

1. Call to Order & Establish a Quorum The meeting was called to order by President
Mehrmann at 6:10 pm.

Directors present: Tobyn Mehrmann, Brianne Price and Coral Spencer (by phone) GM Rae Bell,
Secretary Amber Mehrmann was present and took minutes (by phone). Directors Nancy Finney,
and Robbin DeWeese and CWO Bruce Coons were absent. Public: Vicky Tenney was present
by phone.

2. Consent Calendar:
Motion was made to approve the consent calendar by Robbin DeWeese and Coral Spencer 2nd.
Ayes: Tobyn Mehrmann, Brianne Price and Coral Spencer Nays: 0 Absent: Robbin
DeWeese and Nancy Finney Abstain: 0

3. Information/Discussion Items

a) Correspondence: Form 700 was received; and the oaths of office were mailed to the clerk
recorder.

b) SRF Project Update: The applications is complete and the budget is set at 1.5 million
dollars.

c) Board/Staff Reports: CWO and GM Reports
G.M.: Regarding the leaky water tank; Rae Bell reported that the technical assistance support is
being shifted from CRWA to Coleman engineering.
~First thing to work on is the warranty claim letter for the tank.
CWO: Was not present.

d) Historical Church/Library Report: Nothing to report.

e) Park Report: Nothing to report.

4. Unfinished Business

a) Customer Accounts/Billings/Disconnects: The summary is provided on the agenda.

b) Ordinances: Nothing prepared for meeting.

5. New Business

a) Appoint Officers: A motion was made to table this until all officers can be present. Coral
Spencer made a motion and Brianne Price 2nd Ayes: Tobyn Mehrmann, Brianne Price and
Coral Spencer Nays: 0 Absent: Robbin DeWeese and Nancy Finney Abstain: 0

b.) **Audit:** The audit came back good. Read management discussion and analysis. Rae states that we did well with the budget. A motion was made to accept the budget by Brianne Price....
And then we lost Coral Spencer on the phone therefore losing the quorum. Everything else on the agenda, including the audit acceptance must be carried until next meeting.

6) **Public Response Time:** none

7) **Next meeting date, items for next agenda and adjournment:**


Next meeting we will be finishing review of the Audit

Adjusting Edward's salary rate.

Closed Session for employee review per gov. code 54957

Next meeting will be on March 14, 2023; at 6:00 P.M.
There being no further business the meeting was adjourned at 6:31 P.M.

Respectfully Submitted:


Amber Mehrmann, Secretary

Alleghany County Water District

P.O. Box 860, Alleghany, CA 95910 ~ alleghanywater@gmail.com ~ Phone 530-287-3204

~ Established March 8, 1939 ~

CERTIFICATE OF POSTING

I, Amber Merhmann certify that the following document was posted on behalf of Alleghany County Water District, Sierra County California:

Agenda and meeting packet Regular Meeting, Meeting Date 1/10/23

In the following location(s):

Alleghany Post Office Bulletin Board (packets put in box for the public) and On the door of the Alleghany Firehouse (meeting location) ^{website}
Emailed to email list as well.

On 1/6/23 (date)

A copy of which is attached hereto and by reference made a part herof.

Signed under penalty of perjury: X Amber Merhmann
Amber Merhmann

NOTICE

OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF ALLEGHANY COUNTY WATER DISTRICT

Date: Tuesday January 10, 2023 Time: 6:00 pm

Location: Alleghany Firehouse 105 Plaza Court & by

Phone Conference - Dial-in number (US): (978) 990-5144 Access code: 6919768#

All meeting documents available online: alleghanywater.org

Send an email to: alleghanywater@gmail.com for meeting notices.

This agenda has been prepared and posted at least 72 hours prior to the regular meeting of the Board of Directors in accordance with the Ralph M. Brown Act. Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order. Details and supporting materials concerning agenda items are available for public reference in the box at the Post Office at the time of agenda posting or on the district's website: alleghanywater.org

1. Call to Order & Establish a Quorum

2. Consent Calendar

a) Approval of the agenda

b) Reading and approval of the minutes for the regular meeting dated December 13, 2022

c) Ratification of Treasury Report and bill payments for the month of December 2022.

3. Information/Discussion Items:

a) Correspondence –

b) SRF Projects Update –

c) Board/Staff Reports – Chief Water Operator (CWO) & General Manager (GM)

d) Historical Church/Library report –

e) Park report –

4. Unfinished Business (Discussion & Possible Action Items):

a) Customer Accounts/Billings/Disconnects: No notices sent in December. One overdue account was paid through the low income assistance program. Two accounts remain with balances over 90 days old. One made a substantial payment in December and the other is applying for low-income assistance. Two other accounts are over 60 days and will be issued notices if they don't make a payment or sign up for assistance this month.

b) Ordinances, Policies & Bylaws: Nothing prepared for meeting

5. New Business (Discussion & Possible Action Items):

a) Appoint Officers

b) Review audit findings letter and accept financial audit for fiscal year 21-22

c) Adjust Edward Snyder's hourly rate to new minimum wage from \$15.00 to \$15.50

d) Closed Session for employee review per gov. code 54957.

6. Public Response Time: The public may be heard before or during the consideration of any agenda item to be considered by the board, subject to reasonable time limitations for each speaker. Members of the public may address matters under the jurisdiction of the Board of Directors, and not on the posted agenda, provided that no action shall be taken by the board unless the matter is deemed urgent by a 2/3 vote. Per the district's bylaws, complaints about board members or district staff are to be submitted in writing (not to be aired at meetings).

7. Next meeting date, Items for next Agenda & Adjournment. Next meeting date: February 14, 2023 6:00 pm. Agenda item:

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Alleghany County Water District
Treasury Report

December 2022

MAIN CHECKING ACCOUNT

Date	From:	Amount
12/2	Non-Enterprise	490.00
12/2	Non-Enterprise	139.41
12/7	Customers	1,358.98
12/7	Customers	417.12
12/20	Customers	764.00
12/20	Customers	41.40
12/29	Project GO	268.99

Deposits Total \$ 3,479.90

Ck #	Date	To:	For:	Amount
1141	12/1	Postmaster	2X Roll Stamps	120.00
5753	12/1	Bruce Coons	WDO November Bill - Gross \$452.01	378.18
EFT	12/2	Transfer to new Reserve Fund Savings account, held back \$500 watching checking balance.		15,000.00
EFT	12/12	Tri-Counties Credit Card	\$36.31 Late Fees and Granger Supplies \$86.71	123.02
1142	12/13	Amber Merhmann	Secretary October Special Meeting \$30 + November Regular \$30	60.00
1143	12/15	Edda Snyder	Reimburse chlorine pump bought from eBay	45.16
1144	12/15	Edda Snyder	Reimburse Granger lube return postage	10.00
5755	12/15	Edda Snyder	Bookkeeper November Bill - Gross \$200	184.70
5756	12/15	Edward Snyder	WDA November Bill - Gross \$316.00	291.83
5757	12/19	Cranmer Engineering	Water Tests	310.00
1145	12/22	Rae Bell Arpogast	Reimburse Office Supplies	14.73
EFT	12/29	Transfer to new Reserve Fund Savings account, final \$500, Reserve Fund Savings account balance is whole.		500.00

Expenditures/Transfers Total \$ 17,037.62

Ending Main Account Balance	Plus Undeposited Funds	Operating Funds at month-end
\$ 4,559.76	\$ 2,332.44	\$ 6,892.20

Contingency Fund	Equip. Maint. Fund	TOTAL
\$ 14,500.00	\$ 1,000.00	\$ 15,500.00

NON-ENTERPRISE ACCOUNT (Historical Church, Library & Park)

Date	From:	For:	Amount
9,507.08		Beginning Balance	\$ 9,507.08

Ck #	Date	To:	For:	Amount
4052	12/22	Sierra County Tax Collector	Solid Waste (Dump Fee) Park	106.99
EFT	12/22	Main Account	Water Cooler for Library, previously paid with main account	139.41
EFT	12/22	Main Account	Historical Church Insurance \$250 & \$240 Admin for Fiscal year 22-23	490.00
4083	12/28	PRCSD	Fire Extinguisher annual recert for Hist. Church	15.00

Expenditures Total \$ 751.40

Ending Non-enterprise Account Balance \$ 8,755.68

Report Prepared by Edda Snyder
Verified against Bank Statement

Historical Church Balance	\$ 5,387.00
Library Balance	\$ 1,353.64
Park Balance	\$ 2,015.04
Balance	\$ 8,755.68

Print

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ALLEGHANY COUNTY WATER DISTRICT
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022

ALLEGHANY COUNTY WATER DISTRICT
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 JUNE 30, 2022

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Board of Directors
Alleghany County Water District
P.O. Box 860
Alleghany, CA 95910-0860

Opinion

We have audited the accompanying financial statements of the business-type activities of Alleghany County Water District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Alleghany County Water District as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Alleghany County Water 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alleghany County Water 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.

Auditor's Responsibilities 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 auditor's report that includes our opinion. 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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Alleghany County Water District's basic financial statements. The Operating Expenses schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the

Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Required Supplementary Information

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.

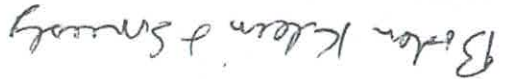
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Alleghany County Water 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 Alleghany County Water District's ability to continue as a going concern for a reasonable period of time.

In performing an audit in accordance with generally accepted auditing standards, we:

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.

Roseville, California
December 14, 2022

BODEN KLEIN & SNEESBY
A Professional Corporation



Other Information

underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Operating Expenses schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management is responsible for the other information included in the annual report. The other information comprises the NDGSA's organization, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

**ALLEGHANY COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2022**

Alleghany County Water District (ACWD) was established on March 8, 1939 to provide water to the town of Alleghany for both domestic use and fire protection.

When the district was formed, Alleghany had a population of approximately 586 (1940 US Census). The most recent census (2020) recorded 55 full-time residents. This represents a 90% decrease over eighty years. It is notable that the change in population between 2010 and 2020 was a decrease in only 3 individuals. This is the first time in approximately 80 years that the census data has not recorded a significant decrease in the town's population. Currently, ACWD has 54 active customer accounts.

Sustaining its operation with such a small customer base is ACWD's biggest challenge. Balancing sustainability with affordability is a daunting task. The Board and Staff donate many volunteer hours to the district on a regular basis to keep it functioning.

ACWD does, from time-to-time, apply for grants. The bulk of the current infrastructure was built in 1977-78 with a 50/50 loan-grant from USDA Rural Development. That loan was paid off in November of 2017. As a direct result of this loan pay-off the district has been able to start building up a contingency fund.

Recently completed projects:

In 2015 the district was awarded a loan with debt forgiveness (grant) from the Water Resources Control Board's State Revolving Fund for a Planning and Engineering Analysis of the ACWD storage tank and water sources.

The primary objective of the planning project was to find the most sustainable way to supply the town's drinking water in compliance with State laws. The two major concerns at that time were the poor condition of the main water storage tank and treatment plant. The lack of water source redundancy was also a concern. Changing the main water source (the Ram Spring) from "ground water under the influence of surface water" to "ground water" was a known way to reduce water production costs. Because of environmental concerns about drilling at the Spring, the district was encouraged by the State Engineers to try vertical test wells. Two vertical wells would have solved both the surface water and the redundancy issues if successful. However, the vertical test wells were not successful (inadequate water quantity and quality).

After the vertical test wells proved inviable, in May of 2017, as part of the planning project, driven pipes were installed at the Ram Spring to minimize surface water infiltration. As a result of this drilling, and with subsequent water quality testing, on October 20, 2017 the State Division of Drinking Water amended the Permit for the Ram Spring changing its classification to "ground water". This new classification eliminates the need for a treatment plant and lessens several regulatory requirements, saving both time and money over the long-term.

The water tank portion of the planning project was completed in 2016 and a new funding agreement for construction of the water tank was executed on July 20, 2017. The new water storage tank was put online in November of 2018 but started leaking in October of 2021. A warranty claim is pending. The water source redundancy portion of the planning project had to be abandoned due to budget constraints.

ALLEGHANY COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2022

The Ram Springs portion of the Planning Project was completed on December 1, 2020 and an application for construction has been started as noted below.

Pending Projects

Since early 2020, the district has been in the process of applying for funds from the Water Resources Control Board's State Revolving Fund for a construction project that will reconfigure the facilities at the Ram Spring to accommodate the changes made during the planning project (installation of driven pipes & removal of the treatment plant) and address a few other issues based on the alternatives analysis completed as part of the Planning Project.

There have been substantial delays in completing the Ram Spring Improvement Projects (RSIP) construction application. The main delay has been difficulty in navigating the environmental requirements. During the Planning Project in 2015, when the state engineers encouraged the district to try vertical wells rather than the driven pipes at the Ram Spring, environmental red-tape was given as the primary reason for this advice. In hindsight, this has proven out. Because the vertical test wells failed, the Ram Spring remains the only water source for the community. A technical assistance award from the CA State Water Control Board Department of Finance was awarded in 2021 to complete the environmental paperwork for the RSIP construction application with a closing date of 12/31/2022.

The construction project includes the replacement of residential water meters funded by a program for low-income communities.

Budget Procedure Notes

The enabling legislation for County Water Districts requires charging rates sufficient to cover operating expenses, repairs & depreciation and debt payments. However, there are also State and Federal guidelines in place regarding affordable rates for basic services such as water. ACWD's Board and Staff have not found a way to cover depreciation expense while maintaining affordable water rates with so few customers. **As a result, ACWD does not budget for depreciation.**

The district's budget worksheet combines both "cash-based" and "accrual" projections to ensure that adequate cash is available to cover operating expenses and maintain reserve funds.

Comparison of budgeted versus actual results (for discrepancies of 10% or more)

Audited actual results vary significantly from the adopted budget because the audit documents include depreciation and are on a strictly accrual basis. Audit documents convert the district's bookkeeping data to Generally Accepted Accounting Standards for governmental agencies. (see notes above).

Operating revenue: Water Service revenue came in 7% higher than projected.

Operating expenses: Operating expenses came in remarkably close to the budget projections except for the "Water Operations" expense line item which came in \$1,393 (23%) less than projected due to minimal repair costs. Depreciation expense is 100% higher because it is not included in the budget as noted above.

Non-operating revenues: Actual results came in as projected.

**ALLEGHANY COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2022**

Non-operating expenses: Actual results came in as projected.

The year-end results show a negative budget net change variance of \$27,963. This is primarily due to the depreciation expense of \$31,561, which was not included in the budget as noted above.

ALLEGHANY COUNTY WATER DISTRICT
 Statement of Net Position
 June 30, 2022

ASSETS		
Current assets		
Cash	\$ 29,118	
Accounts receivable	618	
Prepaid expenses	3,881	
Total current assets	33,617	
Capital assets		
Land	101,000	
Other capital assets, net of depreciation	1,103,397	
Total capital assets, net of depreciation	1,204,397	
TOTAL ASSETS	\$ 1,238,014	
LIABILITIES		
Current liabilities		
Accounts payable	\$ 4,437	
Accrued payroll and payroll liabilities	1,803	
Total current liabilities	6,240	
TOTAL LIABILITIES	6,240	
NET POSITION		
Net Position		
Invested in capital assets, net		
of related debt	1,204,397	
Unrestricted	27,377	
TOTAL NET POSITION	1,231,774	
TOTAL LIABILITIES AND NET POSITION	\$ 1,238,014	

See notes to financial statements.
 -7-

ALLEGHANY COUNTY WATER DISTRICT
 Statement of Revenues, Expenses and Changes in Net Position
 For the Year Ended June 30, 2022

	Operating revenues
	Water sales
	Other
	Operating revenues
	28,276
	Operating expenses
	Pumping
	Treatment
	Transmission and distribution
	General and administrative
	Depreciation
	Operating expenses
	62,597
	Net operating revenue/(loss)
	(34,321)
	Non-operating revenue (expenses)
	Property taxes
	Miscellaneous income
	Historical Church
	Rental
	Donations
	Historical Church expenses
	Park
	Repairs/maintenance/utilities
	Net non-operating revenue/(loss)
	7,526
	CHANGE IN NET POSITION
	Beginning net position
	1,258,569
	\$ 1,231,774

ALLEGHANY COUNTY WATER DISTRICT

Statement of Cash Flows

For the Year Ended June 30, 2022

Reconciliation of operating income/(loss) to net cash used in operating activities:	
Operating loss	\$ (34,321)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	31,561
Changes in operating assets and liabilities:	
Accounts receivable	368
Pre-paid expenses	(395)
Accounts payable	1,136
Net cash used in operating activities	(1,651)
Cash flows from non-operating activities:	
Property taxes	4,485
Miscellaneous income	240
Net Historical Church activity	2,909
Net Park activity	(107)
Net cash provided by non-operating activities	7,527
Cash flows from investing activities:	
Investment in fixed assets	(1,950)
Net cash used in investing activities	(1,950)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,925
Cash at beginning of year July 1, 2021	25,193
CASH AT END OF YEAR, JUNE 30, 2022	\$ 29,118
Supplementary information	
Cash paid for interest	\$ -

ALLEGHANY COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 Organization

Allghany County Water District (the "District") was organized to provide water for residents of the District.

The District is governed by a Board of Directors which is elected by voters of the District.

Note 2 Summary of Significant Accounting Policies

The accounting policies of Alleghany County Water District conform to generally accepted accounting principles applicable to enterprise funds. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Fund Accounting

The District is an enterprise fund. All operations are accounted for as an enterprise fund.

Enterprise Fund – The enterprise fund is used to account for water operations that are financed and operated in a manner similar to private business enterprises. The intent of the District is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

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

The District's books and accounts are based upon the Uniform System of Accounts for Public Utilities as prescribed by the Division of Local Government Fiscal Affairs of the State of California. The records are maintained and the accompanying financial statements are presented on the accrual basis of accounting.

Depreciation and Amortization

Capital assets are recorded on the basis of purchase cost. Assets acquired by contribution are recorded at estimated cost or fair market value at the date of acquisition.

Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets.

Statement of Cash Flows

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

ALLEGHANY COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 2 Summary of Significant Accounting Policies, continued

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Budget and Budgetary Accounting

The Board of Directors annually adopts an operating budget. The operating budgets are prepared on the accrual basis to match the operating statements. Capital replacement expenditures are reviewed on an annual basis and budgeted as deemed necessary.

Note 3 Cash and Investments

Cash and investments consist of the following at June 30, 2022:

Petty cash	\$ 100
Cash in bank – checking	18,973
Cash in bank – checking (historical church/park)	<u>10,045</u>
	<u>\$ 29,118</u>

All deposits were covered by Federal depository insurance.

ALLEGHANY COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

Note 4 Capital Assets

Changes in capital assets for the year ended June 30, 2022 consist of:

Balance beginning of the year	Additions	Disposal	Balance end of year
\$ 101,000	-	-	\$ 101,000
Land			
\$ 21,744	\$ -	\$ -	\$ 21,744
Building			
Water system (1977)	218,000	-	218,000
1994 Water system	301,579	-	301,579
2018 Water tank	927,906	-	927,906
Ram Spring renovation (2018)	61,567	-	61,567
Total Fixed Assets:			
1,530,796	-	-	1,530,796
Construction in Progress			
153,274	1,950	-	155,224
Accumulated depreciation	(551,062)	(31,561)	(582,623)
Capital assets, net of depreciation	\$ 1,133,008	\$ (29,611)	\$ 1,103,397

Depreciation expense for the year
 year ended June 30, 2022

\$ 31,561

Note 5 Net Investment in Capital Assets

Land	\$ 101,000	
Capital assets, net of depreciation	1,103,397	
Total	\$ 1,204,397	
Invested in capital assets, net of related debt		\$ 1,204,397

ALLEGHANY COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 6 Risk of Loss

Alleghany County Water District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2022 fiscal year, the District purchased certain commercial insurance coverage to provide for these risks.

Note 7 Subsequent Events

The District's management has evaluated the potential for subsequent events through the available for issuance date of the financial statements, December 14, 2022.

ALLEGHANY COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

**ALLEGHANY COUNTY WATER DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Operating Revenues	\$ 25,920	\$ 25,920	\$ 27,638	\$ 1,718
Water service fees	500	500	638	138
Other				
Total Operating Revenues	26,420	26,420	28,276	1,856
Operating Expenditures:				
Payroll & payroll tax expenses	12,500	12,500	12,205	295
Professional services	2,950	2,950	2,950	-
Utilities	3,628	3,628	3,624	4
Water operations	6,105	6,105	4,712	1,393
Office expense	1,371	1,371	1,302	69
Insurance	5,600	5,600	5,598	2
Miscellaneous/contingency	481	481	645	(164)
Depreciation	-	-	31,561	(31,561)
Total Operating Expenditures	32,635	32,635	62,597	(29,962)
Excess of Operating Revenues Over Operating Expenditures	(6,215)	(6,215)	(34,321)	(28,106)

**ALLEGHANY COUNTY WATER DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Variance Favorable (Unfavorable)	Budgeted Amounts		Actual
	Original	Final	
185	4,300	4,300	4,485
-	240	240	240
-	1,500	1,500	1,500
(175)	2,175	2,175	2,000
10	8,215	8,215	8,225
	Total Non-Operating Revenues		
-	250	250	250
-	100	100	102
(2)	100	240	240
139	150	150	11
(4)	92	92	96
	Non-Operating Expenditures:		
	250	250	250
	100	100	102
	240	240	240
	150	150	11
	92	92	96
	Park - Solid waste fee		
	Total Non-Operating Expenditures		
143	7,383	7,383	7,526
	Excess of Non-Operating Revenues Over Non-Operating Expenditures		
(27,963)	1,168	1,168	(26,795)
	Total Excess of Revenues Over Expenditures		
	1,258,569	1,258,569	1,258,569
	Fund Balance, beginning of year		
	\$ 1,259,737	\$ 1,259,737	\$ 1,231,774
	Fund Balance, end of year		

ALLEGHANY COUNTY WATER DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Note 1 PURPOSE OF STATEMENTS AND SCHEDULES

A. Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the authority is required to present a Schedule of Revenues, Expenditures and Changes in Fund Balance budgetary comparison for the General Fund and each Major Special Revenue Fund that has an adopted budget. This schedule presents the original adopted budget and the actual revenue and expenditures of the General Fund.

ALLEGHANY COUNTY WATER DISTRICT
SUPPLEMENTARY INFORMATION
JUNE 30, 2022

ALLEGHANY COUNTY WATER DISTRICT
 Operating Expenses
 For the Year Ended June 30, 2022

Pumping	Payroll and benefits	\$ 2,377		
	Electricity	2,586		
	Total pumping		\$	4,963
Treatment	Payroll and benefits	1,188		
	Testing, chemicals, permits, & fees	2,775		
	Total treatment			3,963
Transmission and distribution	Payroll and benefits	8,318		
	Repairs and hookups	106		
	Total transmission and distribution			8,424
General and administrative	Insurance	5,598		
	Legal and audit	2,950		
	Payroll and benefits	1,186		
	Billing and bookkeeping	2,914		
	Propane	530		
	Telephone	508		
	Total general and administrative			13,686
	Depreciation			31,561
	TOTAL OPERATING EXPENSES		\$	62,597

ALLEGHANY COUNTY WATER DISTRICT
OTHER INFORMATION
JUNE 30, 2022

ALLEGHANY COUNTY WATER DISTRICT
ORGANIZATION
JUNE 30, 2022

BOARD OF DIRECTORS

Tobyn Mehrmann	Director/President
Robbin DeWeese	Director
Coral Spencer	Director
Nancy Finney	Director
Amber Mehrmann	Secretary

December 14, 2022

Board of Directors
Alleghany County Water District

We have audited the financial statements of the business-type activities of the Alleghany County Water District for the year ended June 30, 2022. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and Government Auditing Standards as well as certain information related to the planned scope timing and scope of our audit. We have communicated such information in our letter dated January 31, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Alleghany County Water District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year 2021 - 2022. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives of capital assets is based on prior experience. We evaluated the key factors and assumptions used to develop the estimated useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. We have attached a copy for your review.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 14, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to budget v. actual schedule, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Board of Directors and management of the Alleghany County Water District and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,



BODEN KLEIN & SNEESBY
A Professional Corporation

**Allegheny County Water District
Adjusting Journal Entries**

June 25 through July 5, 2022

Accrual Basis

Date	Num	Name	Memo	Account	Debit	Credit
06/30/2022	BKS22-1		Record 6/30/22 A/D & Adj F/A per audit Record 6/30/22 A/D & Adj F/A per audit Record 6/30/22 A/D & Adj F/A per audit Record 6/30/22 A/D & Adj F/A per audit Record 6/30/22 A/D & Adj F/A per audit	1600a · Acc. Depreciation Buildings 1600b · Accumulated Depreciation System 6255 · Depreciation Expense 1550a · Construction in Progress Spring 6170a · Spring Project Administration	31,561.00 1,950.00	792.00 30,769.00 1,950.00
06/30/2022	BKS22-2		Record accrued P/R & liab per audit at 6/30/22 Record accrued P/R & liab per audit at 6/30/22 Record accrued P/R & liab per audit at 6/30/22 Record accrued P/R & liab per audit at 6/30/22	2350 · Accrued Payroll 2401 · Payroll Liabilities 6000 · Payroll Expenses 6001 · Payroll tax expense	1,283.00 98.13	1,184.87 196.26
07/01/2022	BKS22-2R		Reverse of GJE BKS22-2 -- Record accrued P/R & liab per audit ... Record accrued P/R & liab per audit at 6/30/22 Record accrued P/R & liab per audit at 6/30/22 Record accrued P/R & liab per audit at 6/30/22	2350 · Accrued Payroll 2401 · Payroll Liabilities 6000 · Payroll Expenses 6001 · Payroll tax expense	1,381.13 1,184.87 196.26	1,381.13 1,283.00 98.13
06/30/2022	BKS22-3		Reclass Fd Bal & Fd Bal Invest per audit Reclass Fd Bal & Fd Bal Invest per audit Reclass Fd Bal & Fd Bal Invest per audit	3200 · Retained Earnings 3210 · Investment in Fixed Assets 6302 · Water Tests	130,392.57 158.00	130,550.57
06/30/2022	BKS22-4		Reclass Open Equity to RE Reclass Open Equity to RE	3230 · Opening Balance Equity 3200 · Retained Earnings	21,371.19 21,371.19	21,371.19
TOTAL					188,195.02	188,195.02