

Bill Condrashoff
257-1208

Handout for Audit Issues

1. The restricted fund balances on Page 1 the 66013 report for 10-11 add to \$620,860. Yet on page 19 of the audit there is only \$2,911 under restricted assets from participation fees.
2. On page 31 of the audit it is clear that AWS has \$36,001 in restricted accounts and is the only system with restricted reserves. On Page 1 of the 66013 report, participation fees are shown as: \$537,465 in AWS, \$67,258 in Camanche and \$314,462 in Martell WW.
3. Page 33 of the audit shows \$410,886 received as participation fees. Page 1 of the 10-11 66013 report shows \$566,976 as received participation fees.

Govt Code Section 66013 Report

	FY 10-11 Actuals	FY 10-11 Actuals	FY 10-11 Actuals	FY 10-11 Actuals	FY 10-11 Actuals	FY 10-11 Actuals	FY 10-11 Actuals
<i>System Name/Fund #</i>	AWS-04	CAWP W-06	Camanche W-13	CAWP R-14	Misc. WW-20	Camanche WW-2	Martell WW-22
<i>GL Account #</i>	13200.04	13200.06	13200.13	13200.14	13200.20	13200.21	13200.22
Beginning Fund Balance	\$ -	\$ (26,225)	\$ (80,792)	\$ 23,605	\$ (135,615)	\$ (758,993)	\$ 911,098
Revenues & Transfers In							
Interest Earnings	1,032	-	-	88	33	2	1,895
Participation Fees	211,985	28,050	163,951	9,111	1,867	56	151,956
Intra-Fund Loans	132,515	-	-	-	135,500	760,000	24,334
Transfer from Operations	-	17,500	138,600	-	-	-	-
Other Revenues, incl Grants, Loans	500,000	-	-	-	-	-	-
Total Revenue	\$ 845,533	\$ 45,550	\$ 302,551	\$ 9,199	\$ 137,400	\$ 760,058	\$ 178,185
Expenditures & Transfers Out							
Capital Improvement Projects *	154,068	225,704	119,684	943	13,481	74	14,821
Intra-Fund Loans	-	-	34,817	47,454	41,314	24,334	760,000
Debt Service Transfer	-	-	-	-	-	-	-
Developer Fee Agreements	154,000	-	-	-	-	-	-
Total Expense	\$ 308,068	\$ 225,704	\$ 154,501	\$ 48,397	\$ 54,796	\$ 24,408	\$ 774,821
Ending Fund Balance	\$ 537,465	\$ (206,378)	\$ 67,258	\$ (15,593)	\$ (53,011)	\$ (23,343)	\$ 314,462

Total = \$566,976

Total = \$620,800

* Detailed breakdown shown separately.

Interfund Capital Loan Information

Description	From	Beg Loan Date	Amount	Interest Rate	Final Pmt Date	AWA Resolution
To Retire an existing indebtedness incurred to construct water for the river view I subdivision (Cawp Retail-14)	AWS-04	12/1/1994	115,500	5.00%	12/1/2014	93-23
For cost incurred to construct the Pine Grove Wastewater Project (WWGen-20)	AWS-04	6/1/2004	167,070	3.83%	6/1/2021	2004-39
To pay for operations and maintenance costs incurred by the District (LaMel-09)	AWS-04	7/10/2010	200,000	2.00%	7/1/2040	2010-10
To pay for operations and maintenance costs incurred by the District (Camanche-13)	AWS-04	7/10/2010	780,000	2.00%	7/1/2040	2010-07
To pay for operations and maintenance costs incurred by the District (Cawp Retail-14)	AWS-04	7/10/2010	855,185	2.00%	7/1/2040	2010-06
To pay for compliance with State wastewater regulatory requirements and to study design, construct, improve and equip wastewater system in District (WWGen-20)	AWS-04	11/1/2005	500,000	LAIF and no less than 3%	6/30/2006	2005-64
To pay for operations and maintenance costs incurred by the District (WWGen-20)	AWS-04	7/10/2010	670,000	2.00%	7/1/2040	2010-09
To pay for operations and maintenance costs incurred by the District (WWCamanche-21)	MartellWW-22	7/10/2010	545,000	2.00%	7/1/2040	2010-08
To pay for capital costs incurred by the District (WWGen-20)	Agency Gen-05	7/10/2011	135,000	2.00%	7/10/2041	2010-23
To pay for capital costs incurred by the District (WWCamanche-21)	MartellWW-22	7/10/2011	760,000	2.00%	7/1/2041	2010-22

**AMADOR WATER AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Note 2 - Cash and Investments: (Continued)

Custodial Credit Risk (Continued)

At June 30, 2011, none of the Agency's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. The following Agency investments were held by the same broker-dealer (counterparty) that was used by the Agency to buy the securities as of June 30:

	<u>2011</u>	<u>2010</u>
Certificates of Deposit	\$ <u>121,290</u>	\$ <u>220,000</u>

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency'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.

The statements of cash flows have been prepared by considering all investment instruments purchased with a maturity of three months or less to be cash equivalents. Following is a detail:

	<u>2011</u>	<u>2010</u>
California Local Agency Investment Fund (LAIF)	\$ 288,105	\$ 46,439
Open-ended money market mutual funds	175,641	73,852
Deposits with financial institutions	32,876	260,184
Petty cash	700	700
Total	\$ <u>497,322</u>	\$ <u>381,175</u>

Note 3 - Restricted Assets:

Restricted assets were provided by, and are to be used for, the following at June 30:

<u>Funding Source</u>	<u>Use</u>	<u>2011</u>	<u>2010</u>
Capital facility fees, participation and annexation fees	Reserve funds	\$ <u>2,911</u>	\$ 63,090
Payments from City of Plymouth	Reserve funds	33,090	16,239
		\$ <u>36,001</u>	\$ <u>79,329</u>

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

**AMADOR WATER AGENCY
SCHEDULE OF NET ASSETS BY RATE AREA
JUNE 30, 2011**

	Agency General	Amador Water System	Central Amador Water Project	Improvement District 3	Improvement District 7	Waste Water	Improvement District 11	Improvement District 12	CAWP Retail	Eliminations	Total
Current Assets:											
Cash and investments	\$ 391,864	\$ 575,984	\$ (235,343)	\$ 21,420	\$ (218,693)	\$ (69,600)	\$ 24,131	\$ 208,165	\$ (115,317)	\$ -	\$ 582,611
Accounts receivable, net:											
Current services	51,455	599,445	30,092	5,367	177,544	114,428	52,095	115,635	281,133	-	1,427,194
Other	14,551	20,846	-	-	9,563	673	55	12,315	247,008	-	305,011
Taxes	11,011	-	-	-	-	-	-	-	-	-	11,011
Grants receivable	-	-	-	-	-	55,984	-	-	-	-	55,984
Accrued interest receivable	135	214	-	8	-	-	3	77	-	-	437
Current portion due from the City of Plymouth	-	35,910	-	-	-	-	-	-	-	-	35,910
Materials inventory	-	217,588	-	-	-	-	-	-	-	-	217,588
Prepaid expenses	994	32,857	4,490	128	2,198	2,806	1,379	2,549	8,723	-	56,124
Total Current Assets	<u>470,010</u>	<u>1,482,844</u>	<u>(200,761)</u>	<u>26,923</u>	<u>(29,388)</u>	<u>104,291</u>	<u>77,633</u>	<u>338,741</u>	<u>421,547</u>	<u>-</u>	<u>2,691,870</u>
NonCurrent Assets:											
Restricted Assets:											
Cash and cash equivalents	-	36,001	-	-	-	-	-	-	-	-	36,001
Total Restricted Assets	<u>-</u>	<u>36,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,001</u>
Capital Assets	947,417	58,451,711	11,469,712	633,271	6,969,852	3,537,042	3,037,804	5,264,227	4,120,098	-	94,431,134
Other Assets:											
Interfund receivables	135,500	3,082,499	-	(195,070)	(760,773)	(1,402,863)	(1,291,566)	1,291,566	(859,293)	-	-
Due from the City of Plymouth, less current portion above	-	3,205,519	-	-	-	-	-	-	-	-	3,205,519
Deferred bond costs	237,129	-	-	-	-	-	-	-	-	-	237,129
Total Other Assets	<u>372,629</u>	<u>6,288,018</u>	<u>-</u>	<u>(195,070)</u>	<u>(760,773)</u>	<u>(1,402,863)</u>	<u>(1,291,566)</u>	<u>1,291,566</u>	<u>(859,293)</u>	<u>-</u>	<u>3,442,648</u>
Total NonCurrent Assets	<u>1,320,046</u>	<u>64,775,730</u>	<u>11,469,712</u>	<u>438,201</u>	<u>6,209,079</u>	<u>2,134,179</u>	<u>1,746,238</u>	<u>6,555,793</u>	<u>3,260,805</u>	<u>-</u>	<u>97,909,783</u>
TOTAL ASSETS	<u>\$ 1,790,056</u>	<u>\$ 66,258,574</u>	<u>\$ 11,268,951</u>	<u>\$ 465,124</u>	<u>\$ 6,179,691</u>	<u>\$ 2,238,470</u>	<u>\$ 1,823,941</u>	<u>\$ 6,894,534</u>	<u>\$ 3,682,352</u>	<u>\$ -</u>	<u>\$ 100,601,653</u>

AMADOR WATER AGENCY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BY RATE AREA
FOR THE YEAR ENDED JUNE 30, 2011

	Agency General	Amador Water System	Central Amador Water Project	Improvement District 3	Improvement District 7	Waste Water	Improvement District 11	Improvement District 12	CAWP Retail	Eliminations	Total
Operating Revenues:											
Current services	\$ -	\$ 4,422,947	\$ 117,296	\$ 37,301	\$ 351,722	\$ 432,563	\$ 394,015	\$ 558,251	\$ 1,648,294	\$ -	\$ 7,962,389
Other revenues	94,185	188,302	791,984	-	15,534	(4,720)	(5,402)	2,165	(386,465)	-	695,583
Total Operating Revenues	94,185	4,611,249	909,280	37,301	367,256	427,843	388,613	560,416	1,261,829	-	8,657,972
Operating Expenses:											
Administrative and general	326,579	1,970,428	322,460	31,920	226,755	193,491	256,337	134,442	527,106	-	3,989,518
Depreciation	284,778	2,010,819	354,812	27,048	268,394	134,635	127,679	360,402	201,977	-	3,770,544
Transmission and distribution	30,652	310,395	180,538	12,795	238,638	165,279	114,866	91,845	94,555	-	1,239,563
Maintenance	20,882	313,738	396,593	7,287	49,113	46,679	76,807	857,918	293,987	-	2,063,004
Engineering	50,963	184,279	35,813	782	23,341	18,145	5,208	19,587	29,298	-	367,416
Source of supply	19,946	393,285	32,179	2,751	61,491	19,038	10,797	13,669	176,320	-	729,476
Water treatment	-	231,993	51,316	7,784	12,503	20,869	211,319	25,727	10,957	-	572,468
Total Operating Expenses	733,800	5,414,937	1,373,711	90,367	880,235	598,136	803,013	1,503,590	1,334,200	-	12,731,989
Operating Loss	(639,615)	(803,688)	(464,431)	(53,066)	(512,979)	(170,293)	(414,400)	(943,174)	(72,371)	-	(4,074,017)
Nonoperating Revenues and (Expenses):											
Participation fees	-	168,035	11,220	-	70,160	4,483	-	149,558	7,430	-	410,886
Taxes & assessments	266,499	49,738	-	10,260	28,900	49,221	-	-	85,374	-	489,992
Other revenue	-	56,356	406,850	-	-	-	-	10,900	(305,414)	-	168,692
Investment income	13,836	139,705	834	189	72	5	50	1,850	189	-	156,730
Grant revenue	-	-	-	-	118,050	-	-	-	-	-	118,050
Amortization	(12,993)	-	-	-	-	-	-	-	-	-	(12,993)
Other expense	7,096	(4,116)	(1,078)	(35)	14	(355)	(284)	(248)	(994)	-	-
Interest expense	1,525	(1,305,569)	(258,516)	(10,255)	(15,671)	(22,666)	(10,952)	(66)	(18,967)	-	(1,641,137)
Total Nonoperating Revenues and (Expenses)	275,963	(895,851)	159,310	159	201,525	30,688	(11,186)	161,994	(232,382)	-	(309,780)
(Loss) Before Capital Contributions	(363,652)	(1,699,539)	(305,121)	(52,907)	(311,454)	(139,605)	(425,586)	(781,180)	(304,753)	-	(4,383,797)
Capital Contributions	-	107,959	-	-	-	-	-	-	-	-	107,959
Change in net assets	(363,652)	(1,591,580)	(305,121)	(52,907)	(311,454)	(139,605)	(425,586)	(781,180)	(304,753)	-	(4,275,838)
Net Assets at Beginning of Year	1,970,062	37,793,622	4,928,819	309,218	6,409,592	2,142,315	2,203,098	6,954,886	3,851,591	-	66,563,203
NET ASSETS AT END OF YEAR	\$ 1,606,410	\$ 36,202,042	\$ 4,623,698	\$ 256,311	\$ 6,098,138	\$ 2,002,710	\$ 1,777,512	\$ 6,173,706	\$ 3,546,838	\$ -	\$ 62,287,365