

MAMMOTH COMMUNITY WATER DISTRICT

FINANCIAL STATEMENTS

Year Ended March 31, 2015

Mammoth Community Water District
Financial Statements
Year Ended March 31, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Mammoth Community Water District
Mammoth Lakes, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Mammoth Community Water District (the "District") as of and for the year ended March 31, 2015, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 District'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 District'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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District, as of March 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof 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 on pages iii to viii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 September 10, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, Inc.

Riverside, California
September 10, 2015

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, 2015.

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 \$86,483,278 (*net position*). Of this amount, \$14,042,319 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The total net position increased by \$270,815. This increase is attributable largely to reducing liabilities by additional principal payments on debt.
- Capital Assets, net of accumulated depreciation decreased by \$120,395. This decrease of .2% indicates the District's investment in new assets is slightly less than the depreciation of existing assets. Significant additions to District assets include replacement of aging water and sewer lines and upgrades to the wastewater treatment plant.
- Construction in progress totals \$2,963,247. Major projects include the Master Meter/Metering Equipment, improvements to Well #1, and improvements to the Vehicle Storage building.
- The District's total debt was \$2,016,784 of which \$1,207,910 is due within the next year.
- Cash and investments had a net decrease of \$76,906. This net decrease was a result of cash expenditures on expenses, capital projects, and debt principal reduction that exceeded cash inflows.
- Operating Revenue declined from the prior year by \$190,911 as a result of successful water conservation efforts by the District and community during this extended drought. Property taxes increased from the prior year by \$343,768 due to a slight increase in assessed valuation and collection by Mono County. Operating Expenses, including Depreciation and Amortization increased over prior year by \$506,383 as a result of increased legal and outside services related to the defense of the District's water supply and increased depreciation expense on the District's infrastructure.

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, 4) Statement of Fiduciary Assets and Liabilities and 5) 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 and liabilities, and deferred inflows/outflows of resources, with the difference between the two 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 *Statement of Fiduciary Assets* account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* because the resources of those funds are not available to support the District's own program. The accounting used for fiduciary funds is much like that used for proprietary funds.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data supplied in the each of the specific financial statements listed above. The *Notes to the Financial Statements* can be found pages 6-18 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* of 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. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$86,483,278 at the close of the most recent fiscal year.

By far the largest portion of the District’s net position (84 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of *unrestricted net position* (\$14,042,319) may be used to meet the District’s ongoing obligations to citizens and creditors. The following table shows the projected capital project expenditures for the next five years:

Fiscal Year(s):	2016	2017	2018	2019	2020
Projected Capital Costs:	\$5,175,623	\$5,357,725	\$3,183,088	\$4,016,138	4,410,000

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.

At the end of the current fiscal year, the District is able to report a positive balance in net position.

Net Position

	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 17,088,502	\$ 17,238,890
Capital Assets	<u>73,446,949</u>	<u>73,567,343</u>
Total Assets	<u>\$ 90,535,451</u>	<u>\$ 90,806,233</u>
Noncurrent Liabilities	\$ 808,874	\$ 2,237,837
Other Liabilities	<u>2,116,863</u>	<u>1,223,320</u>
Total Liabilities	<u>\$ 2,925,737</u>	<u>\$ 3,461,157</u>
Deferred Inflows of Resources	<u>\$ 1,126,436</u>	<u>\$ 1,132,613</u>
Net Position:		
Net Investment in		
Capital Assets	\$ 72,440,959	\$ 71,914,488
Unrestricted	<u>14,042,319</u>	<u>14,297,975</u>
Total Net Position	<u>\$ 86,483,278</u>	<u>\$ 86,212,463</u>

- Unrestricted net position at the end of the year amounted to \$14,042,319. The total decrease from prior year was \$255,656. This decrease is attributable mostly to the District spending more on capital projects than the District's cash inflows.
- Cash and investments decreased approximately \$76,906 from prior year while net capital assets decreased approximately \$120,394.
- Principal payments of \$772,865 decreased long-term debt.

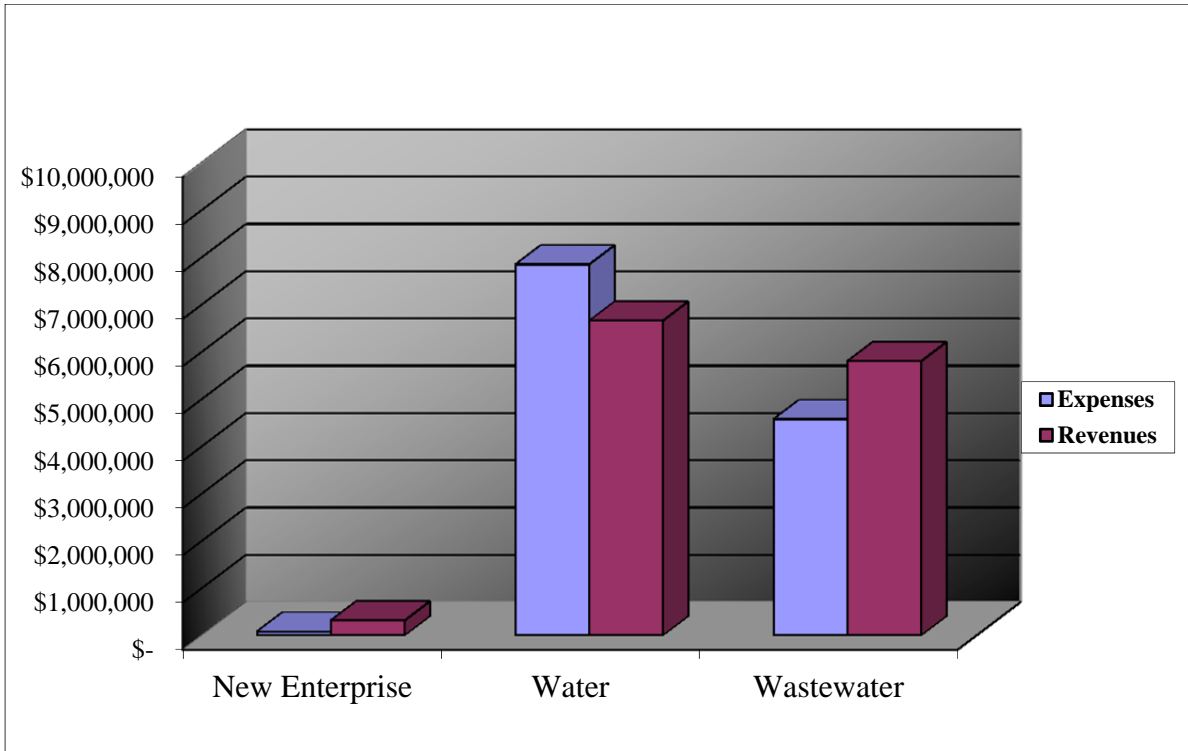
Change in Net Position

	2015	2014
Revenues:		
Water Services	\$ 3,081,224	\$ 3,388,538
Wastewater Services	2,644,471	2,607,873
Permits	184,619	104,814
Non-Operating	6,867,665	6,614,831
Total Revenues	12,777,979	12,716,056
Expenses:		
Operating:		
General and Administrative	3,169,176	3,199,226
Water Services	3,332,264	3,030,453
Wastewater Services	1,485,979	1,440,970
Depreciation and Amortization	4,460,494	4,270,881
Non-Operating	59,251	3,528,800
Total Expenses	12,507,164	15,470,330
Change in Net Position	270,815	(2,754,274)
Net Position, Beginning	86,212,463	88,966,737
Net Position, Ending	\$ 86,483,278	\$ 86,212,463

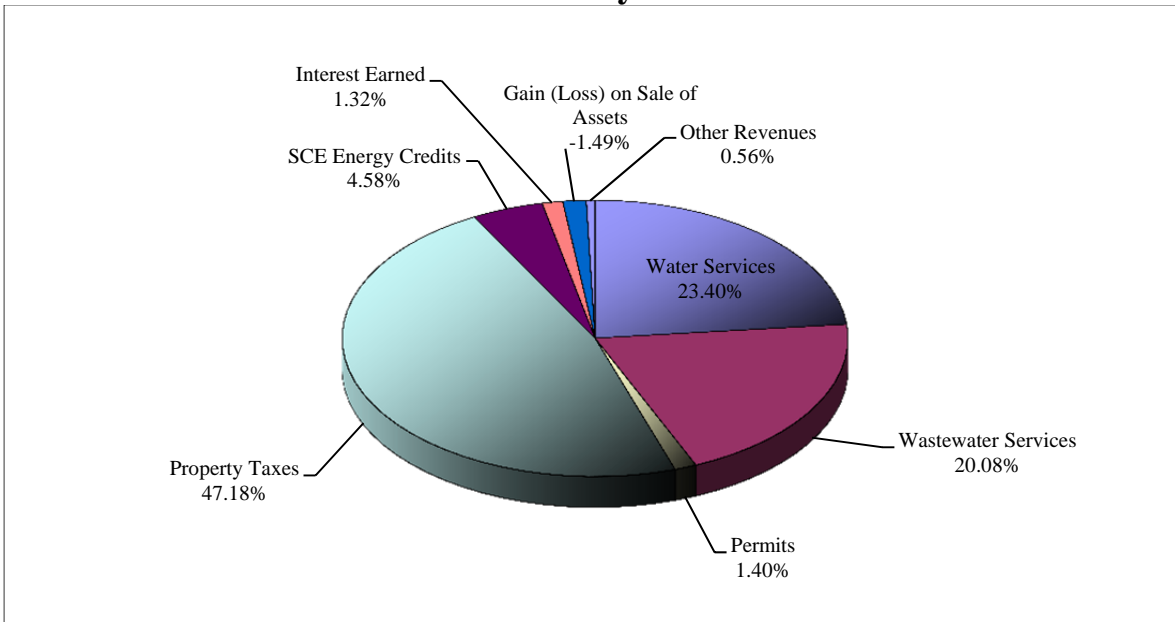
- The District last implemented new rates for water and wastewater services in 2012, with scheduled incremental increases through April 2016. The District is currently engaged in a study of water and wastewater service rates and connection fees. This study is intended to affirm the adequacy of rates and fees to meet the operating and capital needs of the District, and achieve revenue neutrality during periods of drought and water conservation.
- The slight increase in net position (.3% from fiscal year 2014 to 2015) is due to the net of decreases to operating revenue, increases to non-operating revenue, increases to operating expense and decreases to non-operating expenses.

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, 2015, amounts to \$73,446,948 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment. Additional information on the District's capital assets can be found in Note 3 of the *Notes to Financial Statements*.

Major capital asset events during the current fiscal year included the following:

- The District spent over \$4,422,951 on capital projects in fiscal year 2015. Completed projects include: VFD retrofit to the WWTP blowers, Water and Sewer line scheduled replacements, improvements to the WWTP grinder, upgrades to the vehicle storage building, and software system upgrades.
- Projects still in progress at the end of fiscal year 2015 include the advanced metering infrastructure, facility and hydrant relocation, and improvements to Well #1 to meet increased water quality requirements.

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

	<u>2015</u>	<u>2014</u>
Land	\$ 312,000	\$ 312,000
Construction in Progress	2,963,247	391,491
Subsurface Lines	33,429,980	32,400,766
General Plant Administration Facilities	11,983,402	11,884,022
Water Treatment Facilities	29,230,398	30,362,012
Collection Facilities	43,993,718	43,443,072
Wastewater Treatment Facilities	1,498,978	1,498,978
Source of Supply	4,871,806	4,871,806
Vehicles and Equipment	<u>3,942,540</u>	<u>3,770,585</u>
 Total Capital Assets	 132,226,069	 128,934,732
 Less Accumulated Depreciation	 <u>(58,779,121)</u>	 <u>(55,367,389)</u>
 Total Capital Assets, Net	 <u>\$ 73,446,948</u>	 <u>\$ 73,567,343</u>

Long-term Debt: At the end of the current fiscal year, the District had total debt outstanding of \$2,016,784. Additional information on the District's long-term debt can be found in Note 4 of the Notes to Financial Statements.

Mammoth Community Water District's Outstanding Debt

	<u>2015</u>	<u>2014</u>
Bonds Payable	\$	\$ 45,000
Notes Payable	1,307,590	2,035,455
Compensated Absences	<u>709,194</u>	<u>693,284</u>
 Long-term Liabilities	 <u>\$ 2,016,784</u>	 <u>\$ 2,773,739</u>

The decrease in long-term debt is because of principal payments of \$772,865 on Bonds Payable and Notes Payable. The remaining difference is the increase in compensated absences of \$15,910.

Economic Factors and Next Year's Budgets and Rates

The extended drought in California places downward pressure on revenue as our customers conserve water and upward pressure on the cost of producing water. Gravity works against us as more water is pumped out of the ground as opposed to flowing down from Lake Mary. Groundwater treatment costs increase as a result of higher mineral content of groundwater.

Property valuation and related tax revenue is recovering slowly from the extended economic recession. New housing development generating connection fee revenue for future infrastructure is also recovering slowly. The District has projected revenue conservatively and considered rising costs in the preparation of the Mammoth Community Water District's budget for the 2016 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Mammoth Community Water District
Statement of Net Position
March 31, 2015

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 7,335,570
Investments	5,607,670
Receivables:	
Billings	383,915
Interest	16,801
Property Taxes	2,049,147
Loans	1,202,642
Other	66,178
Inventory	230,166
Deposits and Prepaid Expenses	<u>196,413</u>
Total Current Assets	17,088,502

Land and Construction in Progress, Not Being Depreciated	3,275,247
Capital Assets, Net of Depreciation	<u>70,171,702</u>

Total Assets	<u><u>90,535,451</u></u>
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LIABILITIES

Current Liabilities:

Accounts Payable	448,728
Accrued Expenses	344,967
Retentions Payable	74,761
Deposits Payable	35,242
Accrued Interest Payable	5,255
Current Maturities of Long-Term Debt	<u>1,207,910</u>

Total Current Liabilities	2,116,863
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Noncurrent Liabilities:

Long-Term Debt:

Notes Payable	170,600
Compensated Absences	<u>638,274</u>

Total Liabilities	<u><u>2,925,737</u></u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Property Taxes	<u>1,126,436</u>
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Total Deferred Inflows of Resources	<u><u>1,126,436</u></u>
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NET POSITION

Net Investment in Capital Assets	72,440,959
Unrestricted	<u>14,042,319</u>

Total Net Position	<u><u>\$ 86,483,278</u></u>
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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, 2015

OPERATING REVENUES

Water Services	\$ 3,081,224
Wastewater Services	2,644,471
Permits	184,619
	184,619
Total Operating Revenues	5,910,314

OPERATING EXPENSES

General and Administrative	3,169,176
Water Services	3,332,264
Wastewater Services	1,485,979
Depreciation and Amortization	4,460,494
	4,460,494

Total Operating Expenses	12,447,913
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Operating Income (Loss)	(6,537,599)
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NON-OPERATING REVENUES (EXPENSES)

Property Taxes	6,213,416
SCE Energy Credits	602,930
Investment Earnings	173,716
Gain (Loss) on Sale of Assets	(196,105)
Other Revenues	73,708
Interest Expenses	(59,186)
Other Expenses	(65)
	(65)

Total Non-Operating Revenues (Expenses)	6,808,414
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Change in Net Position	270,815
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Net Position - Beginning	86,212,463
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Net Position - Ending	\$ 86,483,278
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The accompanying notes are an integral part of this statement.

Mammoth Community Water District
Statement of Cash Flows
Year Ended March 31, 2015

**CASH FLOWS FROM OPERATING
ACTIVITIES**

Receipts from Customers	\$ 5,899,327
Payments to Suppliers	(3,240,881)
Payments to Employees	(4,512,149)
Other Revenues	826,039
Other Expenses	<u>(65)</u>

Net Cash Provided (Used) by Operating Activities	<u>(1,027,729)</u>
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**CASH FLOWS FROM NON-CAPITAL
FINANCING ACTIVITIES**

Property Taxes	<u>6,164,279</u>
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Net Cash Provided (Used) by Non-Capital Financing Activities	<u>6,164,279</u>
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**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Acquisition & Construction of Capital Assets	(4,575,984)
Proceeds from the Sale of Assets	39,779
Principal Payments on Long-term Debt	(772,865)
Interest Paid	<u>(61,650)</u>

Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(5,370,720)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(6,335,091)
Proceeds from the Sale and Maturities of Investments	6,239,342
Interest Received	<u>256,739</u>

Net Cash Provided by Investing Activities	<u>160,990</u>
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Net Increase (Decrease) in Cash and Cash Equivalents	(73,180)
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Cash and Cash Equivalents - Beginning of Year	<u>7,408,750</u>
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Cash and Cash Equivalents - End of Year	<u><u>\$ 7,335,570</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, 2015

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

Operating Income (Loss)	\$ (6,537,599)
Depreciation and Amortization	4,460,494
Other Revenues	826,039
Other Expenses	(65)
Change in Assets and Liabilities:	
Decrease (Increase) in Operating Assets:	
Account Receivable	(21,912)
Inventory	(6,340)
Deposits and Prepaid Expenses	11,747
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	83,772
Accrued Expenses	59,531
Retentions Payable	74,761
Deposits Payable	5,935
Compensated Absences	15,908
	15,908
Net Cash Provided (Used) by Operating Activities	\$ (1,027,729)

The accompanying notes are an integral part of this statement.

Mammoth Community Water District
Statement of Fiduciary Assets and Liabilities
Agency Funds
March 31, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	\$ 20,000
Cash and Investments with Fiscal Agent	<u>1</u>
Total Assets	<u><u>\$ 20,001</u></u>
 LIABILITIES	
Deposits Payable	<u>\$ 20,001</u>
Total Liabilities	<u><u>\$ 20,001</u></u>

The accompanying notes are an integral part of this statement.

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Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

<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, 2015

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 Statement No. 39.

The basic financial statements include the activities of the New Enterprise Division (expansion and other activities), the Water Division (water distribution services), and the Wastewater Division (wastewater collection and treatment facilities). The activities for each division 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.

Additionally the District reports the following fund type:

The *Agency Funds* are used to account for special assessments collected to make principal and interest payments for the 2004-1 Reassessment District and for activities related to the Trout Habitat Enhancement Program. The District has no obligation for the 2004-1 Reassessment District bond other than in a fiduciary capacity.

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

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

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

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

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.

C) 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.

D) Cash Equivalents

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.

E) Capital Assets

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets are recorded at their estimated fair value at the date of donation. 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
Equipment	5-15

F) Inventory

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.

G) 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

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

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

G) Compensated Absences - Continued

receive a payment for sick leave upon termination, as well as for those expected to become eligible. As of March 31, 2015, the total estimated liability for all compensated absences was \$709,194.

H) 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/expense) 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.

I) 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 voters 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 preceding 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

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

1) REPORTING ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Property Taxes - Continued

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. Property taxes are recorded net of administrative fees withheld during the fiscal year.

Property tax revenues are recognized when they are apportioned.

J) 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 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, 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, and negotiable certificates of deposits. Funds may also be invested in the State Treasurer's Local Agency Investment Fund (LAIF).

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

2) CASH AND INVESTMENTS - Continued

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

Statement of Net Position:	
Cash and Cash Equivalents	\$ 7,335,570
Investments	5,607,670
Statement of Fiduciary Assets and Liabilities:	
Cash and Investments	20,000
Cash and Investments with Fiscal Agent	<u>1</u>
Total Cash and Investments	<u>\$ 12,963,241</u>

Cash and investments consist of the following:

Cash on Hand	\$ 200
Deposits with Financial Institutions	3,588,673
Investments	<u>9,374,368</u>
Total Cash and Investments	<u>\$ 12,963,241</u>

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 ⁽¹⁾	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
CA Local Agency Obligations	5 years	None	None
Bankers' Acceptance	180 days	40%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Commercial Paper	270 days	25%	10%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Medium Term Notes	5 years	30%	None

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

2) CASH AND INVESTMENTS - Continued

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio ⁽¹⁾	Maximum Investment In One Issuer
Mortgage Pass Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Collateralized Bank Deposits	5 years	None	None

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

The District during the year exceeded the maximum percentage of the investment portfolio for mutual funds.

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	\$ 59,883	\$ 59,883	\$	\$
Mutual Funds	3,688,392	3,688,392		
U.S. Treasury Obligations	1,331,361		415,536	915,825
Federal Agency Securities	2,368,385	201,120	175,866	1,991,347
Medium Term Notes	1,907,876	239,925	406,235	1,261,716
State Investment Pool - LAIF	18,423	18,423		
Mono County Investment Pool	48	48		
Total	\$ 9,374,368	\$ 4,207,791	\$ 997,637	\$ 4,168,888

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

2) CASH AND INVESTMENTS - Continued

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.

Disclosures Relating to Credit Risk - Continued

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>
Money Market	\$ 59,883	N/A	\$
Mutual Funds	3,688,392	AAA	
U.S. Treasury Obligations	1,331,361	N/A	
Federal Agency Securities	2,368,385	N/A	
Medium Term Notes	1,907,876	A	
State Investment Pool - LAIF	18,423	N/A	
Mono County Investment Pool	<u>48</u>	N/A	<u> </u>
 Total	 <u>\$ 9,374,368</u>		 <u>\$ 0</u>

<u>Investment Type</u>	<u>Rating as of Year End</u>			
	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
Money Market	\$ 59,883	\$	\$	\$ 59,883
Mutual Funds	3,688,392	3,688,392		
U.S. Treasury Obligations	1,331,361	1,331,361		
Federal Agency Securities	2,368,385			2,368,385
Medium Term Notes	1,907,876	301,123	253,924	1,352,829
State Investment Pool - LAIF	18,423			18,423
Mono County Investment Pool	<u>48</u>	<u> </u>	<u> </u>	<u>48</u>
 Total	 <u>\$ 9,374,368</u>	 <u>\$ 5,320,876</u>	 <u>\$ 253,924</u>	 <u>\$ 1,352,829</u>
		<u>\$ 2,446,739</u>		

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. There were no 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.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

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, 2015, 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, 2015, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
Money Market	\$ 59,883
Mutual Funds	3,688,392
U.S. Treasury Obligations	1,331,361
Federal Agency Securities	2,368,385
Medium Term Notes	1,907,876

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 \$50,000,000 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, 2015 was 0.28%. The carrying value and estimated market value of the LAIF Pool at March 31, 2015 was \$62,489,999,293 and \$62,518,479,478 respectively. The District's share of the Pool at March 31, 2015 was approximately 0.00003 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 asset-backed securities totaling \$1,005,984,000. LAIF's and the District's exposure to risk (credit, market or legal) is not currently available.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

2) CASH AND INVESTMENTS - Continued

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 city 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.

3) CAPITAL ASSETS

Capital Assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Not Depreciated:				
Land	\$ 312,000	\$	\$	\$ 312,000
Construction in Progress	<u>391,491</u>	<u>4,625,587</u>	<u>2,053,831</u>	<u>2,963,247</u>
 Total Capital Assets, Not Depreciated	 <u>703,491</u>	 <u>4,625,587</u>	 <u>2,053,831</u>	 <u>3,275,247</u>
Capital Assets, Being Depreciated:				
Subsurface Lines	32,400,766	1,029,214		33,429,980
General Plant Administration Facilities	11,884,022	113,643	14,263	11,983,402
Water Treatment Facilities	30,362,012	54,770	1,186,384	29,230,398
Collection Facilities	43,443,072	550,646		43,993,718
Wastewater Treatment Facilities	1,498,978			1,498,978
Source of Supply	4,871,806			4,871,806
Vehicles and Equipment	<u>3,770,585</u>	<u>276,369</u>	<u>104,414</u>	<u>3,942,540</u>
 Total Capital Assets Being Depreciated	 <u>128,231,241</u>	 <u>2,024,642</u>	 <u>1,305,061</u>	 <u>128,950,822</u>
Less Accumulated Depreciation	<u>(55,367,389)</u>	<u>(4,460,494)</u>	<u>(1,048,762)</u>	<u>(58,779,121)</u>
 Total Capital Assets Being Depreciated, Net	 <u>72,863,852</u>	 <u>(2,435,852)</u>	 <u>256,299</u>	 <u>70,171,701</u>
 Total Capital Assets, Net	 <u>\$ 73,567,343</u>	 <u>\$ 2,189,735</u>	 <u>\$ 2,310,130</u>	 <u>\$ 73,446,948</u>

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

4) LONG-TERM DEBT

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
Bonds Payable	\$ 45,000	\$	\$ 45,000	\$ 0	\$
Notes Payable	2,035,455		727,865	1,307,590	1,136,990
Compensated Absences	<u>693,284</u>	<u>78,936</u>	<u>63,026</u>	<u>709,194</u>	<u>70,920</u>
Total Long-Term Liabilities	<u>\$ 2,773,739</u>	<u>\$ 78,936</u>	<u>\$ 835,891</u>	<u>\$ 2,016,784</u>	<u>\$ 1,207,910</u>

B) Notes Payable

(a) Note payable to Farmers Home Administration for drought relief; bearing interest at 5%; annual installments ranging from \$2,000 to \$108,600 plus interest; final payment January 1, 2017.

Year Ending March 31,	Principal	Interest	Total
2016	\$ 102,000	\$ 10,530	\$ 112,530
2017	<u>108,600</u>	<u>5,430</u>	<u>114,030</u>
Totals	<u>\$ 210,600</u>	<u>\$ 15,960</u>	<u>\$ 226,560</u>

The District has pledged a portion of future water revenues to repay a loan with the Farmers Home Administration for drought relief. The District's loan is payable solely from the water revenues. Total principal and interest remaining on the Farmers Home Administration loan is \$339,990, payable through fiscal year 2017. For the current year, principal and interest paid by water revenues were \$98,000 and \$15,430, respectively.

(b) Note payable to Farmers Home administration for drought relief; bearing interest at 5%; annual installments ranging from \$700 to \$32,000 plus interest; final payment January 1, 2018.

Year Ending March 31,	Principal	Interest	Total
2016	\$ 29,000	\$ 4,550	\$ 33,550
2017	30,000	3,100	33,100
2018	<u>32,000</u>	<u>1,600</u>	<u>33,600</u>
Totals	<u>\$ 91,000</u>	<u>\$ 9,250</u>	<u>\$ 100,250</u>

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

4) LONG-TERM DEBT - Continued

B) Notes Payable - Continued

The District has pledged a portion of future water revenues to repay a loan with the Farmers Home Administration for drought relief. The District's loan is payable solely from the water revenues. Total principal and interest remaining on the Farmers Home Administration loan is \$134,200, payable through fiscal year 2018. For the current year, principal and interest paid by water revenues were \$28,000 and \$5,950, respectively.

(c) The District entered on March 17, 2011 a promissory note of \$3,000,000 to Wells Fargo Bank, National Association; bearing interest at 2.6%; annual installments ranging from \$20,401 to \$1,653,627 plus interest; final payment March 6, 2016. For the current year, principal and interest paid were \$601,865 and \$39,146, respectively.

Year Ending March 31,	Principal	Interest	Total
2016	\$ <u>1,005,990</u>	\$ <u>23,459</u>	\$ <u>1,029,438</u>
Totals	\$ <u>1,005,990</u>	\$ <u>23,459</u>	\$ <u>1,029,438</u>

C) 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 Statement No. 16, 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.

5) DEFINED CONTRIBUTION PLANS

The District provides pension benefits for all its eligible represented and non-represented employees through two defined contributions plans (Plans). The Plans are the Represented Money Purchase Pension Plan for employees represented by memorandums of understanding and the Non-Represented Money Purchase Pension Plan. Both Plans are administered for the District by FTJ FundChoice, 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. There were no changes to the Plans during the fiscal year ended March 31, 2015.

Mammoth Community Water District
Notes to Financial Statements
Year Ended March 31, 2015

5) DEFINED CONTRIBUTION PLANS - Continued

Employees are not required to, and do not, contribute to the Plans. During the fiscal year ended March 31, 2015, payroll for covered employees were \$1,179,380 and \$2,044,727 for represented and non-represented employees, respectively. Total District's payroll was \$3,224,107. Contributions for the fiscal year ended March 31, 2015 were \$235,876 and \$408,945 for represented and non-represented employees, respectively.

6) 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.

7) 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 another ten years subject to the terms of the agreement. 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. Any savings in water consumed less than the 4,387 acre feet per year will accrue to the District's credit and thereby extend the actual date of the payment by up to 10 years. As of March 31, 2015, the LADWP adjusted extension payment was \$2,431,200.

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SUPPLEMENTARY SCHEDULES

Mammoth Community Water District
Combining Schedule of Net Position
March 31, 2015

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 3,160,397	\$	\$ 4,175,173	\$ 7,335,570
Investments	112,153	728,120	4,767,397	5,607,670
Receivables:				
Billings		244,947	138,968	383,915
Interest	348	11,326	5,127	16,801
Property Taxes		1,586,270	462,877	2,049,147
Loans	1,202,642			1,202,642
Other			66,178	66,178
Inventory		115,083	115,083	230,166
Deposits and Prepaid Expenses		98,207	98,206	196,413
	<u>4,475,540</u>	<u>2,783,953</u>	<u>9,829,009</u>	<u>17,088,502</u>
Land and Construction in Progress, Not Being Depreciated				
		2,996,689	278,558	3,275,247
Capital Assets, Net of Depreciation	<u>263,295</u>	<u>47,488,828</u>	<u>22,419,579</u>	<u>70,171,702</u>
	<u>4,738,835</u>	<u>53,269,470</u>	<u>32,527,146</u>	<u>90,535,451</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable		274,889	173,839	448,728
Accrued Expenses		183,533	161,434	344,967
Retentions Payable		74,761		74,761
Deposits Payable	3,000	16,648	15,594	35,242
Accrued Interest Payable		4,676	579	5,255
Current Maturities of Long-Term Debt		725,011	482,899	1,207,910
Noncurrent Liabilities:				
Long-Term Debt:				
Notes Payable		170,600		170,600
Compensated Absences		312,121	326,153	638,274
	<u>3,000</u>	<u>1,762,239</u>	<u>1,160,498</u>	<u>2,925,737</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes		872,988	253,448	1,126,436
	<u>0</u>	<u>872,988</u>	<u>253,448</u>	<u>1,126,436</u>
NET POSITION				
Net Investment in Capital Assets	263,295	49,926,187	22,251,477	72,440,959
Unrestricted	<u>4,472,540</u>	<u>708,056</u>	<u>8,861,723</u>	<u>14,042,319</u>
	<u>\$ 4,735,835</u>	<u>\$ 50,634,243</u>	<u>\$ 31,113,200</u>	<u>\$ 86,483,278</u>

Mammoth Community Water District
Combining Schedule of Revenues, Expenses and Changes in Net Position
Year Ended March 31, 2015

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
OPERATING REVENUES				
Water Services	\$	\$ 3,081,224	\$	\$ 3,081,224
Wastewater Services			2,644,471	2,644,471
Permits		123,757	60,862	184,619
		<u>0</u>	<u>3,204,981</u>	<u>2,705,333</u>
Total Operating Revenues				<u>5,910,314</u>
OPERATING EXPENSES				
General and Administrative	23,316	1,572,930	1,572,930	3,169,176
Water Services		3,332,264		3,332,264
Wastewater Services			1,485,979	1,485,979
Depreciation and Amortization	60,351	2,901,172	1,498,971	4,460,494
		<u>83,667</u>	<u>7,806,366</u>	<u>4,557,880</u>
Total Operating Expenses				<u>12,447,913</u>
Operating Income (Loss)		<u>(83,667)</u>	<u>(4,601,385)</u>	<u>(1,852,547)</u>
NON-OPERATING REVENUES				
(EXPENSES)				
Property Taxes	253,561	3,535,382	2,424,473	6,213,416
SCE Energy Credits			602,930	602,930
Investment Earnings	2,647	109,107	61,962	173,716
Gain (Loss) on Sale of Assets		(197,786)	1,681	(196,105)
Other Revenues	61,255	6,882	5,571	73,708
Interest Expenses		(41,256)	(17,930)	(59,186)
Other Expenses	(65)			(65)
		<u>317,398</u>	<u>3,412,329</u>	<u>3,078,687</u>
Total Non-Operating Revenues (Expenses)				<u>6,808,414</u>
Transfers In	11,697	177,504	125,316	314,517
Transfers Out	(17,601)	(106,641)	(190,275)	(314,517)
Change in Net Position		<u>227,827</u>	<u>(1,118,193)</u>	<u>1,161,181</u>
Net Position - Beginning		<u>4,508,008</u>	<u>51,752,436</u>	<u>29,952,019</u>
Net Position - Ending	\$	<u>4,735,835</u>	\$	<u>31,113,200</u>
		<u>\$ 50,634,243</u>	<u>\$ 86,483,278</u>	

Mammoth Community Water District
Combining Schedule of Cash Flows
Year Ended March 31, 2015

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$	\$ 3,199,231	\$ 2,700,096	\$ 5,899,327
Payments to Suppliers	(23,316)	(2,230,189)	(987,376)	(3,240,881)
Payments to Employees	(4,990)	(2,479,922)	(2,027,237)	(4,512,149)
Other Revenues	60,907	143,940	621,192	826,039
Other Expenses	(65)			(65)
Net Cash Provided (Used) by Operating Activities	<u>32,536</u>	<u>(1,366,940)</u>	<u>306,675</u>	<u>(1,027,729)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Advances from Other Funds	11,697	177,504	125,316	314,517
Advances to Other Funds	(17,601)	(106,641)	(190,275)	(314,517)
Property Taxes	297,073	3,280,919	2,586,287	6,164,279
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>291,169</u>	<u>3,351,782</u>	<u>2,521,328</u>	<u>6,164,279</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition & Construction of Capital Assets		(3,818,721)	(757,263)	(4,575,984)
Proceeds from the Sale of Assets		38,098	1,681	39,779
Principal Payments on Long-term Debt		(460,638)	(312,227)	(772,865)
Interest Paid		(43,144)	(18,506)	(61,650)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>(4,284,405)</u>	<u>(1,086,315)</u>	<u>(5,370,720)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	(126,702)	(3,144,868)	(3,063,521)	(6,335,091)
Proceeds from the Sale and Maturities of Investments	124,788	5,280,001	834,553	6,239,342
Interest on Investments	4,636	164,430	87,673	256,739
Net Cash Provided by Investing Activities	<u>2,722</u>	<u>2,299,563</u>	<u>(2,141,295)</u>	<u>160,990</u>
Net Increase (Decrease) in Cash and Cash Equivalents	326,427	0	(399,607)	(73,180)
Cash and Cash Equivalents - Beginning of Year	<u>2,833,970</u>	<u>0</u>	<u>4,574,780</u>	<u>7,408,750</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,160,397</u>	<u>\$ 0</u>	<u>\$ 4,175,173</u>	<u>\$ 7,335,570</u>

Mammoth Community Water District
Combining Schedule of Cash Flows - Continued
Year Ended March 31, 2015

	<u>New Enterprise</u>	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH PROVIDED (USED) BY				
OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (83,667)	\$ (4,601,385)	\$ (1,852,547)	\$ (6,537,599)
Depreciation and Amortization	60,351	2,901,172	1,498,971	4,460,494
Other Revenues	60,907	143,940	621,192	826,039
Other Expenses	(65)			(65)
Change in Assets and Liabilities:				
Decrease (Increase) in Operating Assets:				
Account Receivable	(4,990)	(7,635)	(9,287)	(21,912)
Inventory		(3,170)	(3,170)	(6,340)
Deposits and Prepaid Expenses		5,873	5,874	11,747
Increase (Decrease) in Operating Liabilities:				
Accounts Payable		66,989	16,783	83,772
Accrued Expenses		42,912	16,619	59,531
Retentions Payable		74,761		74,761
Deposits Payable		1,885	4,050	5,935
Compensated Absences		7,718	8,190	15,908
Net Cash Provided (Used) by Operating Activities	<u>\$ 32,536</u>	<u>\$ (1,366,940)</u>	<u>\$ 306,675</u>	<u>\$ (1,027,729)</u>