

WOODVILLE PUBLIC UTILITY DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

WOODVILLE PUBLIC UTILITY DISTRICT

JUNE 30, 2021

BOARD OF DIRECTORS/ADMINISTRATION

Andrew Castaneda	President
Crissy Lopez	Vice President
Barbara Clark	Treasurer
Hortensia Ojeda	Director
Dianna Meza	Director

TABLE OF CONTENTS

	Page <u>No.</u>
INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position by Activity	3
Statement of Revenues, Expenses and Changes in Fund Net Position by Activity	4
Statement of Cash Flows by Activity	6
Notes to Financial Statements	8



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Woodville Public Utility District
Woodville, CA

Report on the Financial Statements

We have audited the financial statements of each major fund of the Woodville Public Utility District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of Woodville Public Utility District, as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis section that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

M. Sheen and Company LLP

Hanford, California
April 5, 2022

WOODVILLE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION BY ACTIVITY
AT JUNE 30, 2021

WOODVILLE PUBLIC UTILITY DISTRICT

STATEMENT OF NET POSITION BY ACTIVITY AT JUNE 30, 2021

ASSETS

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	\$ 774,218	\$ 411,220	\$ 1,185,438
Accounts receivable, net	21,002	14,356	35,358
Property tax receivable	-	6,601	6,601
Contracts receivable	988	1,224	2,212
Prepaid expenses	5,694	5,692	11,386
	<u>801,902</u>	<u>439,093</u>	<u>1,240,995</u>
<u>RESTRICTED ASSETS:</u>			
Cash and cash equivalents - plant expansion reserve	<u>320,047</u>	<u>131,777</u>	<u>451,824</u>
Total restricted assets	<u>320,047</u>	<u>131,777</u>	<u>451,824</u>
<u>CAPITAL ASSETS:</u>			
Land and depreciable capital assets	1,613,306	758,421	2,371,727
Accumulated depreciation	<u>(1,036,191)</u>	<u>(691,929)</u>	<u>(1,728,120)</u>
Net capital assets	<u>577,115</u>	<u>66,492</u>	<u>643,607</u>
Total assets	<u><u>\$ 1,699,064</u></u>	<u><u>\$ 637,362</u></u>	<u><u>\$ 2,336,426</u></u>

LIABILITIES AND NET POSITION

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>CURRENT LIABILITIES:</u>			
Accounts payable	\$ 10,235	\$ 4,005	\$ 14,240
Other accrued expenses	2,754	2,754	5,508
Compensated absences	6,744	6,743	13,487
	<u>19,733</u>	<u>13,502</u>	<u>33,235</u>
Total current liabilities	<u>19,733</u>	<u>13,502</u>	<u>33,235</u>
Total liabilities	<u>19,733</u>	<u>13,502</u>	<u>33,235</u>
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	577,115	66,492	643,607
Restricted for:			
Plant expansion	320,047	131,777	451,824
Unrestricted	782,169	425,591	1,207,760
	<u>1,679,331</u>	<u>623,860</u>	<u>2,303,191</u>
Total net position	<u>1,679,331</u>	<u>623,860</u>	<u>2,303,191</u>
 Total liabilities and net position	 <u><u>\$ 1,699,064</u></u>	 <u><u>\$ 637,362</u></u>	 <u><u>\$ 2,336,426</u></u>

See notes to financial statements.

WOODVILLE PUBLIC UTILITY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION BY ACTIVITY

YEAR ENDED JUNE 30, 2021

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>OPERATING REVENUES:</u>			
Customer service fees	\$ 161,207	\$ 111,783	\$ 272,990
Late penalties and fees	4,953	2,249	7,202
Other	14,762	16,946	31,708
	<hr/>	<hr/>	<hr/>
Total operating revenues	180,922	130,978	311,900
	<hr/>	<hr/>	<hr/>
<u>OPERATING EXPENSES:</u>			
Salaries	75,732	75,733	151,465
Payroll taxes	6,155	6,155	12,310
Workman's compensation	563	563	1,126
Health insurance	18,270	18,270	36,540
Retirement	1,715	1,715	3,430
Insurance	3,456	3,456	6,912
Utilities	34,406	13,703	48,109
Repairs and maintenance	13,788	11,935	25,723
Postage and freight	3,189	2,989	6,178
Professional and specialized	34,224	35,134	69,358
Travel	2,856	2,856	5,712
Director fees	3,050	3,050	6,100
Office expenses	5,660	5,660	11,320
Communications	1,621	1,621	3,242
Miscellaneous	134	1,025	1,159
Depreciation	21,308	9,203	30,511
	<hr/>	<hr/>	<hr/>
Total operating expenses	226,127	193,068	419,195
	<hr/>	<hr/>	<hr/>
Operating income (loss)	\$ (45,205)	\$ (62,090)	\$ (107,295)
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(continued)

WOODVILLE PUBLIC UTILITY DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION BY ACTIVITY**

YEAR ENDED JUNE 30, 2021

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating income (loss), from previous page	\$ (45,205)	\$ (62,090)	\$ (107,295)
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Property tax revenue	-	35,948	35,948
Interest income	61	22,966	23,027
Lease income	-	3,000	3,000
Grant income	79,436	-	79,436
Total nonoperating revenues (expenses)	79,497	61,914	141,411
Increase (decrease) in net position	34,292	(176)	34,116
Net position, July 1, 2020	1,645,039	624,036	2,269,075
Net position, June 30, 2021	<u>\$ 1,679,331</u>	<u>\$ 623,860</u>	<u>\$ 2,303,191</u>

See notes to financial statements.

WOODVILLE PUBLIC UTILITY DISTRICT

STATEMENT OF CASH FLOWS BY ACTIVITY
YEAR ENDED JUNE 30, 2021

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from customers	\$ 167,104	\$ 115,792	\$ 282,896
Cash payments to suppliers for goods and services	(123,167)	(107,365)	(230,532)
Cash payments to employees for services	(73,073)	(73,075)	(146,148)
Other operating revenues	14,762	16,946	31,708
	<u>(14,374)</u>	<u>(47,702)</u>	<u>(62,076)</u>
Net cash provided (used) by operating activities			
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Property taxes received	-	41,417	41,417
Grant revenue received	79,436	-	79,436
	<u>79,436</u>	<u>41,417</u>	<u>120,853</u>
Net cash provided (used) by noncapital financing activities			
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest income	61	22,966	23,027
Lease income	-	3,000	3,000
	<u>61</u>	<u>25,966</u>	<u>26,027</u>
Net cash provided (used) by investing activities			
Net increase (decrease) in cash and cash investments	65,123	19,681	84,804
Cash and cash investments, July 1, 2020	1,029,142	523,316	1,552,458
Cash and cash investments, June 30, 2021	<u>\$ 1,094,265</u>	<u>\$ 542,997</u>	<u>\$ 1,637,262</u>

(continued)

WOODVILLE PUBLIC UTILITY DISTRICT

STATEMENT OF CASH FLOWS BY ACTIVITY
YEAR ENDED JUNE 30, 2021

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>RECONCILIATION OF OPERATING INCOME</u>			
<u>(LOSS) TO NET CASH FLOWS FROM</u>			
<u>OPERATING ACTIVITIES:</u>			
Operating income (loss)	\$ (45,205)	\$ (62,090)	\$ (107,295)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	21,308	9,203	30,511
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable, net	1,006	1,835	2,841
Contracts receivable	(61)	(76)	(137)
Prepaid expenses	(2,192)	(2,188)	(4,380)
Increase (decrease) in:			
Accounts payable	8,111	2,955	11,066
Other accrued expenses	2,692	2,692	5,384
Compensated absences	(33)	(33)	(66)
Net cash provided (used) by operating activities	<u>\$ (14,374)</u>	<u>\$ (47,702)</u>	<u>\$ (62,076)</u>

See notes to financial statements.

WOODVILLE PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 - Nature of Operations

Woodville Public Utility District (the "District") was organized in 1950 at the urging of the Woodville Chamber of Commerce. The District operates as a special district under the laws of the State of California and the County of Tulare. The District operates under a Board of Directors-Manager form of government and provides water and wastewater services to residents within the District boundaries.

NOTE 2 - Summary of Significant Accounting Policies

Reporting Entity

The District's financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- exclusion of the organization would render the financial statements incomplete or misleading

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statements.

Fund Accounting

The operations of the District are accounted for in an enterprise fund. An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed primarily through user charges.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts of the District and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accrual basis of accounting is required for enterprise funds and is utilized by the District. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

(continued)

WOODVILLE PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2 - Summary of Significant Accounting Policies (continued)

Operating and Nonoperating Revenues

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes and investment earnings, result from nonexchange transactions or ancillary activities.

Budgetary Procedures

The District operates under a budget prepared and approved annually by the Board of Directors. The budget is prepared on a detailed line item basis. Revenues are budgeted by source; expenditures or expenses are budgeted by department (water and sewer) and use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions, and contingencies). Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenues and expenses.

Use of Estimates

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

Cash and Cash Equivalents

For the purposes of these financial statements, the District considers cash in checking, cash in savings, and all other highly liquid investments with original maturities of three months or less at date of purchase to be cash and cash equivalents.

Allowance for Doubtful Accounts

The District considers all accounts receivable to be fully collectible. Therefore, an allowance for doubtful accounts is not reflected in these financial statements.

Capital Assets

Capital assets are recorded at cost and depreciated using the straight-line method over the estimated useful lives noted below. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Buildings and improvements	5 - 40 years
Equipment	5 - 10 years

(continued)

WOODVILLE PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2 - Summary of Significant Accounting Policies (continued)

Compensated Absences

Employees of the District are entitled to paid vacation and sick days, depending on job classification, length of service, and other factors. Accumulated unpaid employee vacation benefits are recognized as a liability of the District. All employees, except the District Manager, do not gain a vested right to accumulated sick leave; therefore, the accumulated sick leave benefits of these employees are not recognized as a liability of the District but are recorded as expenses in the year they are utilized. The District Manager is entitled to a 3% vested interest in his accumulated sick leave which is recognized as a liability of the District.

Equity Classifications

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

Net investment in capital assets - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position - consists of net position that does not meet the definition of the above two components and is available for general use by the District.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the policy of the District to use restricted resources first, then unrestricted resources.

Nature and Purpose of Restricted Net Position

Restricted net position includes amounts which are legally segregated for specific usage or commitments to outside third parties. Restricted net position presented in the statement of net position consists of connection fees collected for future District plant expansion, which are legally restricted by state law.

Income Taxes

The District is a governmental agency and is not subject to income taxes.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and February 1 and are collected December 10 through April 10. Unsecured property taxes are payable in one installment on or before August 31.

The County of Tulare bills and collects the taxes for the District. Property tax revenues are recognized by the District when received, except at year end, when an accrual is made when property taxes are received soon enough thereafter to pay liabilities for the current period.

WOODVILLE PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 3 - Concentration of Credit Risk

The District serves the residents of Woodville, California, and extends credit to substantially all of its customers.

NOTE 4 - Cash and Cash Equivalents

Statutes authorize districts to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, bankers' acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund.

The Board has adopted a formal investment policy which allows District funds to be invested in various items including bank and savings and loan associations fully insured by the Federal Deposit Insurance Corporation (FDIC) and the County of Tulare Treasury. Cash in the County of Tulare Treasury is invested in savings accounts and short-term investments by the County of Tulare cash management program. Interest income is allocated to the District by the County of Tulare (the District's fiscal agent) quarterly, based on its average daily cash balances.

Cash and cash equivalents are classified at June 30, 2020, as follows:

Unrestricted:

Cash on hand	\$ 1,150
Cash in bank	152,669
Cash in County Treasury	<u>1,031,619</u>
Total unrestricted	<u>1,185,438</u>

Restricted:

Cash in County Treasury - Restricted for plant expansion	<u>451,824</u>
Total restricted	<u>451,824</u>
Total cash and cash equivalents	<u>\$ 1,637,262</u>

The District's cash in County Treasury was not subject to credit risk categorization and is carried at cost which approximates fair value. All pooled funds are regulated by the California Government Code.

The District maintains cash in an account at a financial institution. The bank balances at the financial institution were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. On June 30, 2021, the District had no uninsured cash balances.

WOODVILLE PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 - Capital Assets

Capital assets as of June 30, 2021, consist of the following:

<u>Water plant:</u>	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Land	\$ 106,231	\$ -	\$ -	\$ 106,231
General plant	355,682	-	-	355,682
Source of supply plant	514,241	-	-	514,241
Transmission and distribution	270,282	-	-	270,282
Transportation equipment	38,736	-	-	38,736
Construction in Progress	328,134	-	-	328,134
Total capital assets	1,613,306	-	-	1,613,306
Less accumulated depreciation:				
General plant	290,384	787	-	291,171
Source of supply plant	406,404	13,683	-	420,087
Transmission and distribution	282,313	3,884	-	286,197
Transportation equipment	35,782	2,954	-	38,736
Total accumulated depreciation	1,014,883	21,308	-	1,036,191
Water capital assets, net	<u>\$ 598,423</u>	<u>\$ (21,308)</u>	<u>\$ -</u>	<u>\$ 577,115</u>
<u>Sewer plant:</u>	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Wastewater plant	\$ 725,660	\$ -	\$ -	\$ 725,660
Road improvements	3,798	-	-	3,798
Transportation equipment	28,963	-	-	28,963
Total capital assets	758,421	-	-	758,421
Less accumulated depreciation:				
Wastewater plant	653,660	7,139	-	660,799
Road improvements	2,046	121	-	2,167
Transportation equipment	27,020	1,943	-	28,963
Total accumulated depreciation	682,726	9,203	-	691,929
Sewer capital assets, net	<u>\$ 75,695</u>	<u>\$ (9,203)</u>	<u>\$ -</u>	<u>\$ 66,492</u>

Total depreciation charged against income for the year ended June 30, 2021, is \$30,511.

WOODVILLE PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 6 - Restricted Assets/Restricted Net Position

Connection fees are established, collected and used for development of water and sewer capacity and for expenses related to the inspection and administration of physical connections to the District's water and sewer systems. As of June 30, 2021, connection fees reserved for future water and sewer system plant expansion are reflected in these financial statements as both a restricted asset and a component of restricted net position.

	Water Operating Fund	Sewer Operating Fund	Totals
Beginning balance, July 1, 2020	\$ 315,353	\$ 129,844	\$ 445,197
Interest earned	4,694	1,933	6,627
Ending balance, June 30, 2021	<u>\$ 320,047</u>	<u>\$ 131,777</u>	<u>\$ 451,824</u>

NOTE 7 - Retirement Plan

In 2014 the District established a Savings Incentive Match Plan for Employees (SIMPLE-IRA), a defined contribution plan. Contributions to the plan are made by both the eligible employees, through a salary reduction contribution, and by the District. Eligible employees are those that have earnings of \$5,000 in two prior years. Employee contributions are made at an employee-specified level, expressed as a percentage of compensation for the year or a specific dollar amount. Employee contributions cannot exceed annual limits as implemented by the federal government. The District matches employee contributions dollar-for-dollar, up to 3% of each eligible employee's gross salary. Employee and District contributions for fiscal year ended June 30, 2021, were \$11,760 and \$3,430, respectively.

NOTE 8 - Planning Well Project

During the 2016-2017 fiscal year, the District began the process of building a new well. The District received a planning grant from the State of California Drinking Water State Revolving Fund (DWSRF) for planning costs to build a test well, not to exceed \$416,465.

As of June 30, 2021, the District has received \$320,735 of the \$416,465 available.

The District did not have any open submissions at year end to receive reimbursements in the following fiscal year.

NOTE 9 - Management of Nitrate Treatment

During the 2020-2021 fiscal year, the District began the process of removing contaminants from their water. The District received a project grant from the State of California Department of Water Resources (CDWR) for project costs that include nitrate treatment for multiple small water systems by the sharing of chemical delivery, brine residual disposal, and operational and maintenance costs, not to exceed \$1,249,725.

As of June 30, 2021, the District has received \$79,436 of the \$1,249,725 available.

The District did not have any open submissions at year end to receive reimbursements in the following fiscal year.

WOODVILLE PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 10 - Subsequent Events

Management has evaluated subsequent events through April 5, 2022, the date the financial statements were available to be issued, and determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.