

**MAMMOTH COMMUNITY WATER DISTRICT**

**FINANCIAL STATEMENTS**

Year Ended March 31, 2023



**Mammoth Community Water District**  
**Financial Statements**  
Year Ended March 31, 2023

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Mammoth Community Water District  
Mammoth Lakes, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Mammoth Community Water District (the "District") as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of March 31, 2023, and the respective changes in financial position and its 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 opinions.

#### *Emphasis of Matters*

##### *New Accounting Pronouncements*

As described in Note 1C to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, No. 91, *Conduit Debt Obligations*, No. 92, *Omnibus 2020*, No. 93, *Replacement of Interbank Offered Rates* and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Our opinion is not modified with respect to these matters.

#### *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 statements date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibility for the Audit of Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.
- 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 on pages iv to ix be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 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 solely 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 District's internal control over financial reporting and compliance.

*Teaman Ramirez & Smith, Llc.*

Riverside, California  
October 2, 2023

## Management's Discussion and Analysis

As management of the Mammoth Community Water District (the 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 ended March 31, 2023.

### Financial Highlights

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$101,363,876 (*net position*). Of this amount, \$36,398,694 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The total net position increased by \$4,109,563. This increase is attributable to higher-than-expected revenue from connection fees and interest income, lower-than-expected operating expenses, and capital projects that were delayed or completed below budget.
- Capital assets, net of accumulated depreciation, decreased by \$871,198. This decrease reflects the net of capital projects completed in fiscal year 2023 and the depreciation of all District capital assets. Capital assets equal to \$2,496,589 were added in fiscal year 2023. Significant additions to District assets include upgrades to SCADA network security systems, rehabilitation of a water tank and sewer lift station, and ongoing replacement and rehabilitation of water and sewer distribution and collection systems.
- Land and Construction in Progress totals \$4,472,428. Construction in Progress reflects capital projects started but not completed within the fiscal year.
- The District's total liabilities at the end of fiscal year 2023 were \$1,145,572, of which \$669,222 is due within the next year. The District's only long-term liability is the value of accrued leave time for employees. This liability will be paid as employees take paid time off or separate from District service. Total liabilities decreased \$158,320 from last fiscal year.
- Cash and investments had a net increase of \$3,454,568. This net increase was a result of cash inflows from revenue that exceeded cash expenditures on expenses and deferred capital projects.
- Operating Revenue increased from the prior year by \$286,066. Water and wastewater revenue increased by \$150,129 and revenue from connection fees increased by \$135,937. Property taxes increased from the prior year by \$837,802 due to an increase in assessed valuation and collection by Mono County.
- Operating Expenses, including Depreciation and Amortization, increased from the prior year by \$457,852, a 3.6% increase.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of the following: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, 3) Statement of Cash Flows and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

The *Statement of Net Position* presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The *Statement of Cash Flows* presents information on cash receipts and payments for the fiscal year.



The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data supplied in each of the specific financial statements listed above. The *Notes to the Financial Statements* can be found on pages 5-21 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* about the District’s Water, Wastewater and New Enterprise activities.

**Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a District’s financial position. The District’s assets exceeded liabilities and deferred inflows of resources by \$101,363,876 at the close of fiscal year 2023, an increase of 4.2% over the previous year.

By far the largest portion of the District’s net position (64%) is represented by its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The District does not have any debt related to capital assets.

The remaining balance of *unrestricted net position*, \$36,398,694, may be used to meet the District’s ongoing obligations to our customers and vendors. The following table shows the projected capital project expenditures for the next five years:

Fiscal Year(s):	2024	2025	2026	2027	2028
Projected Capital Costs:	\$5,366,000	\$5,826,000	\$6,394,000	\$6,087,000	\$5,496,000

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

**Net Position**

	<u>FY 2023</u>	<u>FY 2022</u>
Current and Other Assets	\$ 39,228,898	\$ 34,220,078
Capital Assets	<u>\$ 64,965,182</u>	<u>\$ 65,836,380</u>
Total Assets	<u>\$ 104,194,080</u>	<u>\$ 100,056,458</u>
Noncurrent Liabilities	\$ 476,350	\$ 669,867
Other Liabilities	<u>\$ 669,222</u>	<u>\$ 634,025</u>
Total Liabilities	<u>\$ 1,145,572</u>	<u>\$ 1,303,892</u>
Deferred Inflows of Resources	<u>\$ 1,684,632</u>	<u>\$ 1,498,253</u>
Net Position:		
Net Investment in Capital Assets	\$ 64,965,182	\$ 65,836,380
Unrestricted	<u>\$ 36,398,694</u>	<u>\$ 31,417,933</u>
Total Net Position	<u>\$ 101,363,876</u>	<u>\$ 94,254,313</u>

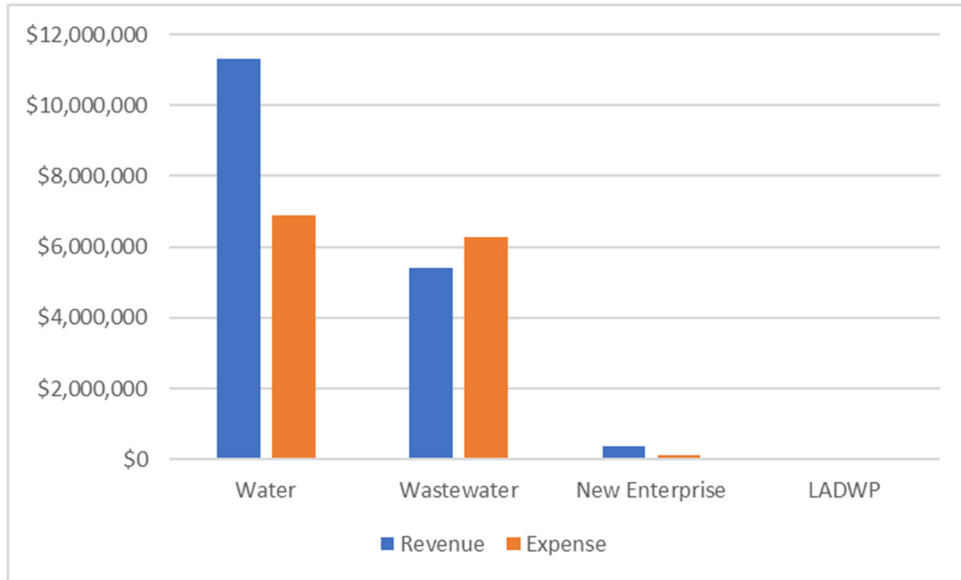
### Change in Net Position

	FY 2023	FY 2022
Revenues:		
Water Services	\$ 3,598,957	\$ 3,813,227
Wastewater Services	\$ 3,179,743	\$ 2,815,344
Permits	\$ 560,706	\$ 424,769
Non-Operating	\$ 10,084,932	\$ 8,411,707
Total Revenues	\$ 17,424,338	\$ 15,465,047
Expenses:		
Operating:		
General and Administrative	\$ 3,675,370	\$ 3,272,510
Water Services	\$ 2,805,749	\$ 3,046,428
Wastewater Services	\$ 2,973,451	\$ 2,467,588
Depreciation and Amortization	\$ 3,860,205	\$ 4,070,397
Total Expenses	\$ 13,314,775	\$ 12,856,923
Change in Net Position	\$ 4,109,563	\$ 2,608,124
Net Position, Beginning	\$ 97,254,313	\$ 94,646,189
Net Position, Ending	\$ 101,363,876	\$ 97,254,313

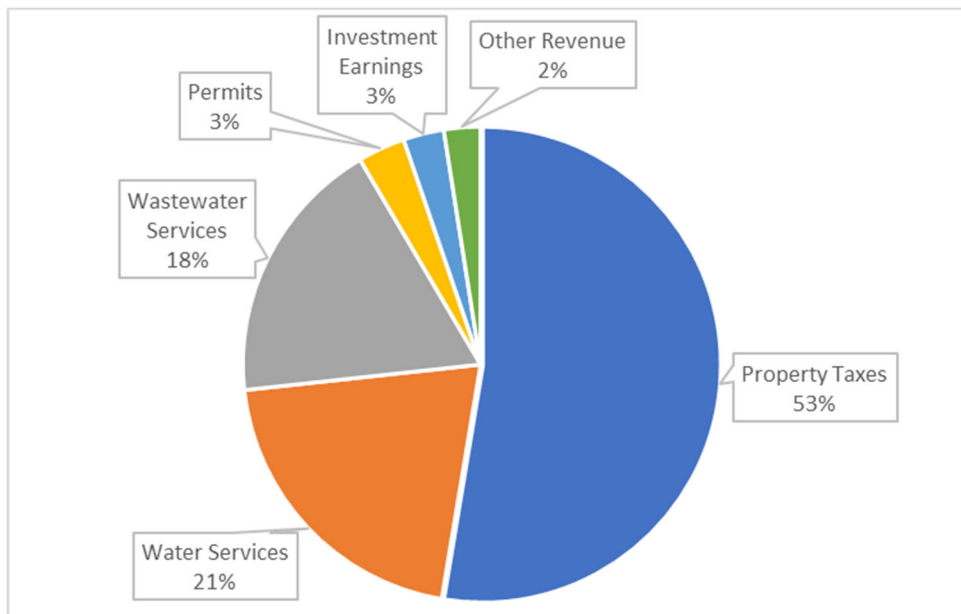
- Connection permit revenue increased by \$135,937 (32%) over last year. Connection permit revenue varies significantly from year to year based on the progress of specific development projects, but generally follows the trend of economic cycles.
- Factors influencing the net increase in the Water Services and Wastewater Services operating expenses include: significant increase in the cost of treatment chemicals, partially offset by savings in personnel expense resulting from unfilled positions.
- The increase in net position of \$4,109,563 (4.2%) from fiscal year 2022 to 2023 is due primarily to lower than expected operating and capital expenses, and an increase in property tax and investment earnings.
- The District's water and wastewater rate structure provides for incremental annual rate increases. The rate structure is effective through fiscal year 2027 and will provide revenue sufficient to meet the ongoing operating and capital expenses of the District.

**District Activities:** The District’s Wastewater, Water and New Enterprise activities are as follows.

### Expenses and Program Revenues



### Revenues by Source



**Capital Asset and Debt Administration**

**Capital Assets:** The District’s capital assets for its business-type activities as of March 31, 2023 amount to \$64,965,182 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment. Additional information on the District’s capital assets can be found in Note 5 of the *Notes to Financial Statements*.

Major capital asset additions during fiscal year 2023 include the following completed capital projects: upgrades to SCADA network security systems, rehabilitation of a water tank and sewer lift station, and ongoing replacement and rehabilitation of water and sewer distribution and collection systems.

**Mammoth Community Water District’s Capital Assets  
(Net of Depreciation)**

	FY 2023	FY 2022
Land	\$ 444,330	\$ 444,330
Construction in Progress	\$ 4,028,098	\$ 3,533,600
Subsurface Lines	\$ 31,534,927	\$ 30,851,689
General Plant Administration Facilities	\$ 7,674,189	\$ 6,592,964
Water Treatment Facilities	\$ 29,945,674	\$ 29,757,129
Wastewater Collection and Treatment Facilities	\$ 55,616,195	\$ 55,233,670
Source of Supply	\$ 1,858,068	\$ 1,858,068
Vehicles and Equipment	\$ 6,325,183	\$ 6,188,294
 Total Capital Assets	 \$ 137,426,664	 \$ 134,459,744
 Less Accumulated Depreciation	 \$ (72,461,482)	 \$ (68,623,364)
 Total Capital Assets, Net	 \$ 64,965,182	 \$ 65,836,380

**Long-term Liability:** At the end of the current fiscal year, the District had a total long-term liability outstanding of \$476,350. This liability represents the value of accumulated employee leave balances not expected to be paid within one year. The total value of all employee leave balances is \$529,277, with \$52,927 estimated to be payable within one year. Additional information on the District’s long-term liability can be found in Note 6 of the *Notes to Financial Statements*.

**Mammoth Community Water District’s Outstanding Debt**

	FY 2023	FY 2022
Compensated Leave Balances	\$ 529,277	\$ 744,296
Long-term Liability	\$ 476,350	\$ 669,867

The decrease in long-term liability is due to the decrease in the total hours of employee compensated leave balances.

## **Economic Factors and Next Year's Budgets and Rates**

The financial position of the District is significantly influenced by weather, with both operating cost and revenue affected. In years of low snowfall, the District must impose water use restrictions and operating costs increase as the water source shifts from surface to groundwater. When there is average snowfall, more recreational visitors generate additional revenue, and water treatment and delivery costs decrease with the use of surface water. After four years of historic drought ending in 2015, the winters of 2016 through 2022 alternated between high and below average snowfall. The winter of 2023 brought epic snowfall. The extraordinary snowpack created significant operational challenges during the winter and some damage to District facilities. While providing an abundant water supply, the late snow melt will delay the start of the summer irrigation season and likely result in relatively low water sales during the summer of 2023.

Because of the wide and unpredictable variation in snowfall, the District has two provisions to adapt to variations in water sales. The District has established operating reserves that can be used to offset the loss of revenue from water sales, and the adopted rate structure has a provision for a Water Shortage Surcharge (WSS) which can be imposed by the Board to offset the loss of revenue during periods of water use restrictions. Since approximately 95% of the District's operating costs are fixed, the reserve funds and the WSS provide a structure that matches fixed and variable costs and revenue.

Water sales typically provide between 10% and 15% of the District's total revenue. This segment of our revenue decreased by \$231,671 (12% decrease in water sales revenue) from fiscal year 2022 to fiscal year 2023.

Property valuation increased substantially over the year, mirroring the trend across the country. The corresponding increase to property tax revenue historically lags by about two years. New housing development generates connection fee revenue designated for future infrastructure needs and increases the assessed valuation of our tax base. The District has projected revenue conservatively and anticipated rising operating costs in the preparation of the budget for the 2024 fiscal year. The fiscal year 2024 capital budget of \$5,366,000 includes replacement of a water tank damaged by snow load, improvements to the water and wastewater distribution and collection systems, expansion of the sewer collection system related to new workforce housing development, rehabilitation of three production wells, replacement of an aging vactor, and additions to the District's employee housing program.

## **Requests for Information**

This report is designed to provide a general overview of the Mammoth Community Water District for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Manager, P.O. Box 597, Mammoth Lakes, CA 93546.

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## **BASIC FINANCIAL STATEMENTS**





**Mammoth Community Water District**  
**Statement of Net Position**  
March 31, 2023

**ASSETS**

Current Assets:	
Cash and Cash Equivalents	\$ 3,960,027
Restricted Cash and Cash Equivalents	114,373
Investments	27,833,080
Receivables:	
Billings	499,005
Interest	121,886
Property Taxes	3,417,373
Loans	2,449,543
Other	45,056
Inventory	571,520
Deposits and Prepaid Items	<u>217,035</u>
Total Current Assets	39,228,898
Land and Construction in Progress, Not Being Depreciated	4,472,428
Capital Assets, Net of Depreciation	<u>60,492,754</u>
Total Assets	<u><u>104,194,080</u></u>

**LIABILITIES**

Current Liabilities:	
Accounts Payable	325,948
Restricted Accounts Payable	114,373
Accrued Expenses	119,364
Deposits Payable	56,610
Current Maturities of Long-Term Debt	<u>52,927</u>
Total Current Liabilities	669,222
Noncurrent Liabilities:	
Long-Term Debt:	
Compensated Absences	<u>476,350</u>
Total Liabilities	<u><u>1,145,572</u></u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Property Taxes	<u>1,684,632</u>
Total Deferred Inflows of Resources	<u><u>1,684,632</u></u>

**NET POSITION**

Net Investment in Capital Assets	64,965,182
Unrestricted	<u>36,398,694</u>
Total Net Position	<u><u>\$ 101,363,876</u></u>

The accompanying notes are an integral part of this statement.

**Mammoth Community Water District**  
**Statement of Revenues, Expenses and Changes in Net Position**  
Year Ended March 31, 2023

<b>OPERATING REVENUES</b>	
Water Services	\$ 3,598,957
Wastewater Services	3,179,743
Permits	<u>560,706</u>
Total Operating Revenues	<u>7,339,406</u>
<b>OPERATING EXPENSES</b>	
General and Administrative	3,675,370
Water Services	2,805,749
Wastewater Services	2,973,451
Depreciation and Amortization	<u>3,860,205</u>
Total Operating Expenses	<u>13,314,775</u>
Operating Income (Loss)	<u>(5,975,369)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Property Taxes	9,169,983
Investment Earnings	481,602
Other Revenues	406,811
Gain (Loss) on Sale of Assets	<u>26,536</u>
Total Non-Operating Revenues (Expenses)	<u>10,084,932</u>
Change in Net Position	4,109,563
Net Position - Beginning	<u>97,254,313</u>
Net Position - Ending	<u><u>\$ 101,363,876</u></u>

The accompanying notes are an integral part of this statement.

**Mammoth Community Water District**  
**Statement of Cash Flows**  
Year Ended March 31, 2023

**CASH FLOWS FROM OPERATING  
ACTIVITIES**

Receipts from Customers	\$ 7,323,169
Payments to Suppliers	(4,038,356)
Payments to Employees	(6,942,017)
Other Receipts	<u>681,668</u>

Net Cash Provided (Used) by Operating Activities	<u>(2,975,536)</u>
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**CASH FLOWS FROM NON-CAPITAL  
FINANCING ACTIVITIES**

Property Taxes	<u>8,962,217</u>
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Net Cash Provided (Used) by Non-Capital Financing Activities	<u>8,962,217</u>
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**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Proceeds from Sale of Assets	44,411
Acquisition and Construction of Capital Assets	<u>(3,006,882)</u>

Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,962,471)</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Investments	(46,282,996)
Proceeds from the Sale and Maturities of Investments	37,130,761
Interest on Investments	<u>323,989</u>

Net Cash Provided by Investing Activities	<u>(8,828,246)</u>
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Net Increase (Decrease) in Cash and Cash Equivalents	(5,804,036)
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Cash and Cash Equivalents - Beginning of Year	<u>9,878,436</u>
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Cash and Cash Equivalents - End of Year	<u><u>\$ 4,074,400</u></u>
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The accompanying notes are an integral part of this statement.

**Mammoth Community Water District**  
**Statement of Cash Flows - Continued**  
Year Ended March 31, 2023

**RECONCILIATION OF OPERATING INCOME  
(LOSS) TO NET CASH PROVIDED (USED) BY  
OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (5,975,369)
Depreciation and Amortization	3,860,205
Other Receipts	681,668

**Change in Assets and Liabilities:**

Decrease (Increase) in Operating Assets:	
Accounts Receivable	(1,042,029)
Inventory	(223,762)
Deposits and Prepaid Expenses	(117,929)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	15,215
Restricted Accounts Payable	13,677
Accrued Expenses	21,590
Deposits Payable	6,217
Compensated Absences	<u>(215,019)</u>

Net Cash Provided (Used) by Operating Activities	\$ (2,975,536)
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**SUPPLEMENTAL DISCLOSURES**

Cash and Cash Equivalents:	
Cash and Cash Equivalents	\$ 3,960,027
Restricted Cash and Cash Equivalents	<u>114,373</u>
Total	\$ 4,074,400

The accompanying notes are an integral part of this statement.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Reporting Entity**

The Mammoth Community Water District (District) was organized in 1957, for the purpose of providing water distribution services as well as wastewater collection and treatment facilities for the residents and businesses of the Mammoth Lakes area. The District's name was Mammoth County Water District and was changed by the Board of Directors (Board) in January 1995, to Mammoth Community Water District.

The District's basic financial statements include the operations of all organizations for which the District Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying basic financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39, No. 80 and No. 90.

The basic financial statements include the activities of the New Enterprise Division (expansion and other activities), the Water Division (water distribution services), the Wastewater Division (wastewater collection and treatment facilities), Juniper Ridge Assessment, Trout Habitat Enhancement Program (see Note 9) and the Los Angeles Department of Water and Power (LADWP) settlement reserve (see Note 9). The activities for each division and the settlement reserve are reflected in the combining schedules.

**B) Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities in the United States of America.

The District reports its activities as an enterprise fund using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of cash flows.

Net position is displayed as three components: (1) Net investment in capital assets, which reflects the cost of capital assets less accumulated depreciation and capital-related deferred outflows of resources, less the outstanding principal of related debt not associated with unspent bond proceeds and deferred inflows of resources; (2) Restricted, which reflect the carrying value of assets less related liabilities and deferred inflows of resources that are restricted by outside covenants or by law; and (3) Unrestricted, which represents the remaining net position.

The District distinguished operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by water sales and wastewater services while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water and wastewater treatment services.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements**

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, Leases. The intent of this Statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for reporting periods beginning after June 15, 2021. Currently, this statement has no impact on the District's financial statements.

Governmental Accounting Standard Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement was issued to improve financial reporting for certain debt obligations. It allowed entities to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning December 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for reporting periods beginning after December 15, 2021. Currently, this statement has no impact on the District's financial statements.

Governmental Accounting Standard Board Statement No. 92

In January of 2020, GASB issued Statement No. 92, Omnibus 2020. This statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This includes GASB Statement No. 87, GASB Statement No. 73, GASB Statement No. 74, GASB Statement No. 84 and the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition as well as other specific provisions. The requirements related to GASB Statement No. 87 are effective upon the issuance date of Statement No. 92. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 6-10 and 12 for reporting periods beginning after June 15, 2021. Currently, this statement has no impact on the District's financial statements.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued**

Governmental Accounting Standard Board Statement No. 93

In March of 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this statement is to address those and other accounting and financial reporting implications that results from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 13 and 14 for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. Currently, this statement has no impact on the District's financial statements.

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District has elected not to early implement GASB No. 94 and has not determined its effect on District's financial statements.

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District has elected not to early implement GASB No. 96 and has not determined its effect on District's financial statements.

Governmental Accounting Standard Board Statement No. 97

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined pension and OPEB plans as fiduciary component units; and (3) enhance the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. All other requirements are effective for fiscal years beginning after June 15, 2021. Currently, this statement has no impact on the District's financial statements.



**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued**

Governmental Accounting Standard Board Statement No. 99

In April of 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Statement No. 99 is effective upon issuance except for requirements related to leases, PPPs, and SBITAs which is effective for fiscal years beginning after June 15, 2022, and requirements related to financial guarantees and the classification and reporting of derivative instructions within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. The District has elected not to early implement GASB No. 99 and has not determined its effect on District's financial statements.

Governmental Accounting Standard Board Statement No. 100

In June of 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023. The District has elected not to early implement GASB No. 100 and has not determined its effect on District's financial statements.

Governmental Accounting Standard Board Statement No. 101

In June of 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for fiscal years beginning after December 15, 2023. The District has elected not to early implement GASB No. 101 and has not determined its effect on District's financial statements.

**D) Budget and Budgeting**

Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following April 1. The budgets are used as a management tool and are not a legal requirement.

**E) Cash Equivalents, Restricted Cash and Cash Equivalents and Restricted Accounts Payable**

For the purposes of the statement of cash flows, the District considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted cash and cash equivalents consist of amounts restricted for the trout habitat enhancement program as part of a legal settlement (See Note 9). These amounts are offset against restricted accounts payable since the District is holding these funds until they are used for specified projects.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**F) Allowances for Uncollectible Accounts**

The District does not provide an allowance for uncollectible accounts. Based upon prior experience and management’s assessment of the collectability of existing specific accounts, all past due accounts have been paid. When accounts become past due, they are transferred to the tax roll and eventually collected.

**G) Inventory and Prepaid Items**

Inventories of supplies and expendable equipment are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than purchased.

**H) Capital Assets**

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets, donated work of art and similar items are recorded at their estimated acquisition value rather than fair value. Capital assets purchased of at least \$5,000 are capitalized if they have an expected useful life of 5 years or more.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Plant and Pipelines	30-60
Source of Supply	5-50
Vehicles and Equipment	5-15

**I) Compensated Absences**

All earned vacation and accumulated sick leave payable upon termination or retirement are accrued as compensated absences. A liability is accrued for a portion of the sick leave balances of all employees who are currently eligible to receive a payment for sick leave upon termination, as well as for those expected to become eligible. As of March 31, 2023, the total estimated liability for all compensated absences was \$529,277.

**J) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. Currently, the District has no items that qualify for this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. The deferred property taxes are related to property taxes receivables. The District will receive the second installment of property taxes from the County that relate to the period of January to June subsequent to year end. Only half of those property taxes relate to the current year and the other half is deferred to be recognized in the following year.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**K) Property Taxes**

The County of Mono (County) is responsible for the assessment, collection, and apportionment of property taxes for the District.

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations - are established by the Assessor of the County of Mono for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State of California (Proposition 13 adopted by the votes on September 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies - are limited to 1% of full value which results in a tax rate of \$1 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates - are attached annually on January 1 proceeding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections - are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes, does not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

Tax Levy Apportionments - Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees - The State of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Administrative fees are expensed and included in general and administrative expenses.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**L) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources, 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.

**2) CASH AND INVESTMENTS**

The primary goals of the District’s investment policy are to assure compliance with all Federal, State, and Local laws governing the investment of funds under the control of the organization, protect the principal of investments entrusted, assure sufficient liquidity to meet the District’s cash flow needs, and generate income under the parameters of such policies.

The District’s investment policy and State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, prime commercial paper, banker acceptances, repurchase agreements, negotiable certificates of deposits and other investments. Funds may also be invested in the State Treasurer’s Local Agency Investment Fund (LAIF), County Pooled Investment Funds, and the Investment Trust of California (CalTRUST).

Cash and Investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Cash Equivalents	\$ 3,960,027
Restricted Cash and Cash Equivalents	114,373
Investments	<u>27,833,080</u>
Total Cash and Investments	<u>\$ 31,907,480</u>

Cash and investments consist of the following:

Cash on Hand	\$ 300
Deposits with Financial Institutions	497,392
Investments	<u>31,409,788</u>
Total Cash and Investments	<u>\$ 31,907,480</u>

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**2) CASH AND INVESTMENTS - Continued**

**Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio <sup>(1)</sup>	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years <sup>(4)</sup>	None	None
State Obligations - CA and Others	5 years	30% <sup>(2)</sup>	5%
CA Local Agency Obligations	5 years	30% <sup>(2)</sup>	5%
Federal Agency Securities	5 years <sup>(4)</sup>	None	25%
Bankers' Acceptance	180 days	40%	5%
Commercial Paper	270 days	25% <sup>(2)</sup>	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Non-negotiable Certificates of Deposit	5 years	20%	None
Placement Service Deposits and Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium Term Notes	5 years	30%	5%
Mutual Funds and Money Market Funds	N/A	20%	10% <sup>(3)</sup>
Collateralized Bank Deposits	5 years	20%	None
Mortgage Pass Through and Asset-Backed Securities	5 years <sup>(4)</sup>	20%	5%
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool <sup>(5)</sup>	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	10%

<sup>(1)</sup> Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

<sup>(2)</sup> No more than 30% of the portfolio may be in Municipal Securities.

<sup>(2)</sup> Pooled funds can be 40% of the maximum percentage of the portfolio.

<sup>(3)</sup> The 10% limitation does not apply to money market funds.

<sup>(4)</sup> The California Government Code has a maximum maturity of 5 years. Under Government Code Section 53601, the District's Board of Directors may grant authority to exceed this maximum maturity. For these investments, the Board of Directors have approved certain investments to exceed the 5 years maturity.

<sup>(5)</sup> This investment type includes amounts with the Investment Trust of California (CalTRUST).

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**2) CASH AND INVESTMENTS - Continued**

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustee, are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

Investment Type	Remaining Maturity (in Months)				
	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months	
Money Market	\$ 230,257	\$ 230,257	\$	\$	
U.S. Treasury Obligations	10,238,461	3,969,716	1,735,383	3,025,670	
State Obligations - CA and Others	154,899			154,899	
Federal Agency Securities	8,104,618	3,121,543	914,275	3,503,754	
Certificates of Deposit	639,647	639,647			
Medium Term Notes	6,991,294	1,535,184	2,485,539	2,970,571	
Supranational	777,152	198,788	211,820	366,544	
Mortgage Pass Through and Asset-Backed Securities	2,882,243	364,945	477,403	1,488,493	
State Investment Pool - LAIF	1,391,217	1,391,217			
Total	\$ 31,409,788	\$ 11,451,297	\$ 5,824,420	\$ 11,509,931	\$ 2,624,140

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**2) CASH AND INVESTMENTS - Continued**

**Disclosures Relating to Credit Risk - Continued**

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>
Money Market	\$ 230,257	N/A	\$
U.S. Treasury Obligations	10,238,461	N/A	
State Obligations - CA and Others	154,899	A	
Federal Agency Securities	8,104,618	N/A	
Certificates of Deposit	639,647	N/A	
Medium Term Notes	6,991,294	A	
Supranational	777,152	AA	
Mortgage Pass Through and Asset-Backed Securities	2,882,243	AA	
State Investment Pool - LAIF	1,391,217	N/A	
<b>Total</b>	<b><u>\$ 31,409,788</u></b>		<b><u>\$ 0</u></b>

<u>Investment Type</u>		<u>Ratings of Year End</u>				
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>P-1</u>	<u>Not Rated</u>
Money Market	\$ 230,257	\$ 230,257				
U.S. Treasury Obligations	10,238,461	6,842,850			3,395,611	
State Obligations - CA and Others	154,899	154,899				
Federal Agency Securities	8,104,618	6,975,520			817,263	311,835
Certificates of Deposit	639,647					639,647
Medium Term Notes	6,991,294	219,595	420,141	6,351,558		
Supranational	777,152	777,152				
Mortgage Pass Through and Asset-Backed Securities	2,882,243	2,189,558				692,685
State Investment Pool - LAIF	1,391,217					1,391,217
<b>Total</b>	<b><u>\$ 31,409,788</u></b>	<b><u>\$17,389,831</u></b>	<b><u>\$ 420,141</u></b>	<b><u>\$ 6,351,558</u></b>	<b><u>\$ 4,212,874</u></b>	<b><u>\$ 3,035,384</u></b>

**Concentration of Credit Risk**

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total District's investments is as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Banks (FHLB)	Federal Agency Securities	\$ 2,990,475
Federal Farm Credit Banks (FFCB)	Federal Agency Securities	\$ 2,082,429

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**2) CASH AND INVESTMENTS - Continued**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of March 31, 2023, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of March 31, 2023, the District had no investments that were held by the same broker-dealer (counterparty) that was used by the District to buy the securities.

**Local Agency Investment Fund (LAIF)**

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The District may invest up to \$75,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. The yield of LAIF during the quarter ended March 31, 2023 was 2.74%. The carrying value and estimated market value of the LAIF Pool at March 31, 2023 was \$191,943,395,579 and \$189,354,142,290, respectively. The District's share of the Pool at March 31, 2023 was approximately 0.000735 percent.

The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are structured notes and asset-backed securities totaling \$2,550,000,000 and \$2,487,996,000, respectively. LAIF's and the District's exposure to risk (credit, market or legal) is not currently available.

The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by Statute. LAIF is also regulated by California Government Code Section 16429.

**Collateral for Deposits**

All Cash and certificates of deposits are entirely insured or collateralized.

Under the provisions of the California Government Code, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of the pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits.

The District may waive the 110% collateral requirement for deposits which are insured up to \$250,000 by the FDIC.



**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**3) FAIR VALUE MEASUREMENTS**

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

*Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

*Level 2* inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

*Level 3* inputs are unobservable inputs for the asset or liability.

Fair values of assets measured on a recurring basis are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Money Market	\$ 230,257	\$	\$ 230,257
U.S. Treasury Obligations	10,238,461	10,238,461	
State Obligations - CA and Others	154,899	154,899	
Federal Agency Securities	8,104,618	8,104,618	
Certificates of Deposit	639,647	639,647	
Medium Term Notes	6,991,294	6,991,294	
Supranational	777,152	777,152	
Mortgage Pass Through and Asset-Backed Securities	2,882,243	2,882,243	
State Investment Pool - LAIF	1,391,217		1,391,217
<b>Total</b>	<b>\$ 31,409,788</b>	<b>\$ 29,788,314</b>	<b>\$ 1,621,474</b>

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices. Uncategorized investments do not fall under the fair value hierarchy as there is no active market for the investments.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**4) LOANS RECEIVABLE**

Loans receivable includes \$2,354,094 of loans to employees for home down payment assistance. The District has a program for employee home down payment assistance to assist employees in purchasing homes within the District's geographic area. The down payment assistance is secured by the property being purchased and subject to the terms of each employee down payment agreement.

On April 8, 2015, the District approved a promissory note to loan amounts to Snowcreek Investment Company for \$365,000. The loan was provided for the purpose of assisting the company with recycled water and untreated groundwater service. Interest accrues at an annual rate of 5%. Principal and Interest are due in 120 monthly payments of \$3,881 commencing on June 15, 2015. All accrued and unpaid interest and principal balance shall be due the earlier of (i) June 14, 2025; (ii) at such time as the company commences construction of the additional 9 holes to be added to the existing 9 holes of Snowcreek Golf Course; (iii) the date of funding of the construction loan use to construct the new 9 holes to be added to the existing 9 holes of the Snowcreek Golf Course; (iv) the sale of the of the property; and (v) any change in the ownership of the company. The balance of the loan is \$95,449 as of March 31, 2023.

**5) CAPITAL ASSETS**

Capital Assets are presented as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 444,330	\$	\$	\$ 444,330
Construction in Progress	3,533,600	1,968,070	1,473,572	4,028,098
Total Capital Assets, Not Depreciated	3,977,930	1,968,070	1,473,572	4,472,428
Capital Assets, Being Depreciated:				
Subsurface Lines	30,851,689	683,238		31,534,927
General Plant Administration Facilities	6,592,964	1,081,225		7,674,189
Water Treatment Facilities	29,757,129	188,545		29,945,674
Wastewater Collection and Treatment Facilities	55,233,670	382,525		55,616,195
Source of Supply	1,858,068			1,858,068
Vehicles and Equipment	6,188,294	161,056	24,167	6,325,183
Total Capital Assets, Being Depreciated	130,481,814	2,496,589	24,167	132,954,236
Less Accumulated Depreciation	(68,623,364)	(3,860,205)	(22,087)	(72,461,482)
Total Capital Assets, Being Depreciated, Net	61,858,450	(1,363,616)	2,080	60,492,754
Total Capital Assets, Net	\$ 65,836,380	\$ 604,454	\$ 1,475,652	\$ 64,965,182

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**6) LONG-TERM LIABILITIES**

**A) Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year was as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 744,296	\$	\$ 215,019	\$ 529,277	\$ 52,927
Total Long-Term Liabilities	<u>\$ 744,296</u>	<u>\$ 0</u>	<u>\$ 215,019</u>	<u>\$ 529,277</u>	<u>\$ 52,927</u>

**B) Compensated Absences**

District employees accumulate earned but unused vacation benefits and sick leave benefits which can be converted to cash at termination of employment. In accordance with GASB Codification Section C60, a liability is recorded for unused vacation and sick leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement. Management has estimated the amount expected to be liquidated in the next current period and reflected this amount as a current liability. The remaining liability is reported as long-term debt on the Statement of Net Position.

**7) DEFINED CONTRIBUTION PLANS**

The District provides pension benefits for all its eligible represented and non-represented employees through a defined contribution plan (the "Plan"). The Money Purchase Pension Plan is administered for the District by Orion Portfolio Solutions, LLC. The District retains the authority to define and amend Plan provisions. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Full-time employees are eligible to participate from the first full month following the date of employment if they are over 18 years of age. The District's contributions for each employee vest annually at 20% per year after 1,000 hours of service for that year and are fully vested after five year continuous service. District's contributions for, and earnings forfeited by, employees who leave employment before five years of service are used to supplement the District's current period contribution requirement. The District contributed an amount equal to 20% of the participant's total compensation for both represented and non-represented employees. In addition, the District matches employee's contributions to their 457 deferred compensation plan to a maximum of 2% of compensation. There were no changes to the Plans during the fiscal year ended March 31, 2023.

Employees are not required to, and do not, contribute to the Money Purchase Pension Plan. During the fiscal year ended March 31, 2023, payroll for covered employees was \$4,004,200. Contributions for the fiscal year ended March 31, 2023 was \$879,728.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**8) RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWAJPIA), a public entity risk pool currently operating as a common risk carrier management and insurance program for member agencies. The purpose of ACWAJPIA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expenses. The District pays an annual premium to the ACWAJPIA for its general liability, automobile, and property coverage. The agreement for formation of the ACWAJPIA provides that the ACWAJPIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. The District continues to carry commercial insurance for all other risks of loss, including worker's compensation, employee health, and accident insurance.

**9) COMMITMENTS AND CONTINGENCIES**

Various claims have been filed against the District. In the opinion of the District's management and legal counsel, the claims will not have a material impact on the basic financial statements.

**Los Angeles Department of Water and Power Settlement**

The District entered into a settlement agreement with the Los Angeles Department of Water of Power (LADWP) regarding water rights from the Mammoth Creek and the Owens River watershed. As part of the settlement, the District during the 2014 fiscal year paid LADWP \$3,400,000 for implementation of, and on-going operation and maintenance of, water conservation and water use efficiency actions in the watershed. The settlement agreement is effective for a primary term of 50 years, until January 1, 2064, and can be extended for up to ten years subject to the District's savings in water consumption of less than 4,387 acre feet per year.

The agreement may extend for a second fifty year term, after the primary term extension, subject to the District paying LADWP \$2,400,000. The \$2,400,000 will be adjusted for an annual escalation rate, from January 1, 2014, equal to the smaller of the consumer price index (CPI) for that year or three percent. The CPI as of January 1, 2023 was 5.8%. Therefore, the annual escalation rate used was 3.0% for fiscal year 2023. As of March 31, 2023, the LADWP adjusted extension payment was \$2,949,287. This was an increase of \$85,902 over the prior year's estimated adjusted extension payment. The Board of Directors have authorized to set aside annual amounts to pay the future obligation to LADWP. The District set aside \$600,000 during the fiscal year. The balance of the amounts set aside was \$1,059,560 on March 31, 2023.

**Mammoth Community Water District**  
**Notes to Financial Statements**  
Year Ended March 31, 2023

**9) COMMITMENTS AND CONTINGENCIES - Continued**

**Los Angeles Department of Water and Power Settlement - Continued**

Fiscal Year	CPI-U <sup>(2)</sup>	Actual Factor	Adjusted Settlement Due	Funding	Reserve Balance <sup>(2)</sup>
2014	N/A	N/A	\$ 2,400,000	\$ -	\$ -
2015	-0.1%	-0.1%	\$ 2,397,600	\$ -	\$ -
2016	3.1%	3.0%	\$ 2,469,528	\$ -	\$ -
2017	2.1%	2.1%	\$ 2,521,388	\$ 50,000	\$ 50,188
2018	3.5%	3.0%	\$ 2,597,030	\$ 55,000	\$ 105,414
2019	3.2%	3.0%	\$ 2,674,941	\$ 55,000	\$ 164,095
2020	3.1%	3.0%	\$ 2,755,189	\$ 150,000	\$ 316,580
2021	0.9%	0.9%	\$ 2,779,986	\$ 50,000	\$ 368,467
2022	7.5%	3.0%	\$ 2,863,385	\$ 75,000	\$ 443,496
2023	5.8%	3.0%	\$ 2,949,287	\$ 600,000	\$ 1,059,560

<sup>(1)</sup> The Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles area as of January 1<sup>st</sup> of each year.

<sup>(2)</sup> Reserve balance includes investment earnings on the amounts set aside.

**Trout Habitat Enhancement Program**

The District entered into a settlement agreement with the California Department of Fish and Game and the California Trout, Inc., regarding the fishery bypass flow requirements for Mammoth Creek. As part of the settlement, the District agreed to contribute \$10,000 per year, adjusted annually for inflation or deflation using the ENR Construction Cost Index (CCI) to support appropriate projects selected for implementation under the Trout Habitat Enhancement Program. The contributions are required for 20 consecutive years from the effective date of the agreement which was January 28, 2010. The Governance Committee, consisting of one member from each party above, will select projects to fund and implement and have designated the District as the fiscal agent. Currently, the District has \$114,373 of restricted cash and cash equivalents and related restricted accounts payable to this settlement agreement.

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## **SUPPLEMENTARY SCHEDULES**





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**Mammoth Community Water District**  
**Combining Schedule of Net Position**  
March 31, 2023

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Juniper Ridge Assessment</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 67,024	\$ 2,253,311	\$ 1,507,809	\$
Restricted Cash and Cash Equivalents				
Investments	472,049	15,836,744	10,596,610	
Receivables:				
Billings		288,335	210,670	
Interest		69,349	52,537	
Property Taxes		1,708,953	1,708,420	
Loans	2,449,543			
Other	22,368	4,588	18,100	
Inventory		285,760	285,760	
Deposits and Prepaid Items	36,006	89,744	91,285	
	<u>3,046,990</u>	<u>20,536,784</u>	<u>14,471,191</u>	<u>0</u>
Land and Construction in Progress, Not Being Depreciated				
	186,330	3,518,991	767,107	
Capital Assets, Net of Depreciation	2,129,187	40,300,028	18,063,539	
	<u>5,362,507</u>	<u>64,355,803</u>	<u>33,301,837</u>	<u>0</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	39	164,792	161,117	
Restricted Accounts Payable				
Accrued Expenses		59,089	60,275	
Deposits Payable	18,427	29,345	8,838	
Current Maturities of Long-Term Debt		25,710	27,217	
	<u>18,466</u>	<u>278,936</u>	<u>257,447</u>	<u>0</u>
Noncurrent Liabilities:				
Long-Term Debt:				
Compensated Absences		231,393	244,957	
	<u>18,466</u>	<u>510,329</u>	<u>502,404</u>	<u>0</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes		842,316	842,316	
	<u>0</u>	<u>842,316</u>	<u>842,316</u>	<u>0</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,315,517	43,819,019	18,830,646	
Unrestricted	3,028,524	19,184,139	13,126,471	
	<u>\$ 5,344,041</u>	<u>\$ 63,003,158</u>	<u>\$ 31,957,117</u>	<u>\$ 0</u>

Trout Habitat Enhancement	LADWP	Totals
\$ 114,373	\$ 131,883	\$ 3,960,027
	927,677	114,373
		27,833,080
		499,005
		121,886
		3,417,373
		2,449,543
		45,056
		571,520
		217,035
114,373	1,059,560	39,228,898
		4,472,428
		60,492,754
114,373	1,059,560	104,194,080
		325,948
114,373		114,373
		119,364
		56,610
		52,927
114,373	0	669,222
		476,350
114,373	0	1,145,572
		1,684,632
0	0	1,684,632
		64,965,182
	1,059,560	36,398,694
\$ 0	\$ 1,059,560	\$ 101,363,876

**Mammoth Community Water District**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
Year Ended March 31, 2023

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Juniper Ridge Assessment</u>
<b>OPERATING REVENUES</b>				
Water Services	\$	\$ 3,598,957	\$	\$
Wastewater Services			3,179,743	
Permits		341,494	219,212	
		<u>0</u>	<u>3,398,955</u>	<u>0</u>
<b>OPERATING EXPENSES</b>				
General and Administrative	84,297	1,794,282	1,796,791	
Water Services		2,805,749		
Wastewater Services			2,973,451	
Depreciation and Amortization	33,029	2,304,828	1,522,348	
	<u>117,326</u>	<u>6,904,859</u>	<u>6,292,590</u>	<u>0</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(117,326)</u>	<u>(2,964,408)</u>	<u>(2,893,635)</u>	<u>0</u>
<b>NON-OPERATING REVENUES</b>				
<b>(EXPENSES)</b>				
Property Taxes	375,000	7,063,729	1,731,254	
Investment Earnings	173,161	161,575	130,802	
Other Revenues	132,488	135,657	138,666	
Gain (Loss) on Sale of Assets		13,268	13,268	
	<u>680,649</u>	<u>7,374,229</u>	<u>2,013,990</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)				
Income before Transfers	563,323	4,409,821	(879,645)	0
Transfers In		1,935,620	2,016,383	
Transfers Out		<u>(1,968,317)</u>	<u>(2,502,922)</u>	<u>(80,764)</u>
Change in Net Position	563,323	4,377,124	(1,366,184)	(80,764)
Net Position - Beginning	<u>4,780,718</u>	<u>58,626,034</u>	<u>33,323,301</u>	<u>80,764</u>
Net Position - Ending	<u>\$ 5,344,041</u>	<u>\$ 63,003,158</u>	<u>\$ 31,957,117</u>	<u>\$ 0</u>

Trout Habitat Enhancement	LADWP	Totals
\$	\$	\$ 3,598,957
		3,179,743
		560,706
<u>0</u>	<u>0</u>	<u>7,339,406</u>
		3,675,370
		2,805,749
		2,973,451
		3,860,205
<u>0</u>	<u>0</u>	<u>13,314,775</u>
<u>0</u>	<u>0</u>	<u>(5,975,369)</u>
		9,169,983
	16,064	481,602
		406,811
		26,536
<u>0</u>	<u>16,064</u>	<u>10,084,932</u>
0	16,064	4,109,563
	600,000	4,552,003
		(4,552,003)
0	616,064	4,109,563
<u>0</u>	<u>443,496</u>	<u>97,254,313</u>
<u>\$ 0</u>	<u>\$ 1,059,560</u>	<u>\$ 101,363,876</u>

**Mammoth Community Water District**  
**Combining Schedule of Cash Flows**  
Year Ended March 31, 2023

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Juniper Ridge Assessment</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 6,217	\$ 3,956,450	\$ 3,358,868	\$ 1,634
Payments to Suppliers	(36,175)	(1,994,867)	(2,007,314)	
Payments to Employees	(1,102,030)	(2,874,738)	(2,961,981)	(3,268)
Other Receipts	351,006	173,699	156,963	
Payments from Other Funds for Trout Habitat				
Payments to Other Funds for Trout Habitat		(13,677)		
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash Provided (Used) by Operating Activities	(780,982)	(753,133)	(1,453,464)	(1,634)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Advances from Other Funds		1,935,620	2,016,383	
Advances to Other Funds		(1,968,317)	(2,502,922)	(80,764)
Property Taxes	375,000	7,079,706	1,507,511	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash Provided (Used) by Non-Capital Financing Activities	375,000	7,047,009	1,020,972	(80,764)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from Sale of Assets		13,268	31,143	
Acquisition & Construction of Capital Assets	(1,081,225)	(1,232,823)	(692,834)	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(1,081,225)	(1,219,555)	(661,691)	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(748,657)	(26,937,200)	(16,817,987)	
Proceeds from the Sale and Maturities of Investments	1,660,962	19,511,059	14,812,274	
Interest on Investments	6,364	187,881	117,237	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash Provided by Investing Activities	918,669	(7,238,260)	(1,888,476)	0
Net Increase (Decrease) in Cash and Cash Equivalents	(568,538)	(2,163,939)	(2,982,659)	(82,398)
Cash and Cash Equivalents - Beginning of Year	635,562	4,417,250	4,490,468	82,398
Cash and Cash Equivalents - End of Year	<u>\$ 67,024</u>	<u>\$ 2,253,311</u>	<u>\$ 1,507,809</u>	<u>\$ 0</u>

Trout Habitat Enhancement	LADWP	Totals
\$	\$	\$ 7,323,169
		(4,038,356)
		(6,942,017)
13,677		681,668
		13,677
		(13,677)
<u>13,677</u>	<u>0</u>	<u>(2,975,536)</u>
	600,000	4,552,003
		(4,552,003)
		<u>8,962,217</u>
<u>0</u>	<u>600,000</u>	<u>8,962,217</u>
		44,411
		<u>(3,006,882)</u>
<u>0</u>	<u>0</u>	<u>(2,962,471)</u>
	(1,779,152)	(46,282,996)
	1,146,466	37,130,761
	12,507	<u>323,989</u>
<u>0</u>	<u>(620,179)</u>	<u>(8,828,246)</u>
13,677	(20,179)	(5,804,036)
<u>100,696</u>	<u>152,062</u>	<u>9,878,436</u>
<u>\$ 114,373</u>	<u>\$ 131,883</u>	<u>\$ 4,074,400</u>

**Mammoth Community Water District**  
**Combining Schedule of Cash Flows - Continued**  
Year Ended March 31, 2023

	New Enterprise	Water	Wastewater	Juniper Ridge Assessment
<b>RECONCILIATION OF OPERATING INCOME</b>				
<b>(LOSS) TO NET CASH PROVIDED (USED) BY</b>				
<b>OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (117,326)	\$ (2,964,408)	\$ (2,893,635)	\$
Depreciation and Amortization	33,029	2,304,828	1,522,348	
Other Receipts	351,006	173,699	156,963	
<b>Change in Assets and Liabilities:</b>				
Decrease (Increase) in Operating Assets:				
Account Receivable	(1,017,941)	15,999	(40,087)	
Inventory		(111,881)	(111,881)	
Deposits and Prepaid Expenses	(36,006)	(40,191)	(41,732)	
Increase (Decrease) in Operating Liabilities:				
Accounts Payable	39	(48,460)	63,636	
Restricted Accounts Payable				
Accrued Expenses		13,653	9,571	(1,634)
Deposits Payable	6,217			
Compensated Absences		(96,372)	(118,647)	
Net Cash Provided (Used) by Operating Activities	\$ (780,982)	\$ (753,133)	\$ (1,453,464)	\$ (1,634)
<b>SUPPLEMENTAL DISCLOSURES</b>				
Cash and Cash Equivalents:				
Cash and Cash Equivalents	\$ 67,024	\$ 2,253,311	\$ 1,507,809	\$
Restricted Cash and Cash Equivalents				
Total	\$ 67,024	\$ 2,253,311	\$ 1,507,809	\$ 0



<u>Trout Habitat Enhancement</u>	<u>LADWP</u>	<u>Totals</u>
\$	\$	\$ (5,975,369)
		3,860,205
		681,668
		(1,042,029)
		(223,762)
		(117,929)
		15,215
13,677		13,677
		21,590
		6,217
		<u>(215,019)</u>
<u>\$ 13,677</u>	<u>\$ 0</u>	<u>\$ (2,975,536)</u>
\$	\$	\$
114,373	131,883	3,960,027
<u>114,373</u>	<u>131,883</u>	<u>114,373</u>
<u>\$ 114,373</u>	<u>\$ 131,883</u>	<u>\$ 4,074,400</u>