

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

**REGULAR BOARD MEETING
AGENDA**

November 14, 2012 – 1:30 p.m.

Location--1630 West Redlands Boulevard, Suite A, Redlands, California

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the District office and are available for public review during normal District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request at the District office and in the Agenda Package on the Districts website.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

1. PUBLIC PARTICIPATION

Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

2. ADDITIONS/DELETIONS TO AGENDA

Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

3. PRESENTATION

- **Presentation of Resolution 483 to Retired General Manager of East Valley Water District, Robert ‘Bob’ Martin (Page 4)**

4. CONSENT CALENDAR

1. Approval of Board Minutes, October 31, 2012 **(Page 5)**
2. Approval of Unaudited Financials and Check Register, October 2012 **(Page 13)**

It is the intention of the San Bernardino Valley Water Conservation District to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Medina at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

5. ACTION ITEMS, NEW BUSINESS

A. 2012 AUDIT REPORT (Page 40)

Recommendation: Staff recommends the Board accept and receive and file the 2012 Audit Report with clarifying revisions.

B. CONTINUE MSR\LAFCO CONSULTANT SUPPORT (Page 83)

Recommendation: Ad Hoc Committee and Staff recommends that the Board authorize the General Manager to extend the agreement with California Strategies, LLC's, John Withers to support future Municipal Service Review and related LAFCO issues in an amount not to exceed \$24,000.

C. ELECTION OF 2012-13 ASBCSD BOARD OF DIRECTORS (Page 84)

Recommendation: Staff recommends the Board consider approving the letter of recommendation for Director Aranda for a position on the Association of the San Bernardino County Specials Districts Board of Directors.

D. COMMUNITY STRATEGIC PLAN UPDATE (Page 88)

Recommendation: Staff recommends the Board provide feedback and receive and file the report on the Community Based Strategic Planning efforts.

6. INFORMATION ITEMS:

- A. General Manager's Report (Page 90)
- B. Monthly Recharge Report (Page 92)
- C. Santa Ana Sucker Update (Verbal Update)
- D. Future Agenda Items & Staff Task requests from Directors

7. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS

8. UPCOMING MEETINGS:

- | | |
|----------------------|--|
| 1. November 19, 2012 | Association of San Bernardino County Special Districts Dinner, 6:00 p.m. (Victorville) |
| 2. November 20, 2012 | SAWPA Commission Meeting, 9:30 a.m. at SAWPA |
| 3. November 20, 2012 | San Bernardino Valley Municipal Water District Board of Directors Meeting, 2:30 p.m. |

- | | |
|-------------------------|---|
| 4. November 22-23, 2012 | Office Closed in Observance of Thanksgiving Day |
| 5. November 26, 2012 | Baseline Feeder Committee Workshop, 3:00 p.m. (Muni) |
| 7. November 26, 2012 | Mentone Chamber of Commerce Meeting, 7:30 p.m. |
| 8. December 3, 2012 | Basin Technical Advisory Committee Meeting, 1:30 p.m. (Muni) |
| 9. December 4-7, 2012 | ACWA Fall Conference, San Diego |
| 10. December 10, 2012 | Association of San Bernardino County Special District's Dinner, 6:00 p.m. (Yucaipa Valley Water District's Filtration Facility) |
| 11. December 12, 2012 | Board Meeting and Holiday Luncheon, 10:00 a.m. |

9. CLOSED SESSION

1. The Board may convene in Closed Session to discuss exposure to litigation, under Government Code section 54956.9(b) (3) (e).
2. Under authority of Government Code section 54956.9 (c), the Board may meet in Closed Session to decide whether to initiate litigation.

- 10. ADJOURN MEETING.** The next regular Board meeting will be on December 12, 2012 at 10:00 a.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

RESOLUTION NO. 483

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT IN RECOGNITION OF 27 YEARS OF PUBLIC SERVICE TO THE WATER INDUSTRY BY RETIRING EAST VALLEY WATER DISTRICT GENERAL MANAGER

ROBERT E. MARTIN

WHEREAS, Robert E. Martin has honorably served the East Valley Water District in several positions as Associate Civil Engineer, Assistant District Engineer, District Engineer, Assistant General Manager, and General Manager for 27 years from March 19, 1984 to November 30, 2011; and,

WHEREAS, his local knowledge, experience, leadership and commitment contributed greatly to improving the water quality of the San Bernardino Groundwater Basin, and the infrastructure of the East Valley Water District; and,

WHEREAS, he actively served in both State and Federal lobbying efforts and with ACWA on critical water issues, on the Board of Governors and Legislative Review Committee of CMUA, with the American Water Works Association Research Foundation to develop treatment technologies and Federal funding to meet new water quality regulations, and as the Legislative Budget Committee Chairman for WESTCAS; and,

WHEREAS, he has tirelessly worked on water supply facility improvements and made a commitment to supplying water of high quality in the face of increased water quality regulations; and,

WHEREAS, under his leadership, East Valley Water District has worked closely with the San Bernardino Valley Water Conservation District on increasing groundwater recharge and improving water quality for the entire basin; and,

WHEREAS, his valued support of our groundwater spreading operations and the District's mission has been greatly appreciated, and **he will truly be missed**;

NOW, THEREFORE, BE IT RESOLVED, that the members of the Board of Directors of the San Bernardino Valley Water Conservation District, express to Robert E. Martin, their gratitude and sincere appreciation for the service and support he has rendered.

DATED: October 31, 2012



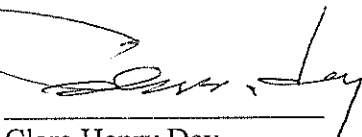
Richard Corneille
President



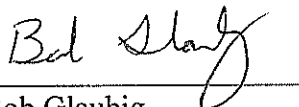
Melody McDonald
Vice President



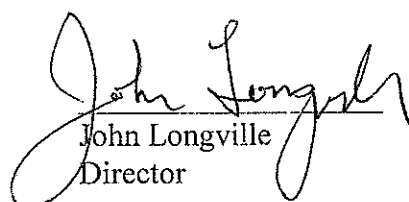
Manuel Aranda
Director



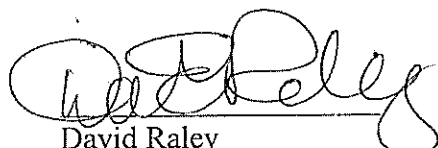
Clare Henry Day
Director



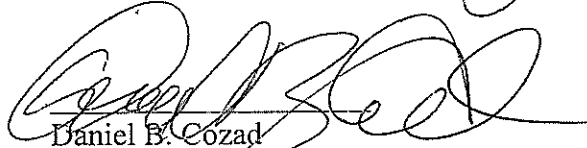
Bob Glaubig
Director



John Longville
Director



David Raley
Director



Daniel B. Cozad
Secretary

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
PUBLIC HEARING / BOARD MEETING

MINUTES OF October 31, 2012
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the pledge of allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
Bob Glaubig, Director
David E. Raley, Director
Manuel Aranda, Director
Clare Henry Day, Director
John Longville, Director (1:38 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Medina, Administrative Services Specialist
Ryan Hejka, Engineering Intern

GUESTS PRESENT:

Charles Roberts, Highland Community News
Kip Sturgeon, East Valley Water District
John Muir, East Valley Water District
Christopher Brown, Charles Z. Fedak & Company
Douglas Headrick, San Bernardino Valley Municipal Water District
George Aguilar, San Bernardino Valley Municipal Water District

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

3. PUBLIC HEARING RELATED TO REDISTRICTING

Daniel Cozad, General Manager, reviewed the Staff report on package page 4 of the agenda noting the process required to reduce the size of the Board from seven to five and conclude the decennial redistricting.

President Corneille opened the public hearing. President Corneille requested any member of the public to present any comment for the public hearing. No public provided any comments. Director McDonald thanked Director Longville for his efforts in getting SB 235 passed. President Corneille thanked Staff for their efforts in the process as well. Mr. Cozad noted for the record that there were no public comments received by Staff prior to the meeting.

It was moved by Director Day and seconded by Director Aranda to close the public hearing on redistricting. The motion carried 6-0. Director Longville was noted absent.

President Corneille stated the next item for discussion and approval is the consideration and adoption of Resolution No. 484.

It was moved by Director Aranda and seconded by Director McDonald to approve and adopt Resolution No. 484, reducing divisions from seven to five. The motion carried 6-0. Director Longville was noted absent.

A roll call vote was performed on Resolution No. 484, votes were as follows:

President Corneille: aye
Director Day: aye
Director Glaubig: aye
Director Longville: absent
Director Raley: aye
Vice President McDonald: aye
Director Aranda: aye

4. CONSENT CALENDAR

Approval of the Board Minutes from October 10, 2012

It was moved by Director Aranda and seconded by Director McDonald to approve the minutes from October 10, 2012. The motion carried 6-0. Director Longville was noted absent.

Ratify Commendatory Resolution No. 483, Honoring Bob Martin

This item was provided to the Board for their review, in advance of the meeting. Due to the timing of the WRI Banquet honoring Bob Martin there was not time to get the resolution approved. The resolution was presented at WRI Banquet on October 27th by President Corneille. Bob Martin has been invited to the November 14th Board of Directors meeting for formal presentation of the resolution. Staff requests the Board ratify Staff's action and approve the resolution presented by Director Corneille.

It was moved by Director Longville and seconded by Director McDonald to adopt Resolution No. 483. The motion carried 7-0.

5. ACTION ITEMS, NEW BUSINESS

A. 2012 AUDIT PRESENTATION

President Corneille introduced this item and noted that the Draft Audit and Management Reports are included in the board package. Mr. Cozad made a brief summary; he stated that the second year with Charles Fedak & Company went smoothly. He noted that Matt Wilson with RAMS assisted with the audit which improved this year's process. President Corneille stated that the Ad Hoc Audit Committee met, reviewed the report, and provided comments and questions to auditor.

Chris Brown reviewed the Audit and Management Reports and touched on highlight notes in the handout. Mr. Brown reviewed the audit process. He stated that they tested internal controls, account balances, financial transactions, and that final field work was finished in September. Mr. Brown also stated that there were no audit adjustments or reclassifications needed this year. The Audit Report referred to the assessment of the District's internal controls. The Management Report explained what the auditor's responsibilities are. Mr. Brown thanked Management and Staff for their efforts in completing this year's Audit Report. In regards to prior year concerns, Mr. Brown is

completely satisfied with the corrective actions taken by the Board and Staff to resolve those issues, and stated those are not an issue in the current year.

He stated that there was a decrease in current assets in the amount of \$136,483; of that decrease a portion is cash used for operations and purchase of capital assets. In regards to liabilities, in total they decreased by \$212,742 and the reason for that is the CalPERS side loan payoff and net assets of the District increased by \$76,259. Mr. Brown said that the \$5 million in reserves is considered a deferred liability. Review continued.

Director Aranda asked what items are depreciated. Mr. Brown stated that all tangible assets are included in the estimated amount of depreciation. He stated that under the Condensed Statements of Revenues, Expenses and Changes in Net Assets the District is in the positive at \$76,259. The final section in the handout was Financial Highlights, Operating reserves ratio which states that the District Unrestricted Net Assets have increased.

Mr. Cozad stated that our ratio is higher and needs to be maintained higher than other agencies due to the manner in which the District is required by the Water Code to set and implement our groundwater charge. The District has more risk and requires a longer return time when the Board makes rate change determinations.

Director McDonald asked if the CalPERS side loan payoff is included in the Operating Expense. Mr. Brown stated the liability was already considered in prior year as a prior period adjustment, the payment is recognized in the current year as an expense. Director Raley stated that he is pleased with the audit and Staff's performance. Directors McDonald and Aranda concurred with this statement. Director Aranda thanked the auditor for the clean opinion provided.

Director Glaubig asked for more details regarding the portion of the audit referred to as Statements of Cash Flows, pertaining to Cash paid to employees for salaries and wages. Mr. Cozad stated that he believes Director Glaubig to be correct in his statement that this item looks as though the amount of the line is on a different basis than last year. Mr. Cozad stated that the numbers calculate accurately but may show more than just salaries and wages. Mr. Brown stated that the previous years were categorized differently, but that the numbers are accurate. Discussion ensued.

Mr. Cozad stated that a detailed breakout of the Statements of Cash Flows will be provided to the Board to clarify the categorization of current year versus prior year. Discussion ensued.

It was moved by Director Day to approve the Draft Audit Report for Fiscal Year 2011-2012 as presented with direction to Staff to provide explanatory revision in

regards to the Statements of Cash Flows and reserving further action if necessary to amend the report based upon the explanation to be provided at the November 14th meeting; the motion was seconded by Director Aranda. The motion carried 7-0.

B. APPROVAL OF FINAL COLLABORATIVE AGREEMENT WITH SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (SBVMWD) AND WESTERN MUNICIPAL WATER DISTRICT (WMWD)

President Corneille introduced this item. George Aguilar with SBVMWD thanked the Board and Staff for their patience in developing and finalizing the language and terms of the agreement. He stated that he is looking forward to partnering with the District and hopes that the District will move forward with this agreement. President Corneille stated that this is a landmark agreement for the District and appreciates the new level of trust and cooperation. He stated that the District is looking forward to their partnership with SBVMWD and WMWD. Director McDonald concurred.

It was moved by Director Longville to approve the Final Collaborative Agreement; it was seconded by Director Aranda. The motion carried 7-0.

6. INFORMATION ITEMS:

A. Rules of Order

President Corneille presented this item for discussion. Policy 5030 states the manner in which a meeting will be conducted and states that the District prefers an informal forum rather than follow Roberts Rules of Order. President Corneille asked if this was the consensus of the Board or if the Board would like to adopt Roberts Rules of Order into Board Policy. President Corneille specifically asked if the rule that "...no one may speak a second time until everyone who wishes to do so has spoken once." He asked if it would make meetings more efficient by following that procedure. Director Aranda was in support of this procedure. Director Day stated that he believes the manner in which the meetings are currently being conducted is sufficient. Director Aranda stated that the problem with that is that there is such a thing as cross talking where two individuals are speaking over one another. Director Longville stated that the most effective way of dealing with cross talking is to seek chairs recognition before speaking. Discussion ensued.

Director Raley is comfortable with the current procedures. President Corneille stated it would just be a formalization of the method in which meetings are run. The Board agreed to seek the chairs recognition prior to speaking.

B. DFR Application Presentation

Mr. Cozad introduced Ryan Hejka, Engineering Intern of the District who presented a PowerPoint of the DFR Application he has been developing. Mr. Hejka provided an overview of the Daily Flow Report process. He noted that first Field Staff has to write down data from the SCADA website and then they have to drive to the various diversion points. The Field Staff then transfer all data from written format to electronic format where they send it out to the DFR Distribution Group. Mr. Hejka noted potential for error in transferring data from written to electronic format. He has been working on a mobile phone application to reduce redundancy and alleviate some of the room for errors. Mr. Hejka presented a video of the step by step process for using the DFR Application for Android operating system.

President Corneille asked if it would be difficult to use out in the field on a mobile phone. Mr. Hejka indicated that you can install the application on any Android operating system; so if you wanted to split up the responsibility of obtaining data you could have a mobile phone app for one individual and potentially a tablet for another. Mr. Cozad added that part of the reason for developing such an item is to be able to share responsibility. There may even be other individuals from outside agencies that may have the data readily available to them and be able to upload it. The Board thanked Mr. Hejka for his work. Director McDonald asked if this application is available to everyone. He noted that it is currently in beta testing mode but can be made available to Staff and other authorized persons once it is completed. Discussion ensued.

C. Santa Ana Sucker Final Decision Review

David Cosgrove, Legal Counsel, gave a brief overview of the final decision. The District Court decision is lengthy and highly technical. One of the challenges was for the exclusion of our area from the designated critical habitat of the Santa Ana Sucker. He noted that to include and that exclude was inconsistent. There is a split decision as to whether NEPA is required for this issue. In regards to the Wash Plan, the Santa Ana Sucker habitat and any impacts thereof will have to be taken into account upon implementation. President Corneille asked if the court decision was included. Mr. Cosgrove noted the summary was included but not the decision due to the number of pages, but will be made available for those who request it. Director Aranda

asked if this was a final judgment. Mr. Cosgrove stated the decision is final if not appealed. He noted it is up to the Task Force if they choose to appeal it. Discussion ensued.

D. Future Agenda Items & Staff Task requests from Directors

Director McDonald said she has an update from the Association of San Bernardino Special Districts for the upcoming election. There is one open seat and asked if there was anyone who would possibly like to serve on that board. Director Aranda indicated interest. President Corneille asked Director Aranda to prepare a letter of interest and the documentation for submission. This item will be brought back to the November 14th meeting.

E. Identify dates for Resources Committee Meeting and Ad Hoc Sphere of Influence Committee Meeting

President Corneille requested the Resources Committee Meeting be held November 15th at 8:00 am, if possible. The date for the Sphere of Influence will have to be selected at a later date.

7. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND /OR COMMENTS BY BOARD MEMBERS

Directors Day, Glaubig and Longville made no report.

Director McDonald attended the SBVMWD Board Meeting. She also attended the ACWA\JPIA HR Training meeting on October 30th.

Director Raley attended the Advisory Commission on Water Policy, Ad Hoc Audit Committee, and Collaborative Meeting.

Director Aranda attended the Loma Linda Chamber of Commerce meeting where Neil Derry was in attendance.

President Corneille attended the Ad Hoc Audit Committee, two meetings on the Enhance Recharge Project (60% Design Meeting), Field Trip on the EBX II, and WRI Banquet. He stated that the EBX II will not begin to affect our operations or property until approximately a year from now.

8. UPCOMING MEETINGS

President Corneille noted that Sexual Harassment Training will be held at the District on November 1st from 9 am-11 am.

9. CLOSED SESSION

It was moved by Director Aranda to move into Closed Session; it was seconded by Director Longville. The motion carried 7-0.

General Counsel announced that the meeting will adjourn to closed session under all of the items listed on the posted agenda.

At 3:16 p.m., the meeting reconvened into Open Session, with no reportable action under Government Code 54957.1.

10. ADJOURN MEETING

It was moved by Director Longville and seconded by Director McDonald to adjourn to the next scheduled meeting. The motion carried 7-0.

At 3:17 p.m. the meeting adjourned to the Regular Board of Directors Meeting on November 14, 2012 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager

11/07/12

San Bernardino Valley Water Conservation District

Balance Sheet

As of June 30, 2013

	Jun 30, 13
ASSETS	
Current Assets	
Checking/Savings	
1010 · Bank of America - Checking	17,241.14
1012 · Citizens Business Bank	210,261.80
1015 · Redlands Plaza Bank	132,995.88
1030 · LAIF	443,075.83
1060 · Cal Trust	5,556,248.36
Total Checking/Savings	6,359,823.01
Accounts Receivable	
1200 · Accounts Receivable	-1,029,717.79
Total Accounts Receivable	-1,029,717.79
Other Current Assets	
1203 · Assessments Receivable	295,155.00
1225 · Advance to Wash Plan	42,478.99
1226 · Due From Wash Plan	119,426.51
1240 · LAIF - Investment Activity	
1035 · Fair Market Value LAIF	539.78
1210 · LAIF-Interest Receivable	506.75
Total 1240 · LAIF - Investment Activity	1,046.53
1250 · CalTrust-Interest Receivable	4,596.16
1450 · Prepaid Expenses	1,500.00
Total Other Current Assets	464,203.19
Total Current Assets	5,794,308.41
Fixed Assets	
1500 · Land	
1501 · Land-Unaudited	44,383.15
1500 · Land - Other	64,750.00
Total 1500 · Land	109,133.15
1510 · Buildings	930,212.94
1520 · Vehicles	140,484.22
1530 · Office Equipment	174,530.16
1540 · Field Equipment	208,703.64
1550 · Concrete Basins	330,192.00
1561 · Redlands Plaza - Land	110,250.00
1562 · Redlands Plaza - Buildings	244,634.95
1563 · Redlands Plaza - Improvements	100,049.00
1564 · Redlands Plaza - Equipment	13,638.00
1600 · Accumulated Depreciation	-840,419.16
1601 · Accum. Deprec-Redlands Plaza	-142,356.00
Total Fixed Assets	1,379,052.90
TOTAL ASSETS	7,173,361.31
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2010 · Accrued Expenses	23,031.74
2100 · Payroll Liabilities	
2101 · Health Insurance Liability	3,440.73
2102 · Pers Retirement Liability	1,809.45
Total 2100 · Payroll Liabilities	5,250.18

11/07/12

San Bernardino Valley Water Conservation District
Balance Sheet
As of June 30, 2013

	Jun 30, 13
2130 · Short Term Compensated Absences	14,498.00
2150.01 · Loan to Wash Plan from SBVWCD	42,478.99
2151.01 · Due to SBVWCD-Wash Plan	119,426.51
2190 · Accrued Salaries & Benefits	8,591.76
2195 · Actuarial Accrued Liability	1,962.00
2210 · Security Deposits - Redlands PI	4,717.00
Total Other Current Liabilities	219,956.18
Total Current Liabilities	219,956.18
Long Term Liabilities	
2700 · Deferred Revenue	5,000,000.00
2715 · Compensated Absences	48,848.13
Total Long Term Liabilities	5,048,848.13
Total Liabilities	5,268,804.31
Equity	
3001 · Fund Balance	4,457,755.57
3001.01 · Fund Balance-Wash Plan	-81,321.02
3010 · Retained Earnings	-2,609,169.92
Net Income	137,292.37
Total Equity	1,904,557.00
TOTAL LIABILITIES & EQUITY	7,173,361.31

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

	1-Groundwater Ent.			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	0.00	0.00	0.00	0.0%
4013 - Caltrust Investment Income	0.00	0.00	0.00	0.0%
Total 4010 - Interest Income	0.00	0.00	0.00	0.0%
4020 - Groundwater Charge				
4021 - Assessments - Ag	16,565.83	48,730.50	-32,164.67	34.0%
4023 - Assessments - Non-Ag	318,729.75	652,610.25	-333,880.50	48.8%
Total 4020 - Groundwater Charge	335,295.58	701,340.75	-366,045.17	47.8%
4025 - Wash Plan Revenue	0.00			
4030 - Mining Income				
4031 - Plant Site - CEMEX	0.00			
4032 - Cemex - Royalty / Lease	0.00			
4033 - Cemex USA Minimum Rent	0.00			
4034 - Redlands Aggregate 5% Royalty	0.00			
4036 - Aggregate Maintenance	0.00			
Total 4030 - Mining Income	0.00			
4040 - Miscellaneous Income	0.00	0.00	0.00	0.0%
4050 - Property Tax	0.00	0.00	0.00	0.0%
4055 - SBVMWD Spreading Agreement Reim	20,984.46	120,000.00	-99,015.54	17.5%
4060 - Property Income				
4062 - Mentone Property	0.00			
Total 4060 - Property Income	0.00			
4065 - Redlands Plaza	0.00			
4066 - Redlands Plaza CAM	0.00			
4080 - Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
Total Income	356,280.04	851,340.75	-495,060.71	41.8%
Gross Profit	356,280.04	851,340.75	-495,060.71	41.8%
Expense				
5000 - Payroll Expenses	0.00			
5050 - Regional Programs				
5080 - LAFCO Contribution	0.00	0.00	0.00	0.0%
Total 5050 - Regional Programs	0.00	0.00	0.00	0.0%
5100 - Professional Service				
5120 - Misc. Professional Services	2,100.00	9,500.00	-7,400.00	22.1%
5122 - Wash Plan Professional Services	0.00	0.00	0.00	0.0%
5125 - Engineering Services	0.00	15,000.00	-15,000.00	0.0%
5130 - Aerial Photography & Surveying	0.00			
5145 - Environmental Services	0.00			
5160 - IT Support	0.00	4,062.50	-4,062.50	0.0%
5170 - Audit	0.00	10,640.00	-10,640.00	0.0%
5175 - Legal - Wash Plan	0.00			
5180 - Legal	0.00	80,000.00	-80,000.00	0.0%
Total 5100 - Professional Service	2,100.00	119,202.50	-117,102.50	1.8%
5123 - Temp. Field Labor	0.00	2,500.00	-2,500.00	0.0%
5200 - Field Operations				
5210 - Equipment Maintenance	2,244.47	2,500.00	-255.53	89.8%
5215 - Property Maintenance	1,230.83	6,500.00	-5,269.17	18.9%
Total 5200 - Field Operations	3,475.30	9,000.00	-5,524.70	38.6%
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	4,811.81	12,500.00	-7,688.19	38.5%
5320 - Fuel	5,004.78	15,000.00	-9,995.22	33.4%
Total 5300 - Vehicle Operations	9,816.59	27,500.00	-17,683.41	35.7%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

		1-Groundwater Ent.		
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
5400 - Utilities				
5410 - Alarm Service	0.00	2,075.00	-2,075.00	0.0%
5420 - Electricity	249.40	3,000.00	-2,750.60	8.3%
5430 - Mobile Phone	559.26	1,460.00	-900.74	38.3%
5440 - Telephone	438.33	2,100.00	-1,661.67	20.9%
5450 - Natural Gas	0.00	420.00	-420.00	0.0%
5460 - Water / Trash / Sewer	494.77	4,484.86	-3,990.09	11.0%
5470 - Internet Services	149.97	2,100.00	-1,950.03	7.1%
Total 5400 - Utilities	1,891.73	15,639.86	-13,748.13	12.1%
6000 - General Administration				
6001 - General Administration - Other	0.00	4,000.00	-4,000.00	0.0%
6002 - Website Administration	0.00			
6003 - Property Tax	0.00			
6004 - Meeting Expenses				
6004.01 - Wash Plan Meeting expense	0.00			
6004 - Meeting Expenses - Other	0.00			
Total 6004 - Meeting Expenses	0.00			
6006 - Permits	0.00	800.00	-800.00	0.0%
6009 - Licenses	0.00	800.00	-800.00	0.0%
6010 - Surety Bond	0.00			
6012 - Office Maintenance	0.00			
6015 - Mentone House Maintenance	0.00			
6016 - Redlands Plaza Maintenance	0.00			
6018 - Janitorial Services	0.00			
6019 - Janitorial Supplies	0.00	120.00	-120.00	0.0%
6020 - Vacancy Marketing-Redlands Plaz	0.00			
6027 - Computer Supplies	0.00	100.00	-100.00	0.0%
6030 - Office Supplies	0.00	175.00	-175.00	0.0%
6032 - Small Office Equipment	0.00			
6033 - Office Equipment Rental	0.00	400.00	-400.00	0.0%
6036 - Printing	0.00	400.00	-400.00	0.0%
6039 - Postage and Overnight Delivery	24.90	400.00	-375.10	6.2%
6042 - Payroll Processing	0.00			
6045 - Bank Service Charges	0.00			
6051 - Uniforms	432.93	450.00	-17.07	96.2%
6087 - Educational Reimbursement	0.00			
6090 - Subscriptions/Publications	0.00			
6091 - Public Notices	0.00	1,600.00	-1,600.00	0.0%
6093 - Memberships	0.00			
Total 6000 - General Administration	457.83	9,245.00	-8,787.17	5.0%
6026 - Redlands Plaza CAM expenses	0.00			
6100 - Benefits				
6110 - Vision Insurance	189.06	794.04	-604.98	23.8%
6115 - Maint/Rep. Rolling Maint. Equip	0.00	759.30	-759.30	0.0%
6120 - Workers' Comp. Insurance	0.00	6,833.80	-6,833.80	0.0%
6130 - Dental Insurance	920.66	2,617.16	-1,696.50	35.2%
6140 - State Unemployment Insurance	0.00	348.01	-348.01	0.0%
6150 - Medical Insurance	9,601.77	47,088.04	-37,486.27	20.4%
6160 - Payroll Taxes-Employer	3,714.93	17,899.23	-14,184.30	20.8%
6170 - PERS Retirement	10,876.82	41,158.62	-30,281.80	26.4%
6190 - Life Insurance	0.00			
Total 6100 - Benefits	25,303.24	117,498.20	-92,194.96	21.5%
6200 - Salaries				
6230 - Regular Salaries	68,942.38	216,698.27	-147,755.89	31.8%
6231 - Salary Overhead Charge	0.00	43,339.64	-43,339.64	0.0%
Total 6200 - Salaries	68,942.38	260,037.91	-191,095.53	26.5%
6300 - Insurance				
6310 - Property/ Auto Insurance	0.00	2,568.00	-2,568.00	0.0%
6320 - General Liability Insurance	10,477.80	17,586.80	-7,109.00	59.6%
Total 6300 - Insurance	10,477.80	20,154.80	-9,677.00	52.0%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

		1-Groundwater Ent.		
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
6400 - Board of Directors' Expenses				
6401 - Directors' Fees	0.00			
6410 - Mileage	0.00			
6415 - Air Fare	0.00			
6420 - Other Travel	0.00			
6425 - Meals	0.00			
6430 - Lodging	0.00			
6435 - Conf/Seminar Registrations	0.00			
6440 - Election Fees / Re-Districting	0.00			
Total 6400 - Board of Directors' Expenses	0.00			
6500 - Administrative/Staff Expenses				
6505 - Mtg. Support Expense (food, bev	0.00			
6510 - Mileage	42.74	300.00	-257.26	14.2%
6515 - Air Fare	0.00	300.00	-300.00	0.0%
6520 - Travel, Other (rental car, taxi	0.00	100.00	-100.00	0.0%
6525 - Meals	0.00	300.00	-300.00	0.0%
6530 - Lodging	0.00	240.00	-240.00	0.0%
6535 - Conf/Seminar Registrations	0.00			
Total 6500 - Administrative/Staff Expenses	42.74	1,240.00	-1,197.26	3.4%
Total Expense	122,507.61	582,018.27	-459,510.66	21.0%
Net Ordinary Income	233,772.43	269,322.48	-35,550.05	86.8%
Other Income/Expense				
Other Expense				
7000 - Construction				
7010 - Materials	0.00	5,000.00	-5,000.00	0.0%
7050 - Basins- Capital Annual Repair	5,733.00	90,000.00	-84,267.00	6.4%
Total 7000 - Construction	5,733.00	95,000.00	-89,267.00	6.0%
7100 - Land & Buildings				
7110 - Property Capital Repairs	585.08	27,500.00	-26,914.92	2.1%
7130 - Mentone Property (House)-CapRep	0.00			
7140 - Mentone Property (Shop)-CapRep	0.00	2,500.00	-2,500.00	0.0%
Total 7100 - Land & Buildings	585.08	30,000.00	-29,414.92	2.0%
7200 - Equipment & Vehicles				
7210 - Computer Hardware-Capital Purch	0.00	650.00	-650.00	0.0%
7220 - Computer Software	0.00	3,575.00	-3,575.00	0.0%
7230 - Field Equipment / Vehicles	0.00	30,500.00	-30,500.00	0.0%
Total 7200 - Equipment & Vehicles	0.00	34,725.00	-34,725.00	0.0%
7400 - Professional Services Capital				
7438 - Engineering Services Capital	0.00	25,000.00	-25,000.00	0.0%
Total 7400 - Professional Services Capital	0.00	25,000.00	-25,000.00	0.0%
Total Other Expense	6,318.08	184,725.00	-178,406.92	3.4%
Net Other Income	-6,318.08	-184,725.00	178,406.92	3.4%
Net Income	227,454.35	84,597.48	142,856.87	268.9%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District

Profit & Loss Budget vs. Actual by Class

July 2012 through June 2013

	2-Redlands Plaza/Mentone Ent.			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	0.00			
4013 - Caltrust Investment Income	0.00			
Total 4010 - Interest Income	0.00			
4020 - Groundwater Charge				
4021 - Assessments - Ag	0.00			
4023 - Assessments - Non-Ag	0.00			
Total 4020 - Groundwater Charge	0.00			
4025 - Wash Plan Revenue	0.00			
4030 - Mining Income				
4031 - Plant Site - CEMEX	0.00			
4032 - Cemex - Royalty / Lease	0.00			
4033 - Cemex USA Minimum Rent	0.00			
4034 - Redlands Aggregate 5% Royalty	0.00			
4036 - Aggregate Maintenance	0.00			
Total 4030 - Mining Income	0.00			
4040 - Miscellaneous Income	0.00			
4050 - Property Tax	0.00			
4055 - SBVMWD Spreading Agreement Reim	0.00			
4060 - Property Income				
4062 - Mentone Property	2,528.51	19,800.00	-17,271.49	12.8%
Total 4060 - Property Income	2,528.51	19,800.00	-17,271.49	12.8%
4065 - Redlands Plaza	31,763.57	88,349.58	-56,586.01	36.0%
4066 - Redlands Plaza CAM	6,030.28	20,000.00	-13,969.72	30.2%
4080 - Exchange Plan	0.00			
Total Income	40,322.36	128,149.58	-87,827.22	31.5%
Gross Profit	40,322.36	128,149.58	-87,827.22	31.5%
Expense				
5000 - Payroll Expenses	0.00			
5050 - Regional Programs				
5080 - LAFCO Contribution	0.00			
Total 5050 - Regional Programs	0.00			
5100 - Professional Service				
5120 - Misc. Professional Services	0.00			
5122 - Wash Plan Professional Services	0.00			
5125 - Engineering Services	0.00			
5130 - Aerial Photography & Surveying	0.00			
5145 - Environmental Services	0.00			
5160 - IT Support	0.00	10.00	-10.00	0.0%
5170 - Audit	0.00	2,850.00	-2,850.00	0.0%
5175 - Legal - Wash Plan	0.00			
5180 - Legal	0.00	16,000.00	-16,000.00	0.0%
Total 5100 - Professional Service	0.00	18,860.00	-18,860.00	0.0%
5123 - Temp. Field Labor	0.00			
5200 - Field Operations				
5210 - Equipment Maintenance	0.00			
5215 - Property Maintenance	0.00			
Total 5200 - Field Operations	0.00			
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	0.00			
5320 - Fuel	0.00			
Total 5300 - Vehicle Operations	0.00			

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

	2-Redlands Plaza/Mentone Ent.			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
5400 - Utilities				
5410 - Alarm Service	0.00			
5420 - Electricity	1,181.36	7,800.00	-6,618.64	15.1%
5430 - Mobile Phone	0.00			
5440 - Telephone	0.00			
5450 - Natural Gas	0.00			
5460 - Water / Trash / Sewer	1,009.26			
5470 - Internet Services	0.00	350.00	-350.00	0.0%
Total 5400 - Utilities	2,190.62	8,150.00	-5,959.38	26.9%
6000 - General Administration				
6001 - General Administration - Other	0.00			
6002 - Website Administration	0.00			
6003 - Property Tax	0.00			
6004 - Meeting Expenses				
6004.01 - Wash Plan Meeting expense	0.00			
6004 - Meeting Expenses - Other	0.00			
Total 6004 - Meeting Expenses	0.00			
6006 - Permits	0.00			
6009 - Licenses	0.00			
6010 - Surety Bond	0.00			
6012 - Office Maintenance	0.00			
6015 - Mentone House Maintenance	1,589.70	3,300.00	-1,710.30	48.2%
6016 - Redlands Plaza Maintenance	3,280.00	14,000.00	-10,720.00	23.4%
6018 - Janitorial Services	0.00			
6019 - Janitorial Supplies	0.00			
6020 - Vacancy Marketing-Redlands Plaz	0.00	5,540.00	-5,540.00	0.0%
6027 - Computer Supplies	0.00	50.00	-50.00	0.0%
6030 - Office Supplies	0.00	350.00	-350.00	0.0%
6032 - Small Office Equipment	0.00	1,200.00	-1,200.00	0.0%
6033 - Office Equipment Rental	0.00			
6036 - Printing	0.00			
6039 - Postage and Overnight Delivery	0.00	160.00	-160.00	0.0%
6042 - Payroll Processing	0.00			
6045 - Bank Service Charges	0.00			
6051 - Uniforms	0.00			
6087 - Educational Reimbursement	0.00			
6090 - Subscriptions/Publications	0.00			
6091 - Public Notices	0.00			
6093 - Memberships	0.00			
Total 6000 - General Administration	4,869.70	24,600.00	-19,730.30	19.8%
6026 - Redlands Plaza CAM expenses	10,441.42	20,000.00	-9,558.58	52.2%
6100 - Benefits				
6110 - Vision Insurance	43.90	80.47	-36.57	54.6%
6115 - Maint/Rep. Rolling Maint. Equip	0.00	76.95	-76.95	0.0%
6120 - Workers' Comp. Insurance	0.00	692.55	-692.55	0.0%
6130 - Dental Insurance	226.88	265.23	-38.35	85.5%
6140 - State Unemployment Insurance	0.00	35.27	-35.27	0.0%
6150 - Medical Insurance	2,050.78	4,772.06	-2,721.28	43.0%
6160 - Payroll Taxes-Employer	0.00	1,813.97	-1,813.97	0.0%
6170 - PERS Retirement	1,436.57	4,171.15	-2,734.58	34.4%
6190 - Life Insurance	0.00			
Total 6100 - Benefits	3,758.13	11,907.65	-8,149.52	31.6%
6200 - Salaries				
6230 - Regular Salaries	7,376.92	32,975.52	-25,598.60	22.4%
6231 - Salary Overhead Charge	0.00			
Total 6200 - Salaries	7,376.92	32,975.52	-25,598.60	22.4%
6300 - Insurance				
6310 - Property/ Auto Insurance	0.00	684.80	-684.80	0.0%
6320 - General Liability Insurance	3,492.60	5,024.80	-1,532.20	69.5%
Total 6300 - Insurance	3,492.60	5,709.60	-2,217.00	61.2%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

	2-Redlands Plaza/Mentone Ent.			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
6400 - Board of Directors' Expenses				
6401 - Directors' Fees	0.00			
6410 - Mileage	0.00			
6415 - Air Fare	0.00			
6420 - Other Travel	0.00			
6425 - Meals	0.00			
6430 - Lodging	0.00			
6435 - Conf/Seminar Registrations	0.00			
6440 - Election Fees / Re-Districting	0.00			
Total 6400 - Board of Directors' Expenses	0.00			
6500 - Administrative/Staff Expenses				
6505 - Mtg. Support Expense (food, bev	0.00			
6510 - Mileage	0.00			
6515 - Air Fare	0.00			
6520 - Travel, Other (rental car, taxi	0.00			
6525 - Meals	0.00			
6530 - Lodging	0.00			
6535 - Conf/Seminar Registrations	0.00			
Total 6500 - Administrative/Staff Expenses	0.00			
Total Expense	32,129.39	122,202.77	-90,073.38	26.3%
Net Ordinary Income	8,192.97	5,946.81	2,246.16	137.8%
Other Income/Expense				
Other Expense				
7000 - Construction				
7010 - Materials	0.00			
7050 - Basins- Capital Annual Repair	0.00			
Total 7000 - Construction	0.00			
7100 - Land & Buildings				
7110 - Property Capital Repairs	0.00			
7130 - Mentone Property (House)-CapRep	3,246.00	2,000.00	1,246.00	162.3%
7140 - Mentone Property (Shop)-CapRep	0.00			
Total 7100 - Land & Buildings	3,246.00	2,000.00	1,246.00	162.3%
7200 - Equipment & Vehicles				
7210 - Computer Hardware-Capital Purch	0.00			
7220 - Computer Software	0.00			
7230 - Field Equipment / Vehicles	0.00			
Total 7200 - Equipment & Vehicles	0.00			
7400 - Professional Services Capital				
7438 - Engineering Services Capital	0.00			
Total 7400 - Professional Services Capital	0.00			
Total Other Expense	3,246.00	2,000.00	1,246.00	162.3%
Net Other Income	-3,246.00	-2,000.00	-1,246.00	162.3%
Net Income	4,946.97	3,946.81	1,000.16	125.3%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

	3-Land Resource/Wash & Mine Ent			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	0.00			
4013 - Caltrust Investment Income	0.00			
Total 4010 - Interest Income	0.00			
4020 - Groundwater Charge				
4021 - Assessments - Ag	0.00			
4023 - Assessments - Non-Ag	0.00			
Total 4020 - Groundwater Charge	0.00			
4025 - Wash Plan Revenue	0.00	409,500.00	-409,500.00	0.0%
4030 - Mining Income				
4031 - Plant Site - CEMEX	12,000.00	48,000.00	-36,000.00	25.0%
4032 - Cemex - Royalty / Lease	50,000.00	208,333.00	-158,333.00	24.0%
4033 - Cemex USA Minimum Rent	4,000.00			
4034 - Redlands Aggregate 5% Royalty	9,000.00	36,000.00	-27,000.00	25.0%
4036 - Aggregate Maintenance	6,600.00	23,500.00	-16,900.00	28.1%
Total 4030 - Mining Income	81,600.00	315,833.00	-234,233.00	25.8%
4040 - Miscellaneous Income	0.00	6,250.00	-6,250.00	0.0%
4050 - Property Tax	0.00			
4055 - SBVMWD Spreading Agreement Reim	0.00	180,000.00	-180,000.00	0.0%
4060 - Property Income				
4062 - Mentone Property	0.00			
Total 4060 - Property Income	0.00			
4065 - Redlands Plaza	0.00			
4066 - Redlands Plaza CAM	0.00			
4080 - Exchange Plan	0.00			
Total Income	81,600.00	911,583.00	-829,983.00	9.0%
Gross Profit	81,600.00	911,583.00	-829,983.00	9.0%
Expense				
5000 - Payroll Expenses	0.00			
5050 - Regional Programs				
5080 - LAFCO Contribution	0.00			
Total 5050 - Regional Programs	0.00			
5100 - Professional Service				
5120 - Misc. Professional Services	890.00			
5122 - Wash Plan Professional Services	7,011.63	127,000.00	-119,988.37	5.5%
5125 - Engineering Services	2,320.00			
5130 - Aerial Photography & Surveying	0.00	60,000.00	-60,000.00	0.0%
5145 - Environmental Services	0.00	213,000.00	-213,000.00	0.0%
5160 - IT Support	0.00	750.00	-750.00	0.0%
5170 - Audit	0.00	3,610.00	-3,610.00	0.0%
5175 - Legal - Wash Plan	960.00	42,000.00	-41,040.00	2.3%
5180 - Legal	510.00			
Total 5100 - Professional Service	11,691.63	446,360.00	-434,668.37	2.6%
5123 - Temp. Field Labor	0.00			
5200 - Field Operations				
5210 - Equipment Maintenance	0.00			
5215 - Property Maintenance	0.00			
Total 5200 - Field Operations	0.00			
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	0.00			
5320 - Fuel	0.00			
Total 5300 - Vehicle Operations	0.00			

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District

Profit & Loss Budget vs. Actual by Class

July 2012 through June 2013

3-Land Resource/Wash & Mine Ent				
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
5400 - Utilities				
5410 - Alarm Service	0.00			
5420 - Electricity	0.00			
5430 - Mobile Phone	0.00			
5440 - Telephone	0.00			
5450 - Natural Gas	0.00			
5460 - Water / Trash / Sewer	0.00			
5470 - Internet Services	0.00	350.00	-350.00	0.0%
Total 5400 - Utilities	0.00	350.00	-350.00	0.0%
6000 - General Administration				
6001 - General Administration - Other	0.00			
6002 - Website Administration	0.00			
6003 - Property Tax	0.00			
6004 - Meeting Expenses				
6004.01 - Wash Plan Meeting expense	0.00	625.00	-625.00	0.0%
6004 - Meeting Expenses - Other	0.00			
Total 6004 - Meeting Expenses	0.00	625.00	-625.00	0.0%
6006 - Permits	0.00			
6009 - Licenses	0.00			
6010 - Surety Bond	0.00	1,900.00	-1,900.00	0.0%
6012 - Office Maintenance	0.00			
6015 - Mentone House Maintenance	0.00			
6016 - Redlands Plaza Maintenance	0.00			
6018 - Janitorial Services	0.00			
6019 - Janitorial Supplies	0.00			
6020 - Vacancy Marketing-Redlands Plaz	0.00			
6027 - Computer Supplies	0.00			
6030 - Office Supplies	0.00	175.00	-175.00	0.0%
6032 - Small Office Equipment	0.00			
6033 - Office Equipment Rental	0.00	400.00	-400.00	0.0%
6036 - Printing	0.00	100.00	-100.00	0.0%
6039 - Postage and Overnight Delivery	0.00	160.00	-160.00	0.0%
6042 - Payroll Processing	0.00			
6045 - Bank Service Charges	0.00			
6051 - Uniforms	0.00			
6087 - Educational Reimbursement	0.00			
6090 - Subscriptions/Publications	0.00			
6091 - Public Notices	0.00	200.00	-200.00	0.0%
6093 - Memberships	0.00			
Total 6000 - General Administration	0.00	3,560.00	-3,560.00	0.0%
6026 - Redlands Plaza CAM expenses	0.00			
6100 - Benefits				
6110 - Vision Insurance	29.34	259.76	-230.42	11.3%
6115 - Maint/Rep. Rolling Maint. Equip	0.00	248.40	-248.40	0.0%
6120 - Workers' Comp. Insurance	0.00	2,235.60	-2,235.60	0.0%
6130 - Dental Insurance	133.60	856.19	-722.59	15.6%
6140 - State Unemployment Insurance	0.00	113.85	-113.85	0.0%
6150 - Medical Insurance	1,617.59	15,404.54	-13,786.95	10.5%
6160 - Payroll Taxes-Employer	0.00	5,855.62	-5,855.62	0.0%
6170 - PERS Retirement	2,462.65	13,464.77	-11,002.12	18.3%
6190 - Life Insurance	0.00	60,527.37	-60,527.37	0.0%
Total 6100 - Benefits	4,243.18	98,966.10	-94,722.92	4.3%
6200 - Salaries				
6230 - Regular Salaries	12,173.07			
6231 - Salary Overhead Charge	0.00			
Total 6200 - Salaries	12,173.07			
6300 - Insurance				
6310 - Property/ Auto Insurance	0.00			
6320 - General Liability Insurance	873.15			
Total 6300 - Insurance	873.15			

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

	3-Land Resource/Wash & Mine Ent			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
6400 · Board of Directors' Expenses				
6401 · Directors' Fees	0.00			
6410 · Mileage	0.00			
6415 · Air Fare	0.00			
6420 · Other Travel	0.00			
6425 · Meals	0.00			
6430 · Lodging	0.00			
6435 · Conf/Seminar Registrations	0.00			
6440 · Election Fees / Re-Districting	0.00			
Total 6400 · Board of Directors' Expenses	0.00			
6500 · Administrative/Staff Expenses				
6505 · Mtg. Support Expense (food, bev	0.00			
6510 · Mileage	0.00			
6515 · Air Fare	0.00			
6520 · Travel, Other (rental car, taxi	0.00			
6525 · Meals	0.00			
6530 · Lodging	0.00			
6535 · Conf/Seminar Registrations	0.00			
Total 6500 · Administrative/Staff Expenses	0.00			
Total Expense	28,981.03	549,236.10	-520,255.07	5.3%
Net Ordinary Income	52,618.97	362,346.90	-309,727.93	14.5%
Other Income/Expense				
Other Expense				
7000 · Construction				
7010 · Materials	0.00			
7050 · Basins- Capital Annual Repair	0.00			
Total 7000 · Construction	0.00			
7100 · Land & Buildings				
7110 · Property Capital Repairs	0.00			
7130 · Mentone Property (House)-CapRep	0.00			
7140 · Mentone Property (Shop)-CapRep	0.00			
Total 7100 · Land & Buildings	0.00			
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	0.00			
7220 · Computer Software	0.00			
7230 · Field Equipment / Vehicles	0.00			
Total 7200 · Equipment & Vehicles	0.00			
7400 · Professional Services Capital				
7438 · Engineering Services Capital	0.00			
Total 7400 · Professional Services Capital	0.00			
Total Other Expense	0.00			
Net Other Income	0.00			
Net Income	52,618.97	362,346.90	-309,727.93	14.5%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District

Profit & Loss Budget vs. Actual by Class

July 2012 through June 2013

	4-General Fund Ent.			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	506.75	5,000.00	-4,493.25	10.1%
4013 - Caltrust Investment Income	23,920.70	50,000.00	-26,079.30	47.8%
Total 4010 - Interest Income	24,427.45	55,000.00	-30,572.55	44.4%
4020 - Groundwater Charge				
4021 - Assessments - Ag	0.00			
4023 - Assessments - Non-Ag	0.00			
Total 4020 - Groundwater Charge	0.00			
4025 - Wash Plan Revenue	0.00			
4030 - Mining Income				
4031 - Plant Site - CEMEX	0.00			
4032 - Cemex - Royalty / Lease	0.00			
4033 - Cemex USA Minimum Rent	0.00			
4034 - Redlands Aggregate 5% Royalty	0.00			
4036 - Aggregate Maintenance	0.00			
Total 4030 - Mining Income	0.00			
4040 - Miscellaneous Income	3.75	18,750.00	-18,746.25	0.0%
4050 - Property Tax	11,530.04	75,000.00	-63,469.96	15.4%
4055 - SBVMWD Spreading Agreement Reim	0.00			
4060 - Property Income				
4062 - Mentone Property	0.00			
Total 4060 - Property Income	0.00			
4065 - Redlands Plaza	0.00			
4066 - Redlands Plaza CAM	0.00			
4080 - Exchange Plan	0.00			
Total Income	35,961.24	148,750.00	-112,788.76	24.2%
Gross Profit	35,961.24	148,750.00	-112,788.76	24.2%
Expense				
5000 - Payroll Expenses	175.70			
5050 - Regional Programs				
5080 - LAFCO Contribution	345.83	3,750.00	-3,404.17	9.2%
Total 5050 - Regional Programs	345.83	3,750.00	-3,404.17	9.2%
5100 - Professional Service				
5120 - Misc. Professional Services	19,325.75	85,500.00	-66,174.25	22.6%
5122 - Wash Plan Professional Services	0.00			
5125 - Engineering Services	0.00			
5130 - Aerial Photography & Surveying	0.00			
5145 - Environmental Services	0.00			
5160 - IT Support	1,350.00	2,777.50	-1,427.50	48.6%
5170 - Audit	9,190.00	1,900.00	7,290.00	483.7%
5175 - Legal - Wash Plan	0.00			
5180 - Legal	19,970.23	64,000.00	-44,029.77	31.2%
Total 5100 - Professional Service	49,835.98	154,177.50	-104,341.52	32.3%
5123 - Temp. Field Labor	0.00			
5200 - Field Operations				
5210 - Equipment Maintenance	0.00			
5215 - Property Maintenance	0.00			
Total 5200 - Field Operations	0.00			
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	0.00			
5320 - Fuel	0.00			
Total 5300 - Vehicle Operations	0.00			

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

4-General Fund Ent.				
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
5400 - Utilities				
5410 - Alarm Service	970.41	2,075.00	-1,104.59	46.8%
5420 - Electricity	3,770.48	4,200.00	-429.52	89.8%
5430 - Mobile Phone	0.00	40.00	-40.00	0.0%
5440 - Telephone	2,023.08	4,900.00	-2,876.92	41.3%
5450 - Natural Gas	0.00	630.00	-630.00	0.0%
5460 - Water / Trash / Sewer	0.00	6,115.14	-6,115.14	0.0%
5470 - Internet Services	1,953.58	4,200.00	-2,246.42	46.5%
Total 5400 - Utilities	8,717.55	22,160.14	-13,442.59	39.3%
6000 - General Administration				
6001 - General Administration - Other	294.12	6,000.00	-5,705.88	4.9%
6002 - Website Administration	69.99	3,100.00	-3,030.01	2.3%
6003 - Property Tax	0.00	2,170.00	-2,170.00	0.0%
6004 - Meeting Expenses				
6004.01 - Wash Plan Meeting expense	0.00			
6004 - Meeting Expenses - Other	525.97	1,875.00	-1,349.03	28.1%
Total 6004 - Meeting Expenses	525.97	1,875.00	-1,349.03	28.1%
6006 - Permits	0.00	800.00	-800.00	0.0%
6009 - Licenses	0.00	200.00	-200.00	0.0%
6010 - Surety Bond	0.00			
6012 - Office Maintenance	479.00	1,000.00	-521.00	47.9%
6015 - Mentone House Maintenance	0.00			
6016 - Redlands Plaza Maintenance	0.00			
6018 - Janitorial Services	3,300.00	8,100.00	-4,800.00	40.7%
6019 - Janitorial Supplies	61.23	180.00	-118.77	34.0%
6020 - Vacancy Marketing-Redlands Plaz	0.00			
6027 - Computer Supplies	0.00	350.00	-350.00	0.0%
6030 - Office Supplies	1,107.79	2,800.00	-1,692.21	39.6%
6032 - Small Office Equipment	0.00			
6033 - Office Equipment Rental	2,730.31	6,000.00	-3,269.69	45.5%
6036 - Printing	158.89	500.00	-341.11	31.8%
6039 - Postage and Overnight Delivery	301.52	880.00	-578.48	34.3%
6042 - Payroll Processing	182.55	1,500.00	-1,317.45	12.2%
6045 - Bank Service Charges	913.26	500.00	413.26	182.7%
6051 - Uniforms	62.48	300.00	-237.52	20.8%
6087 - Educational Reimbursement	0.00	2,000.00	-2,000.00	0.0%
6090 - Subscriptions/Publications	119.95	1,500.00	-1,380.05	8.0%
6091 - Public Notices	0.00	200.00	-200.00	0.0%
6093 - Memberships	4,104.00	25,135.00	-21,031.00	16.3%
Total 6000 - General Administration	14,411.06	65,090.00	-50,678.94	22.1%
6026 - Redlands Plaza CAM expenses	0.00			
6100 - Benefits				
6110 - Vision Insurance	73.70	434.45	-360.75	17.0%
6115 - Maint/Rep. Rolling Maint. Equip	0.00	415.35	-415.35	0.0%
6120 - Workers' Comp. Insurance	8,180.00	3,738.15	4,441.85	218.8%
6130 - Dental Insurance	340.81	1,431.63	-1,090.82	23.8%
6140 - State Unemployment Insurance	0.00	190.37	-190.37	0.0%
6150 - Medical Insurance	3,990.40	25,757.96	-21,767.56	15.5%
6160 - Payroll Taxes-Employer	5,669.91	9,781.18	-4,111.27	58.0%
6170 - PERS Retirement	5,746.23	22,514.46	-16,768.23	25.5%
6190 - Life Insurance	0.00			
Total 6100 - Benefits	24,001.05	64,263.55	-40,262.50	37.3%
6200 - Salaries				
6230 - Regular Salaries	52,559.13	117,277.17	-64,718.04	44.8%
6231 - Salary Overhead Charge	0.00			
Total 6200 - Salaries	52,559.13	117,277.17	-64,718.04	44.8%
6300 - Insurance				
6310 - Property/ Auto Insurance	0.00	171.20	-171.20	0.0%
6320 - General Liability Insurance	2,619.45	2,512.40	107.05	104.3%
Total 6300 - Insurance	2,619.45	2,683.60	-64.15	97.6%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

4-General Fund Ent.				
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
6400 - Board of Directors' Expenses				
6401 - Directors' Fees	21,670.00	67,500.00	-45,830.00	32.1%
6410 - Mileage	505.06	2,850.00	-2,344.94	17.7%
6415 - Air Fare	1,644.40	3,000.00	-1,355.60	54.8%
6420 - Other Travel	159.75	350.00	-190.25	45.6%
6425 - Meals	512.83	1,500.00	-987.17	34.2%
6430 - Lodging	1,590.36	3,500.00	-1,909.64	45.4%
6435 - Conf/Seminar Registrations	2,000.00	4,500.00	-2,500.00	44.4%
6440 - Election Fees / Re-Districting	0.00	5,000.00	-5,000.00	0.0%
Total 6400 - Board of Directors' Expenses	28,082.40	88,200.00	-60,117.60	31.8%
6500 - Administrative/Staff Expenses				
6505 - Mtg. Support Expense (food, bev	0.00	1,500.00	-1,500.00	0.0%
6510 - Mileage	326.90	1,200.00	-873.10	27.2%
6515 - Air Fare	0.00	1,200.00	-1,200.00	0.0%
6520 - Travel, Other (rental car, taxi	79.50	400.00	-320.50	19.9%
6525 - Meals	303.00	1,200.00	-897.00	25.3%
6530 - Lodging	410.86	960.00	-549.14	42.8%
6535 - Conf/Seminar Registrations	858.00	2,000.00	-1,142.00	42.9%
Total 6500 - Administrative/Staff Expenses	1,978.26	8,460.00	-6,481.74	23.4%
Total Expense	182,726.41	526,061.96	-343,335.55	34.7%
Net Ordinary Income	-146,765.17	-377,311.96	230,546.79	38.9%
Other Income/Expense				
Other Expense				
7000 - Construction				
7010 - Materials	0.00			
7050 - Basins- Capital Annual Repair	0.00			
Total 7000 - Construction	0.00			
7100 - Land & Buildings				
7110 - Property Capital Repairs	0.00			
7130 - Mentone Property (House)-CapRep	0.00			
7140 - Mentone Property (Shop)-CapRep	0.00			
Total 7100 - Land & Buildings	0.00			
7200 - Equipment & Vehicles				
7210 - Computer Hardware-Capital Purch	0.00	5,850.00	-5,850.00	0.0%
7220 - Computer Software	0.00	1,925.00	-1,925.00	0.0%
7230 - Field Equipment / Vehicles	0.00			
Total 7200 - Equipment & Vehicles	0.00	7,775.00	-7,775.00	0.0%
7400 - Professional Services Capital				
7438 - Engineering Services Capital	0.00			
Total 7400 - Professional Services Capital	0.00			
Total Other Expense	0.00	7,775.00	-7,775.00	0.0%
Net Other Income	0.00	-7,775.00	7,775.00	0.0%
Net Income	-146,765.17	-385,086.96	238,321.79	38.1%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District

Profit & Loss Budget vs. Actual by Class

July 2012 through June 2013

	TOTAL			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	506.75	5,000.00	-4,493.25	10.1%
4013 - Caltrust Investment Income	23,920.70	50,000.00	-26,079.30	47.8%
Total 4010 - Interest Income	24,427.45	55,000.00	-30,572.55	44.4%
4020 - Groundwater Charge				
4021 - Assessments - Ag	16,565.83	48,730.50	-32,164.67	34.0%
4023 - Assessments - Non-Ag	318,729.75	652,610.25	-333,880.50	48.8%
Total 4020 - Groundwater Charge	335,295.58	701,340.75	-366,045.17	47.8%
4025 - Wash Plan Revenue	0.00	409,500.00	-409,500.00	0.0%
4030 - Mining Income				
4031 - Plant Site - CEMEX	12,000.00	48,000.00	-36,000.00	25.0%
4032 - Cemex - Royalty / Lease	50,000.00	208,333.00	-158,333.00	24.0%
4033 - Cemex USA Minimum Rent	4,000.00	0.00	4,000.00	100.0%
4034 - Redlands Aggregate 5% Royalty	9,000.00	36,000.00	-27,000.00	25.0%
4036 - Aggregate Maintenance	6,600.00	23,500.00	-16,900.00	28.1%
Total 4030 - Mining Income	81,600.00	315,833.00	-234,233.00	25.8%
4040 - Miscellaneous Income	3.75	25,000.00	-24,996.25	0.0%
4050 - Property Tax	11,530.04	75,000.00	-63,469.96	15.4%
4055 - SBVMWD Spreading Agreement Reim	20,984.46	300,000.00	-279,015.54	7.0%
4060 - Property Income				
4062 - Mentone Property	2,528.51	19,800.00	-17,271.49	12.8%
Total 4060 - Property Income	2,528.51	19,800.00	-17,271.49	12.8%
4065 - Redlands Plaza	31,763.57	88,349.58	-56,586.01	36.0%
4066 - Redlands Plaza CAM	6,030.28	20,000.00	-13,969.72	30.2%
4080 - Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
Total Income	514,163.64	2,039,823.33	-1,525,659.69	25.2%
Gross Profit	514,163.64	2,039,823.33	-1,525,659.69	25.2%
Expense				
5000 - Payroll Expenses	175.70	0.00	175.70	100.0%
5050 - Regional Programs				
5080 - LAFCO Contribution	345.83	3,750.00	-3,404.17	9.2%
Total 5050 - Regional Programs	345.83	3,750.00	-3,404.17	9.2%
5100 - Professional Service				
5120 - Misc. Professional Services	22,315.75	95,000.00	-72,684.25	23.5%
5122 - Wash Plan Professional Services	7,011.63	127,000.00	-119,988.37	5.5%
5125 - Engineering Services	2,320.00	15,000.00	-12,680.00	15.5%
5130 - Aerial Photography & Surveying	0.00	60,000.00	-60,000.00	0.0%
5145 - Environmental Services	0.00	213,000.00	-213,000.00	0.0%
5160 - IT Support	1,350.00	7,600.00	-6,250.00	17.8%
5170 - Audit	9,190.00	19,000.00	-9,810.00	48.4%
5175 - Legal - Wash Plan	960.00	42,000.00	-41,040.00	2.3%
5180 - Legal	20,480.23	160,000.00	-139,519.77	12.8%
Total 5100 - Professional Service	63,627.61	738,600.00	-674,972.39	8.6%
5123 - Temp. Field Labor	0.00	2,500.00	-2,500.00	0.0%
5200 - Field Operations				
5210 - Equipment Maintenance	2,244.47	2,500.00	-255.53	89.8%
5215 - Property Maintenance	1,230.83	6,500.00	-5,269.17	18.9%
Total 5200 - Field Operations	3,475.30	9,000.00	-5,524.70	38.6%
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	4,811.81	12,500.00	-7,688.19	38.5%
5320 - Fuel	5,004.78	15,000.00	-9,995.22	33.4%
Total 5300 - Vehicle Operations	9,816.59	27,500.00	-17,683.41	35.7%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

	TOTAL			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
5400 - Utilities				
5410 - Alarm Service	970.41	4,150.00	-3,179.59	23.4%
5420 - Electricity	5,201.24	15,000.00	-9,798.76	34.7%
5430 - Mobile Phone	559.26	1,500.00	-940.74	37.3%
5440 - Telephone	2,461.41	7,000.00	-4,538.59	35.2%
5450 - Natural Gas	0.00	1,050.00	-1,050.00	0.0%
5460 - Water / Trash / Sewer	1,504.03	10,600.00	-9,095.97	14.2%
5470 - Internet Services	2,103.55	7,000.00	-4,896.45	30.1%
Total 5400 - Utilities	12,799.90	46,300.00	-33,500.10	27.6%
6000 - General Administration				
6001 - General Administration - Other	294.12	10,000.00	-9,705.88	2.9%
6002 - Website Administration	69.99	3,100.00	-3,030.01	2.3%
6003 - Property Tax	0.00	2,170.00	-2,170.00	0.0%
6004 - Meeting Expenses				
6004.01 - Wash Plan Meeting expense	0.00	625.00	-625.00	0.0%
6004 - Meeting Expenses - Other	525.97	1,875.00	-1,349.03	28.1%
Total 6004 - Meeting Expenses	525.97	2,500.00	-1,974.03	21.0%
6006 - Permits	0.00	1,600.00	-1,600.00	0.0%
6009 - Licenses	0.00	1,000.00	-1,000.00	0.0%
6010 - Surety Bond	0.00	1,900.00	-1,900.00	0.0%
6012 - Office Maintenance	479.00	1,000.00	-521.00	47.9%
6015 - Mentone House Maintenance	1,589.70	3,300.00	-1,710.30	48.2%
6016 - Redlands Plaza Maintenance	3,280.00	14,000.00	-10,720.00	23.4%
6018 - Janitorial Services	3,300.00	8,100.00	-4,800.00	40.7%
6019 - Janitorial Supplies	61.23	300.00	-238.77	20.4%
6020 - Vacancy Marketing-Redlands Plaz	0.00	5,540.00	-5,540.00	0.0%
6027 - Computer Supplies	0.00	500.00	-500.00	0.0%
6030 - Office Supplies	1,107.79	3,500.00	-2,392.21	31.7%
6032 - Small Office Equipment	0.00	1,200.00	-1,200.00	0.0%
6033 - Office Equipment Rental	2,730.31	6,800.00	-4,069.69	40.2%
6036 - Printing	158.89	1,000.00	-841.11	15.9%
6039 - Postage and Overnight Delivery	326.42	1,600.00	-1,273.58	20.4%
6042 - Payroll Processing	182.55	1,500.00	-1,317.45	12.2%
6045 - Bank Service Charges	913.26	500.00	413.26	182.7%
6051 - Uniforms	495.41	750.00	-254.59	66.1%
6087 - Educational Reimbursement	0.00	2,000.00	-2,000.00	0.0%
6090 - Subscriptions/Publications	119.95	1,500.00	-1,380.05	8.0%
6091 - Public Notices	0.00	2,000.00	-2,000.00	0.0%
6093 - Memberships	4,104.00	25,135.00	-21,031.00	16.3%
Total 6000 - General Administration	19,738.59	102,495.00	-82,756.41	19.3%
6026 - Redlands Plaza CAM expenses	10,441.42	20,000.00	-9,558.58	52.2%
6100 - Benefits				
6110 - Vision Insurance	336.00	1,568.72	-1,232.72	21.4%
6115 - Maint/Rep. Rolling Maint. Equip	0.00	1,500.00	-1,500.00	0.0%
6120 - Workers' Comp. Insurance	8,180.00	13,500.10	-5,320.10	60.6%
6130 - Dental Insurance	1,621.95	5,170.21	-3,548.26	31.4%
6140 - State Unemployment Insurance	0.00	687.50	-687.50	0.0%
6150 - Medical Insurance	17,260.54	93,022.60	-75,762.06	18.6%
6160 - Payroll Taxes-Employer	9,384.84	35,350.00	-25,965.16	26.5%
6170 - PERS Retirement	20,522.27	81,309.00	-60,786.73	25.2%
6190 - Life Insurance	0.00	60,527.37	-60,527.37	0.0%
Total 6100 - Benefits	57,305.60	292,635.50	-235,329.90	19.6%
6200 - Salaries				
6230 - Regular Salaries	141,051.50	366,950.96	-225,899.46	38.4%
6231 - Salary Overhead Charge	0.00	43,339.64	-43,339.64	0.0%
Total 6200 - Salaries	141,051.50	410,290.60	-269,239.10	34.4%
6300 - Insurance				
6310 - Property/ Auto Insurance	0.00	3,424.00	-3,424.00	0.0%
6320 - General Liability Insurance	17,463.00	25,124.00	-7,661.00	69.5%
Total 6300 - Insurance	17,463.00	28,548.00	-11,085.00	61.2%

2:29 PM

11/07/12

Accrual Basis

San Bernardino Valley Water Conservation District
Profit & Loss Budget vs. Actual by Class
 July 2012 through June 2013

	TOTAL			
	Jul '12 - Jun ...	Budget	\$ Over Budget	% of Budget
6400 - Board of Directors' Expenses				
6401 - Directors' Fees	21,670.00	67,500.00	-45,830.00	32.1%
6410 - Mileage	505.06	2,850.00	-2,344.94	17.7%
6415 - Air Fare	1,644.40	3,000.00	-1,355.60	54.8%
6420 - Other Travel	159.75	350.00	-190.25	45.6%
6425 - Meals	512.83	1,500.00	-987.17	34.2%
6430 - Lodging	1,590.36	3,500.00	-1,909.64	45.4%
6435 - Conf/Seminar Registrations	2,000.00	4,500.00	-2,500.00	44.4%
6440 - Election Fees / Re-Districting	0.00	5,000.00	-5,000.00	0.0%
Total 6400 - Board of Directors' Expenses	28,082.40	88,200.00	-60,117.60	31.8%
6500 - Administrative/Staff Expenses				
6505 - Mtg. Support Expense (food, bev	0.00	1,500.00	-1,500.00	0.0%
6510 - Mileage	369.64	1,500.00	-1,130.36	24.6%
6515 - Air Fare	0.00	1,500.00	-1,500.00	0.0%
6520 - Travel, Other (rental car, taxi	79.50	500.00	-420.50	15.9%
6525 - Meals	303.00	1,500.00	-1,197.00	20.2%
6530 - Lodging	410.86	1,200.00	-789.14	34.2%
6535 - Conf/Seminar Registrations	858.00	2,000.00	-1,142.00	42.9%
Total 6500 - Administrative/Staff Expenses	2,021.00	9,700.00	-7,679.00	20.8%
Total Expense	366,344.44	1,779,519.10	-1,413,174.66	20.6%
Net Ordinary Income	147,819.20	260,304.23	-112,485.03	56.8%
Other Income/Expense				
Other Expense				
7000 - Construction				
7010 - Materials	0.00	5,000.00	-5,000.00	0.0%
7050 - Basins- Capital Annual Repair	5,733.00	90,000.00	-84,267.00	6.4%
Total 7000 - Construction	5,733.00	95,000.00	-89,267.00	6.0%
7100 - Land & Buildings				
7110 - Property Capital Repairs	585.08	27,500.00	-26,914.92	2.1%
7130 - Mentone Property (House)-CapRep	3,246.00	2,000.00	1,246.00	162.3%
7140 - Mentone Property (Shop)-CapRep	0.00	2,500.00	-2,500.00	0.0%
Total 7100 - Land & Buildings	3,831.08	32,000.00	-28,168.92	12.0%
7200 - Equipment & Vehicles				
7210 - Computer Hardware-Capital Purch	0.00	6,500.00	-6,500.00	0.0%
7220 - Computer Software	0.00	5,500.00	-5,500.00	0.0%
7230 - Field Equipment / Vehicles	0.00	30,500.00	-30,500.00	0.0%
Total 7200 - Equipment & Vehicles	0.00	42,500.00	-42,500.00	0.0%
7400 - Professional Services Capital				
7438 - Engineering Services Capital	0.00	25,000.00	-25,000.00	0.0%
Total 7400 - Professional Services Capital	0.00	25,000.00	-25,000.00	0.0%
Total Other Expense	9,564.08	194,500.00	-184,935.92	4.9%
Net Other Income	-9,564.08	-194,500.00	184,935.92	4.9%
Net Income	138,255.12	65,804.23	72,450.89	210.1%

San Bernardino Valley Water Conservation District

Profit & Loss To Date vs. Annual Budget

	Jul '12 - Jun 13	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	506.75	5,000.00	-4,493.25	10.1%
4013 - Caltrust Investment Income	23,920.70	50,000.00	-26,079.30	47.8%
Total 4010 - Interest Income	24,427.45	55,000.00	-30,572.55	44.4%
4020 - Groundwater Charge				
4021 - Assessments - Ag	16,565.83	48,730.50	-32,164.67	34.0%
4023 - Assessments - Non-Ag	318,729.75	652,610.25	-333,880.50	48.8%
Total 4020 - Groundwater Charge	335,295.58	701,340.75	-366,045.17	47.8%
4025 - Wash Plan Revenue	0.00	409,500.00	-409,500.00	0.0%
4030 - Mining Income				
4031 - Plant Site - CEMEX	12,000.00	48,000.00	-36,000.00	25.0%
4032 - Cemex - Royalty / Lease	50,000.00	208,333.00	-158,333.00	24.0%
4033 - Cemex USA Minimum Rent	4,000.00			
4034 - Redlands Aggregate 5% Royalty	9,000.00	36,000.00	-27,000.00	25.0%
4036 - Aggregate Maintenance	6,600.00	23,500.00	-16,900.00	28.1%
Total 4030 - Mining Income	81,600.00	315,833.00	-234,233.00	25.8%
4040 - Miscellaneous Income	3.75	25,000.00	-24,996.25	0.0%
4050 - Property Tax	11,530.04	75,000.00	-63,469.96	15.4%
4055 - SBVMWD Spreading Agreement Rei...	20,984.46	300,000.00	-279,015.54	7.0%
4060 - Property Income				
4062 - Mentone Property	2,528.51	19,800.00	-17,271.49	12.8%
Total 4060 - Property Income	2,528.51	19,800.00	-17,271.49	12.8%
4065 - Redlands Plaza	31,763.57	88,349.58	-56,586.01	36.0%
4066 - Redlands Plaza CAM	6,030.28	20,000.00	-13,969.72	30.2%
4080 - Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
Total Income	514,163.64	2,039,823.33	-1,525,659.69	25.2%
Gross Profit	514,163.64	2,039,823.33	-1,525,659.69	25.2%
Expense				
5000 - Payroll Expenses	175.70			
5050 - Regional Programs				
5080 - LAFCO Contribution	345.83	3,750.00	-3,404.17	9.2%
Total 5050 - Regional Programs	345.83	3,750.00	-3,404.17	9.2%
5100 - Professional Service				
5120 - Misc. Professional Services	22,315.75	95,000.00	-72,684.25	23.5%
5122 - Wash Plan Professional Services	7,011.63	127,000.00	-119,988.37	5.5%
5125 - Engineering Services	2,320.00	15,000.00	-12,680.00	15.5%
5130 - Aerial Photography & Surveying	0.00	60,000.00	-60,000.00	0.0%
5145 - Environmental Services	0.00	213,000.00	-213,000.00	0.0%
5160 - IT Support	1,350.00	7,600.00	-6,250.00	17.8%
5170 - Audit	9,190.00	19,000.00	-9,810.00	48.4%
5175 - Legal - Wash Plan	960.00	42,000.00	-41,040.00	2.3%
5180 - Legal	20,480.23	160,000.00	-139,519.77	12.8%
Total 5100 - Professional Service	63,627.61	738,600.00	-674,972.39	8.6%
5123 - Temp. Field Labor	0.00	2,500.00	-2,500.00	0.0%
5200 - Field Operations				
5210 - Equipment Maintenance	2,244.47	2,500.00	-255.53	89.8%
5215 - Property Maintenance	1,230.83	6,500.00	-5,269.17	18.9%
Total 5200 - Field Operations	3,475.30	9,000.00	-5,524.70	38.6%
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	4,811.81	12,500.00	-7,688.19	38.5%
5320 - Fuel	5,004.78	15,000.00	-9,995.22	33.4%
Total 5300 - Vehicle Operations	9,816.59	27,500.00	-17,683.41	35.7%
5400 - Utilities				
5410 - Alarm Service	970.41	4,150.00	-3,179.59	23.4%
5420 - Electricity	5,201.24	15,000.00	-9,798.76	34.7%
5430 - Mobile Phone	559.26	1,500.00	-940.74	37.3%
5440 - Telephone	2,461.41	7,000.00	-4,538.59	35.2%
5450 - Natural Gas	0.00	1,050.00	-1,050.00	0.0%
5460 - Water / Trash / Sewer	1,504.03	10,600.00	-9,095.97	14.2%
5470 - Internet Services	2,103.55	7,000.00	-4,896.45	30.1%
Total 5400 - Utilities	12,799.90	46,300.00	-33,500.10	27.6%
6000 - General Administration				
6001 - General Administration - Other	294.12	10,000.00	-9,705.88	2.9%
6002 - Website Administration	69.99	3,100.00	-3,030.01	2.3%
6003 - Property Tax	0.00	2,170.00	-2,170.00	0.0%
6004 - Meeting Expenses				
6004.01 - Wash Plan Meeting expense	0.00	625.00	-625.00	0.0%
6004 - Meeting Expenses - Other	525.97	1,875.00	-1,349.03	28.1%
Total 6004 - Meeting Expenses	525.97	2,500.00	-1,974.03	21.0%

San Bernardino Valley Water Conservation District

Profit & Loss To Date vs. Annual Budget

	Jul '12 - Jun 13	Budget	\$ Over Budget	% of Budget
6006 - Permits	0.00	1,600.00	-1,600.00	0.0%
6009 - Licenses	0.00	1,000.00	-1,000.00	0.0%
6010 - Surety Bond	0.00	1,900.00	-1,900.00	0.0%
6012 - Office Maintenance	479.00	1,000.00	-521.00	47.9%
6015 - Mentone House Maintenance	1,589.70	3,300.00	-1,710.30	48.2%
6016 - Redlands Plaza Maintenance	3,280.00	14,000.00	-10,720.00	23.4%
6017 - Management Labor-Redlands Plaza	0.00	0.00	0.00	0.0%
6018 - Janitorial Services	3,300.00	8,100.00	-4,800.00	40.7%
6019 - Janitorial Supplies	61.23	300.00	-238.77	20.4%
6020 - Vacancy Marketing-Redlands Plaz	0.00	5,540.00	-5,540.00	0.0%
6024 - DONT USE-Computer Equip Maint.	0.00	0.00	0.00	0.0%
6027 - Computer Supplies	0.00	500.00	-500.00	0.0%
6030 - Office Supplies	1,107.79	3,500.00	-2,392.21	31.7%
6032 - Small Office Equipment	0.00	1,200.00	-1,200.00	0.0%
6033 - Office Equipment Rental	2,730.31	6,800.00	-4,069.69	40.2%
6036 - Printing	158.89	1,000.00	-841.11	15.9%
6039 - Postage and Overnight Delivery	326.42	1,600.00	-1,273.58	20.4%
6042 - Payroll Processing	358.30	1,500.00	-1,141.70	23.9%
6045 - Bank Service Charges	938.26	500.00	438.26	187.7%
6051 - Uniforms	495.41	750.00	-254.59	66.1%
6087 - Educational Reimbursement	0.00	2,000.00	-2,000.00	0.0%
6090 - Subscriptions/Publications	119.95	1,500.00	-1,380.05	8.0%
6091 - Public Notices	0.00	2,000.00	-2,000.00	0.0%
6093 - Memberships	4,104.00	25,135.00	-21,031.00	16.3%
Total 6000 - General Administration	19,939.34	102,495.00	-82,555.66	19.5%
6026 - Redlands Plaza CAM expenses	10,503.42	20,000.00	-9,496.58	52.5%
6100 - Benefits				
6110 - Vision Insurance	336.00	1,568.72	-1,232.72	21.4%
6115 - Maint/Rep. Rolling Maint. Equip	0.00	1,500.00	-1,500.00	0.0%
6120 - Workers' Comp. Insurance	8,180.00	13,500.10	-5,320.10	60.6%
6130 - Dental Insurance	1,621.95	5,170.21	-3,548.26	31.4%
6140 - State Unemployment Insurance	0.00	687.50	-687.50	0.0%
6150 - Medical Insurance	17,260.54	93,022.60	-75,762.06	18.6%
6160 - Payroll Taxes-Employer	9,384.84	35,350.00	-25,965.16	26.5%
6170 - PERS Retirement	20,522.27	81,309.00	-60,786.73	25.2%
6190 - Life Insurance	0.00	60,527.37	-60,527.37	0.0%
Total 6100 - Benefits	57,305.60	292,635.50	-235,329.90	19.6%
6200 - Salaries				
6230 - Regular Salaries	141,051.50	366,950.96	-225,899.46	38.4%
6231 - Salary Overhead Charge	0.00	43,339.64	-43,339.64	0.0%
Total 6200 - Salaries	141,051.50	410,290.60	-269,239.10	34.4%
6300 - Insurance				
6310 - Property/ Auto Insurance	0.00	3,424.00	-3,424.00	0.0%
6320 - General Liability Insurance	17,463.00	25,124.00	-7,661.00	69.5%
Total 6300 - Insurance	17,463.00	28,548.00	-11,085.00	61.2%
6400 - Board of Directors' Expenses				
6401 - Directors' Fees	21,670.00	67,500.00	-45,830.00	32.1%
6410 - Mileage	505.06	2,850.00	-2,344.94	17.7%
6415 - Air Fare	1,644.40	3,000.00	-1,355.60	54.8%
6420 - Other Travel	159.75	350.00	-190.25	45.6%
6425 - Meals	512.83	1,500.00	-987.17	34.2%
6430 - Lodging	1,590.36	3,500.00	-1,909.64	45.4%
6435 - Conf/Seminar Registrations	2,000.00	4,500.00	-2,500.00	44.4%
6440 - Election Fees / Re-Districting	0.00	5,000.00	-5,000.00	0.0%
Total 6400 - Board of Directors' Expenses	28,082.40	88,200.00	-60,117.60	31.8%
6500 - Administrative/Staff Expenses				
6505 - Mtg. Support Expense (food, bev	0.00	1,500.00	-1,500.00	0.0%
6510 - Mileage	369.64	1,500.00	-1,130.36	24.6%
6515 - Air Fare	0.00	1,500.00	-1,500.00	0.0%
6520 - Travel, Other (rental car, taxi	79.50	500.00	-420.50	15.9%
6525 - Meals	303.00	1,500.00	-1,197.00	20.2%
6530 - Lodging	410.86	1,200.00	-789.14	34.2%
6535 - Conf/Seminar Registrations	858.00	2,000.00	-1,142.00	42.9%
Total 6500 - Administrative/Staff Expenses	2,021.00	9,700.00	-7,679.00	20.8%
Total Expense	366,607.19	1,779,519.10	-1,412,911.91	20.6%
Net Ordinary Income	147,556.45	260,304.23	-112,747.78	56.7%
Other Income/Expense				
Other Expense				
7000 - Construction				
7010 - Materials	0.00	5,000.00	-5,000.00	0.0%
7050 - Basins- Capital Annual Repair	5,733.00	90,000.00	-84,267.00	6.4%
7051 - Capital Repairs-Periodic	0.00	0.00	0.00	0.0%
Total 7000 - Construction	5,733.00	95,000.00	-89,267.00	6.0%
7100 - Land & Buildings				
7110 - Property Capital Repairs	585.08	27,500.00	-26,914.92	2.1%
7130 - Mentone Property (House)-CapRep	3,946.00	2,000.00	1,946.00	197.3%
7140 - Mentone Property (Shop)-CapRep	0.00	2,500.00	-2,500.00	0.0%
Total 7100 - Land & Buildings	4,531.08	32,000.00	-27,468.92	14.2%

San Bernardino Valley Water Conservation District

Profit & Loss To Date vs. Annual Budget

	Jul '12 - Jun 13	Budget	\$ Over Budget	% of Budget
7200 - Equipment & Vehicles				
7210 - Computer Hardware-Capital Purch	0.00	6,500.00	-6,500.00	0.0%
7220 - Computer Software	0.00	5,500.00	-5,500.00	0.0%
7230 - Field Equipment / Vehicles	0.00	30,500.00	-30,500.00	0.0%
7240 - Office Equipment	0.00	0.00	0.00	0.0%
Total 7200 - Equipment & Vehicles	0.00	42,500.00	-42,500.00	0.0%
7400 - Professional Services Capital				
7438 - Engineering Services Capital	0.00	25,000.00	-25,000.00	0.0%
Total 7400 - Professional Services Capital	0.00	25,000.00	-25,000.00	0.0%
Total Other Expense	10,264.08	194,500.00	-184,235.92	5.3%
Net Other Income	-10,264.08	-194,500.00	184,235.92	5.3%
Net Income	137,292.37	65,804.23	71,488.14	208.6%

San Bernardino Valley Water Conservation District

Check Detail

October 2012

Num	Date	Name	Account	Class	Original Amount
2658	10/2/2012	Edison - Redlands Plaza	1015 - Redlands Plaza B...		-281.75
			5420 - Electricity	2-Redl...	281.75
TOTAL					281.75
2659	10/2/2012	City of Redlands - Municipal Utili...	1015 - Redlands Plaza B...		-469.87
			5460 - Water / Trash / Se...	2-Redl...	469.87
TOTAL					469.87
2660	10/16/2012	Antimite Pest Control, Inc.	1015 - Redlands Plaza B...		-62.00
			6026 - Redlands Plaza C...	2-Redl...	62.00
TOTAL					62.00
2661	10/16/2012	Day Lite Maintenance, Inc.	1015 - Redlands Plaza B...		-144.00
			6026 - Redlands Plaza C...	2-Redl...	144.00
TOTAL					144.00
2662	10/16/2012	Castro Landscaping Services	1015 - Redlands Plaza B...		-500.00
			6026 - Redlands Plaza C...	2-Redl...	300.00
			6015 - Mentone House M...	2-Redl...	200.00
TOTAL					500.00
2663	10/16/2012	Stanley Convergent Security Sol...	1015 - Redlands Plaza B...		-285.54
			6026 - Redlands Plaza C...	2-Redl...	285.54
TOTAL					285.54
18167	10/2/2012	Valero Marketing & Supply Comp...	1010 - Bank of America -...		-1,195.92
			5320 - Fuel	1-Grou...	1,195.92
TOTAL					1,195.92
18168	10/2/2012	Verizon California -7275	1010 - Bank of America -...		-147.78
			5440 - Telephone	1-Grou...	97.79
			5470 - Internet Services	1-Grou...	49.99
TOTAL					147.78
18169	10/2/2012	Verizon Wireless	1010 - Bank of America -...		-136.34
			5430 - Mobile Phone	1-Grou...	136.34
TOTAL					136.34
18170	10/2/2012	Arrowhead	1010 - Bank of America -...		-29.39
			5460 - Water / Trash / Se...	1-Grou...	29.39
TOTAL					29.39
18171	10/2/2012	Redlands Ford	1010 - Bank of America -...		-1,669.60
			5310 - Vehicle Maintenance	1-Grou...	1,669.60
TOTAL					1,669.60

San Bernardino Valley Water Conservation District

Check Detail

October 2012

Num	Date	Name	Account	Class	Original Amount
18172	10/2/2012	Pat's Pots	1010 · Bank of America -...		-70.00
			5460 · Water / Trash / Se...	1-Grou...	70.00
TOTAL					70.00
18173	10/2/2012	Joseph E. Bonadiman & Associa...	1010 · Bank of America -...		-90.00
			5120 · Misc. Professional ...	3-Land ...	90.00
TOTAL					90.00
18174	10/2/2012	John Longville	1010 · Bank of America -...		-2,662.71
			6401 · Directors' Fees	4-Gen...	1,970.00
			6410 · Mileage	4-Gen...	30.53
			6425 · Meals	4-Gen...	38.00
			6430 · Lodging	4-Gen...	204.58
			6415 · Air Fare	4-Gen...	419.60
TOTAL					2,662.71
18175	10/2/2012	Rutan & Tucker	1010 · Bank of America -...		-14,415.26
			5180 · Legal	4-Gen...	12,945.26
			5175 · Legal - Wash Plan	3-Land ...	960.00
			5180 · Legal	3-Land ...	510.00
TOTAL					14,415.26
18176	10/2/2012	ACWA JPIA - Workers Comp	1010 · Bank of America -...		-3,710.00
			6120 · Workers' Comp. In...	4-Gen...	3,710.00
TOTAL					3,710.00
18177	10/2/2012	ACWA	1010 · Bank of America -...		-50.00
			6435 · Conf/Seminar Regi...	4-Gen...	50.00
TOTAL					50.00
18178	10/2/2012	Bank of America	1010 · Bank of America -...		-55.30
			6004 · Meeting Expenses	4-Gen...	54.30
			6045 · Bank Service Char...	4-Gen...	1.00
TOTAL					55.30
18179	10/2/2012	Edison - 8812	1010 · Bank of America -...		-617.93
			5420 · Electricity	4-Gen...	617.93
TOTAL					617.93
18180	10/2/2012	Verizon California-8398	1010 · Bank of America -...		-167.71
			5410 · Alarm Service	4-Gen...	167.71
TOTAL					167.71
18181	10/2/2012	Image Source	1010 · Bank of America -...		-742.34
			6033 · Office Equipment ...	4-Gen...	742.34
TOTAL					742.34

San Bernardino Valley Water Conservation District
Check Detail
October 2012

Num	Date	Name	Account	Class	Original Amount
18182	10/2/2012	J. R. Freeman	1010 · Bank of America -...		-34.36
			6030 · Office Supplies	4-Gen...	34.36
TOTAL					34.36
18183	10/2/2012	Netstellar	1010 · Bank of America -...		-450.00
			5160 · IT Support	4-Gen...	450.00
TOTAL					450.00
18184	10/2/2012	JAN-PRO Cleaning Systems of O...	1010 · Bank of America -...		-618.00
			6018 · Janitorial Services	4-Gen...	618.00
TOTAL					618.00
18185	10/2/2012	Clear Views Window Cleaning	1010 · Bank of America -...		-35.00
			6018 · Janitorial Services	4-Gen...	35.00
TOTAL					35.00
18186	10/2/2012	Verizon California-6637	1010 · Bank of America -...		-289.67
			5470 · Internet Services	4-Gen...	289.67
TOTAL					289.67
18187	10/2/2012	Athena Medina	1010 · Bank of America -...		-65.82
			6510 · Mileage	4-Gen...	65.82
TOTAL					65.82
18188	10/2/2012	Melody McDonald	1010 · Bank of America -...		-404.00
			6401 · Directors' Fees	4-Gen...	394.00
			6425 · Meals	4-Gen...	10.00
TOTAL					404.00
18189	10/16/2012	American Express	1010 · Bank of America -...		-2,444.66
			5210 · Equipment Mainte...	1-Grou...	47.23
			5215 · Property Maintena...	1-Grou...	197.39
			6415 · Air Fare	4-Gen...	331.60
			6420 · Other Travel	4-Gen...	80.25
			6430 · Lodging	4-Gen...	1,195.51
			6425 · Meals	4-Gen...	150.85
			6530 · Lodging	4-Gen...	410.86
			6039 · Postage and Over...	4-Gen...	30.97
TOTAL					2,444.66
18190	10/16/2012	Charles Z. Fedak & Company	1010 · Bank of America -...		-1,240.00
			5170 · Audit	4-Gen...	1,240.00
TOTAL					1,240.00
18191	10/16/2012	Smart & Final	1010 · Bank of America -...		-133.56
			6004 · Meeting Expenses	4-Gen...	133.56
TOTAL					133.56

San Bernardino Valley Water Conservation District
Check Detail
October 2012

Num	Date	Name	Account	Class	Original Amount
18192	10/16/2012	Glaubig, Bob	1010 · Bank of America -...		-591.00
			6401 · Directors' Fees	4-Gener...	591.00
TOTAL					591.00
18193	10/16/2012	Corneille, Richard	1010 · Bank of America -...		-394.00
			6401 · Directors' Fees	4-Gener...	394.00
TOTAL					394.00
18194	10/16/2012	Day, Clare Henry	1010 · Bank of America -...		-394.00
			6401 · Directors' Fees	4-Gener...	394.00
TOTAL					394.00
18195	10/16/2012	Melody McDonald	1010 · Bank of America -...		-985.00
			6401 · Directors' Fees	4-Gener...	985.00
TOTAL					985.00
18196	10/16/2012	Randy L. Scott	1010 · Bank of America -...		-3,513.03
			5122 · Wash Plan Profess...	3-Land ...	3,513.03
TOTAL					3,513.03
18197	10/16/2012	Lowe's Companies, Inc.	1010 · Bank of America -...		-57.84
			5215 · Property Maintena...	1-Grou...	57.84
TOTAL					57.84
18198	10/16/2012	Home Depot Credit Services	1010 · Bank of America -...		-145.47
			5210 · Equipment Mainte...	1-Grou...	123.95
			5215 · Property Maintena...	1-Grou...	21.52
TOTAL					145.47
18199	10/16/2012	Star Auto Parts	1010 · Bank of America -...		-92.32
			5210 · Equipment Mainte...	1-Grou...	87.42
			5310 · Vehicle Maintenance	1-Grou...	4.90
TOTAL					92.32
18200	10/16/2012	Big O Tire	1012 · Citizens Business...		-665.63
			5310 · Vehicle Maintenance	1-Grou...	665.63
TOTAL					665.63
18201	10/16/2012	Joseph E. Bonadiman & Associa...	1012 · Citizens Business...		-1,320.00
			5125 · Engineering Servic...	3-Land ...	1,320.00
TOTAL					1,320.00

San Bernardino Valley Water Conservation District

Check Detail

October 2012

Num	Date	Name	Account	Class	Original Amount
18202	10/16/2012	Edison -5552	1012 · Citizens Business...		-370.53
			5420 · Electricity	4-Gener...	285.12
			5420 · Electricity	2-Redl...	85.41
TOTAL					370.53
18203	10/16/2012	ACWA/JPIA	1012 · Citizens Business...		-7,201.79
			6110 · Vision Insurance	1-Grou...	94.08
			6130 · Dental Insurance	1-Grou...	465.64
			6150 · Medical Insurance	1-Grou...	3,761.35
			6110 · Vision Insurance	2-Redl...	31.36
			6130 · Dental Insurance	2-Redl...	155.21
			6150 · Medical Insurance	2-Redl...	1,253.78
			6110 · Vision Insurance	3-Land ...	7.84
			6130 · Dental Insurance	3-Land ...	38.80
			6150 · Medical Insurance	3-Land ...	313.45
			6110 · Vision Insurance	4-Gener...	23.52
			6130 · Dental Insurance	4-Gener...	116.42
			6150 · Medical Insurance	4-Gener...	940.34
TOTAL					7,201.79
18204	10/29/2012	Bank of America	1012 · Citizens Business...		-130.82
	10/19/2012		6004 · Meeting Expenses	4-Gener...	77.65
			5210 · Equipment Mainte...	1-Grou...	53.17
TOTAL					130.82
18205	10/29/2012	Ryan Hejka	1012 · Citizens Business...		-14.43
			6510 · Mileage	1-Grou...	14.43
TOTAL					14.43
18206	10/29/2012	Pat's Pots	1012 · Citizens Business...		-70.00
			5460 · Water / Trash / Se...	1-Grou...	70.00
TOTAL					70.00
18207	10/29/2012	Golden Harvest, Inc.	1012 · Citizens Business...		-585.08
			7110 · Property Capital R...	1-Grou...	585.08
TOTAL					585.08
18208	10/29/2012	Edison - 7241	1012 · Citizens Business...		-64.55
			5420 · Electricity	1-Grou...	64.55
TOTAL					64.55
18209	10/29/2012	Escoto Construction	1012 · Citizens Business...		-1,450.00
			7130 · Mentone Property (...)	2-Redl...	750.00
			7130 · Mentone Property (...)		700.00
TOTAL					1,450.00
18210	10/29/2012	City of Redlands - Municipal Utili...	1012 · Citizens Business...		-3,520.43
			6026 · Redlands Plaza C...	2-Redl...	3,520.43
TOTAL					3,520.43

San Bernardino Valley Water Conservation District
Check Detail
October 2012

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
18211	10/29/2012	Day Lite Maintenance, Inc.	1012 · Citizens Business...		-144.21
			6026 · Redlands Plaza C...	2-Redl...	144.21
TOTAL					144.21
18212	10/29/2012	Employee Relations Network	1012 · Citizens Business...		-51.00
			5120 · Misc. Professional ...	4-Gen...	51.00
TOTAL					51.00
18213	10/29/2012	Aaron Pederson	1012 · Citizens Business...		-35.00
			6018 · Janitorial Services	4-Gen...	35.00
TOTAL					35.00
18214	10/29/2012	J. R. Freeman	1012 · Citizens Business...		-109.55
			6030 · Office Supplies	4-Gen...	109.55
TOTAL					109.55
18215	10/29/2012	JAN-PRO Cleaning Systems of O...	1012 · Citizens Business...		-618.00
			6018 · Janitorial Services	4-Gen...	618.00
TOTAL					618.00
18216	10/29/2012	California Special District Assoc.	1012 · Citizens Business...		-4,004.00
			6093 · Memberships	4-Gen...	4,004.00
TOTAL					4,004.00
18217	10/29/2012	California Strategies	1012 · Citizens Business...		-4,000.00
			5120 · Misc. Professional ...	4-Gen...	4,000.00
TOTAL					4,000.00
18218	10/29/2012	Verizon California - 2503	1012 · Citizens Business...		-708.45
			5440 · Telephone	4-Gen...	508.45
			5470 · Internet Services	4-Gen...	200.00
TOTAL					708.45
18219	10/29/2012	Image Source	1012 · Citizens Business...		-675.55
			6033 · Office Equipment ...	4-Gen...	675.55
TOTAL					675.55
18220	10/29/2012	Rutan & Tucker	1012 · Citizens Business...		-1,804.97
			5180 · Legal	4-Gen...	1,654.97
			5180 · Legal	4-Gen...	150.00
TOTAL					1,804.97

San Bernardino Valley Water Conservation District
Check Detail
October 2012

Num	Date	Name	Account	Class	Original Amount
18221	10/29/2012	Melody McDonald	1012 - Citizens Business...		-460.60
			6401 - Directors' Fees	4-Gen...	394.00
			6410 - Mileage	4-Gen...	66.60
TOTAL					460.60
18222	10/29/2012	Aranda, Manuel	1012 - Citizens Business...		-1,000.58
			6425 - Meals	4-Gen...	15.58
			6401 - Directors' Fees	4-Gen...	985.00
TOTAL					1,000.58
18223	10/29/2012	Day, Clare Henry	1012 - Citizens Business...		-197.00
			6401 - Directors' Fees	4-Gen...	197.00
TOTAL					197.00
18224	10/29/2012	Cozad, Daniel B	1012 - Citizens Business...		-98.29
			6510 - Mileage	4-Gen...	98.29
TOTAL					98.29
18225	10/31/2012	Raul Calderon	1012 - Citizens Business...		-250.00
			6015 - Mentone House M...	2-Redl...	250.00
TOTAL					250.00
18226	10/31/2012	Melody McDonald	1012 - Citizens Business...		-1,154.84
			6401 - Directors' Fees	4-Gen...	591.00
			6410 - Mileage	4-Gen...	58.83
			6415 - Air Fare	4-Gen...	453.60
			6420 - Other Travel	4-Gen...	32.25
			6425 - Meals	4-Gen...	19.16
TOTAL					1,154.84



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

P.O. Box 1839
Redlands, CA 92373-0581
Email: info@sbvwcd.dst.ca.us
www.sbvwd.dst.ca.us

Memorandum No. 1134

To: Board of Directors

From: General Manager, Daniel Cozad

Date: November 14, 2012

Subject: 2012 Audit Report

RECOMMENDATION

Staff recommends the Board accept, receive and file the 2012 Audit Report with clarifying revisions.

BACKGROUND

Charles Fedak and Company was selected by the Board and performed the 2011 fiscal year audit. The auditor contract is a one year agreement with two, one year extensions subject to evaluation of performance. Staff working with the Committee recommended performing the 2012 audit under the same contract. The Committee met on August 17, 2012 to discuss the audit and planned schedule. Staff and support contract worked together to produce materials. The auditor reviewed and prepared a preliminary draft report and presented it to the Committee on October 17, 2012. The Auditor made the requested clarifications and updates and prepared the report and management letter attached to this memo for presentation and approval. As indicated by the management letter the audit is a "clean" audit and staff addressed all recommendations from the 2011 management letter.

DISCUSSION

At the Board Meeting on October 31, the Board approved the Audit report subject to the auditor providing an explanation and review of items listed on the Cash Flow Statement on page 13. These changes better reflect the totals that are shown in the report. Cash paid to employees was adjusted to only salary and wages as in 2011, with other costs reclassified into the cash paid to vendors and suppliers. This transfer of \$159,409 allows better comparison between 2011 and 2012 years. The increase in salaries is attributed to payout of vacation on retirement, raises and COLA as well as having three field staff for most of 2012 as opposed to 2011.

FISCAL IMPACT

The audit was conducted in accordance with the approved 2012-2013 budget.

BOARD
OF
DIRECTORS

Richard W. Corneille
Clare Henry Day

Bob Glaubig
John Longville

David E. Raley
Melody McDonald
Manuel Aranda, Jr.

GENERAL
MANAGER

Daniel B. Cozad



San Bernardino Valley Water Conservation District
Annual Financial Report
For the Fiscal Years Ended June 30, 2012 and 2011



Service Since 1932

San Bernardino Valley Water Conservation District Board of Directors as of June 30, 2012

<u>Name</u>	<u>Division</u>	<u>Title</u>	<u>Current Term Ending</u>
Richard Corneille	1	President	December 14, 2015
Melody Henriques-McDonald	6	Vice-President	December 04, 2013
Clare Henry Day	2	Director	December 04, 2013
Bob Glaubig	3	Director	December 17, 2015
John Longville	4	Director	December 04, 2013
David E. Raley	5	Director	December 04, 2013
Manuel Aranda Jr.	7	Director	December 14, 2015

**San Bernardino Valley Water Conservation District
Daniel B. Cozad, General Manager
1630 West Redlands Blvd., Suite A
PO Box 1839
Redlands, California 92373
(909) 793-2503 – www.sbvwd.org**

San Bernardino Valley Water Conservation District
Annual Financial Report
For the Fiscal Years Ended June 30, 2012 and 2011

**San Bernardino Valley Water Conservation District
Annual Financial Report
For the Fiscal Years Ended June 30, 2012 and 2011**

Table of Contents

	<u>Page No.</u>
Table of Contents	i
 Introductory Section	
Letter of Transmittal	1-3
 Financial Section	
Independent Auditor's Report	4-5
Management's Discussion and Analysis	6-10
Basic Financial Statements:	
Statements of Net Assets	11
Statements of Revenues, Expenses and Changes in Net Assets	12
Statements of Cash Flows	13-14
Statements of Fiduciary Net Assets – Agency Fund	15
Notes to the Basic Financial Statements	16-29
 Required Supplementary Information Section	
Schedule of Funding Progress – Other Post-Employment Benefits (OPEB) Plan	30
 Supplemental Information Section	
Schedules of Operating Revenues and Expenses	31
Schedules of Wash Plan Revenues and Expenses	32
 Report on Internal Controls and Compliance	
Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33

Introductory Section

DRAFT



September 28, 2012

Board of Directors
San Bernardino Valley Water Conservation District

Introduction

It is our pleasure to submit the Annual Financial Report for the San Bernardino Valley Water Conservation District (District) for the fiscal years ended June 30, 2012 and 2011 following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

This report is organized into two sections: (1) Introductory and (2) Financial. The Introductory section offers general information about the District's organization and current District activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis of the District's basic financial statements, and the District's audited basic financial statements with accompanying Notes.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

District Structure and Leadership

The San Bernardino Valley Water Conservation District is an independent special district, which operates under the authority of Division 21 of the California Water Code. The origin of the District dates from 1909 when the Water Conservation Association was formed to conserve water in the region. The District was formed in 1932 as the successor agency to the Water Conservation Association by a vote of the people. The District is governed by a seven-member Board of Directors, elected by division from within the District's service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs approximately six regular employees, three in the field and three in the office. The District's Board of Directors meets each month. Meetings are publicly noticed and the public and the press are encouraged to attend its meetings and workshops.

District Services

The San Bernardino Valley Water Conservation District recharges the groundwater basin protecting the safe yield of the San Bernardino Bunker Hill Basin and benefits all of the cities, districts and agricultural and non-agricultural groundwater producers within the District's boundaries.

To accomplish the recharge, the District maintains 71 water percolation basins in the Mill Creek and Santa Ana River spreading grounds. The District also plans for, maintains, or leases over 2000 acres in the Santa Ana River Wash at and below the confluence of the Santa Ana River and Mill Creek. Water year 2012 was a dry year; the District recharged all available water for recharge into the groundwater basin which amounted to approximately 11,000 acre feet.

Economic Condition and Outlook

The District is located at a strategic point in the watershed in the East end of the San Bernardino Valley. The Valley has experienced significant economic growth within the Inland Empire over the past few years however, the downturn in building and the larger economy in general greatly impacted the District's revenues. With the overall downturn in building, the District has experienced a reduction in mining royalties collected on aggregate mined from District leased properties. In late 2011, the District negotiated a new land lease and mining agreement with CEMEX which provides for minimum annual guaranteed revenue. The effect of this change is beginning to be realized and will help to mitigate future revenue variability. As the District's water production and Groundwater Charge revenue may be affected by these overall economic conditions, the District's commitment to cost reductions and rate changes have served to reduce the structural deficit.

The broader economic outlook for the Inland Empire is slowly improving from the worst of the prolonged real estate recession. Historically, the Inland Empire will recover somewhat slower than Los Angeles and the Coastal areas of Southern California. The ongoing financial crisis that has impacted the District is forecast to continue for the next few years. The California State budget deficit may also impact the District due to reductions in grants and reduced property tax revenues.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met with the limited staff at the District. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The District accomplishes this with very minimal staffing.

Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget prior to the beginning of the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

In 2011, the District's board of Directors adopted an enterprise model for financial management as well as reserve and other pertinent policies to implement the enterprise model. These changes are intended to provide better internal accountability and provide greater public transparency. Most changes were implemented throughout fiscal year 2011; however, some changes were not made until the budget was approved for fiscal year 2012. As a result, not all reports reflect the full enterprise format. This changeover also limits detailed comparability with prior years. Summary agency-wide reports are still provided and coordinated with prior years.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the “prudent person” standards. The objective of the Investment Policy is safety, liquidity and yield. District funds are invested in the State Treasurer’s Local Agency Investment Fund, the Investment Trust of California (CalTRUST), and an institutional checking accounts.

District Revenues

State law and District policy ensure that all revenues from groundwater charges generated from District production support District operations. Groundwater Charge rates are set in accordance with section 75500 of the California Water Code. Groundwater charges are levied on all groundwater producing agricultural and non-agricultural facilities within the District boundaries. This is the primary component of the District’s revenue. The District has agreements with other entities to seek reimbursement for recharge of water on their behalf. Revenue is also comprised of royalties from aggregate mining, property leases, and interest on reserves.

Audit and Financial Reporting

State Laws require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Charles Z. Fedak & Company, CPAs has conducted the audit of the District’s financial statements. Their unqualified Independent Auditor’s Report appears in the Financial Section.

Other References

More information is contained in the Management’s Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Ad Hoc Audit Committee and the Board of Directors for their continued support in planning and implementation of the San Bernardino Valley Water Conservation District’s fiscal policies.

Respectfully submitted,

Daniel B. Cozad
General Manager

Financial Section

DRAFT

Independent Auditor's Report

Board of Directors
San Bernardino Valley Water Conservation District
Redlands, California

We have audited the accompanying financial statements of the San Bernardino Valley Water Conservation District (District) as of and for the fiscal years ended June 30, 2012 and 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the San Bernardino Valley Water Conservation District as of June 30, 2012 and 2011, and the respective changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 28, 2012 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. This report can be found on page 33.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 10 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.

Independent Auditor's Report, continued

We have applied certain limited procedures to the required supplementary information, on page 30, 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 audits 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section on pages 1 through 3 and the supplemental information on pages 31 through 32 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate 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 audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the section.

Charles Z. Fedak & Company, CPA's – An Accountancy Corporation

Cypress, California

September 28, 2012

San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Bernardino Valley Water Conservation District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2012 and 2011. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net assets increased 2.7% or \$76,259 to \$2,958,889 in fiscal year 2012 as the result of operations. In 2011, the District's net assets decreased 4.8 % or \$145,659 to \$2,882,630 as the result of operations.
- The District's operating revenues increased 36.0% or \$227,024 in 2012 primarily due to a \$69,726 increase in groundwater assessments and a \$157,298 increase in water spreading revenues. In 2011, the District's operating revenues increased 36.3% or \$168,113 primarily due to an increase in groundwater assessments.
- The District's non-operating revenues increase by 12.0% or \$54,720 in 2012 due primarily to a \$153,958 increase in royalty revenues and a \$38,858 increase in rental income that was offset by a \$160,343 decrease in other non-operating revenues. In 2011, non-operating revenues increased by 37.0% or \$122,955 due primarily to a \$180,441 increase in miscellaneous revenues that was offset by a decrease in royalty income of \$29,260 and a decrease in rental income of \$10,060.
- The District's operating expenses increased 1.3% or \$13,469 in 2012 primarily due to increases in staff salaries of \$41,894, equipment costs of \$56,255, and election related Director's fees and expenses of \$31,490, which was offset by a decrease in professional services expense in the amount of \$113,636. In 2011, operating expenses decreased 48.8% or \$1,011,955 in 2011 primarily due to decreases in professional services expenses of \$315,365, benefits expenses of \$138,690, staff salaries expenses of \$276,675, regional program expenses of \$170,131, and general and administrative expenses of \$89,183.
- The District's non-operating expenses increased 84.3% or \$52,119 in 2012 primarily due to a \$34,198 increase in rental property expense and a \$20,222 decrease in the fair-market value of investments at fiscal year-end. In 2011, non-operating expenses decreased 27.7% or \$23,718 primarily due to a \$19,980 decrease in rental property expense.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Assets includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period.

San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Required Financial Statements, Continued

The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 16 through 29.

Statements of Net Assets

Condensed Statements of Net Assets

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Assets:			
Current assets	\$ 6,688,131	6,737,318	(49,187)
Capital assets, net	<u>1,373,408</u>	<u>1,460,704</u>	<u>(87,296)</u>
Total assets	<u>\$ 8,061,539</u>	<u>8,198,022</u>	<u>(136,483)</u>
Liabilities:			
Current liabilities	\$ 51,840	112,620	(60,780)
Non-current liabilities	<u>5,050,810</u>	<u>5,202,772</u>	<u>(151,962)</u>
Total liabilities	<u>5,102,650</u>	<u>5,315,392</u>	<u>(212,742)</u>
Net assets:			
Invested in capital assets	1,373,408	1,460,704	(87,296)
Unrestricted	<u>1,585,481</u>	<u>1,421,926</u>	<u>163,555</u>
Total net assets	<u>2,958,889</u>	<u>2,882,630</u>	<u>76,259</u>
Total liabilities and net assets	<u>\$ 8,061,539</u>	<u>8,198,022</u>	<u>(136,483)</u>

San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statement of Net Assets, Continued

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$2,958,889 and \$2,882,630 as of June 30, 2012 and 2011, respectively.

By far the largest portion of the District's net assets, 46.4% as of June 30, 2012 and 50.7% as of June 30, 2011, reflects the District's investment in capital assets (net of accumulated depreciation). The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2012 and 2011, the District showed a positive balance in its unrestricted net assets of \$1,585,481 and \$1,421,926, respectively, which may be utilized in future years.

Statements of Revenues, Expenses and Changes in Net Assets

Condensed Statements of Revenues, Expenses and Changes in Net Assets

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 858,490	631,466	227,024
Non-operating revenues	509,710	454,990	54,720
Total revenues	<u>1,368,200</u>	<u>1,086,456</u>	<u>281,744</u>
Expenses:			
Operating expenses	1,084,560	1,071,091	13,469
Depreciation expense	105,948	99,224	6,724
Non-operating expenses	113,919	61,800	52,119
Total expenses	<u>1,304,427</u>	<u>1,232,115</u>	<u>72,312</u>
Net income (loss) before capital contributions	63,773	(145,659)	209,432
Capital contributions:	<u>12,486</u>	<u>-</u>	<u>12,486</u>
Change in net assets	76,259	(145,659)	221,918
Net assets, beginning of year	<u>2,882,630</u>	<u>3,028,289</u>	<u>(145,659)</u>
Net assets, end of year	<u>\$ 2,958,889</u>	<u>2,882,630</u>	<u>76,259</u>

The statement of revenues, expenses and changes of net assets shows how the District's net assets changed during the fiscal years. In the case of the District, net assets increased by \$76,259 and decreased by \$145,659 in fiscal years ended June 30, 2012 and 2011, respectively.

A closer examination of the sources of changes in net assets reveals that:

- The District's net assets increased 2.7% or \$76,259 to \$2,958,889 in fiscal year 2012 as the result of operations. In 2011, the District's net assets decreased 4.8 % or \$145,659 to \$2,882,630 as the result of operations.
- The District's operating revenues increased 36.0% or \$227,024 in 2012 primarily due to a \$69,726 increase in groundwater assessments and a \$157,298 increase in water spreading revenues. In 2011, the District's operating revenues increased 36.3% or \$168,113 primarily due to an increase in groundwater assessments.

San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Statements of Revenues, Expenses and Changes in Net Assets, Continued

- The District's non-operating revenues increase by 12.0% or \$54,720 in 2012 due primarily to a \$153,958 increase in royalty revenues and a \$38,858 increase in rental income that was offset by a \$160,343 decrease in other non-operating revenues. In 2011, non-operating revenues increase by 37.0% or \$122,955 due primarily to a \$180,441 increase in miscellaneous revenues that was offset by a decrease in royalty income of \$29,260 and a decrease in rental income of \$10,060.
- The District's operating expenses increased 1.3% or \$13,469 in 2012 primarily due to increases in staff salaries of \$41,894, equipment costs of \$56,255, and election related Director's fees and expenses of \$31,490, which was offset by a decrease in professional services expense in the amount of \$113,636. In 2011, operating expenses decreased 48.8% or \$1,011,955 in 2011 primarily due to decreases in professional services expenses of \$315,365, benefits expenses of \$138,690, staff salaries expenses of \$276,675, regional program expenses of \$170,131, and general and administrative expenses of \$89,183.
- The District's non-operating expenses increased 84.3% or \$52,119 in 2012 primarily due to a \$34,198 increase in rental property expense and a \$20,222 decrease in the fair-market value of investments at fiscal year-end. In 2011, non-operating expenses decreased 27.7% or \$23,718 primarily due to a \$19,980 decrease in rental property expense.

Capital Asset Administration

At the end of fiscal years 2012 and 2011, the District's investment in capital assets amounted to \$1,373,408 and \$1,460,704, respectively, net of accumulated depreciation. This investment in capital assets includes land, diversion facilities, recharge basins, buildings, equipment, and vehicles, etc. Major capital assets additions during the year include improvements the District's buildings and equipment.

Changes in capital assets in 2012 were as follows:

	Balance 2011	Additions	Disposals/ Transfers	Balance 2012
Capital assets:				
Non-depreciable assets	\$ 219,383	-	-	219,383
Depreciable assets	2,118,148	18,652	-	2,136,800
Accumulated depreciation	(876,827)	(105,948)	-	(982,775)
Total capital assets	<u>\$ 1,460,704</u>	<u>(87,296)</u>	<u>-</u>	<u>1,373,408</u>

Changes in capital assets in 2011 were as follows:

	Balance 2010	Additions	Disposals/ Transfers	Balance 2011
Capital assets:				
Non-depreciable assets	\$ 219,383	-	-	219,383
Depreciable assets	2,039,273	78,875	-	2,118,148
Accumulated depreciation	(777,607)	(99,220)	-	(876,827)
Total capital assets	<u>\$ 1,481,049</u>	<u>(20,345)</u>	<u>-</u>	<u>1,460,704</u>

San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2012 and 2011

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net assets or operating results based on past, present and future events.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please review the District website at www.sbvwd.org or contact the District's General Manager at 1630 West Redlands Blvd, Suite A, PO Box 1839, Redlands, CA 92373

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Basic Financial Statements

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San Bernardino Valley Water Conservation District
Statements of Net Assets
June 30, 2012 and 2011

<i>Assets</i>	2012	2011
Current assets:		
Cash and cash equivalents (note 2)	\$ 6,194,467	6,360,057
Accounts Receivable	30,000	-
Assessments receivable	295,155	259,051
Interest receivable	5,103	7,446
Advances to Wash Plan (note 3)	161,906	110,764
Prepaid expense	1,500	-
Total current assets	<u>6,688,131</u>	<u>6,737,318</u>
Non-current assets:		
Capital assets not being depreciated (note 4)	219,383	219,383
Depreciable capital assets (note 4)	1,154,025	1,241,321
Total non-current assets	<u>1,373,408</u>	<u>1,460,704</u>
Total assets	<u><u>\$ 8,061,539</u></u>	<u><u>8,198,022</u></u>
 <i>Liabilities</i>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 23,032	35,397
Accrued wages and related payables	9,593	18,735
Customer deposits	4,717	5,825
Long-term liabilities – due in less than one year:		
Compensated absences (note 5)	14,498	39,934
Pension-related debt (note 7)	-	12,729
Total current liabilities	<u>51,840</u>	<u>112,620</u>
Non-current liabilities:		
Deferred revenue (note 6)	5,000,000	5,000,000
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	48,848	29,864
Other post-employment benefits payable (note 9)	1,962	962
Pension-related debt (note 7)	-	171,946
Total non-current liabilities	<u>5,050,810</u>	<u>5,202,772</u>
Total liabilities	<u>5,102,650</u>	<u>5,315,392</u>
Net assets: (note 10)		
Investment in capital assets	1,373,408	1,460,704
Unrestricted	1,585,481	1,421,926
Total net assets	<u>2,958,889</u>	<u>2,882,630</u>
Total net assets and liabilities	<u><u>\$ 8,061,539</u></u>	<u><u>8,198,022</u></u>

See accompanying notes to the basic financial statements

San Bernardino Valley Water Conservation District
Statements of Revenues, Expenses and Changes in Net Assets
For the Fiscal Year Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Groundwater assessments	\$ 671,192	601,466
Water spreading operations	157,298	-
Services for other agencies	<u>30,000</u>	<u>30,000</u>
Total operating revenues	<u>858,490</u>	<u>631,466</u>
Operating expenses:		
Water spreading operations	889,821	900,990
Regional programs	1,028	2,194
General and administrative	<u>193,711</u>	<u>167,907</u>
Total operating expenses	<u>1,084,560</u>	<u>1,071,091</u>
Operating loss before depreciation expense	(226,070)	(439,625)
Depreciation expense	<u>(105,948)</u>	<u>(99,224)</u>
Operating loss	<u>(332,018)</u>	<u>(538,849)</u>
Non-operating revenue(expense):		
Property taxes	76,976	79,880
Royalty income	201,064	47,106
Rental income	159,824	120,966
Interest earnings	55,030	29,879
Decrease in fair-market value of investments	(20,222)	-
Rental property expense	(81,957)	(47,759)
Interest expense	(11,740)	(14,041)
Other non-operating revenue(expense), net	<u>16,816</u>	<u>177,159</u>
Total non-operating revenues, net	<u>395,791</u>	<u>393,190</u>
Capital contributions:		
Grant revenue	<u>12,486</u>	<u>-</u>
Total capital contributions	<u>12,486</u>	<u>-</u>
Change in net assets	76,259	(145,659)
Net assets, beginning of year	<u>2,882,630</u>	<u>3,028,289</u>
Net assets, end of year	<u>\$ 2,958,889</u>	<u>2,882,630</u>

See accompanying notes to the basic financial statements

San Bernardino Valley Water Conservation District
Statements of Cash Flows
For the Fiscal Year Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from groundwater assessments and other agencies	\$ 792,386	594,415
Cash paid to employees for salaries and wages	(439,116)	(372,770)
Cash paid to vendors and suppliers for materials and services	(678,417)	(529,005)
Net cash used in operating activities	<u>(325,147)</u>	<u>(307,360)</u>
Cash flows from capital financing activities:		
Acquisition of capital assets	(18,652)	(78,875)
Net cash used in capital financing activities	<u>(18,652)</u>	<u>(78,875)</u>
Cash flows from non-capital financing activities:		
Property taxes	76,976	79,880
Royalty income	201,064	47,106
Rental revenue, net	77,867	73,207
Grants	12,486	-
Advances to Wash Plan	(51,142)	(68,875)
Principal payment on pension debt	(184,675)	(6,662)
Interest paid on pension debt	(11,740)	(14,041)
Net cash provided by non-capital financing activities	<u>120,836</u>	<u>110,615</u>
Cash flows from investing activities:		
Interest earnings	57,373	21,793
Net cash provided by investing activities	<u>57,373</u>	<u>21,793</u>
Net decrease in cash	<u>(165,590)</u>	<u>(253,827)</u>
Cash and cash equivalent at the beginning of year	<u>6,360,057</u>	<u>6,613,884</u>
Cash and cash equivalent at the end of year	<u>\$ 6,194,467</u>	<u>6,360,057</u>

Continued on next page

See accompanying notes to the basic financial statements

San Bernardino Valley Water Conservation District
Statements of Cash Flows, continued
For the Fiscal Year Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ <u>(332,018)</u>	<u>(538,849)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	105,948	99,224
Other, net	(3,406)	164,625
Changes in assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	(30,000)	-
Assessments receivable	(36,104)	(37,051)
Prepaid expense	(1,500)	10,830
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(12,365)	(25,988)
Accrued wages and related payables	(9,142)	10,584
Customer deposits	(1,108)	-
Compensated absences	(6,452)	8,303
Other post employment benefits payable	<u>1,000</u>	<u>962</u>
Total adjustments	<u>6,871</u>	<u>231,489</u>
Net cash used in operating activities	\$ <u><u>(325,147)</u></u>	<u><u>(307,360)</u></u>
Non-cash investing, capital and financing transactions:		
Change in fair-market value of investments	\$ <u><u>10,357</u></u>	<u><u>9,865</u></u>

See accompanying notes to the basic financial statements

San Bernardino Valley Water Conservation District
Statements of Fiduciary Net Assets - Agency Fund
For the Fiscal Year Ended June 30, 2012 and 2011

<i>Assets</i>	2012	2011
Cash and cash equivalents	\$ -	29,443
Due from other governments	161,906	81,321
Total assets	\$ 161,906	110,764
<i>Liabilities</i>		
Due to other governments	\$ 161,906	110,764
Total liabilities	\$ 161,906	110,764

See accompanying notes to the basic financial statements

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San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The San Bernardino Valley Water Conservation District (District) was formed in 1932 under the statutory authority of the California Water Code. Its function is to conduct water spreading operations by capturing flood flows of the Santa Ana River and Mill Creek. Spreading enables the water to percolate into the groundwater basin for the benefit of all producers.

The District is comprised of approximately 50,000 acres of land. Within its boundaries are several municipal water purveyors, public utilities, and other (mutual and private) companies who supply water needs. The source of such water is the groundwater basin underlying the District, of which an average of 150,000 acre-feet per year is extracted through some 300 producing wells by approximately 150 different producers.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 14, *The Financial Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units* (an amendment of No. 14). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full 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 when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The District's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB No. 34). This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(1) Reporting Entity and Summary of Significant Accounting Policies, Continued

C. Financial Reporting, continued

GASB No. 34 and its related GASB pronouncements provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented by major categories.

Under GASB No. 34, enterprise funds, such as the District, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The District has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

D. Assets, Liabilities and Net Assets

1. Use of Estimates

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

2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Property Taxes and Assessments

Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year. These taxes become delinquent if not paid by August 31.

The District assesses its property taxes through the County tax rolls. Property taxes are recognized as revenue when they are both measurable and available.

5. Compensated Absences

The District records the cost of vested vacation and sick leave as it is earned. Vacation pay is payable to employees at the time vacation is taken or upon termination of employment. Employees may receive payment for unused sick leave upon termination according to a predetermined vesting schedule.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

D. Assets, Liabilities and Net Assets, Continued

6. Concentrations

The District has two primary sources of revenue. One is the groundwater charge levied to entities who extract water from the groundwater basin underlying the District. The amount of rainfall in the area as well as additional allocations of state project water to the neighboring water districts can have a significant effect on the amount of water extracted. The second major source of revenue is from mining activities on District property. The level of building activity in the region may have significant impact on mining revenues.

7. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$1,000 and an estimated useful life of five years. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings – 40-50 years
- Vehicles and equipment – 5 – 10 years
- Office equipment – 3 – 10 years
- Field equipment – 5 – 10 years
- Spreading basins – 50+ years
- Improvements
 - Structural – 40 years
 - Furnishings – 10 years

8. Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

9. Net Assets

The financial statements utilize a net assets presentation. Net assets are categorized as follows:

- **Net Investment in Capital Assets** – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.
- **Restricted Net Assets** – This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Assets** – This component of net assets consists of net assets that do not meet the definition of *restricted* or *net investment in capital assets*.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(2) Cash and Investments

Cash and investments as of June 30, are classified in the Statement of Net Assets as follows:

	<u>2012</u>	<u>2011</u>
Statement of Net Assets:		
Cash and cash equivalents	\$ <u>6,194,467</u>	<u>6,360,057</u>
Agency Fund:		
Cash and cash equivalents	<u>-</u>	<u>29,443</u>
Total cash and cash equivalents	\$ <u><u>6,194,467</u></u>	<u><u>6,389,500</u></u>

Cash and investments as of June 30, consist of the following:

	<u>2012</u>	<u>2011</u>
Cash on hand	\$ -	200
Deposits with financial institutions	219,030	122,014
Deposits held with the California Local Agency Investment Fund	443,109	6,267,286
Deposits held with the CalTRUST Medium-Term Fund	<u>5,532,328</u>	<u>-</u>
Total cash and investments	\$ <u><u>6,194,467</u></u>	<u><u>6,389,500</u></u>

As of June 30, the District's authorized deposits had the following maturities:

	<u>2012</u>	<u>2011</u>
California Local Agency Investment Fund	268 days	237 days
Investment Trust of California (CalTRUST Medium-Term Fund)	675 days	581 days

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

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the District may invest the following types of investments:

- Securities of the U. S. Government, or its agencies
- Certificates of deposit (or time deposits) placed with commercial banks and/or savings and loan companies
- State of California – Local Agency Investment Fund (LAIF)
- Investment Trust of California – CalTRUST
- Checking accounts or passbook savings account demand deposits
- Money market mutual funds

The District's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy does not contain any specific provisions intended to limit its exposure to a concentration of credit risk.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(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 California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a 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. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

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 Code and the District's investment policy contains legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. 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.

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 rate 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 matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

Credit Risk

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, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(2) Cash and Investments, Continued

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District's investments at June 30, 2012 and 2011, respectively.

(3) Advance to Wash Plan

The District provides various funding for Wash Plan operations on behalf of interested parties. Amounts are to be reimbursed to the District based on the Plan's formative agreement.

Changes in advances to Wash Plan at June 30, were as follows:

	<u>2011</u>	<u>Advances</u>	<u>Receipts</u>	<u>2012</u>
\$	<u>110,764</u>	<u>51,142</u>	<u>-</u>	<u>161,906</u>
	<u>2010</u>	<u>Advances</u>	<u>Receipts</u>	<u>2011</u>
\$	<u>41,889</u>	<u>68,875</u>	<u>-</u>	<u>110,764</u>

(4) Capital Assets

Changes in capital assets for 2012 were as follows:

	<u>Balance 2011</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2012</u>
Non-depreciable assets:				
Land	\$ 219,383	-	-	219,383
Total non-depreciable assets	<u>219,383</u>	<u>-</u>	<u>-</u>	<u>219,383</u>
Depreciable assets:				
Buildings	1,169,347	5,500	-	1,174,847
Vehicles and equipment	140,484	-	-	140,484
Office equipment	174,534	-	-	174,534
Field equipment	195,549	13,152	-	208,701
Concrete basins	330,192	-	-	330,192
Improvements	94,404	-	-	94,404
Equipment	<u>13,638</u>	<u>-</u>	<u>-</u>	<u>13,638</u>
Total depreciable assets	<u>2,118,148</u>	<u>18,652</u>	<u>-</u>	<u>2,136,800</u>
Less accumulated depreciation:	<u>(876,827)</u>	<u>(105,948)</u>	<u>-</u>	<u>(982,775)</u>
Total accumulated depreciation:	<u>(876,827)</u>	<u>(87,296)</u>	<u>-</u>	<u>(982,775)</u>
Total capital assets, net	\$ <u>1,460,704</u>			<u>1,373,408</u>

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(4) Capital Assets, Continued

Changes in capital assets for 2012 were as follows:

	<u>Balance 2011</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2012</u>
Non-depreciable assets:				
Land	\$ 219,383	-	-	219,383
Total non-depreciable assets	<u>219,383</u>	<u>-</u>	<u>-</u>	<u>219,383</u>
Depreciable assets:				
Buildings	1,169,347	5,500	-	1,174,847
Vehicles and equipment	140,484	-	-	140,484
Office equipment	174,534	-	-	174,534
Field equipment	195,549	13,152	-	208,701
Spreading basins	330,192	-	-	330,192
Improvements	94,404	-	-	94,404
Equipment	<u>13,638</u>	<u>-</u>	<u>-</u>	<u>13,638</u>
Total depreciable assets	<u>2,118,148</u>	<u>18,652</u>	<u>-</u>	<u>2,136,800</u>
Less accumulated depreciation:	<u>(876,827)</u>	<u>(105,948)</u>	<u>-</u>	<u>(982,775)</u>
Total accumulated depreciation:	<u>(876,827)</u>	<u>(87,296)</u>	<u>-</u>	<u>(982,775)</u>
Total capital assets, net	<u>\$ 1,460,704</u>			<u>1,373,408</u>

(5) Compensated Absences

The changes to compensated absences balances at June 30, were as follows:

<u>Balance 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2012</u>	<u>Current</u>	<u>Long Term</u>
\$ 69,798	49,201	(55,653)	63,346	14,498	48,848
<u>Balance 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2011</u>	<u>Current</u>	<u>Long Term</u>
\$ 61,495	44,757	(36,454)	69,798	39,934	29,864

(6) Long-Term Debt

Deferred Revenue

During the fiscal year ended June 30, 1993, the District entered into an agreement for the extraction of rock, sand and gravel from its Section 7 property (Wash Area). As part of this agreement, the District received a \$5,000,000 prepayment against future rentals and royalties to be received. The lease terms initially called for a commencement date of December 31, 2002. The agreement was subsequently amended during the fiscal year ended June 30, 2003 and restated the date for the commencement of operations within the Wash Area to be upon the Wash Plan, which is currently slated for the fiscal year 2012-2013 or later. The initial term of the lease is for ten years with four successive five-year renewal periods, minimum annual rent of \$1,000,000, and a minimum aggregate excavation of 12,000,000 tons of material. In the event the lease is unable to obtain necessary permits for operations within the Wash Area within four years of commencement date, the amounts prepaid would then become refundable without interest, upon a one year notice.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(7) Pension-Related Debt

At of June 30, 2003, CalPERS implemented risk pooling for the District's multiple-employer public employee defined benefit pension plan. As a result, the District Plan converted from an agent multiple-employer plan to a cost sharing multiple-employer plan.

A portion of the District's annual required contributions are actuarially determined and shared by all employers of the risk pool, the District is also required to make payments to a Side Fund which was created when the District entered the risk pool. The responsibility for funding the Side Fund is specific to the District and is not shared by all employers in the Plan. Therefore, the Side Fund falls under the definition of pension-related debt, as described in GASB Statement No. 27. The payments on the Side Fund represent principal and interest payments on the pension-related debt. Interest is reported as interest expense and the principal is reported as a reduction of the liability. In 2012, the District paid off the remaining balance of the Side Fund.

Changes in the pension-related debt at June 30, is as follows:

Changes in pension related debt for 2012 were as follows:

<u>2011</u>	<u>Additions</u>	<u>Payments</u>	<u>2012</u>
184,675	-	(184,675)	-
<u>184,675</u>	<u>-</u>	<u>(184,675)</u>	<u>-</u>

Changes in pension related debt for 2011 were as follows:

<u>2010</u>	<u>Additions</u>	<u>Payments</u>	<u>2011</u>
191,337	-	(6,662)	184,675
<u>191,337</u>	<u>-</u>	<u>(6,662)</u>	<u>184,675</u>

(8) Defined Benefit Pension Plan

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multi-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the Agency. Copies of CalPERS annual financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA, 95814.

Funding Policy

The contribution rate for plan members in the CalPERS, under funding Policy 2.5% at 55 Risk Pool Retirement Plan is 7% of their annual covered salary and is paid 85% by the District. The District makes these contributions required of District employees on their behalf and for their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension costs (APC) percentage of payroll for fiscal years 2011, 2010 and 2009 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. At fiscal year ended June 30, 2012 and 2011, the District did not have an unfunded pension liabilities. For Fiscal years 2011, 2010 and 2009, the District's annual contributions for the CalPERS plan were equal to the Agencies required and actual contributions for each fiscal year as follows:

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(8) Defined Benefit Pension Plan, Continued

Three Year Trend Information:

Three Year Trend Information:

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	APC Percentage of Payroll
2009-2010	149,714	100%	-	13.320%
2010-2011	50,376	100%	-	13.897%
2011-2012	60,204	100%	-	14.532%

(9) Other Post –Employment Benefits Payable

The District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth below.

Plan Description – Eligibility

The District pays the level set by the Board for Employees for the cost of health insurance for retirees under the plans offered by the District until the retiree qualifies for Medicare, subject to limits determined by the Board of the District.

Membership in the OPEB plan consisted of the following members as of June 30:

	2012	2011	2010
Active plan members	5	5	8
Retirees and beneficiaries receiving benefits	-	-	-
Separated plan members entitled to but not yet receiving benefits	-	-	-
Total plan membership	<u>5</u>	<u>5</u>	<u>8</u>

Plan Description – Benefits

The District offers post-employment medical benefits to retired employees who satisfy the eligibility requirements. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any medical plan available through the District. The contribution requirements of eligible retired employees and the District are established and may be amended by the Board of Directors

Funding Policy

The District is required to contribute the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 0.2% of the annual covered payroll.

The District will pay up to 100% of the cost of the post-employment benefit plan. The District funds the plan on a pay-as-you-go basis and maintains reserves (and records a liability) for the difference between pay-as-you-go and the actuarially determined ARC cost.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(9) Other Post –Employment Benefits Payable, Continued

Annual Cost

For the year ended June 30, 2012, the District's ARC cost was \$1,000 based on a 30 year amortization of the unfunded actuarial liability. The District's net OPEB obligation amounted to \$1,000 for the year ended June 30, 2012. The District contributed \$3,118 to reserves for future costs to fully fund its current liability for retirement medical benefits as of June 30, 2012. The District intends to budget this

The balance at June 30, consists of the following:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual OPEB expense:			
Annual required contribution (ARC)	\$ 1,000	962	-
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Total annual OPEB expense	<u>1,000</u>	<u>962</u>	<u>-</u>
Change in net OPEB payable obligation:			
Age adjusted contributions made	-	-	-
Total change in net OPEB payable obligation	<u>1,000</u>	<u>962</u>	<u>-</u>
OPEB payable – beginning of year	<u>962</u>	<u>-</u>	<u>-</u>
OPEB payable – end of year	<u>\$ 1,962</u>	<u>962</u>	<u>-</u>

contribution for future years based on its reserve policy.

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2012 and the two preceding years were as follows:

<i>Three-Year History of Net OPEB Obligation</i>				
Fiscal Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Payable
2012	\$ 1,000	-	0.00%	\$ 1,000
2011	962	-	0.00%	962
2010*	-	-	0.00%	-

* The information for the two preceding years is unavailable.
GASB No. 45 was implemented in fiscal year 2011.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(10) Net Assets

Calculation of net assets as of June 30, were as follows:

	<u>2012</u>	<u>2011</u>
Unrestricted net assets:		
Non-spendable net assets:		
Prepaid expenses	\$ 1,500	-
Total non-spendable net assets	<u>1,500</u>	<u>-</u>
Spendable net assets:		
Spendable net assets	<u>1,583,981</u>	<u>1,421,926</u>
Total spendable net assets	<u>1,583,981</u>	<u>1,421,926</u>
Total unrestricted net assets	<u>1,585,481</u>	<u>1,421,926</u>
Total net assets	<u>\$ 2,958,889</u>	<u>2,882,630</u>

(11) Lease Agreements

The District is the lessor, in various lease agreements, providing for the excavation and removal of rock, gravel, sand, and other materials from District property. Monthly lease payments are generally based on tonnage of materials removed, subject to annual minimum amounts.

The Redlands Plaza Enterprise Fund is the lessor of commercial building space under operating leases expiring in various years through the year ending in calendar year June 30, 2016.

Minimum future rentals to be received on non-cancelable leases as of June 30, are as follows:

<u>Year</u>	<u>Redlands Plaza</u>
2013	\$ 119,325
2014	95,443
2015	92,064
2016	50,980
2017	<u>14,275</u>
	<u>\$ 372,087</u>

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(12) 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 is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2012:

- Property: Actual property loss varying by property type with a \$1,000 deductible.
- Vehicles/Mobile Equipment: Actual property loss varying by equipment with a \$500/\$1000 deductible.
- General Liability: \$1,000,000 excess insurance per occurrence.
- Auto Liability: \$1,000,000
- Crime, Computer Fraud, Forgery, and Dishonesty coverage: \$100,000 per claim with a \$1,000 deductible.
- Employers Liability: \$2,000,000 per accident employee by disease
- Workers compensation: \$2,000,000 each accident or each employee by disease.

(13) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2012, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 60

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard address how to account for and report service concession arrangements, a type of public-private or public-public partnership that state and local governments are increasingly entering into. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 61

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity, Omnibus*. This standard is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and local Governments*. This statement is effective for financial statements for periods beginning after June 15, 2012. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(13) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

Governmental Accounting Standards Board Statement No. 62

In December 2010, The GASB issued Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the “FASB and AICPA pronouncements.” This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

Governmental Accounting Standards Board Statement No. 63

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This statement is effective for financial statements for periods beginning after December 15, 2012. The impact of the implementation of this Statement to the District’s financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 64

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. This standard is designed to improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or swap counterparty’s credit support provider, is replaced. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this Statement to the District’s financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 65

In March 2012, the GASB issued Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The impact of the implementation of this Statement to the District’s financial statements has not been assessed at this time.

San Bernardino Valley Water Conservation District
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012 and 2011

(13) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

Governmental Accounting Standards Board Statement No. 66

In March 2012, the GASB issued Statement No. 66 – *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 68

In June 2012, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

(13) Commitments and Contingencies

Litigation

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

(14) Subsequent Events

Events occurring after June 30, 2012 have been evaluated for possible adjustment to the financial statements or disclosure as of September 28, 2012, which is the date the financial statements were available to be issued.

Required Supplementary Information

DRAFT

San Bernardino Valley Water Conservation District
Schedule of Funding Status – Other Post-Employment Benefits Obligation
For the Fiscal Year Ended June 30, 2012

Funded Status and Funding Progress of the Plan

Required Supplemental Information – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
11/1/2011	-	3,118	3,118	0.00%	429,422	0.73%

* The information for the two preceding years is unavailable.

GASB No. 45 was implemented in fiscal year 2011.

The most recent valuation (dated November 1, 2011) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$3,118. There are no plan assets because the District funds on a pay-as-you-go basis. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2011 was \$429,422. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 0.73%.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date	November 1, 2011
Actuarial cost method	Entry age normal actuarial cost method
Amortization method	Level percent of payroll amortization
Remaining amortization period	30 Years as of the valuation date
Asset valuation method	30 Year smoothed market
Actuarial assumptions:	
Investment rate of return	4.00%
Projected salary increase	3.00%
Inflation - discount rate	4.00%
Individual salary growth	3.00%

San Bernardino Valley Water Conservation District
Schedules of Operating Revenues and Expenses
For the Fiscal Year Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Groundwater assessments:		
Groundwater charge assessment – Agricultural	\$ 81,436	65,686
Groundwater charge assessment – Non-Agricultural	589,756	535,780
Water spreading operations	157,298	-
Services for other agencies	30,000	30,000
Total operating revenues	<u>858,490</u>	<u>631,466</u>
Operating expenses:		
Water spreading operations:		
Professional services	167,750	281,386
Field Operations	30,899	31,476
Vehicle operations	3,512	1,374
Utilities	26,601	24,088
Benefits	175,040	174,796
Salaries/staff	405,891	363,997
Equipment	80,128	23,873
Total water spreading operations	<u>889,821</u>	<u>900,990</u>
Regional programs:		
Regional programs LAFCO contribution	1,028	2,194
Total regional programs	<u>1,028</u>	<u>2,194</u>
General and administrative:		
Administrative expense	2,972	6,693
Director's fees/expense	123,721	92,231
General and administrative	58,632	46,393
Insurance	8,386	22,590
Total general and administrative	<u>193,711</u>	<u>167,907</u>
Total operating expenses	<u>1,084,560</u>	<u>1,071,091</u>
Operating loss before depreciation expense	(226,070)	(439,625)
Depreciation expense	<u>(105,948)</u>	<u>(99,224)</u>
Operating loss	<u><u>\$ (332,018)</u></u>	<u><u>(538,849)</u></u>

San Bernardino Valley Water Conservation District
Schedules of Wash Plan Revenues and Expenses
For the Fiscal Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Wash Plan – EIS	\$ -	33,693
Interest income	-	3
	<u>-</u>	<u>33,696</u>
Expenses:		
Professional services	40,298	34,720
Environmental services	6,294	9,898
Legal expenses	4,550	23,147
Other	-	994
	<u>\$ 51,142</u>	<u>68,875</u>

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Report on Internal Controls and Compliance

DRAFT

**Independent Auditor's Report on Internal Controls Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
San Bernardino Valley Water Conservation District
Redlands, California

We have audited the basic financial statements of the San Bernardino Valley Water Conservation District (District) as of and for the years ended June 30, 2012 and 2011 and have issued our report thereon dated September 28, 2012. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Charles Z. Fedak & Company, CPA's - An Accountancy Corporation
Cypress, California
September 28, 2012



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

P.O. Box 1839
Redlands, CA 92373-0581
Email: info@sbvwcd.dst.ca.us
www.sbvwd.dst.ca.us

Memorandum No. 1135

To: Board of Directors

From: General Manager, Daniel Cozad

Date: November 14, 2012

Subject: Continue MSR\LAFCO Consultant Support

RECOMMENDATION

Ad Hoc Committee and Staff recommend the Board authorize the General Manager to contract for support in an amount not to exceed \$24,000 to support future Municipal Service Review and related LAFCO issues.

BACKGROUND

The Board directed Staff on its priorities to review and address governance related issues including the Municipal Service Review and other LAFCO issues within the calendar year 2012. With the reduction in staff no existing staff can address the technical and governance issues needed to support the District in LAFCO issues. The District continue to utilize the previous contractor for these services for the early part of 2012, however several issues have moved schedule forward and require additional funding. Staff estimates an additional six months will be required.

FISCAL IMPACT

The District budget for 2012-13 includes adequate professional services budget for these costs.

BOARD
OF
DIRECTORS

Richard W. Corneille
Clare Henry Day

Bob Glaubig
John Longville

David E. Raley
Melody McDonald
Manuel Aranda, Jr.

GENERAL
MANAGER

Daniel B. Cozad



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Memorandum No. 1136

To: Board of Directors

From: General Manager, Daniel Cozad

Date: November 14, 2012

Subject: Election of 2012-13 ASBCSD Board of Directors

RECOMMENDATION

Staff recommends the Board consider a candidate for a position on the Association of San Bernardino County Special Districts (ASBCSD) Board of Directors.

BACKGROUND

A vacancy became available for a Special Districts' voting member on the ASBCSD Board. The candidates selected are:

1. Kimberly Cox, Member of the Board of Directors of Mojave Water Agency
2. Sarah Graham, Member of the Board of Directors of Hi-Desert Water District
3. Earl Tillman, Member of the Board of Directors of West Valley Water District

Attached is supporting documentation for the Board's consideration.

FISCAL IMPACT

There will be additional expenses in mileage to attend these events.

BOARD
OF
DIRECTORS

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Clare Henry Day

Arnold L. Wright
John Longville

David E. Raley
Melody McDonald
Manuel Aranda, Jr.

GENERAL
MANAGER

Daniel B. Cozad



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November 14, 2012

The Association of the San Bernardino County Special Districts
Cheryl Vermette
PO Box 205
Montclair, CA 91763

RE: Letter of Recommendation

On November 14th the Board of Directors approved this letter of recommendation on behalf of Director Manuel Aranda, Jr. for Association of the San Bernardino County Special Districts (ASBCSD) Board Member. The Water Conservation District Board recommends him for the open elected member position of The Association of San Bernardino Special Districts Board.

In the same action the Board committed to pay applicable mileage reimbursement for Director Aranda's participation at ASBCSD meetings, if elected.

Sincerely,

Richard Corneille
President

BOARD
OF
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Clare Henry Day

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Melody McDonald
Manuel Aranda, Jr.

GENERAL
MANAGER

Daniel B. Cozad

November 7, 2012

The Association of the San Bernardino County Special Districts
Cheryl Vermette
PO Box 205
Montclair, CA 91763

RE: Letter of Interest

Dear ASBCSD:

This letter serves as an expression of my interest in serving as member of the Board of the Association of the San Bernardino County Special Districts.

I am enclosing my resume which reflects my involvement in Special Districts and in water issues as indicated by my membership in various ACWA committees over the past years.

Thank you in advance for your kind consideration.

Sincerely,

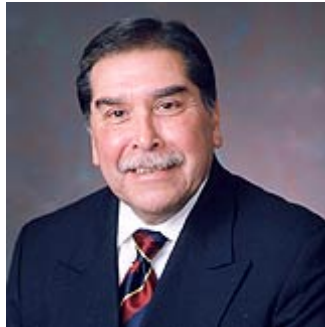
A handwritten signature in blue ink, appearing to read 'Manny Aranda', with a stylized flourish at the end.

Manuel "Manny" Aranda, Jr.
Board of Director, San Bernardino Valley Water Conservation District

San Bernardino Valley Water Conservation District

Manuel "Manny" Aranda, Jr.

Board of Director



Manuel "Manny" Aranda, Jr. has served on the District's Board since August of 1994.

Director Aranda is an attorney and has practiced law for over 25 years in Southern California. He has taught Ethical Studies at Loma Linda University, and is a post Doctorate Fellow in Biomedical Studies at the University of Iowa, Iowa City.

Director Aranda has represented the District as a member of the Association of California Water Agencies' Legislative Committee, Federal Affairs Committee, Legal Affairs Committee, and ACWA's Groundwater Committee. He represents the District on the California Special Districts Association's Legislative Committee and as a member of its Education Committee. He serves as Chairman of the District Legislative Committee and is a chair of the District Outreach Committee. Presently, he represents the District in ACWA's Communication Committee.

Director Aranda received his Law Degree from University of California, Hastings College of Law (1964). He also has a Bachelor Degree in Government from the University of California, Los Angeles (1961), and a Masters degree in Ethical Studies from Loma Linda University (1993). He received a Certificate of Completion from the Special District Board Management Institute in 1996.



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1137

To: Board of Directors

From: General Manager, Daniel Cozad

Date: November 14, 2012

Subject: Community Strategic Plan Update

RECOMMENDATION

Staff recommends the Board provide feedback and receive and file this report on the Community Based Strategic Planning efforts.

BACKGROUND

The Board approved the current Strategic Plan in April 2010. This Strategic Plan was developed with significant work and dedication from the Board Members and from the staff of the District at that time. The Strategic Plan was developed without consulting District partners during the planning process. Since District partners/stakeholders were not consulted or formally included, they did not share all elements of the vision shown in the Strategic Plan. Since Staff began discussing the direction and elements of the Strategic Plan with the community we have received valuable feedback. Most of the feedback is very supportive of the direction we are taking in regard to dedication to mission and fiscal restraint.

Our partners are also interested in the direction of the district in the future. The District has made some significant changes in the last year:

- Revisions to our Lease Agreement with Mining partners
- Agreement on a Lease and Services Agreement with SBVMWD for Enhanced Recharge
- Redistricting and Five Division decisions
- Progress on the Conservation Strategy for the Wash Plan
- Groundwater Charge representing the cost of groundwater operations
- New water and habitat conservation proposal complete and submitted

With these changes mostly complete we can focus again on planning and getting additional feedback from the community.

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GENERAL
MANAGER

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CORE ELEMENTS FOR THE STRATEGIC PLAN

The purpose of the update at this meeting is to provide the Board an opportunity to provide input into the direction that staff is working on the draft of the Community Based Strategic Plan.

Staff will present a PowerPoint outlining the primary and secondary areas of focus and come of the critical milestones that will indicate one path or another for the Board's feedback.

COMMUNITY BASED PLANNING PROCESS

The community based process uses the elements of the April 2010 Strategic Plan to develop the Community Based Strategic Plan. Having received input from water partners community partners, wash plan stakeholders staff will develop a draft to review with them for comment. By enlisting participations from these key contributors, it will enable a better understanding of their needs and an opportunity to create a shared vision.

The following steps are an initial outline of the process for Board review:

- Develop materials for participants to consider the District's future, near term and long term goals
- Provide information and solicit feedback in group and individual settings
- Evaluate feasibility, economic and environmental sustainability
- Finalize recommendations for changes/new plan
- Present planning for Board review consideration and approval
- Develop implementation plan for near term plan elements.

Once a draft is developed staff will meet with

- Groundwater Recharge Partners and Water Agencies
- Land Stakeholders and Wash Plan Task Force members
- Mining Partners
- Resource Agencies
- Districts, Cities and the County of San Bernardino
- Community Stakeholders

Staff will notify District Directors when meetings are confirmed so they may attend.

FISCAL IMPACT

Because this effort uses District staff skills to implement the majority of the process there are few additional costs. These costs are included in the 2012-2013 budget.



General Manager's Report

For October 5, 2012 through November 7, 2012

Daniel B. Cozad

The following report summarizes the efforts and activities during the reporting period.

1. **Water Conservation** – 2012 water year was dry and allowed time to maintenance with the Districts staff. Staff is working on maintenance, property fencing and updated to reduce trespass and theft. Currently staff is coordinating with SBVMWD for State Project recharge water and assisting with DWR needs for EBX2. Enhancements and automation for the Daily Flow Report in process.
2. **Personnel/Administration/Staff** – Sexual Harassment Training was completed for all Staff and Directors who were not current.
3. **Finance/Budget/Audit** – Staff supported the Ad Hoc Audit Committee meeting for review of the Draft Audit and requests for the final Audit presentation. Staff continues working with RAMS on documenting financial procedures and review of staff and Board procedures. In October staff transitioned banking institutions and in November will be implementing direct deposit for some payables including Board Reimbursements.
4. **Facilities Maintenance/Aggregate Management** – Staff continues to work on 2012 basin cleaning and other repairs by field staff. Munoz Construction has removed 508 tons of sand from Mill Creek for City of Redlands pipeline under temporary access permit.
5. **Wash Plan** – Final Conservation Strategy map was submitted to USFWS and coordination accomplished to obtain review. Working to schedule meetings with BLM on issues with land and holdings as well as exchange in the future. Status letter to Wash Plan participants was completed and planning for a task force meeting in the next 2 months is underway.
6. **East Branch Extension** – Coordinated with DWR and SBVMWD on plans and needs. Executed final Easement Documents including plat drawings for boundaries. Coordinated and completed alignment walk with SBVMWD. Coordinated maintenance needs to support SBVMWD prior to construction. Clearing will likely occur in winter and construction beginning is spring or summer.
7. **Collaborative Agreement and Enhanced Recharge Project** – Participated in SBVMWD Board meetings for approval of the Agreement. Participated on calls with SBVMWD on the Collaborative Agreement to negotiate final language in accordance with Board direction. Coordinated final agreement language and approvals with all boards. Prepared final agreement for signature and finalization.

- 8. Property/Redlands Plaza** – Working to renew additional leases, significant effort to get all leased up to date and to set out adjustments to Common Area Management costs. Coordinated marketing plan development for Redlands plaza to attempt leasing of vacant units. We will report the results. Marketing of the Mentone property and many showings by Staff resulted new lease who too possession the last week of October. Worked several plumbing issues, leaks, replacement of water heater and water pressure valve.
- 9. Public Outreach and Legislative** – Coordinated meetings with partners related to Wash Plan, water management and groundwater. Attended meetings with City of Highland, SBVMWD, and other events and meetings to support the potential sphere of influence change. Coordinated with SB County Flood and Inland Empire Resource Conservation District on Plunge Creek Conservation project for Flood, Habitat and Water Conservation.
- 10. Redistricting** – Finalized materials for and conducted the public here where the Board approved the final map and resolution for the new divisions. Communicated the resolutions and divisions to the County Registrar of Voters. In November we will work to generate legal descriptions for the new divisions needed by the Registrar.
- 11. Current Board Action Implementation** – Implementing Board direction on budget and Wash Plan. GMs and Legal Counsels for Districts finalizing signature on Collaborative agreement for Enhanced Recharge. Staff has been coordinating and working with partners on the completed the Plunge Creek Conservation Project. Partners included Wash Plan partners and USFWS, IERCD, SBC Flood Control District and SBVMWD. Staff is working on the Elements of Strategic Plan for Board feedback.
- 12. Computer and IS** – Updates to the website to support the DFR application. Replaced Boardroom laptop and purchased and prepared a laptop for the Board Secretary. Planning for replacement of the 5 year old server for district files and email. Planning website revision and updates when staff is available.
- 13. Future Board Activities** – Expected short term items for consideration
 - a. Strategic Plan Elements – Late fall
 - b. Initiation of the Engineering Investigation
- 14. District Successes**
 - a. Major cleaning done with district equipment and staff at reduced cost.
 - b. Board completed redistricting efforts without conflict, looking out for the long term best interests of the District.

San Bernardino Valley Water Conservation District

Monthly Recharge Report

From: 10/1/2012
To: 10/31/2012



	October				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	9.7	302	302	54,375	1%
Mill Creek	0.0	0	-	32,625	0%
State Water Project	5.3	164	164	NA	NA
In River Channel Recharge**	1.0	31	31	NA	NA
Total	16	497	497	87,000	1%

Values in Acre Feet

*BTAC Revised Max in October 2012

**Monitoring began in Mid-April 2011

*** All Values Based on Water Year Oct-Sep 2013

