financing Activities	-259,850
Net cash increase for period	15,465
Cash at beginning of period	593,082
Cash at end of period	608,546

DCWD Cash Flow Balances



Unaudited - No assurance is provided on these financial statements



**Descanso Community Water District  
Line of Credit - New CoBank Activity**

As of June 30, 2020

Type	Date	Memo	Debit	Credit	Balance
<b>CoBank Bridge Loan (\$1.492M)</b>					0.00
General Journal	03/31/2020	New Loan		323,836.96	323,836.96
Deposit	06/02/2020	Deposit		59,421.63	383,258.59
General Journal	06/24/2020	T C Construction Progress Payment		213,689.20	596,947.79
Total CoBank Bridge Loan (\$1.492M)			0.00	596,947.79	596,947.79
<b>TOTAL</b>			<b>0.00</b>	<b>596,947.79</b>	<b>596,947.79</b>



# **DCWD OPERATIONS REPORT**

**Sept 15, 2020**

## **SUMMARY**

- Viejas Boulevard portion of the project is complete, waiting on response from FEMA regarding the CLOMER so we can move forward on the activities at Well #6
- Two main leaks, repaired SUSP staff.
- Several call outs for leaks on customer's side.
- Normal day to day operations of the District
- Weed abatement at all sites, experiencing some delays due to high heat index.

## **3 MONTH LOOK AHEAD**

- Start treatment plant portion of project
- Award contract for well #6 rehab
- Installation of 4 new services and 3 relocations in the District
- New website up and running
- Two new sample stations in service
- Flushing entire system



**Item 11**

**SUCH OTHER ITEMS DIRECTLY RELATED TO THE ABOVE-DESCRIBED MATTERS AS MAY BE BROUGHT BEFORE THE BOARD OF DIRECTORS.**

**Notes:**

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**Item 12**

**MOTION TO ADJOURN.**

**Notes:**

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