



**BEAUMONT CHERRY VALLEY WATER DISTRICT
AGENDA
REGULAR MEETING OF THE FINANCE & AUDIT COMMITTEE
Tuesday, April 1st 2008, at 5:00 p.m.
815 E. 12th Street
Beaumont, CA 92223**

Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please call Blanca Marin Administrative Assistant, at (951) 845-9581 Ext. 23 for assistance so the necessary arrangements can be made.

1. **Call to Order**
2. **Adoption of the Agenda**
3. **Public Input**

PUBLIC COMMENT: Anyone wishing to address the Board of Directors on any matter not on the agenda of this meeting may do so now. Anyone wishing to speak on an item on the agenda may do so at the time the Board considers that item. All persons wishing to speak must fill out a "Request to Speak" form and give it to the Secretary at the beginning of the meeting. The forms are available on the table at the back of the room. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person, and do not repeat what was said by a previous speaker except to note your agreement with that speaker. Thank you for your cooperation.

4. **Review of the Minutes of the March 3, 2008 Meeting.**

Committee Recommendation: Present to full Board for Information

5. **Finance and Audit Committee Report**

- a. Review of March 2008 Miscellaneous Income Report
***To be presented at the meeting

Committee Recommendation: Present to full Board for approval

- b. Review of Invoices for March 2008

Committee Recommendation: Present to full Board for approval

- c. Review of the March 2008, Financial Statement
***To be presented at the meeting

Committee Recommendation: Present to full Board for approval

- d. Review of 2004-2006 Audits

Committee Recommendation: Present to full Board for acceptance

6. **Adjournment**

**RECORD OF THE MINUTES OF THE
REGULAR MEETING OF THE FINANCE & AUDIT COMMITTEE
OF THE BEAUMONT CHERRYVALLEY WATER DISTRICT
March 3, 2008**

1. Call to Order

Chairman Lash called the meeting to order at 5:00 p.m., 815 E. 12th Street, Beaumont. Those present at this meeting were Committee Members, Vice President Lash and Director Dopp. Also present at this meeting was the General Manager, C.J. Butcher and Commercial Office Supervisor, Mary Martin.

2. Adoption of the Agenda

It was the recommendation of the Committee to adopt the agenda as presented.

3. Public Input

There was no public input presented.

4. Review of the Minutes of the February 4, 2008 Meeting.

It was the recommendation of the Committee to present the February 4, 2008 minutes to the full Board for information.

5. Finance and Audit Committee Report

a. Review of Miscellaneous Income Report

It was the recommendation of the Committee to present the Miscellaneous Income Report to the full Board for approval.

b. Review of Invoices for February 2008

After reviewing the Wells Fargo Remittance Center invoice and the Directors' stipends, it was the recommendation of the Committee to present the February 2008 Invoices to the full Board for approval.

c. Review of the January 2008, Financial Statement

General Manager C.J. Butcher explained that there was a memorandum handed out at the beginning of the meeting from Business Manager, Julie Salinas, which explained the reasons why certain items in the check register did not appear in the Month End Financial Report.

After review, it was the recommendation of the Committee to present the January 2008 Financial Statement to the full Board for approval.

d. Review of the February 2008, Financial Statement

After review, it was the recommendation of the Committee to present the February 2008 Financial Statement to the full Board for approval.

6. Adjournment

Chairman Lash adjourned the meeting at 5:20 p.m.

3990

William Lash, Chairman of the
Finance and Audit Committee of the
Beaumont Cherry Valley Water District

Attest:

C.J. Butcher, Secretary to the
Finance and Audit Committee of the
Beaumont Cherry Valley Water District



Check Register - Detail - Bank

Vendor : A&A FENCE To ZETLMAIER
 Check Dt. : 01-Mar-2008 To 31-Mar-2008
 Bank : 1 To 1

Seq : Check No. Status : All
 Medium : M=Manual C=Computer

Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount
Invoice #	Account No.	Account Description							
1	GENERAL CHECKING								
36376	06-Mar-2008	ACTIONTRUE	ACTION TRUE VALUE	HARDWARE	Issued	74	C		
33425	2-1-0625-703		MATERIAL						24.66
	1-5-5620-582		MAINTENANCE/REPAIR						17.62
	1-5-5625-582		MAINTENANCE/REPAIR						17.62
	1-5-5200-511		TREATMENT & CHEMICALS						38.92
	1-5-5500-563		MISCELLANEOUS OPERATING SUPPLIES						28.65
			Invoice Total :						127.47
33434	2-1-0625-703		MATERIAL						12.48
	1-5-5500-564		MISCELLANEOUS TOOLS/EQUIPMENT						57.61
	1-5-5200-513		MAINTENANCE EQUIPMENT						32.65
	1-5-5500-563		MISCELLANEOUS OPERATING SUPPLIES						65.15
			Invoice Total :						167.89
33456	1-5-5200-513		MAINTENANCE EQUIPMENT						76.89
	1-5-5620-582		MAINTENANCE/REPAIR						30.89
	1-5-5625-582		MAINTENANCE/REPAIR						30.89
	1-5-5200-511		TREATMENT & CHEMICALS						9.85
	1-5-5500-564		MISCELLANEOUS TOOLS/EQUIPMENT						65.60
	1-5-5500-555		OFFICE SUPPLIES						8.12
	1-5-5500-563		MISCELLANEOUS OPERATING SUPPLIES						34.55
			Invoice Total :						256.79
33462	1-5-5615-582		MAINTENANCE/REPAIR						24.84
	1-5-5620-582		MAINTENANCE/REPAIR						74.62
	1-5-5625-582		MAINTENANCE/REPAIR						74.62
	1-5-5500-563		MISCELLANEOUS OPERATING SUPPLIES						13.59
			Invoice Total :						187.67
			Check # 36376 Total :						739.82
36377	06-Mar-2008	ACWAJPIA	ACWAJPIA		Issued	74	C		
	Invoice Description: 4/01/08-09 PROPERTY RENEWAL								
02/08	1-5-5500-570		PROPERTY INSURANCE						17306.00
			Invoice Total :						17306.00
			Check # 36377 Total :						17306.00
36378	06-Mar-2008	ADVANTAGES	ADVANTAGE SEPTIC SYSTEMS		Issued	74	C		
0808	2-1-0801-703		ADVANTAGE SEPTIC SYSTEM 12303 OAK GLEN						5280.61
			Invoice Total :						5280.61
			Check # 36378 Total :						5280.61
36379	06-Mar-2008	ALLPURPOSE	ALL PURPOSE RENTALS		Issued	74	C		
5660	2-1-0625-703		MATERIAL						170.50
			Invoice Total :						170.50
			Check # 36379 Total :						170.50
36380	06-Mar-2008	AMAENTERPR	AMA ENTERPRISES		Issued	74	C		
21032	1-5-5200-508		UNIFORMS, EMPLOYEE BENEFITS						68.36
	1-5-5300-508		UNIFORMS, EMPLOYEE BENEFITS						136.73
			Invoice Total :						205.09



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 Medium : M=Manual C=Computer

Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Check # 36380 Total :									205.09	
36381	06-Mar-2008	B ACE HOME	BEAUMONT ACE HOME CENTER	Issued	74	C				
274741	1-5-5500-564	MISCELLANEOUS TOOLS/EQUIPMENT								38.78
Invoice Total :									38.78	
275335	1-5-5200-513	MAINTENANCE EQUIPMENT								177.69
Invoice Total :									177.69	
275348	1-5-5200-513	MAINTENANCE EQUIPMENT								17.15
Invoice Total :									17.15	
275430	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES								28.18
Invoice Total :									28.18	
275474	1-5-5300-537	MAINTENANCE PRESSURE REGULATORS								118.45
Invoice Total :									118.45	
275591	1-5-5300-534	MAINTENANCE METERS/SERVICES								13.62
Invoice Total :									13.62	
275604	1-5-5500-564	MISCELLANEOUS TOOLS/EQUIPMENT								43.09
Invoice Total :									43.09	
Check # 36381 Total :									436.96	
36382	06-Mar-2008	BDLALARMS	BDL ALARMS	Issued	74	C				
111772	1-5-5500-557	OFFICE MAINTENANCE								38.00
Invoice Total :									38.00	
Check # 36382 Total :									38.00	
36383	06-Mar-2008	BERA STAIN	BERA STAINED GLASS STUDIOS	Issued	74	C				
3111	2-1-0536-704	CONTRACT								2216.53
Invoice Total :									2216.53	
Check # 36383 Total :									2216.53	
36384	06-Mar-2008	BROOK	BROOK FURNITURE RENTAL	Issued	74	C				
4648283099	2-1-0536-704	CONTRACT								2263.84
Invoice Total :									2263.84	
Check # 36384 Total :									2263.84	
36385	06-Mar-2008	BYRDINDELE	BYRD INC ELECTRONICS	Issued	74	C				
1189	1-5-5200-517	TELEMETRY MAINTENANCE								579.60
Invoice Total :									579.60	
Check # 36385 Total :									579.60	
36386	06-Mar-2008	CADETUNIFO	CADET UNIFORM SERVICE	Issued	74	C				
04209	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES								18.70
	1-5-5500-555	OFFICE SUPPLIES								56.63
Invoice Total :									75.33	
Check # 36386 Total :									75.33	



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
36387	06-Mar-2008	CALTOOL	CALIFORNIA TOOL & WELDING	Issued	74	C				
DC62946	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES								46.80
									Invoice Total : 46.80	
									Check # 36387 Total : 46.80	
36388	06-Mar-2008	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	74	C				
Invoice Description:2-29-755-2648										
0648/0308	1-5-5200-515	UTILITIES - ELECTRIC								372.58
									Invoice Total : 372.58	
Invoice Description:2-03-395-0783										
0783/0208	1-5-5630-515	UTILITIES - ELECTRIC								96.79
	1-5-5200-515	UTILITIES - ELECTRIC								2342.69
									Invoice Total : 2439.48	
Invoice Description:2-02-599-3296										
3296/0208	1-5-5200-515	UTILITIES - ELECTRIC								315.02
									Invoice Total : 315.02	
Invoice Description:2-03-937-4889										
4889/0308	1-5-5200-515	UTILITIES - ELECTRIC								32113.53
									Invoice Total : 32113.53	
									Check # 36388 Total : 35240.61	
36389	06-Mar-2008	EMPIREDISP	EMPIRE DISPOSAL	Issued	74	C				
02/08	1-5-5610-581	UTILITIES - SANITATION								46.86
									Invoice Total : 46.86	
									Check # 36389 Total : 46.86	
36390	06-Mar-2008	ESBABCOCK	ES BABCOCK	Issued	74	C				
AB82121-0034	1-5-5200-512	LAB TESTING								385.00
									Invoice Total : 385.00	
AB82124-0034	1-5-5200-512	LAB TESTING								315.00
									Invoice Total : 315.00	
AC80003-0034	1-5-5200-512	LAB TESTING								105.00
									Invoice Total : 105.00	
AC80006-0034	1-5-5200-512	LAB TESTING								105.00
									Invoice Total : 105.00	
AC80102-0034	1-5-5200-512	LAB TESTING								70.00
									Invoice Total : 70.00	
									Check # 36390 Total : 980.00	
36391	06-Mar-2008	GASCO	THE GAS COMPANY	Issued	74	C				
5000/0308	1-5-5610-514	UTILITIES - GAS								9.86
									Invoice Total : 9.86	
									Check # 36391 Total : 9.86	



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
36392	06-Mar-2008	HOMEDEPOT	HOME DEPOT CREDIT SERVICES	Issued	74	C				
8524/0308	1-5-5615-582	MAINTENANCE/REPAIR							62.03	
									Invoice Total :	62.03
									Check # 36392 Total :	62.03
36393	06-Mar-2008	HOMERSJANI	HOMER'S JANITORIAL SERVICE	Issued	74	C				
3543	1-5-5610-582	MAINTENANCE/REPAIR							392.00	
									Invoice Total :	392.00
									Check # 36393 Total :	392.00
36394	06-Mar-2008	INLANDWATE	INLAND WATER WORKS	Issued	74	C				
195374	1-1-1310-180	INVENTORY							20.60	
	1-1-1310-180	INVENTORY							1.60	
									Invoice Total :	22.20
195595	1-5-5500-564	MISCELLANEOUS TOOLS/EQUIPMENT							69.00	
	1-5-5500-564	MISCELLANEOUS TOOLS/EQUIPMENT							79.00	
	1-5-5500-564	MISCELLANEOUS TOOLS/EQUIPMENT							11.47	
									Invoice Total :	159.47
195596	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES							140.00	
	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES							170.00	
	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES							24.03	
									Invoice Total :	334.03
195597	1-1-1310-180	INVENTORY							116.25	
	1-1-1310-180	INVENTORY							140.00	
	1-1-1310-180	INVENTORY							19.86	
									Invoice Total :	276.11
									Check # 36394 Total :	777.11
36395	06-Mar-2008	LUTHERSTRU	LUTHERS TRUCK & EQUIPMENT	Issued	74	C				
25202	1-5-5700-594	LARGE EQUIPMENT MAINTENANCE							125.00	
									Invoice Total :	125.00
25219	1-5-5700-594	LARGE EQUIPMENT MAINTENANCE							358.86	
									Invoice Total :	358.86
									Check # 36395 Total :	483.86
36396	06-Mar-2008	MARLYNBUI	MAR LYN BUILDERS INC	Issued	74	C				
Invoice Description: REBUILD BUCKET										
300116	1-5-5700-594	LARGE EQUIPMENT MAINTENANCE							1395.00	
									Invoice Total :	1395.00
									Check # 36396 Total :	1395.00
36397	06-Mar-2008	MARTYSMOBI	MARTY'S MOBILE CAR WASH	Issued	74	C				
94731	1-5-5700-596	AUTO/EQUIPMENT OPERATION							60.00	
									Invoice Total :	60.00
									Check # 36397 Total :	60.00



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount
Invoice #	Account No.	Account Description							
36398	06-Mar-2008	MCCROMETER	MCCROMETER	Issued	74	C			
Invoice Description:MW 504 - 4" NON POTABLE FLOW METER FOR DEUTSCH ELEMENTARY									
326397 RI	1-1-1113-123	NEW SERVICE INSTALLATIONS		1331.00					
	1-1-1113-123	NEW SERVICE INSTALLATIONS		100.00					
	1-1-1113-123	NEW SERVICE INSTALLATIONS		44.00					
	1-1-1113-123	NEW SERVICE INSTALLATIONS		114.31					
Invoice Total :									1589.31
Check # 36398 Total :									1589.31
36399	06-Mar-2008	PATSPOTS	PAT'S POTS	Issued	74	C			
11163	1-5-5700-601	RECHARGE FACILITY MAINTENANCE		310.00					
Invoice Total :									310.00
Check # 36399 Total :									310.00
36400	06-Mar-2008	RAYMARTINE	RAY MARTINEZ & ASSOCIATES ARCHITECTS	Issued	74	C			
Invoice Description:ADDENDUM 2									
05158-29	2-1-0536-704	CONTRACT		15293.23					
Invoice Total :									15293.23
Check # 36400 Total :									15293.23
36401	06-Mar-2008	REDWINE	REDWINE AND SHERRILL	Issued	74	C			
Invoice Description:FEB 2008									
208001	2-1-0003-706	ODA - LEGAL		4866.75					
	2-1-0623-706	LEGAL		22.00					
	2-1-0617-706	LEGAL		4488.00					
	1-5-5810-611	GENERAL LEGAL		5813.00					
Invoice Total :									15189.75
Check # 36401 Total :									15189.75
36402	06-Mar-2008	RIOSTONE	RIO STONE BUILDING MATERIALS	Issued	74	C			
9776	1-5-5615-582	MAINTENANCE/REPAIR		175.85					
Invoice Total :									175.85
Check # 36402 Total :									175.85
36403	06-Mar-2008	SCHLANGEJA	SCHLANGE, J. ANDREW	Issued	74	C			
Invoice Description:CONSULTING SERVICES									
02 29 08	1-5-5820-615	ENGINEERING REC WATER		4444.82					
Invoice Total :									4444.82
Check # 36403 Total :									4444.82
36404	06-Mar-2008	SCHLANGEJA	SCHLANGE, J. ANDREW	Issued	74	C			
Invoice Description:FEB 08									
02/08	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1		1950.00					
Invoice Total :									1950.00
Check # 36404 Total :									1950.00



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 Check Dt. : 01-Mar-2008 To 31-Mar-2008
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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount
Invoice #	Account No.	Account Description							
36405	06-Mar-2008	STAPLES	STAPLES BUSINESS ADVANTAGE	Issued	74	C			
8009003837	1-5-5500-555	OFFICE SUPPLIES							443.00
		Invoice Total :							443.00
		Check # 36405 Total :							443.00
36406	06-Mar-2008	STMP000424	LOICANO, TERESA A.	Issued	74	C			
		Invoice Description:Refund on account 078-0390-001.							
		Invoice Total :							0.00
		Check # 36406 Total :							55.44
36407	06-Mar-2008	STMP000425	RUSSO ENTERPRISES	Issued	74	C			
		Invoice Description:Refund on account 098-7324-003.							
		Invoice Total :							0.00
		Check # 36407 Total :							594.48
36408	06-Mar-2008	STMP000426	TED BURTON'S UNDERGROUND	Issued	74	C			
		Invoice Description:Refund on account 098-4352-011.							
		Invoice Total :							0.00
		Check # 36408 Total :							1118.10
36409	06-Mar-2008	SUPERIORTA	SUPERIOR TANK COMPANY INC	Issued	74	C			
		Invoice Description:3900 ZONE TANK COMP							
011708	2-1-0625-704	CONTRACT							17977.41
		Invoice Total :							17977.41
		Check # 36409 Total :							17977.41
36410	06-Mar-2008	TOMLARA	TOM LARA	Issued	74	C			
		Invoice Description:VINELAND 3 TANK							
1673	2-1-0626-703	MATERIAL							20227.00
		Invoice Total :							20227.00
		Invoice Description:REC FAC MAINT							
1677	1-5-5700-601	RECHARGE FACILITY MAINTENANCE							5310.00
		Invoice Total :							5310.00
		Invoice Description:DISTRICT YARDS							
1678	1-5-5700-598	LANDSCAPE MAINTENANCE							3940.00
		Invoice Total :							3940.00
		Check # 36410 Total :							29477.00
36411	06-Mar-2008	UNDERGROUN	UNDERGROUND SERVICE ALERT	Issued	74	C			
220080046	1-5-5300-531	LINE LOCATES							127.50
		Invoice Total :							127.50
		Check # 36411 Total :							127.50
36412	06-Mar-2008	VERIZON	VERIZON	Issued	74	C			
		Invoice Description:Verizon Credit Agency							



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount
4548/0308				1-5-5610-580	UTILITES - TELEPHONE				66.65
									Invoice Total :
									66.65
									Check # 36412 Total :
									66.65
36413	06-Mar-2008			WASTEMANAG	WASTE MANAGEMENT	Issued	74	C	
0161605-2371-4				1-5-5610-581	UTILITIES - SANITATION				232.98
									Invoice Total :
									232.98
									Check # 36413 Total :
									232.98
36414	06-Mar-2008			WASTEMANAG	WASTE MANAGEMENT	Issued	74	C	
0161606-2371-2				1-5-5610-581	UTILITIES - SANITATION				116.49
									Invoice Total :
									116.49
									Check # 36414 Total :
									116.49
36415	06-Mar-2008			XEROX	XEROX CORPORATION	Issued	74	C	
031377531				1-5-5500-556	OFFICE EQUIPMENT/SERVICE AGREEMENTS				811.00
									Invoice Total :
									811.00
									Check # 36415 Total :
									811.00
36416	13-Mar-2008			ACTIONTRUE	ACTION TRUE VALUE HARDWARE	Issued	80	C	
33337				1-1-1113-123	NEW SERVICE INSTALLATIONS				56.01
				1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES				83.75
				1-5-5200-513	MAINTENANCE EQUIPMENT				44.08
				1-5-5500-555	OFFICE SUPPLIES				13.99
									Invoice Total :
									197.83
33414				1-5-5620-582	MAINTENANCE/REPAIR				6.72
				1-5-5625-582	MAINTENANCE/REPAIR				6.72
				1-5-5700-601	RECHARGE FACILITY MAINTENANCE				23.68
				1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES				241.05
									Invoice Total :
									278.17
									Check # 36416 Total :
									476.00
36417	13-Mar-2008			AKLUF1	AKLUF1 & WY SOCKI	Issued	80	C	
Invoice Description: GENERAL									
02/08				1-5-5810-611	GENERAL LEGAL				1147.50
									Invoice Total :
									1147.50
022908				1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1				975.00
									Invoice Total :
									975.00
									Check # 36417 Total :
									2122.50
36418	13-Mar-2008			ALBERTCHAT	CHATIGNY, ALBERT	Issued	80	C	
Invoice Description: 2/3, 2/13, 3/6, 3/12									
031208				1-5-5510-550	BOARD OF DIRECTOR FEES				800.00
									Invoice Total :
									800.00
									Check # 36418 Total :
									800.00



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Invoice #	Account No.	Account Description								
36419	13-Mar-2008	ARTUROFLOR	FLORES, ARTURO	Issued	80	C				
Invoice Description: 2008 BOOT ALLOWANCE										
08/08	1-5-5200-508	UNIFORMS, EMPLOYEE BENEFITS							102.59	
									Invoice Total :	102.59
									Check # 36419 Total :	102.59
36420	13-Mar-2008	B ACE HOME	BEAUMONT ACE HOME CENTER	Issued	80	C				
275793	1-5-5200-513	MAINTENANCE EQUIPMENT							51.70	
									Invoice Total :	51.70
275813	1-5-5200-513	MAINTENANCE EQUIPMENT							35.00	
									Invoice Total :	35.00
275885	1-5-5200-513	MAINTENANCE EQUIPMENT							129.26	
									Invoice Total :	129.26
275918	1-5-5300-534	MAINTENANCE METERS/SERVICES							5.57	
									Invoice Total :	5.57
275943	1-5-5200-513	MAINTENANCE EQUIPMENT							61.84	
									Invoice Total :	61.84
275983	1-5-5300-534	MAINTENANCE METERS/SERVICES							5.39	
									Invoice Total :	5.39
276000	1-1-1113-123	NEW SERVICE INSTALLATIONS							7.52	
									Invoice Total :	7.52
276011	1-5-5200-513	MAINTENANCE EQUIPMENT							100.77	
									Invoice Total :	100.77
									Check # 36420 Total :	397.05
36421	13-Mar-2008	B76	BEAUMONT 76	Issued	80	C				
2287	1-5-5700-589	AUTO/FUEL							1792.54	
									Invoice Total :	1792.54
									Check # 36421 Total :	1792.54
36422	13-Mar-2008	BRINKS INC	BRINK'S INC	Issued	80	C				
Invoice Description: MARCH										
0663870660	1-5-5500-559	ARMORED CAR							389.21	
									Invoice Total :	389.21
									Check # 36422 Total :	389.21
36423	13-Mar-2008	BSTATIONER	BEAUMONT STATIONERS	Issued	80	C				
19319	1-5-5500-555	OFFICE SUPPLIES							106.41	
									Invoice Total :	106.41
									Check # 36423 Total :	106.41
36424	13-Mar-2008	BTIRE	BEAUMONT TIRE	Issued	80	C				
1740	1-5-5700-593	REPAIR VEHICLES AND TOOLS							457.70	
									Invoice Total :	457.70



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Vendor : A&A FENCE To ZETLMAIER
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 Medium : M=Manual C=Computer

Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Check # 36424 Total :									457.70	
36425	13-Mar-2008	CITYOFB	CITY OF BEAUMONT	Issued	80	C				
1701/0208	1-5-5610-581	UTILITIES - SANITATION								47.54
Invoice Total :									47.54	
Check # 36425 Total :									47.54	
36426	13-Mar-2008	CR&RINCORP	CR&R INC	Issued	80	C				
0041405	1-5-5610-581	UTILITIES - SANITATION								210.62
Invoice Total :									210.62	
Check # 36426 Total :									210.62	
36427	13-Mar-2008	CVAUTO	CHERRY VALLEY AUTOMOTIVE	Issued	80	C				
13451	1-5-5700-593	REPAIR VEHICLES AND TOOLS								468.79
Invoice Total :									468.79	
13455	1-5-5700-593	REPAIR VEHICLES AND TOOLS								109.88
Invoice Total :									109.88	
13504	1-5-5700-593	REPAIR VEHICLES AND TOOLS								29.99
Invoice Total :									29.99	
Check # 36427 Total :									608.66	
36428	13-Mar-2008	DHS-OCP	DEPT OF PUBLIC HEALTH MS #7417	Issued	80	C				
Invoice Description: MICHAEL MORALES										
031208	1-5-5300-519	EDUCATION EXPENSES								90.00
Invoice Total :									90.00	
Check # 36428 Total :									90.00	
36429	13-Mar-2008	ESBABCOCK	ES BABCOCK	Issued	80	C				
AC80479-0034	1-5-5200-512	LAB TESTING								280.00
Invoice Total :									280.00	
Check # 36429 Total :									280.00	
36430	13-Mar-2008	FEDEX	FEDEX	Issued	80	C				
2-564-15473	1-5-5820-612	DEVELOPMENT - REIMB. ENGINEERING								61.69
Invoice Total :									61.69	
Check # 36430 Total :									61.69	
36431	13-Mar-2008	GASSCO	GAS ARC STEEL SUPPLY CO	Issued	80	C				
39732	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES								60.07
Invoice Total :									60.07	
Check # 36431 Total :									60.07	
36432	13-Mar-2008	GENESIS	GENESIS CONSTRUCTION	Issued	80	C				
Invoice Description: WELL 25										
Check # 36432 Total :									104350.80	



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Invoice Total :									104350.80	
Check # 36432 Total :									104350.80	
36433	13-Mar-2008	GENESIS	GENESIS CONSTRUCTION	Issued	80	C				
Invoice Description:WELL 29										
07-468-109WELL29	2-1-0605-704	CONTRACT								306883.73
Invoice Total :									306883.73	
Check # 36433 Total :									306883.73	
36434	13-Mar-2008	GRAINGER	GRAINGER	Issued	80	C				
Invoice Description:9582771425 & 9582771417										
9582771417&1425	1-5-5700-590	SAFETY EQUIPMENT								540.00
	1-5-5700-590	SAFETY EQUIPMENT								41.85
Invoice Total :									581.85	
Check # 36434 Total :									581.85	
36435	13-Mar-2008	HIGHLANDSP	HIGHLAND SPRINGS EXPRESS LUBE	Issued	80	C				
00101-000029	1-5-5700-596	AUTO/EQUIPMENT OPERATION								432.44
Invoice Total :									432.44	
08012800000017	1-5-5700-596	AUTO/EQUIPMENT OPERATION								205.03
Invoice Total :									205.03	
08030500000015	1-5-5700-596	AUTO/EQUIPMENT OPERATION								263.53
Invoice Total :									263.53	
Check # 36435 Total :									901.00	
36436	13-Mar-2008	IDEARCMEDI	IDEARC MEDIA CORP. ATTN CUSTOMER SVC	Issued	80	C				
490012699687	1-5-5500-562	SUBSCRIPTIONS								45.50
Invoice Total :									45.50	
Check # 36436 Total :									45.50	
36437	13-Mar-2008	KVSPAINANTAN	KV'S PAINT AND DECORATING	Issued	80	C				
97031	1-5-5200-513	MAINTENANCE EQUIPMENT								145.95
	2-1-0304-703	MATERIAL								82.86
Invoice Total :									228.81	
97032	1-5-5200-513	MAINTENANCE EQUIPMENT								83.94
Invoice Total :									83.94	
Check # 36437 Total :									312.75	
36438	13-Mar-2008	LAFCOSBC	LAFCO - San Bernardino County	Issued	80	C				
031208BCVWD	1-5-5820-611	GENERAL ENGINEERING								4250.00
Invoice Total :									4250.00	
Check # 36438 Total :									4250.00	
36439	13-Mar-2008	LINE-X	LINE-X	Issued	80	C				
1916	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								706.00



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Invoice Total :									706.00	
Check # 36439 Total :									706.00	
36440	13-Mar-2008	LUTHERSTRU	LUTHERS TRUCK & EQUIPMENT	Issued	80	C				
25245	1-5-5700-594	LARGE EQUIPMENT MAINTENANCE								917.47
Invoice Total :									917.47	
Check # 36440 Total :									917.47	
36441	13-Mar-2008	MACROCOMML	MACRO COMMUNICATIONS	Issued	80	C				
2383	2-1-0616-704	CONTRACT								1500.00
Invoice Total :									1500.00	
2384	2-1-0616-704	CONTRACT								10000.00
Invoice Total :									10000.00	
Check # 36441 Total :									11500.00	
36442	13-Mar-2008	MARTYSMOBI	MARTY'S MOBILE CAR WASH	Issued	80	C				
94748	1-5-5700-596	AUTO/EQUIPMENT OPERATION								48.00
Invoice Total :									48.00	
Check # 36442 Total :									48.00	
36443	13-Mar-2008	MATICH	MATICH CORP	Issued	80	C				
130452	1-5-5300-530	MAINTENANCE PIPELINE/FIRE HYDRANT								70.00
Invoice Total :									70.00	
Check # 36443 Total :									70.00	
36444	13-Mar-2008	MISSIONOAK	MISSION OAKS NATIONAL BANK	Issued	80	C				
Invoice Description: ESCROW ACCT 01002947 WELL25										
07468109WELL25	2-1-0527-704	CONTRACT								11594.53
Invoice Total :									11594.53	
Check # 36444 Total :									11594.53	
36445	13-Mar-2008	MISSIONOAK	MISSION OAKS NATIONAL BANK	Issued	80	C				
Invoice Description: ESCROW ACCT 01002948										
07468109WELL29	2-1-0605-704	CONTRACT								34118.97
Invoice Total :									34118.97	
Check # 36445 Total :									34118.97	
36446	13-Mar-2008	NINOS	NINO'S	Issued	80	C				
Invoice Description: JAN & FEB										
03/08	1-5-5700-589	AUTO/FUEL								10852.03
Invoice Total :									10852.03	
Check # 36446 Total :									10852.03	
36447	13-Mar-2008	OCBREPROGR	OCB REPROGRAPHICS	Issued	80	C				
5209020	1-5-5500-355	OFFICE SUPPLIES								201.49



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Invoice Total :									201.49	
5209168	1-5-5500-555	OFFICE SUPPLIES								149.77
Invoice Total :									149.77	
Check # 36447 Total :									351.26	
36448	13-Mar-2008	PACIFICALA	PACIFIC ALARM	Issued	80	C				
R 74573	1-5-5500-557	OFFICE MAINTENANCE								47.50
Invoice Total :									47.50	
Check # 36448 Total :									47.50	
36449	13-Mar-2008	PACIFICHYD	PACIFIC HYDROTECH CORP.	Issued	80	C				
Invoice Description:WELL 26										
4488	2-1-0526-704	CONTRACT								16156.85
Invoice Total :									16156.85	
Check # 36449 Total :									16156.85	
36450	13-Mar-2008	PATSPOTS	PAT'S POTS	Issued	80	C				
11177	1-5-5700-601	RECHARGE FACILITY MAINTENANCE								310.00
Invoice Total :									310.00	
11178	1-5-5700-601	RECHARGE FACILITY MAINTENANCE								80.00
Invoice Total :									80.00	
Check # 36450 Total :									390.00	
36451	13-Mar-2008	PRESSETER	PRESS ENTERPRISE	Issued	80	C				
56344647	1-5-5500-573	MISCELLANEOUS EXPENSES								2886.35
Invoice Total :									2886.35	
Check # 36451 Total :									2886.35	
36452	13-Mar-2008	RECORDGAZE	THE RECORD GAZETTE	Issued	80	C				
02/08	1-5-5500-573	MISCELLANEOUS EXPENSES								161.00
Invoice Total :									161.00	
Check # 36452 Total :									161.00	
36453	13-Mar-2008	RIOSTONE	RIO STONE BUILDING MATERIALS	Issued	80	C				
9767	1-5-5700-597	MAINT/GENERAL CYN & PONDS								177.79
Invoice Total :									177.79	
Check # 36453 Total :									177.79	
36454	13-Mar-2008	SBVMWD	SAN BERNARDINO VALLEY MWD	Issued	80	C				
03/08	1-5-5500-572	STATE MANDATES AND TARRIFFS								85.00
	1-5-5500-572	STATE MANDATES AND TARRIFFS								85.00
	1-5-5500-572	STATE MANDATES AND TARRIFFS								85.00
	1-5-5500-572	STATE MANDATES AND TARRIFFS								85.00
	1-5-5500-572	STATE MANDATES AND TARRIFFS								85.00
	1-5-5500-572	STATE MANDATES AND TARRIFFS								85.00
	1-5-5500-572	STATE MANDATES AND TARRIFFS								85.00



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount
Invoice #	Account No.	Account Description							
	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
		Invoice Total :		1275.00					
031208A	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
		Invoice Total :		85.00					
031208B	1-5-5500-572	STATE MANDATES AND TARRIFFS		85.00					
		Invoice Total :		85.00					
		Check # 36454 Total :		1445.00					
36455	13-Mar-2008	SGPWA	SAN GORGONIO PASS WATER AGENCY	Issued		80	C		
	Invoice Description:02/04-02/29/08 STATE PROJ WTR								
2008-02	1-5-5200-620	State project water purchased		62245.00					
		Invoice Total :		62245.00					
		Check # 36455 Total :		62245.00					
36456	13-Mar-2008	STAPLES	STAPLES BUSINESS ADVANTAGE	Issued		80	C		
8009056425	1-5-5500-555	OFFICE SUPPLIES		216.55					
		Invoice Total :		216.55					
		Check # 36456 Total :		216.55					
36457	13-Mar-2008	STELLAPARK	PARKS, STELLA	Issued		80	C		
	Invoice Description:3/5 & 3/12								
031208	1-5-5510-550	BOARD OF DIRECTOR FEES		400.00					
		Invoice Total :		400.00					
		Check # 36457 Total :		400.00					
36458	13-Mar-2008	STMP000427	QUAN, LEON	Issued		80	C		
	Invoice Description:Refund on account 086-3115-001.								
		Invoice Total :		0.00					
		Check # 36458 Total :		23.32					
36459	13-Mar-2008	STMP000429	SHANNON NELSON/HOMETOWN PROPERTY	Issued		80	C		
	Invoice Description:Refund on account 047-0520-001.								
		Invoice Total :		0.00					
		Check # 36459 Total :		28.93					
36460	13-Mar-2008	TIMEWARNER	TIME WARNER CABLE	Issued		80	C		
9655/0308	1-5-5610-580	UTILITES - TELEPHONE		271.60					
		Invoice Total :		271.60					



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Check # 36460 Total :									271.60	
36461	13-Mar-2008	VERIZON	VERIZON	Issued	80	C				
0159/0308	1-5-5610-580	UTILITES - TELEPHONE								91.54
Invoice Total :									91.54	
9581/0308	1-5-5610-580	UTILITES - TELEPHONE								531.94
Invoice Total :									531.94	
Check # 36461 Total :									623.48	
36462	13-Mar-2008	VERIZONWIR	VERIZON WIRELESS	Issued	80	C				
0636241129	1-5-5610-580	UTILITES - TELEPHONE								60.78
Invoice Total :									60.78	
Check # 36462 Total :									60.78	
36463	13-Mar-2008	WILLAS	LASH, WILLIAM	Cancelled	80	C				
Invoice Description:Cancelled Invoice -										
031108	1-5-5510-550	BOARD OF DIRECTOR FEES								200.00
	1-5-5510-551	SEMINAR & TRAVEL EXPENSES								44.00
Invoice Total :									244.00	
Check # 36463 Total :									0.00	
36464	13-Mar-2008	DOPPMARQUE	MARQUEL DOPP	Issued	83	C				
Invoice Description:03/03, 03/06, 03/12										
031208	1-5-5510-550	BOARD OF DIRECTOR FEES								600.00
Invoice Total :									600.00	
Check # 36464 Total :									600.00	
36465	13-Mar-2008	WILLAS	LASH, WILLIAM	Issued	83	C				
Invoice Description:03/03 & 03/12										
031208	1-5-5510-550	BOARD OF DIRECTOR FEES								400.00
Invoice Total :									400.00	
Invoice Description:GRAND JURY										
031308	1-5-5510-550	BOARD OF DIRECTOR FEES								200.00
Invoice Total :									200.00	
Check # 36465 Total :									600.00	
36466	14-Mar-2008	WILLLASH	LASH, WILL	Issued	87	C				
Invoice Description:MILEAGE										
031408	1-5-5510-551	SEMINAR & TRAVEL EXPENSES								44.50
Invoice Total :									44.50	
Check # 36466 Total :									44.50	
36467	20-Mar-2008	COFRIVERSI	TLMA ADMINISTRATION COUNTY OF RIVERS	Issued	89	C				
Invoice Description:R06-11-0140										
EP00020611	21-0617-703		MATERIAL							9940.50



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount
Invoice #	Account No.	Account Description							
Invoice Total :									9940.50
Check # 36467 Total :									9940.50
36468	20-Mar-2008	QUALITYCON	QUALITY CONSTRUCTION MANAGEMENT	Issued	89	C			
BCV0020	2-1-0536-704	CONTRACT							
Invoice Total :									496997.63
Check # 36468 Total :									496997.63
36469	20-Mar-2008	RAYMARTINE	RAY MARTINEZ & ASSOCIATES ARCHITECTS	Issued	89	C			
Invoice Description: NEW OFFICE BLDG									
05158-30	2-1-0536-704	CONTRACT							
Invoice Total :									24402.38
Check # 36469 Total :									24402.38
36470	21-Mar-2008	BYRDINDELE	BYRD INC ELECTRONICS	Issued	92	C			
1127	2-1-0312-702	EQUIPMENT							
	2-1-0323-702	Well #24 - Equipment							
Invoice Total :									18250.57
Check # 36470 Total :									18250.57
36472	26-Mar-2008	HEMETVALLE	HEMET VALLEY TOOL & SUPPLY	Issued	94	C			
Invoice Description: Ingersoll Rand 185 Air Comp with tools and accessories									
03/08	2-1-0805-702	AIR COMPRESSOR W/TOOLS & ACCESSORIES							
Invoice Total :									21694.39
Check # 36472 Total :									21694.39
36473	27-Mar-2008	ACTIONTRUE	ACTION TRUE VALUE HARDWARE	Issued	95	C			
33301	1-5-5300-531	LINE LOCATES							
	1-5-5200-513	MAINTENANCE EQUIPMENT							
	1-5-5300-534	MAINTENANCE METERS/SERVICES							
	1-5-5200-511	TREATMENT & CHEMICALS							
	1-5-5300-534	MAINTENANCE METERS/SERVICES							
	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES							
Invoice Total :									236.33
33426	1-5-5200-513	MAINTENANCE EQUIPMENT							
	1-5-5500-555	OFFICE SUPPLIES							
	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES							
Invoice Total :									158.08
Check # 36473 Total :									394.41
36474	27-Mar-2008	AIRPROSERV	AIR PRO SERVICES	Issued	95	C			
Invoice Description: 13695 OAK GLEN RD									
119978	1-5-5620-582	MAINTENANCE/REPAIR							
Invoice Total :									19.00
Invoice Description: 13697 OAK GLEN RD									
119979	1-5-5625-582	MAINTENANCE/REPAIR							



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Invoice Total :									19.00	
Check # 36474 Total :									38.00	
36475	27-Mar-2008	ALLPURPOSE	ALL PURPOSE RENTALS	Issued	95 C					
5798	2-1-0625-703	MATERIAL								126.50
Invoice Total :									126.50	
Check # 36475 Total :									126.50	
36476	27-Mar-2008	AVAYA	AVAYA	Issued	95 C					
2727015608	1-5-5500-556	OFFICE EQUIPMENT/SERVICE AGREEMENTS								130.73
Invoice Total :									130.73	
Check # 36476 Total :									130.73	
36477	27-Mar-2008	B ACE HOME	BEAUMONT ACE HOME CENTER	Issued	95 C					
275849	1-5-5500-557	OFFICE MAINTENANCE								3.65
Invoice Total :									3.65	
275883	1-5-5200-511	TREATMENT & CHEMICALS								22.17
Invoice Total :									22.17	
275941	1-5-5300-534	MAINTENANCE METERS/SERVICES								12.89
Invoice Total :									12.89	
275958	1-5-5300-534	MAINTENANCE METERS/SERVICES								15.46
Invoice Total :									15.46	
275961	1-5-5300-530	MAINTENANCE PIPELINE/FIRE HYDRANT								17.20
Invoice Total :									17.20	
276221	1-5-5300-530	MAINTENANCE PIPELINE/FIRE HYDRANT								64.59
Invoice Total :									64.59	
276227	1-5-5300-530	MAINTENANCE PIPELINE/FIRE HYDRANT								29.77
Invoice Total :									29.77	
276300	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES								19.37
Invoice Total :									19.37	
276490	1-5-5200-513	MAINTENANCE EQUIPMENT								71.03
Invoice Total :									71.03	
276551	1-5-5500-564	MISCELLANEOUS TOOLS/EQUIPMENT								30.73
Invoice Total :									30.73	
276596	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES								42.43
Invoice Total :									42.43	
276597	1-5-5200-513	MAINTENANCE EQUIPMENT								203.30
Invoice Total :									203.30	
276792	1-5-5700-590	SAFETY EQUIPMENT								54.93
Invoice Total :									54.93	
276848	1-5-5200-511	TREATMENT & CHEMICALS								17.21
Invoice Total :									17.21	



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Vendor : A&A FENCE To ZETLMAIER
 Check Dt. : 01-Mar-2008 To 31-Mar-2008
 Bank : 1 To 1

Seq : Check No. Status : All
 Medium : M=Manual C=Computer

Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Check # 36477 Total :									604.73	
36478	27-Mar-2008	B ACE HOME	BEAUMONT ACE HOME CENTER	Issued	95 C					
276849	1-5-5500-555	OFFICE SUPPLIES								1.50
Invoice Total :									1.50	
Check # 36478 Total :									1.50	
36479	27-Mar-2008	B76	BEAUMONT 76	Issued	95 C					
Invoice Description: 03/01-03/15/08										
2292	1-5-5700-589	AUTO/FUEL								1980.42
Invoice Total :									1980.42	
Check # 36479 Total :									1980.42	
36480	27-Mar-2008	BASICCHEMI	BASIC CHEMICAL SOLUTIONS LLC	Issued	95 C					
Invoice Description: WELL 24										
SI5432505	1-5-5200-511	TREATMENT & CHEMICALS								1759.40
Invoice Total :									1759.40	
Check # 36480 Total :									1759.40	
36481	27-Mar-2008	BENDEFORGE	DEFORGE, BEN	Issued	95 C					
Invoice Description: 2008 BOOT ALLOWANCE										
031608	1-5-5200-508	UNIFORMS, EMPLOYEE BENEFITS								99.86
Invoice Total :									99.86	
Check # 36481 Total :									99.86	
36482	27-Mar-2008	BLAWNMOWEF	BEAUMONT LAWNMOWER	Issued	95 C					
0320A	1-5-5700-592	REPAIR MAINTENANCE & GENERAL EQUIPMENT								54.09
Invoice Total :									54.09	
Check # 36482 Total :									54.09	
36483	27-Mar-2008	BRITHINEE	BRITHINEE ELECTRIC	Issued	95 C					
Invoice Description: well 23										
149651	1-5-5200-513	MAINTENANCE EQUIPMENT								4255.53
Invoice Total :									4255.53	
Check # 36483 Total :									4255.53	
36484	27-Mar-2008	BROOK	BROOK FURNITURE RENTAL	Issued	95 C					
4690264035	2-1-0536-704	CONTRACT								92.71
Invoice Total :									92.71	
Check # 36484 Total :									92.71	
36485	27-Mar-2008	BRYANWILFL	WILFLEY, BRYAN	Issued	95 C					
Invoice Description: SPRING QTR 2008										
032408	1-5-5800-519	EDUCATION EXPENSE								809.21
Invoice Total :									809.21	



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Check # 36485 Total :									809.21	
36486	27-Mar-2008	BSTATIONER	BEAUMONT STATIONERS	Issued	95	C				
19361	1-5-5500-555	OFFICE SUPPLIES								3.25
Invoice Total :									3.25	
Check # 36486 Total :									3.25	
36487	27-Mar-2008	BYRDINDELE	BYRD INC ELECTRONICS	Issued	95	C				
1199	1-5-5200-517	TELEMETRY MAINTENANCE								392.30
Invoice Total :									392.30	
Check # 36487 Total :									392.30	
36488	27-Mar-2008	CAMGUARD	CAM GUARD SYSTEMS INC.	Issued	95	C				
40061	1-5-5500-556	OFFICE EQUIPMENT/SERVICE AGREEMENTS								950.00
Invoice Total :									950.00	
Check # 36488 Total :									950.00	
36489	27-Mar-2008	CINGULARWI	AT&T MOBILITY	Issued	95	C				
828353237X03162008	1-5-5610-580	UTILITES - TELEPHONE								88.05
Invoice Total :									88.05	
996323167X03112008	1-5-5610-580	UTILITES - TELEPHONE								85.19
Invoice Total :									85.19	
Check # 36489 Total :									173.24	
36490	27-Mar-2008	COFRIVASSE	COUNTY OF RIVERSIDE ASSESSOR COUNTY	Issued	95	C				
7307	1-5-5500-555	OFFICE SUPPLIES								18.00
Invoice Total :									18.00	
Check # 36490 Total :									18.00	
36491	27-Mar-2008	CONTROLVAL	CONTROL VALVE SYSTEMS INC	Issued	95	C				
1857	1-5-5200-513	MAINTENANCE EQUIPMENT								6685.71
Invoice Total :									6685.71	
Check # 36491 Total :									6685.71	
36492	27-Mar-2008	CV CHAMBER	CHERRY VALLEY CHAMBER OF COMMERCE	Issued	95	C				
Invoice Description: 2008 MEMBERSHIP RENEWAL										
03/08	1-5-5500-558	MEMBERSHIP DUES								25.00
Invoice Total :									25.00	
Check # 36492 Total :									25.00	
36493	27-Mar-2008	CVAUTO	CHERRY VALLEY AUTOMOTIVE	Issued	95	C				
13473	1-5-5700-593	REPAIR VEHICLES AND TOOLS								440.78
Invoice Total :									440.78	
13506	1-5-5700-593	REPAIR VEHICLES AND TOOLS								50.98
Invoice Total :									50.98	



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Check # 36493 Total :									491.76	
36494	27-Mar-2008	DAVIDEVANS	DAVID EVANS & ASSOCIATES INC	Issued	95	C				
244425	2-1-0710-704	CONTRACT								9950.00
Invoice Total :									9950.00	
Check # 36494 Total :									9950.00	
36495	27-Mar-2008	DESIGNSPAC	DESIGN SPACE MODULAR BUILDINGS INC.	Issued	95	C				
Invoice Description:F000570										
0674905	2-1-0536-704	CONTRACT								1863.00
Invoice Total :									1863.00	
Invoice Description:F00632R										
0674967	2-1-0536-704	CONTRACT								1451.00
Invoice Total :									1451.00	
Check # 36495 Total :									3314.00	
36496	27-Mar-2008	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	95	C				
Invoice Description:2-29-011-0410										
0410/0308	1-5-5200-515	UTILITIES - ELECTRIC								24.42
Invoice Total :									24.42	
Invoice Description:2-30-136-2661										
2661/0308	1-5-5200-515	UTILITIES - ELECTRIC								40.66
Invoice Total :									40.66	
Invoice Description:2-02-599-3296										
3296/0308	1-5-5200-515	UTILITIES - ELECTRIC								314.69
Invoice Total :									314.69	
Invoice Description:2-28-548-3756										
3756/0308	1-5-5610-515	UTILITIES - ELECTRIC								501.65
Invoice Total :									501.65	
Invoice Description:2-04-003-3854										
3854/0308	1-5-5200-515	UTILITIES - ELECTRIC								85.75
Invoice Total :									85.75	
Invoice Description:2-19-388-4988										
4988/0308	1-5-5200-515	UTILITIES - ELECTRIC								529.07
Invoice Total :									529.07	
Invoice Description:2-13-846-5000										
5000/0308	1-5-5620-515	UTILITIES - ELECTRIC								75.89
Invoice Total :									75.89	
Invoice Description:2-24-794-5108										
5108/0308	1-5-5200-515	UTILITIES - ELECTRIC								16.38
Invoice Total :									16.38	
Invoice Description:2-27-933-5947										
5947/0308A	1-5-5200-515	UTILITIES - ELECTRIC								53.37



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Invoice Description:2-27-452-6094									Invoice Total :	53.37
6094/0308	1-5-5200-515	UTILITIES - ELECTRIC								17709.54
Invoice Description:2-13-678-7348									Invoice Total :	17709.54
7348/0308	1-5-5615-515	UTILITIES - ELECTRIC								188.96
Invoice Description:2-13-772-8200									Invoice Total :	188.96
8200/0308	1-5-5625-515	UTILITIES - ELECTRIC								178.75
Invoice Description:2-28-585-8734									Invoice Total :	178.75
8734/0308	1-5-5610-515	UTILITIES - ELECTRIC								862.89
Invoice Description:2-04-095-8803									Invoice Total :	862.89
8803/0308	1-5-5200-515	UTILITIES - ELECTRIC								101.06
									Invoice Total :	101.06
									Check # 36496 Total :	20683.08
36497	27-Mar-2008	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	95	C				
Invoice Description:2-26-082-9270									Invoice Total :	11711.91
9270/0308	1-5-5200-515	UTILITIES - ELECTRIC								11711.91
									Invoice Total :	11711.91
									Check # 36497 Total :	11711.91
36498	27-Mar-2008	EMANUELSAL	SALINAS, EMANUEL	Issued	95	C				
Invoice Description:BOOKS									Invoice Total :	299.97
03782Z	1-5-5500-519	EDUCATION EXPENSES								299.97
Invoice Description:WINTER 2008 TUITION									Invoice Total :	299.97
11/07	1-5-5500-519	EDUCATION EXPENSES								1402.01
									Invoice Total :	1402.01
Invoice Description:BOOKS									Invoice Total :	54.41
12/07	1-5-5500-519	EDUCATION EXPENSES								54.41
									Invoice Total :	54.41
Invoice Description:CSUSB PARKING									Invoice Total :	74.09
200959	1-5-5500-519	EDUCATION EXPENSES								74.09
									Invoice Total :	74.09
									Check # 36498 Total :	1830.48
36499	27-Mar-2008	ESBABCOCK	ES BABCOCK	Issued	95	C				
AC80901-0034									Invoice Total :	210.00
AC80901-0034	1-5-5200-512	LAB TESTING								210.00
									Invoice Total :	210.00
AC81112-0034									Invoice Total :	35.00
AC81112-0034	1-5-5200-512	LAB TESTING								35.00



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Invoice Total :									35.00	
AC81529-0034	1-5-5200-512	LAB TESTING								315.00
Invoice Total :									315.00	
Check # 36499 Total :									560.00	
36500	27-Mar-2008	FARMERBROS	FARMER BROS	Issued	95	C				
2890020	1-5-5500-555	OFFICE SUPPLIES								120.16
Invoice Total :									120.16	
Check # 36500 Total :									120.16	
36501	27-Mar-2008	FEDEX	FEDEX	Issued	95	C				
2-576-85137	1-5-5500-561	POSTAGE								30.49
Invoice Total :									30.49	
2-589-78283	1-5-5500-561	POSTAGE								14.13
Invoice Total :									14.13	
Check # 36501 Total :									44.62	
36502	27-Mar-2008	GASSCO	GAS ARC STEEL SUPPLY CO	Issued	95	C				
39756	1-5-5500-563	MISCELLANEOUS OPERATING SUPPLIES								3.77
Invoice Total :									3.77	
Check # 36502 Total :									3.77	
36503	27-Mar-2008	HIGHLANDSP	HIGHLAND SPRINGS EXPRESS LUBE	Issued	95	C				
08031800000041	1-5-5700-596	AUTO/EQUIPMENT OPERATION								36.44
Invoice Total :									36.44	
Check # 36503 Total :									36.44	
36504	27-Mar-2008	HLLAND	HL LAND DEVELOPMENT	Issued	95	C				
Invoice Description: TRACT 32344										
03/08	1-5-5820-612	DEVELOPMENT - REIMB. ENGINEERING								1879.57
Invoice Total :									1879.57	
Check # 36504 Total :									1879.57	
36505	27-Mar-2008	HUDECS	HUDECS COMPUTER CONSULTING	Issued	95	C				
17659A	1-5-5500-556	OFFICE EQUIPMENT/SERVICE AGREEMENTS								7032.15
	2-1-0536-702	EQUIPMENT								2615.84
Invoice Total :									9647.99	
Check # 36505 Total :									9647.99	
36506	27-Mar-2008	INLANDWATE	INLAND WATER WORKS	Issued	95	C				
195852	1-1-1310-180	INVENTORY								430.00
	1-1-1310-180	INVENTORY								33.33
Invoice Total :									463.33	
Invoice Description: Tools for Unit # 5										
195853	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								50.00



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								79.00
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								105.00
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								39.65
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								21.21
	Invoice Total :								294.86	
196109	1-1-1310-180	INVENTORY								15.40
	1-1-1310-180	INVENTORY								21.10
	1-1-1310-180	INVENTORY								6.30
	1-1-1310-180	INVENTORY								6.30
	1-1-1310-180	INVENTORY								55.95
	1-1-1310-180	INVENTORY								157.50
	1-1-1310-180	INVENTORY								20.50
	1-1-1310-180	INVENTORY								85.00
	1-1-1310-180	INVENTORY								108.00
	1-1-1310-180	INVENTORY								126.00
	1-1-1310-180	INVENTORY								46.68
	Invoice Total :								648.73	
	Invoice Description: Tools for Unit # 5									
196110	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								39.65
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								232.00
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								78.00
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								27.10
	Invoice Total :								376.75	
196111	1-1-1310-180	INVENTORY								20.60
	1-1-1310-180	INVENTORY								1.60
	Invoice Total :								22.20	
196112	1-1-1310-180	INVENTORY								186.40
	1-1-1310-180	INVENTORY								15.40
	1-1-1310-180	INVENTORY								6.30
	1-1-1310-180	INVENTORY								292.80
	1-1-1310-180	INVENTORY								109.20
	1-1-1310-180	INVENTORY								882.00
	1-1-1310-180	INVENTORY								115.64
	Invoice Total :								1607.74	
	Invoice Description: CREDIT MEMO									
196239	1-5-5700-597	MAINT/GENERAL CYN & PONDS								-301.83
	Invoice Total :								-301.83	
	Check # 36506 Total :								3048.43	
36507	27-Mar-2008	INLANDWATE	INLAND WATER WORKS	Issued	95 C					
196395	1-1-1310-180	INVENTORY								49.00
	1-1-1310-180	INVENTORY								3.80
	Invoice Total :								52.80	
196396	1-1-1310-180	INVENTORY								232.50
	1-1-1310-180	INVENTORY								106.00
	1-1-1310-180	INVENTORY								26.24
	Invoice Total :								364.74	
	Invoice Description: Tools for Unit # 5									
196397	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								69.00



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								5.35
									Invoice Total :	74.35
									Check # 36507 Total :	482.76
36508	27-Mar-2008	MARTYSMOBI	MARTY'S MOBILE CAR WASH	Issued			95 C			
030808	1-5-5700-596	AUTO/EQUIPMENT OPERATION								144.00
									Invoice Total :	144.00
51533	1-5-5700-596	AUTO/EQUIPMENT OPERATION								48.00
									Invoice Total :	48.00
523630	1-5-5700-596	AUTO/EQUIPMENT OPERATION								144.00
									Invoice Total :	144.00
523633	1-5-5700-596	AUTO/EQUIPMENT OPERATION								12.00
									Invoice Total :	12.00
									Check # 36508 Total :	348.00
36509	27-Mar-2008	MATICH	MATICH CORP	Issued			95 C			
130914	1-5-5300-530	MAINTENANCE PIPELINE/FIRE HYDRANT								35.00
									Invoice Total :	35.00
									Check # 36509 Total :	35.00
36510	27-Mar-2008	METROCALL	USA MOBILITY WIRELESS INC.	Issued			95 C			
R0152081C	1-5-5610-580	UTILITES - TELEPHONE								104.31
									Invoice Total :	104.31
									Check # 36510 Total :	104.31
36511	27-Mar-2008	MIKEMCGEOR	MIKE MCGEORGE GOPHER CONTROL	Issued			95 C			
Invoice Description: MARCH										
13980	1-5-5700-601	RECHARGE FACILITY MAINTENANCE								250.00
									Invoice Total :	250.00
									Check # 36511 Total :	250.00
36512	27-Mar-2008	MSTBACKFLO	MST BACKFLOW	Issued			95 C			
Invoice Description: NEW OFFICE										
020909	2-1-0536-703	MATERIAL								40.00
									Invoice Total :	40.00
									Check # 36512 Total :	40.00
36513	27-Mar-2008	NAPAAUTOPA	NAPA AUTO PARTS	Issued			95 C			
554462	1-5-5700-596	AUTO/EQUIPMENT OPERATION								13.44
									Invoice Total :	13.44
554872	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								716.47
									Invoice Total :	716.47
554873	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								194.96
									Invoice Total :	194.96



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Check # 36513 Total :									924.87	
36514	27-Mar-2008	PARSONS	PARSONS	Issued	95	C				
Invoice Description:01/26/08-02/29/08										
08030206	1-5-5820-612	DEVELOPMENT - REIMB. ENGINEERING								9437.50
	2-1-0527-705	ENGINEERING								10200.83
	2-1-0422-705	ENGINEERING								13905.00
	2-1-0709-705	ENGINEERING								5415.00
	2-1-0526-705	ENGINEERING								2490.00
	2-1-0700-705	SRF Loan - Recyled Water System								14.59
	2-1-0605-705	ENGINEERING								15779.97
	2-1-0618-705	ENGINEERING								4431.73
	2-1-0625-705	ENGINEERING								15827.50
	1-5-5820-612	DEVELOPMENT - REIMB. ENGINEERING								10177.50
	2-1-0605-705	ENGINEERING								12367.60
	2-1-0527-705	ENGINEERING								11237.41
	2-1-0526-705	ENGINEERING								1714.18
	1-5-5300-538	INSPECTIONS								25612.26
Invoice Total :									138611.07	
Check # 36514 Total :									138611.07	
36515	27-Mar-2008	QUALITYPLU	QUALITY PLUMBING	Issued	95	C				
19688	1-5-5620-582	MAINTENANCE/REPAIR								182.50
Invoice Total :									182.50	
Check # 36515 Total :									182.50	
36516	27-Mar-2008	RCWS	RIVERSIDE COUNTY WATER SYMPOSIUM	Issued	95	C				
Invoice Description:May 1, 2008										
03/08	1-5-5510-551	SEMINAR & TRAVEL EXPENSES								540.00
	1-5-5500-518	SEMINAR & TRAVEL EXPENSES								135.00
Invoice Total :									675.00	
Check # 36516 Total :									675.00	
36517	27-Mar-2008	SAFEGUARD	SAFEGUARD	Issued	95	C				
023999711	1-5-5500-555	OFFICE SUPPLIES								547.49
Invoice Total :									547.49	
024003313	1-5-5500-555	OFFICE SUPPLIES								561.04
Invoice Total :									561.04	
Check # 36517 Total :									1108.53	
36518	27-Mar-2008	SCHLANGEJA	SCHLANGE, J. ANDREW	Issued	95	C				
Invoice Description:MARCH PROJ 1										
032408	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								1950.00
Invoice Total :									1950.00	
Check # 36518 Total :									1950.00	
36519	27-Mar-2008	SCHLANGEJA	SCHLANGE, J. ANDREW	Issued	95	C				
Invoice Description:MARCH										



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Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount
		032908		1-5-5820-615	ENGINEERING REC WATER				3968.01
								Invoice Total :	3968.01
								Check # 36519 Total :	3968.01
36520			27-Mar-2008	SOCALWEST	SO CAL WEST COST ELECTRIC	Issued	95 C		
					Invoice Description:WELL 26				
1482				2-1-0526-703	MATERIAL				12250.00
								Invoice Total :	12250.00
								Check # 36520 Total :	12250.00
36521			27-Mar-2008	STAPLES	STAPLES BUSINESS ADVANTAGE	Issued	95 C		
8009123238				1-5-5500-555	OFFICE SUPPLIES				333.56
								Invoice Total :	333.56
8009174216				1-5-5500-555	OFFICE SUPPLIES				839.46
								Invoice Total :	839.46
								Check # 36521 Total :	1173.02
36522			27-Mar-2008	STELLAPARK	PARKS, STELLA	Issued	95 C		
					Invoice Description:03/14, 03/17, 03/25 meetings				
032508				1-5-5510-550	BOARD OF DIRECTOR FEES				600.00
								Invoice Total :	600.00
								Check # 36522 Total :	600.00
36523			27-Mar-2008	STMP000430	SO W CHO	Issued	95 C		
					Invoice Description:Refund on account 068-0040-001.				
								Invoice Total :	0.00
								Check # 36523 Total :	201.06
36524			27-Mar-2008	STMP000431	MANORS ALLEGHENY	Issued	95 C		
					Invoice Description:Refund on account 090-1301-000.				
								Invoice Total :	0.00
								Check # 36524 Total :	279.36
36525			27-Mar-2008	STMP000432	MANORS ALLEGHENY	Issued	95 C		
					Invoice Description:Refund on account 090-1304-000.				
								Invoice Total :	0.00
								Check # 36525 Total :	268.14
36526			27-Mar-2008	STMP000433	R & M HERNANDEZ TRUCKING	Issued	95 C		
					Invoice Description:Refund on account 098-9504-004.				
								Invoice Total :	0.00
								Check # 36526 Total :	601.02
36527			27-Mar-2008	TERMINIX	TERMINIX	Issued	95 C		



Check Register - Detail - Bank

Vendor : A&A FENCE To ZETLMAIER
 Check Dt. : 01-Mar-2008 To 31-Mar-2008
 Bank : 1 To 1

Seq : Check No. Status : All
 Medium : M=Manual C=Computer

Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount
Invoice #	Account No.	Account Description							
Invoice Description: 560 MAGNOLIA									
275886759	1-5-5500-557	OFFICE MAINTENANCE							
									49.00
									Invoice Total : 49.00
									Check # 36527 Total : 49.00
36528	27-Mar-2008	TOMLARA	TOM LARA	Issued	95	C			
Invoice Description: CHERRY TANK 3									
1680	2-1-0438-703	MATERIAL							
									5995.00
									Invoice Total : 5995.00
Invoice Description: WELL 26									
1681	2-1-0526-703	MATERIAL							
									10329.75
									Invoice Total : 10329.75
Invoice Description: REC FAC									
1682	1-5-5700-601	RECHARGE FACILITY MAINTENANCE							
									500.00
									Invoice Total : 500.00
									Check # 36528 Total : 16824.75
36529	27-Mar-2008	USABLUEBOO	USA BLUE BOOK	Issued	95	C			
Invoice Description: Gould Pumps for 23 & 24									
551808	1-5-5200-513	MAINTENANCE EQUIPMENT							
									944.72
	1-5-5200-513	MAINTENANCE EQUIPMENT							
									262.07
									Invoice Total : 1206.79
									Check # 36529 Total : 1206.79
36530	27-Mar-2008	VERIZON	VERIZON	Issued	95	C			
5023/0308	1-5-5610-580	UTILITES - TELEPHONE							
									72.93
									Invoice Total : 72.93
5895/0308	1-5-5610-580	UTILITES - TELEPHONE							
									485.35
									Invoice Total : 485.35
8254/0308	1-5-5610-580	UTILITES - TELEPHONE							
									142.25
									Invoice Total : 142.25
9582/0308	1-5-5610-580	UTILITES - TELEPHONE							
									475.48
									Invoice Total : 475.48
									Check # 36530 Total : 1176.01
36531	27-Mar-2008	VERIZONWIR	VERIZON WIRELESS	Issued	95	C			
0637092122	1-5-5610-580	UTILITES - TELEPHONE							
									304.36
									Invoice Total : 304.36
									Check # 36531 Total : 304.36
36532	27-Mar-2008	WASTEMANAG	WASTE MANAGEMENT	Issued	95	C			
0173932-2371-8	1-5-5610-581	UTILITIES - SANITATION							
									33.01
									Invoice Total : 33.01
									Check # 36532 Total : 33.01



Check Register - Detail - Bank

Vendor : A&A FENCE To ZETLMAIER
 Check Dt. : 01-Mar-2008 To 31-Mar-2008
 Bank : 1 To 1

Seq : Check No. Status : All
 Medium : M=Manual C=Computer

Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
36533	27-Mar-2008	WELLSFARGO	WELLS FARGO REMITTANCE CENTER	Issued	95	C				
8028/0308	1-5-5510-551	SEMINAR & TRAVEL EXPENSES								529.82
	1-5-5500-518	SEMINAR & TRAVEL EXPENSES								319.73
	2-1-0802-702	2008 F450 4WD, W/UTILITY BODY								178.88
	1-5-5700-589	AUTO/FUEL								211.99
	1-5-5500-518	SEMINAR & TRAVEL EXPENSES								565.45
	1-5-5610-580	UTILITES - TELEPHONE								51.92
								Invoice Total :	1857.79	
								Check # 36533 Total :	1857.79	
36534	27-Mar-2008	WILDERMUTH	WILDERMUTH ENVIRONMENTAL INC	Issued	95	C				
Invoice Description: NITRO IMPACTS										
2008115	2-1-0623-704	CONTRACT								50.00
								Invoice Total :	50.00	
Invoice Description: SGPWA REC RES										
2008116	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								4768.78
								Invoice Total :	4768.78	
Invoice Description: GRD WTR REC										
2008123	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								1225.00
								Invoice Total :	1225.00	
Invoice Description: TITLE 22										
2008124	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								1925.00
								Invoice Total :	1925.00	
Invoice Description: TITLE 22										
2008125	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								9900.00
								Invoice Total :	9900.00	
Invoice Description: EDGAR CYN DATA COLL										
2008126	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								8973.16
								Invoice Total :	8973.16	
Invoice Description: MAX BEN										
2008127	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								9175.40
								Invoice Total :	9175.40	
Invoice Description: MAX BEN										
2008128	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								411.25
								Invoice Total :	411.25	
Invoice Description: REC PERMIT										
2008129	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								4712.62
								Invoice Total :	4712.62	
Invoice Description: SRF LOAN										
2008130	2-1-0700-704	CONTRACT								5143.15
								Invoice Total :	5143.15	
Invoice Description: GRD WTR B BASIN										
2008131	1-5-5820-614	STWMA - PROJECT COMMITTEE NO. 1								7652.50
								Invoice Total :	7652.50	



Check Register - Detail - Bank

Vendor : A&A FENCE To ZETLMAIER
 Check Dt. : 01-Mar-2008 To 31-Mar-2008
 Bank : 1 To 1

Seq : Check No. Status : All
 Medium : M=Manual C=Computer

Bank Code	Bank Name	Check #	Check Date	Vendor Code	Vendor Name	Status	Batch	Medium	Amount	
Invoice #	Account No.	Account Description								
Check # 36534 Total :									53936.86	
36535	27-Mar-2008	YANKEESELF	YANKEE SELF STORAGE	Issued	95	C				
357	1-5-5500-557	OFFICE MAINTENANCE								652.00
Invoice Total :									652.00	
Check # 36535 Total :									652.00	
36536	27-Mar-2008	Z&LPAVING	Z&L PAVING	Issued	95	C				
2336	2-1-0625-703	MATERIAL								7035.21
	1-1-1113-123	NEW SERVICE INSTALLATIONS								360.78
	1-5-5300-534	MAINTENANCE METERS/SERVICES								3088.80
	1-5-5300-530	MAINTENANCE PIPELINE/FIRE HYDRANT								1520.43
Invoice Total :									12005.22	
Check # 36536 Total :									12005.22	
Total Computer Paid :		<u>1,645,945.25</u>		Total EFT - PAP Paid :		<u>0.00</u>		Total Paid :		<u>1,645,945.25</u>
Total Manually Paid :		<u>0.00</u>		Total EFT - File Paid :		<u>0.00</u>				



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Board of Directors
Beaumont-Cherry Valley Water District
Beaumont, California

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the accompanying statement of net assets of the Beaumont-Cherry Valley Water District (“the District”) as of December 31, 2004, 2005, and 2006, and the related statement of revenues, expenses and changes in net assets and cash flows for the years then ended, which collectively comprise the District’s basic financial statements and have issued our report thereon dated March 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance and Other Matters

As a 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 grant agreements, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is defined to be a control deficiency, or combination of control deficiencies, that adversely affects the District’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District’s financial statements that is more than inconsequential will not be prevented or detected by the District’s internal control. Matters conforming to this definition are those matters set forth below.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

(1) Education and Travel Policy

According to the education and travel policy adopted on June 4th 1998, item 10 indicates that "the District shall no longer provide credit cards for the individual use of employees". There is a list of eight to ten employees who currently have District issued credit cards. It should be noted that Board Resolution 2002-07 authorizes the General Manager to designate persons that may use District issued credit cards. The Education and Travel policy should be updated to reflect this usage.

Recommendation

We recommend that the District review and modify its Education and Travel Policy to incorporate specific policies regarding the use of credit cards.

District's Comments Regarding Corrective Actions Planned

Current policy is under revision by District Legal Counsel. Staff is also drafting a new credit card policy for Board consideration.

(2) Credit Card and Travel Transaction Documentation

Although we found no evidence that credit cards were used for other than valid District business, we found that the documented description of the business purpose of each credit card transaction could be improved upon.

Recommendation

We recommend the District review and modify its Education and Travel Policy to include specific written requirements regarding documentation involving the use of credit cards. Receipts should be maintained and attached to a simple form that is completed by the user that clearly describes the business purpose/benefit of the transaction (i.e., how the item was used for District operations or how the item provided a valid business benefit to the District). The completed form and supporting receipts should be reviewed by a knowledgeable individual in the department other than the initiator of the transaction.

The stated policies should also address the appropriate level of documentation for the various types of travel expenses. For example, the policy might require an

itemized hotel bill for all out of town lodging and supporting documentation for all travel expenses in excess of \$25.

The District may wish to allow the use of a flat meal allowance per day for travel-related meals when out of town on District business. If this were elected, then no supporting documentation would need to be provided for travel-related meals. Non-travel meals (for meetings, etc.) would not be subject to this flat allowance and would need to be supported by documentation. In all cases, the business purpose of the expense, meeting, or trip should be clearly described.

District's Comments Regarding Corrective Actions Planned

The District has acknowledged the recommendation presented in regards to updating its Education and Travel Policy specifically regarding documenting the use of credits cards. The District has also acknowledged the recommendation regarding documentation for various types of reimbursable expenses. Currently, Legal Council is reviewing and updating existing policy. Policies will address issues such as: (1) a formal credit card usage form and (2) a formal District expense report. It is the intent of each form to provide the District with:

Credit Cards

The credit card receipt, along with a brief notation that clearly describes the business purpose/benefit of the transaction.

Each transaction will be reviewed by a knowledgeable individual in a department other than the initiator of the transaction.

District Expense Report

The expense report will be used by individuals seeking reimbursement from transactions pertaining, but not limited too: hotel fare, transportation, meals, mileage, etc.

The District will need to make a determination on the minimum amount of a transaction before a receipt is required.

The District will need to make a determination on either a flat rate daily meal per diem, or choose to set individual meal allowances.

The District Expense Report will require a brief notation that clearly describes the business purpose/benefit of the transaction.

Each expense report will be reviewed by a knowledgeable individual in a department other than the initiator of the transaction.

(3) Cash Disbursement Process

During our review of internal controls over the cash disbursement process, we noted that the Accounts Payable/Payroll Clerk opens invoices, enters invoices into the system, prints the checks, is an authorized check signer and also mails the signed checks. Currently, a check register detail is provided to Board members three weeks prior to each Board meeting to provide Board members with an opportunity to select invoices for their review.

Recommendation

The person involved in data entry for cash disbursements should not be a check signer. Internal controls are also maximized when the persons involved in data entry for cash disbursements are not also involved in printing or mailing the checks. Ideally the persons involved in data entry for cash disbursements should have no access to checks once they have been printed. Internal controls are maximized when an individual other than the accounts payable clerk matches the printed checks to adequate supporting documentation prior to the check register being provided to the Board for the Board's review of transactions listed on the check register. We also recommend that a budget to actual expenditure report be provided and explained to the Board each month to assist the Board in its oversight responsibilities for the District.

District's Comments Regarding Corrective Actions Planned

Changes at the staff level have occurred since the adoption of the budget on February 2nd, 2008. One of these changes was the promotion of Mary Martin from Account Clerk II to Commercial Office Supervisor. Her duties of data entry for cash disbursement have been assigned to Account Clerk I Brandi Hollstein. Brandi is currently training her replacement in billing and will begin training in A/P on April 7th. Furthermore, Julie Salinas has been removed as a signer on all three bank accounts at Wells Fargo and LAIF (request pending (See attachment 1). The General Manager will now be the first signer and the Vice President of the Board of Directors will now be secondary signers on all checks. Either Mary Martin and/or the Assistant General Manager, Anthony Lara, could act as a signer in the event either principle signer is unavailable.

The month end financial report format is currently under review.

(4) Purchasing Policies and Procedures

The District does not have formal written policies and procedures addressing when purchase orders are required. Written policies and procedures provide documented guidelines for employees.

Recommendation

We recommend that the District establish policies and procedures for the procurement and purchase of goods and services with appropriate thresholds and approvals. It is recommended that reasonable thresholds be used to avoid unnecessary paperwork. Generally, agencies the size of the District do not require purchase orders for transactions under \$1,000.

District's Comments Regarding Corrective Actions Planned

In order to maximize internal control, the District has acknowledged the recommendation presented, and has found it beneficial to draft and implement a Purchase Order Policy and Procedures document. A formal Purchase Order Policy and Procedures request for resolution will be presented to the Board for approval. Within this request, various items will be addressed such as:

- *Purchase orders will be issued by the following persons, in the following order: Inventory Control Specialist, Commercial Office Supervisor, and Business Manager.*
- *All purchase order requests, prior to being issued will be approved by the following persons; in the following order: Assistant General Manager, Field Superintendent, and General Manager.*
- *During the approval process the Assistant General Manager, Field Superintendent, or General Manager will assign GL account numbers to reference when issuing purchase order.*
- *Purchase orders will be required for procurements of goods and services that are greater than, or equal to \$1000.00 (one thousand dollars) before any applicable sales tax, shipping, fuel surcharge, etc.*

- ***Purchase orders number will be referenced when issuing payment for goods and services that are greater than, or equal to \$1000.00 (one thousand dollars) before any applicable sales tax, shipping, fuel surcharge, etc.***

(5) Payroll Processing

During our review of internal controls over the payroll process, we noted that the Accounts Payable/Payroll Clerk, who maintains the employee payroll files, also processes payroll and is an authorized check signer.

Recommendation

In order to maximize internal control, the Accounts Payable/Payroll Clerk ("Clerk") should not be a check signer. We also recommend that direct deposit records be reviewed along with the payroll register by someone other than the Clerk. In addition, someone other than the Clerk should print the direct deposit slips and distribute the same to employees.

District's Comments Regarding Corrective Actions Planned

As stated under item 3, Julie Salinas has been removed as signer on the payroll account and the Assistant General Manager, Anthony Lara has been added in her place.

Timesheets are still being processed by Mary Martin. Both the payroll register and direct deposit records are being reviewed and approved by Emanuel Salinas. Mr. Salinas has undertaken the printing of the direct deposit slips and distributes them to the Supervisors who in turn distribute them to the individual employees on pay day. Ms. Martin still prepares the various reports and checks, which are then signed by the General Manager and Assistant Manager. Once the checks are signed, they are matched to adequate supporting documentation and mailed by Mr. Salinas. Ms. Salinas has been removed from the process in its entirety.

(6) Backup Tapes

The District has excellent IT back-up procedures that include a nightly back up for files. The nightly back up of files is kept on site. This is appropriate. However, it is also recommended that agencies supplement this on-site nightly back-up with an off-site back-up of files at least once a month. This provides a reasonable additional layer of protection in the event of the total destruction of district offices.

Recommendation

We recommend that backup tapes should be maintained offsite on a monthly basis to limit loss due to fire.

District's Comments Regarding Corrective Actions Planned

Commercial Office Supervisor, Mary Martin, has obtained a safe deposit box at Wells Fargo Bank located at 499 E. 6th Street, Beaumont, CA 92223. The District was assigned box 473. Both Ms. Martin and Ms. Diaz (an Account Clerk II) have access to the box where backup tapes can be placed weekly and/or monthly in the event of a natural disaster or other unforeseen events.

(7) Authorized Users

During our audit of cash and investments, we noted that a former employee was still listed as an authorized user on the LAIF account.

Recommendation

We recommend that records be updated in a timely manner when employees depart from the District.

District's Comments Regarding Corrective Actions Planned

The former employee has been removed from the LAIF account (see attachment #2). The termination/separation check list has been updated to include prompt removal of employees once they are no longer employed with the District or no longer in a position which requires such rights.

(8) Documentation of Support and Approval of Transactions

The District had difficulty providing supporting documentation during the audit process due to unusual circumstances such as employee turnover and the temporary location of the District with limited storage space.

Recommendation

We recommend that the District maintain files that provide for the adequate retrieval of supporting documentation. We also recommend that the District

establish procedures to ensure that in all cases the support for every transaction clearly document the approval by a knowledgeable individual in the affected department that was other than the initiator of the transaction.

District's Comments Regarding Corrective Actions Planned

There are currently documents stored in six different locations. All of these documents are set to be placed under one roof in one location in the new administrative headquarters (see attachment 3). The "record" room has been organized in the following manner: (1) all administrative files are placed against the south wall of the room, (2) all of the Utility billing files are located in the center of the room, (3) the historical documents such as minutes and deeds will be stored in fire proof cabinets lined up against the east wall and, (4) all accounts payable and payroll files will be located on the north side of the room. Network cables have been brought into the room and eventually, two scanning workstations will be added to the west side of the room for the scanning of Utility billing records.

We firmly believe that the addition of an executive secretary, which will be responsible for the management of the administrative files, will bring more order to the organization. In the latter part of 2007, daily operating procedures were developed and entered into the Vadim Software. This addition allows all employees to view and print all procedures. These procedures include the scanning and filing of supporting documentation for every transaction be it administrative, Accounts Receivable, Utility Billing, Accounts Payable or Payroll.

While the District lost three key commercial office employees in 2006, it has not experienced any losses in 2007 or thus far in 2008.

(9) Adjustments Detected by Audit Process

Paragraph 19 of *Statement on Auditing Standards No. 112* requires that the auditor communicate to the Board of Directors any material adjustments that were detected by the audit process. Material adjustments detected by the audit process involved the following:

- An adjustment to record revenue earned for services delivered but not billed as of year end
- The recording of a liability for unearned capital fees received in advance of connection to the system
- An adjustment of the liability recorded for accrued vacation

- Adjustment to record investments at fair value as required by accounting standards

Recommendation

An important element of controls over financial reporting is for management to identify adjustments necessary for the financial statements to be fairly stated. Whenever possible, adjustments should be reflected in the accounting records prior to the start of the audit. When this is not possible, management should identify and communicate to the auditors any potential areas of adjustment that may need to be addressed during the audit process. This is an important element of internal control to reduce the risk of material misstatement.

District's Comments Regarding Corrective Actions Planned

We will be responsive to creating checklists of any adjustments that needed to be made by staff, or left to our auditors. The District plans to hire a trained accountant to oversee the accounting system and prepare year-end adjustments.

(10) Investment Policy

The District does not have a formal investment policy. Although not required by state law, investment policies formalize the Board's approval of the types of investments to be used by the District. Currently, the District invests solely in the Local Agency Investment Fund ("LAIF"). This is a common and acceptable practice.

Recommendation

We recommend that the District memorialize the Board's approval of the investment types currently in use by the District.

District's Comments Regarding Corrective Actions Planned

Currently this policy is under review by staff. Once all historic documentation is located staff will draft a new investment policy for Board review.

(11) Capital Asset Records

During our audit of capital assets, we noted that assets are removed from the books when they have become fully depreciated even though the assets may still be in use. Although this is an acceptable method, we recommend that assets in use not

be removed from the capital asset records in order to provide better accountability for all assets currently owned by the District.

Recommendation

We recommend that a complete capital asset listing be maintained for all assets that are still in use by the District. Assets should be deleted from the detailed capital asset records when they have been replaced or disposed of.

District's Comments Regarding Corrective Actions Planned

We do not agree that any corrective action is needed. As stated above, The District is using an acceptable method. Depreciation is used to match the cost of capitalized assets to revenues generated over future periods. The great majority of assets are underground, and have a very long useful lives. The District does not attempt to match the cost every section of transmission or distribution main once the pipe is installed. The District does maintain records of the location and size of pipe for purposes of repairs and efficient delivery of water. It would serve no useful purpose to maintain an inventory of fully depreciated assets with descriptions such as "1000 feet, 12 inch, Beaumont Ave, \$100,000." What is needed is to know the exact location of the pipe, the size, depth, location of shutoff valves, etc. After 35 to 75 years, the original cost would not add any valuable information to ratepayers, insurers or management.

(12) Bank Reconciliation Preparation

The bank reconciliation process is one of the most important controls with respect to the accounting records. Bank reconciliations are most effective when they are performed by persons with no ties to individuals that are either responsible for the maintenance of the accounting records or that have direct or indirect access to District bank accounts (for example, persons with the ability to execute bank transfers, investment transactions, cash disbursements, or that have access to bank deposits). Currently, bank reconciliations are performed by the Inventory Control Specialist who does not have a formal accounting background and is also the spouse of the District's Business Manager who is responsible for the maintenance of the District's accounting records. Currently, the bank reconciliation process consists primarily of generating a report from the general ledger and comparing it to the bank statement (after taking into account outstanding checks and deposits in transit).

Recommendation

If possible, it is best for bank reconciliations to be performed by an individual unrelated to the Business Manager. If the District has limited personnel, one

solution would be to contract with a local accountant or bookkeeper to perform the bank reconciliation function. The reconciliation should include examining the front of cleared checks to ensure that only the persons specified by the Board to sign checks have in fact signed the cleared checks. Banks no longer perform this function and it is incumbent upon the owner of the bank account to ensure that only authorized persons are signing checks.

District's Comments Regarding Corrective Actions Planned

Ms. Salinas has been removed from all financial accounting responsibility including check signing and maintenance of accounting records. The financial accounting and reconciliation responsibility will remain with Mr. Salinas who will report directly to the District Treasurer (who will be a Certified Public Accountant).

The District's written responses to the matters identified in our audit are described above. We have not audited the District's responses, and accordingly, we express no opinion on them. Corrective actions taken to resolve the matters identified above are addressed during the following year's audit.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be used by other parties.

Mayer Hoffman McCann P.C.

Irvine, California
March 24, 2008

**BEAUMONT-CHERRY VALLEY
WATER DISTRICT**

BASIC FINANCIAL STATEMENTS

Year ended December 31, 2004

BEAUMONT-CHERRY VALLEY
WATER DISTRICT

Basic Financial Statements

Year ended December 31, 2004

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Board of Directors
Beaumont-Cherry Valley Water District
Beaumont, California

Independent Auditors' Report

We have audited the accompanying basic financial statements of the Beaumont-Cherry Valley Water District ("District"), as of and for the year ended December 31, 2004 as listed in the table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Beaumont-Cherry Valley Water District, as of December 31, 2004, and the respective changes in financial position and cash flows of Beaumont-Cherry Valley Water District for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2008 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 considered in assessing the results of our audit.

Mayer Hoffman McCann P.C.

Irvine, California
March 24, 2008

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Net Assets

December 31, 2004

Assets

Current assets:

Cash and investments (note 2)	\$ 13,049,259
Accounts receivable	922,403
Accrued interest receivable	57,686
Inventory	868,839
Prepaid expenses	<u>35,568</u>

Total current assets 14,933,755

Noncurrent assets:

Notes receivable (note 9)	480,318
Capital assets, net of accumulated depreciation (note 3)	<u>33,867,768</u>

Total noncurrent assets 34,348,086

Total assets 49,281,841

Liabilities

Current liabilities:

Accounts payable	1,435,173
Deposits payable	34,300
Accrued salaries and benefits	44,355
Unearned revenue	<u>178,186</u>

Total current liabilities 1,692,014

Noncurrent liabilities:

Compensated absences (note 1i)	<u>89,111</u>
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Total noncurrent liabilities 89,111

Total liabilities 1,781,125

Net Assets

Net assets:

Invested in capital assets, net of related debt	33,867,768
Restricted (note 11)	5,439,117
Unrestricted	<u>8,193,831</u>

Total net assets \$ 47,500,716

See accompanying notes to basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Assets
Year ended December 31, 2004

Operating revenues:	
Water sales	\$ 2,716,809
Water services:	
Service connections	547,930
Development reimbursement	511,816
Inspection reimbursement	646,596
Private fire service	360,531
Other services	21,105
Penalties	<u>32,332</u>
Total water services	<u>2,120,310</u>
Total operating revenues	<u>4,837,119</u>
Operating expenses:	
Pumping expenses	1,271,511
Transmission and distribution	773,407
Customer accounts	56,332
General and administrative	2,182,028
San Timoteo Watershed	335,419
Depreciation	<u>573,024</u>
Total operating expenses	<u>5,191,721</u>
Income (loss) from operations	<u>(354,602)</u>
Nonoperating revenues (expenses):	
Standby charges	878,485
Rent and utilities reimbursement	3,546
Miscellaneous expense	(31,740)
Investment income	<u>151,075</u>
Total nonoperating revenues	<u>1,001,366</u>
Income before contributions	646,764
Capital contributions:	
Facilities charges	12,823,677
Front footage fees and other reimbursements	<u>3,138,697</u>
Total capital contributions	<u>15,962,374</u>
Change in net assets	16,609,138
Net assets at beginning of year, as restated (note 10)	<u>30,891,578</u>
Total net assets at end of year	<u>\$ 47,500,716</u>

See accompanying notes to basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Cash Flows

Year Ended December 31, 2004

Cash flows from operating activities:

Cash received from customers	\$ 9,195,379
Cash payments to employees for services	(1,219,740)
Cash payments to suppliers for goods and services	(2,611,032)
Proceeds from standby charges	878,485
Rental income received	3,546
Miscellaneous expenses paid	<u>(31,740)</u>
Net cash provided by (used for) operating activities	<u>6,214,898</u>

Cash flows from capital and related financing activities:

Acquisitions and construction of capital assets	(10,594,370)
Repayment of notes payable	(483,874)
Proceeds from water connection fees	<u>15,962,374</u>
Net cash provided by (used for) capital and related financing activities	<u>4,884,130</u>

Cash flows from investing activities:

Interest income received	<u>110,002</u>
Net cash provided by (used for) investing activities	<u>110,002</u>

Total increase (decrease) in cash and cash equivalents	11,209,030
Cash and cash equivalents at beginning of year	<u>1,840,229</u>
Cash and cash equivalents at end of year	<u><u>\$ 13,049,259</u></u>

(Continued)

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Cash Flows

(Continued)

Reconciliation of loss from operations to net cash provided by operating activities:

Loss from operations	\$ (354,602)
Adjustments to reconcile loss from operations to net cash provided by operating activities:	
Operating activities:	
Depreciation	573,024
Rental income received	3,546
Standby charges and other revenues	878,485
Miscellaneous expense	(31,740)
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	(102,435)
Decrease (increase) in prepaid expenses	1,804
Decrease (increase) in inventory	(414,456)
Decrease (increase) in deferred compensation assets	71,113
Decrease (increase) in development fees	4,389,582
Increase (decrease) in accounts payable	1,246,728
Increase (decrease) in accrued salaries and benefits	(91,860)
Increase (decrease) in deposits payable	7,618
Increase (decrease) in compensated absences	38,091
Net cash provided by operating activities	<u>\$ 6,214,898</u>

Noncash capital, financing, and investing activities -

There were no significant noncash capital, financing, and investing activities for the year ended December 31, 2004.

See accompanying notes to basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

Year ended December 31, 2004

(1) Summary of Significant Accounting Policies

(a) Description of the Reporting Entity

The Beaumont Irrigation District was formed in March of 1919 under the Wright Act of 1897. In the early 1970's, the Beaumont Irrigation District's name was changed to the Beaumont-Cherry Valley Water District for political reasons. However, the District today is still the original Irrigation District which was formed under the Wright Act of 1897.

Through the 1960's, 1970's and into the 1980's, irrigation of crop lands began to diminish and domestic use of water began to increase. In 1982, the Board of Directors rewrote all of the irrigation rules and regulations which, originally, were based on total number of acres irrigated, assuming a fruit crop with adult trees. With the change in the rules and regulations from a contracted amount per acre to the payment of irrigation water per 100 cubic feet, irrigation demand greatly decreased within the District's service area, to the point where there are currently 141 irrigation accounts remaining of which only about half actually consume water.

Recognizing the continuing decline in water level in the Beaumont Basin, the Board of Directors began in the middle 1980's to look at the possibility of utilizing reclaimed wastewater as a way of offsetting the overdraft problems.

(b) Basis of Accounting, Measurement Focus, and Financial Statement Presentation

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 business enterprises, where the intent of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The basic financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting, Measurement Focus, and Financial Statement Presentation, (Continued)

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses and Changes in Net Assets.

Private-sector standards of accounting and financial reporting issued after November 30, 1989 are generally followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to some limitations. The District has elected not to follow subsequent private-sector guidance.

(c) Cash and Investments

Investments are carried at fair value, except for guaranteed investment contracts, which are carried at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. In the financial statements, changes in fair value that occur during a fiscal year are recognized as *Investment income* reported for the fiscal year. *Investment income* includes interest earnings, changes in fair value and any gains or losses realized upon the liquidation or sale of investments.

(d) Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2004, cash and cash equivalents consisted of demand deposits and deposits in the Local Agency Investment Fund (LAIF).

(e) Revenues

The District receives its revenues primarily from the sales of water and related services. Other income is derived from interest earned on investments and developers fees.

(f) Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(g) Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed the second half of every month on 30-day cycles. Unbilled water charges are accrued for the period from the last meter reading through year-end and are included in accounts receivable. Unbilled accounts receivable amounted to \$366,109 at December 31, 2004.

(h) Capital Assets

Capital assets are stated at cost. The District has set the capitalization threshold for reporting capital assets at \$1,000 with a useful life of two years or more. Depreciation of all exhaustible capital assets used by the District is charged as an expense against their operations using a straight-line method, based on the average useful life of the asset.

Depreciation is computed using the straight-line method over the estimated useful lives of the capital assets as follows:

Wells: development and casings	75 years
Fire hydrants	50 years
Reservoirs and tanks	50 years
Pumping plant	10-50 years
Transmission and distribution plant:	
Pipelines	40-75 years
Services and meters	40-50 years
Pumping plant – buildings	40 years
Buildings	40 years
Water treatment plant	30 years
Telemetry	15 years
Office furniture and equipment	10 years
General equipment	5-10 years
Truck and automotive equipment	4 years

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(i) Compensated Absences

The District has a policy whereby an employee can accumulate sick leave and vacation. The sick leave is accumulated at one day per month. An employee not using any sick leave for twelve consecutive months could convert their twelve accrued days to cash at a rate of two accrued days for each hour's pay at their regular hourly rate. Upon retirement or death, employees or their beneficiaries are entitled to receive 50% of all accumulated sick leave.

Vacation is earned from the date of hire and is available for use the following year from ten working days to the maximum of 20 working days. The District has provided for these future costs by accruing earned and unused sick leave and vacation were \$89,111, which has been included in compensated absences in the accompanying statement of net assets.

(j) Net Assets

In the statement of net assets, net assets are classified in the following categories:

Investment in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

(k) 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 and disclosures. Accordingly, actual results could differ from those estimates.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments

Cash and investments as of December 31, 2004 consist of the following:

Cash on hand	\$ 822
Deposits with financial institution	1,003,851
Investments	<u>12,044,586</u>
Total cash and investments	<u>\$13,049,259</u>

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

The table below identifies the *investment types* that are authorized for the District by the California Government Code and the District's investment policy. The table also identifies certain provisions of the California Government Code (or the District's investment policy, if more restrictive) that address *interest rate risk* and *concentration of credit risk*.

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized by</u> <u>Investment</u> <u>Policy**</u>	<u>Maximum</u> <u>Maturity*</u>	<u>Maximum</u> <u>Percentage</u> <u>of Portfolio*</u>	<u>Maximum</u> <u>Investment</u> <u>In One Issuer*</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	No	5 years	None	None
U.S. Agency Securities	No	5 years	None	None
Banker's Acceptances	No	180 days	40%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	No	5 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	No	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

** District does not have an investment policy. However, District Board of Directors had approved investments only in the Local Agency Investment Fund.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing only in the Local Agency Investment Fund to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>6 Months Or Less</u>	<u>7 to 12 Months</u>	<u>13 to 24 Months</u>	<u>More Than 24 Months</u>
Local Agency Investment Fund (LAIF)	\$12,044,586	12,044,586	-	-	-
Total	\$12,044,586	12,044,586	-	-	-

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>	
				<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$12,044,586	N/A	-	-	12,044,586
Total	\$12,044,586		-	-	12,044,586

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local 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. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of December 31, 2004, \$986,937 of the District's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

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.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(3) Capital Assets

Changes in capital assets for the year ended December 31, 2004 were as follows:

	<u>Balance at Dec 31, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Dec 31, 2004</u>
Capital assets, nondepreciable:				
Land	\$ 973,899	-	-	973,899
Construction in progress	<u>6,642,143</u>	<u>10,523,257</u>	<u>(2,939,734)</u>	<u>14,225,666</u>
Total capital assets, nondepreciable	<u>7,616,042</u>	<u>10,523,257</u>	<u>(2,939,734)</u>	<u>15,199,565</u>
Capital assets, depreciable:				
Pumphouse structures	69,802	-	-	69,802
Well casings and development	673,066	-	-	673,066
Pumping equipment	917,899	410,944	(73,460)	1,255,383
Chlorinators	350,452	-	(250,187)	100,265
Reservoirs and tanks	2,202,252	130,073	-	2,332,325
Telemetry equipment	227,689	174,890	-	402,579
Transmission and distribution mains	14,389,157	1,577,858	-	15,967,015
Meters and meter services	1,210,564	280,608	-	1,491,172
Fire hydrants	3,884	-	-	3,884
Structures and improvements	296,266	149,525	-	445,791
Office furniture and equipment	309,581	-	(9,067)	300,514
Automobile equipment	224,049	215,836	(64,159)	375,726
General equipment	<u>62,345</u>	<u>-</u>	<u>(1,984)</u>	<u>60,361</u>
Total capital assets, depreciable	<u>20,937,006</u>	<u>2,939,734</u>	<u>(398,857)</u>	<u>23,477,883</u>
Total capital assets	28,553,048	13,462,991	(3,338,591)	38,677,448
Accumulated depreciation	<u>(4,635,513)</u>	<u>(573,024)</u>	<u>398,857</u>	<u>(4,809,680)</u>
Total capital assets, net	<u>\$23,917,535</u>	<u>12,889,967</u>	<u>(2,939,734)</u>	<u>33,867,768</u>

Depreciation expense for the depreciable capital assets was \$573,024 for the year ended December 31, 2004 is as follows:

Water \$573,024

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(4) Investment in Joint Venture

In 2002, the City of Beaumont, the Beaumont-Cherry Valley Water District ("District"), the South Mesa Mutual Water Company and the Yucaipa Valley Water District (collectively referred to as Joint Venture) entered into a joint powers agreement creating the San Timoteo Watershed Management Authority ("Authority"). The purpose of the Authority is to prepare and implement a Water Resources Management Plan for the San Timoteo Watershed and the waters tributary in order to conserve local water supplies, improve surface and subsurface water quality and quantity, protect and enhance groundwater storage and recreational resources, preserve open space, protect wildlife habitat and wetlands, protect and enhance agriculture, and develop and enhance the region's water resources for the benefit of the public.

(5) Defined Benefit Pension Plan

Plan Description

The District contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Contributions

Participants are required to contribute 7% of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and town contract with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period has been determined by an actuarial valuation of the plan as of June 30, 2001. The contribution rate indicated for the period is 18.25% of payroll for the miscellaneous plan. The District's covered payroll for PERS was \$163,992 for the year ended December 31, 2004, while the District's total payroll for all employees was \$884,763. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of December 31, 2004, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(5) Defined Benefit Pension Plan (Continued)

Three-Year Trend Information

Annual Pension Cost (Employer Contribution) - Miscellaneous

<u>Fiscal Year</u>	<u>Annual Pension cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/04	\$163,992	100%	-

(6) Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all permanent employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are, until paid or made available to the employee or other beneficiary, solely the property and rights of the District, without being restricted to the provisions of benefits under the plan, subject only to the claim of the District's general creditors. Participant rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant

It is the District's position that it has a fiduciary obligation for the due care required of a prudent investor in the management of the plan's resources but is not responsible for any loss due to the investment or failure of investment funds and assets of the plan, nor shall the District be required to replace any loss which may result from such investments.

(7) Risk Management

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In an effort to manage its risk exposure, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Authority).

The Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Section 6500 et seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(7) Risk Management, (Continued)

At December 31, 2004, as a member of the Authority, the District participated in the insurance programs as follows:

Property Loss – The District retains risk of loss up to \$1,000 (deductible amount); the Authority is self-insured up to \$50,000 and insurance coverage has been purchased to cover losses ranging from \$50,000 to \$100,000,000.

Auto and General Liability – The District is insured up to \$60,000,000 per occurrence with no deductible; the Authority is self-insured up to \$1,000,000 and excess insurance coverage has been purchased to cover losses ranging from \$1,000,000 to \$60,000,000.

Public Official's Errors and Omissions – The District is insured up to \$60,000,000 per occurrence with no deductible; the Authority is self-insured up to \$1,000,000 and excess insurance coverage has been purchased to cover losses ranging from \$1,000,000 to \$60,000,000.

Underground Storage Tank Pollution Liability – The District is insured up to \$1,000,000 annual aggregate per incident with \$10,000 deductible per incident; the Authority is self-insured up to \$500,000 and excess insurance coverage has been purchased to cover losses ranging from \$500,000 to \$1,000,000.

Fidelity Coverage - The District is insured up to \$100,000 per occurrence with \$1,000 deductible for employee dishonesty, forgery or alteration, and computer fraud.

Workers' Compensation – The District is insured for statutory limits. The District is insured up to \$4,000,000 per accident and \$4,000,000 per disease; the Authority is self-insured up to \$2,000,000 and excess insurance coverage had been purchased.

Roy Bradt Dam Failure Liability - The District is insured up to \$5,000,000 per occurrence with \$50,000 deductible.

There have been no settlements that have exceeded its insurance coverage for the past three years.

(8) Contingencies and Commitments

Lawsuits – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's management that resolution of these matters will not have a material adverse effect on the financial condition of the District.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(9) Notes Receivable – Bonita Vista

During 2003 the Bonita Vista Mutual Water Company started the annexation process to join the District. The annexation agreement calls for the District to install a new water delivery system (transmission lines and approximately 102 services) at an estimated cost of \$500,000. Former Bonita Vista members are to pay a maximum of \$5,500 per meter. Notes are payable over 20 years at a variable interest rate calculated quarterly at 1.5 percent above the District's LAIF savings rate. At December 31, 2004, the balance of the notes is \$480,318.

(10) Prior Period Adjustments

During the fiscal year ended December 31, 2004, the District recorded the following prior period adjustments.

Net assets, as previously reported	\$30,754,674
To adjust for unbilled receivable	366,109
To adjust for unearned revenue associated with development and inspection deposits	(178,186)
To adjust for accrued vacation	<u>(51,019)</u>
 Net assets, as restated	 <u>\$30,891,578</u>

(11) Restricted Net Assets

Unexpended net assets restricted for capital constructions as of year end are estimated as follows:

Capital restricted fees:	
Facilities charges	\$ 12,823,677
Front footage fees and other reimbursements	<u>3,138,697</u>
Total capital restricted fees	15,962,374
Less qualifying capital expenditures	(10,523,257)
Unexpended balance as of July 1, 2003	<u> -</u>
Unexpended balance as of June 30, 2004	<u>\$ 5,439,117</u>

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(12) Subsequent Events

On July 11, 2006, the Court made a judgment for the District to pay the defendants in the amount of \$6,003,000 in an eminent domain case. The property is for the public purpose of constructing, reconstructing and maintaining a water spreading, percolation, storage and recreational facility.

**BEAUMONT-CHERRY VALLEY
WATER DISTRICT**

BASIC FINANCIAL STATEMENTS

Year ended December 31, 2005

BEAUMONT-CHERRY VALLEY
WATER DISTRICT

Basic Financial Statements

Year ended December 31, 2005

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Board of Directors
Beaumont-Cherry Valley Water District
Beaumont, California

Independent Auditors' Report

We have audited the accompanying basic financial statements of the Beaumont-Cherry Valley Water District ("District"), as of and for the year ended December 31, 2005 as listed in the table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the District for the year ended December 31, 2004 and, in our report dated March 24, 2008, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Beaumont-Cherry Valley Water District, as of December 31, 2005, and the respective changes in financial position and cash flows of Beaumont-Cherry Valley Water District for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2008 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 considered in assessing the results of our audit.

Mayer Hoffman McCann P.C.

Irvine, California
March 24, 2008

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Net Assets

December 31, 2005

(with prior year data for comparison purposes only)

<u>Assets</u>	<u>2005</u>	<u>2004</u>
Current assets:		
Cash and investments (note 2)	\$ 17,212,528	\$ 13,049,259
Accounts receivable	2,011,670	922,403
Accrued interest receivable	163,158	57,686
Inventory	1,197,314	868,839
Prepaid expenses	51,956	35,568
Total current assets	<u>20,636,626</u>	<u>14,933,755</u>
Noncurrent assets:		
Notes receivable (note 9)	480,318	480,318
Capital assets, net of accumulated depreciation (note 3)	50,228,648	33,867,768
Total noncurrent assets	<u>50,708,966</u>	<u>34,348,086</u>
Total assets	<u>71,345,592</u>	<u>49,281,841</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	1,323,269	1,435,173
Deposits payable	83,889	34,300
Accrued salaries and benefits	67,634	44,355
Unearned revenue	1,045,258	178,186
Total current liabilities	<u>2,520,050</u>	<u>1,692,014</u>
Noncurrent liabilities:		
Compensated absences (note 1i)	100,198	89,111
Total noncurrent liabilities	<u>100,198</u>	<u>89,111</u>
Total liabilities	<u>2,620,248</u>	<u>1,781,125</u>
<u>Net Assets</u>		
Net assets:		
Invested in capital assets, net of related debt	50,228,648	33,867,768
Restricted (note 10)	7,094,009	5,439,117
Unrestricted	11,402,687	8,193,831
Total net assets	<u>\$ 68,725,344</u>	<u>\$ 47,500,716</u>

See accompanying notes to basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Revenues, Expenses and Changes in Net Assets

Year ended December 31, 2005

(with prior year data for comparison purposes only)

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Water sales	\$ 3,436,947	\$ 2,716,809
Water services:		
Service connections	1,126,307	547,930
Development reimbursement	784,125	511,816
Inspection reimbursement	680,784	646,596
Private fire service	-	360,531
Other	<u>615,722</u>	<u>53,437</u>
Total water services	<u>3,206,938</u>	<u>2,120,310</u>
Total operating revenues	<u>6,643,885</u>	<u>4,837,119</u>
Operating expenses:		
Pumping expenses	1,222,663	1,271,511
Transmission and distribution	771,318	773,407
Customer accounts	108,121	56,332
General and administrative	2,268,095	2,182,028
San Timoteo Watershed	228,400	335,419
Depreciation	<u>698,427</u>	<u>573,024</u>
Total operating expenses	<u>5,297,024</u>	<u>5,191,721</u>
Income (loss) from operations	<u>1,346,861</u>	<u>(354,602)</u>
Nonoperating revenues (expenses):		
Standby charges	1,008,814	878,485
Rent and utilities reimbursement	400	3,546
Miscellaneous expense	(223,637)	(31,740)
Investment income	<u>564,411</u>	<u>151,075</u>
Income before contributions	<u>2,696,849</u>	<u>646,764</u>
Capital contributions:		
Facilities charges	16,866,792	12,823,677
Front footage fees and other reimbursements	<u>1,660,987</u>	<u>3,138,697</u>
Total capital contributions	<u>18,527,779</u>	<u>15,962,374</u>
Change in net assets	21,224,628	16,609,138
Net assets at beginning of year	<u>47,500,716</u>	<u>30,891,578</u>
Total net assets at end of year	<u>\$ 68,725,344</u>	<u>\$ 47,500,716</u>

See accompanying notes to basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Cash Flows

Year ended December 31, 2005

(with prior year data for comparison purposes only)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Cash received from customers	\$6,421,690	\$9,195,379
Cash payments to employees for services	(1,629,727)	(1,219,740)
Cash payments to suppliers for goods and services	(3,341,682)	(2,611,032)
Proceeds from standby charges	1,008,814	878,485
Rental income received	400	3,546
Miscellaneous expense	(223,637)	(31,740)
Net cash provided by (used for) operating activities	<u>2,235,858</u>	<u>6,214,898</u>
Cash flows from capital and related financing activities:		
Acquisitions and construction of capital assets, net	(17,059,307)	(10,594,370)
Repayment of notes payable	-	(483,874)
Proceeds from water connection fees	<u>18,527,779</u>	<u>15,962,374</u>
Net cash provided by (used for) capital and related financing activities	<u>1,468,472</u>	<u>4,884,130</u>
Cash flows from investing activities:		
Interest income received	<u>458,939</u>	<u>110,002</u>
Net cash provided by (used for) investing activities	<u>458,939</u>	<u>110,002</u>
Total increase (decrease) in cash and cash equivalents	4,163,269	11,209,030
Cash and cash equivalents at beginning of year	<u>13,049,259</u>	<u>1,840,229</u>
Cash and cash equivalents at end of year	<u>\$ 17,212,528</u>	<u>\$ 13,049,259</u>

(Continued)

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Cash Flows

(Continued)

	2005	2004
Reconciliation of loss from operations to net cash provided by operating activities:		
Income (loss) from operations	\$ 1,346,861	\$ (354,602)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Operating activities:		
Depreciation	698,427	573,024
Rental income received	400	3,546
Standby charges and other revenues	1,008,814	878,485
Miscellaneous expense	(223,637)	(31,740)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(1,089,267)	(102,435)
Decrease (increase) in prepaid expenses	(16,388)	1,804
Decrease (increase) in materials and supplies inventory	(328,475)	(414,456)
Decrease (increase) in deferred compensation assets	-	71,113
Decrease (increase) in development fees	-	4,389,582
Increase (decrease) in accounts payable	(111,904)	1,246,728
Increase (decrease) in accrued salaries and benefits	23,279	(91,860)
Increase (decrease) in deposits payable	49,589	7,618
Increase (decrease) in unearned revenue	867,072	-
Increase (decrease) in compensated absences	11,087	38,091
Net cash provided by operating activities	\$ 2,235,858	\$ 6,214,898

Noncash capital, financing, and investing activities -

There were no significant noncash capital, financing, and investing activities for the years ended December 31, 2005 and 2004.

See accompanying notes to the basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

Year ended December 31, 2005

(1) Summary of Significant Accounting Policies

(a) Description of the Reporting Entity

The Beaumont Irrigation District was formed in March of 1919 under the Wright Act of 1897. In the early 1970's, the Beaumont Irrigation District's name was changed to the Beaumont-Cherry Valley Water District for political reasons. However, the District today is still the original Irrigation District which was formed under the Wright Act of 1897.

Through the 1960's, 1970's and into the 1980's, irrigation of crop lands began to diminish, and domestic use of water began to increase. In 1982, the Board of Directors rewrote all of the irrigation rules and regulations which, originally, were based on total number of acres irrigated, assuming a fruit crop with adult trees. With the change in the rules and regulations from a contracted amount per acre to the payment of irrigation water per 100 cubic feet, irrigation demand greatly decreased within the District's service area, to the point where there are currently 141 irrigation accounts remaining of which only about half actually consume water.

Recognizing the continuing decline in water level in the Beaumont Basin, the Board of Directors began in the middle 1980's to look at the possibility of utilizing reclaimed wastewater as a way of offsetting the overdraft problems.

(b) Basis of Accounting, Measurement Focus, and Financial Statement Presentation

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 business enterprises, where the intent of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The basic financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting, Measurement Focus, and Financial Statement Presentation, (Continued)

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses and Changes in Net Assets.

Private-sector standards of accounting and financial reporting issued after November 30, 1989 are generally followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to some limitations. The District has elected not to follow subsequent private-sector guidance.

(c) Cash and Investments

Investments are carried at fair value, except for guaranteed investment contracts, which are carried at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. In the financial statements, changes in fair value that occur during a fiscal year are recognized as *Investment income* reported for the fiscal year. *Investment income* includes interest earnings, changes in fair value and any gains or losses realized upon the liquidation or sale of investments.

(d) Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2005, cash and cash equivalents consisted of demand deposits and deposits in the Local Agency Investment Fund (LAIF).

(e) Revenues

The District receives its revenues primarily from the sales of water and related services. Other income is derived from interest earned on investments and developers fees.

(f) Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(g) Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed bi-monthly on 30-day cycles. Unbilled water charges are accrued for the period from the last meter reading through year-end and are included in accounts receivable. Unbilled accounts receivable amounted to \$366,109 at December 31, 2005.

(h) Capital Assets

Capital assets are stated at cost. The District has set the capitalization threshold for reporting capital assets at \$1,000 with a useful life of two years or more. Depreciation of all exhaustible capital assets used by the District is charged as an expense against their operations using a straight-line method, based on the average useful life of the asset.

Depreciation is computed using the straight-line method over the estimated useful lives of the capital assets as follows:

Wells: development and casings	75 years
Fire hydrants	50 years
Reservoirs and tanks	50 years
Pumping plant	10-50 years
Transmission and distribution plant:	
Pipelines	40-75 years
Services and meters	40-50 years
Pumping plant – buildings	40 years
Buildings	40 years
Water treatment plant	30 years
Telemetry	15 years
Office furniture and equipment	10 years
General equipment	5-10 years
Truck and automotive equipment	4 years

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(i) Compensated Absences

The District has a policy whereby an employee can accumulate sick leave and vacation. The sick leave is accumulated at one day per month. An employee not using any sick leave for twelve consecutive months could convert their twelve accrued days to cash at a rate of two accrued days for each hour's pay at their regular hourly rate. Upon retirement or death, employees or their beneficiaries are entitled to receive 50% of all accumulated sick leave.

Vacation is earned from the date of hire and is available for use the following year from ten working days to the maximum of 20 working days. The District has provided for these future costs by accruing earned and unused sick leave and vacation were \$100,198, which has been included in compensated absences in the accompanying statement of net assets.

(j) Net Assets

In the statement of net assets, net assets are classified in the following categories:

Investment in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

(k) 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 and disclosures. Accordingly, actual results could differ from those estimates.

(l) Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments

Cash and investments as of December 31, 2005 consist of the following:

Cash on hand	\$ 822
Deposits with financial institution	593,496
Investments	<u>16,618,210</u>
Total cash and investments	<u>\$17,212,528</u>

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

The table below identifies the *investment types* that are authorized for the District by the California Government Code and the District's investment policy. The table also identifies certain provisions of the California Government Code (or the District's investment policy, if more restrictive) that address *interest rate risk* and *concentration of credit risk*

<u>Investment Types Authorized by State Law</u>	<u>Authorized by Investment Policy**</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer*</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	No	5 years	None	None
U.S. Agency Securities	No	5 years	None	None
Banker's Acceptances	No	180 days	40%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	No	5 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	No	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

** District does not have an investment policy. However, District Board of Directors had approved investments only in the Local Agency Investment Fund.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by only investing in the Local Agency Investment Fund to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>6 Months Or Less</u>	<u>7 to 12 Months</u>	<u>13 to 24 Months</u>	<u>More Than 24 Months</u>
Local Agency Investment Fund (LAIF)	<u>\$16,618,210</u>	<u>16,618,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$16,618,210</u>	<u>16,618,210</u>	<u>-</u>	<u>-</u>	<u>-</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>	
				<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	<u>\$16,618,210</u>	N/A	<u>-</u>	<u>-</u>	<u>16,618,210</u>
Total	<u>\$16,618,210</u>		<u>-</u>	<u>-</u>	<u>16,618,210</u>

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local 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. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of December 31, 2005, \$692,057 of the District's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

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.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(4) Investment in Joint Venture

In 2002, the City of Beaumont, the Beaumont-Cherry Valley Water District ("District"), the South Mesa Mutual Water Company and the Yucaipa Valley Water District (collectively referred to as Joint Venture) entered into a joint powers agreement creating the San Timoteo Watershed Management Authority ("Authority"). The purpose of the Authority is to prepare and implement a Water Resources Management Plan for the San Timoteo Watershed and the waters tributary in order to conserve local water supplies, improve surface and subsurface water quality and quantity, protect and enhance groundwater storage and recreational resources, preserve open space, protect wildlife habitat and wetlands, protect and enhance agriculture, and develop and enhance the region's water resources for the benefit of the public.

(5) Defined Benefit Pension Plan

Plan Description

The District contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Contributions

Participants are required to contribute 7% of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and town contract with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period has been determined by an actuarial valuation of the plan as of June 30, 2002. The contribution rate indicated for the period is 18.95% of payroll for the miscellaneous plan. The District's covered payroll for PERS was \$186,378 for the year ended December 31, 2005, while the District's total payroll for all employees was \$1,007,571. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of December 31, 2005, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(5) Defined Benefit Pension Plan (Continued)

Three-Year Trend Information

Annual Pension Cost (Employer Contribution) - Miscellaneous

<u>Fiscal Year</u>	<u>Annual Pension cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/04	\$163,992	100%	-
12/31/05	186,378	100%	-

(6) Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all permanent employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are, until paid or made available to the employee or other beneficiary, solely the property and rights of the District, without being restricted to the provisions of benefits under the plan, subject only to the claim of the District's general creditors. Participant rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant

It is the District's position that it has a fiduciary obligation for the due care required of a prudent investor in the management of the plan's resources but is not responsible for any loss due to the investment or failure of investment funds and assets of the plan, nor shall the District be required to replace any loss which may result from such investments.

(7) Risk Management

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In an effort to manage its risk exposure, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Authority).

The Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Section 6500 et seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(7) Risk Management, (Continued)

At December 31, 2005, as a member of the Authority, the District participated in the insurance programs as follows:

Property Loss – The District retains risk of loss up to \$1,000 (deductible amount); the Authority is self-insured up to \$50,000 and insurance coverage has been purchased to cover losses ranging from \$50,000 to \$500,000,000. For boiler and machinery coverage, deductibles vary depending on the type of equipment ranging from \$10,000 to \$25,000.

Auto and General Liability – The District is insured up to \$45,000,000 per occurrence with no deductible; the Authority is self-insured up to \$1,000,000 and excess insurance coverage has been purchased to cover losses ranging from \$1,000,000 to \$45,000,000.

Public Official's Errors and Omissions – The District is insured up to \$45,000,000 per occurrence with no deductible; the Authority is self-insured up to \$1,000,000 and excess insurance coverage has been purchased to cover losses ranging from \$1,000,000 to \$45,000,000.

Fidelity Coverage - The District is insured up to \$100,000 per occurrence with \$1,000 deductible for employee dishonesty, forgery or alteration, computer fraud and ERISA.

Workers' Compensation – The District is insured for statutory limits. The District is insured up to \$2,000,000 per accident and \$2,000,000 per disease; the Authority is self-insured up to \$2,000,000 and excess insurance coverage had been purchased.

There have been no settlements that have exceeded its insurance coverage for the past three years.

(8) Contingencies and Commitments

Lawsuits – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's management that resolution of these matters will not have a material adverse effect on the financial condition of the District.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(9) Notes Receivable – Bonita Vista

During 2003 the Bonita Vista Mutual Water Company started the annexation process to join the District. The annexation agreement calls for the District to install a new water delivery system (transmission lines and approximately 102 services) at an estimated cost of \$500,000. Former Bonita Vista members are to pay a maximum of \$5,500 per meter. Notes are payable over 20 years at a variable interest rate calculated quarterly at 1.5 percent above the District's LAIF savings rate. At December 31, 2005, the balance of the notes is \$480,318.

(10) Restricted Net Assets

Unexpended net assets restricted for capital constructions as of year end are estimated as follows:

Capital restricted fees:	
Facilities charges	\$16,866,792
Front footage fees and other reimbursements	<u>1,660,987</u>
Total capital restricted fees	18,527,779
Less qualifying capital expenditures	(16,872,887)
Unexpended balance as of July 1, 2004	<u>5,439,117</u>
Unexpended balance as of June 30, 2005	<u>\$ 7,094,009</u>

(11) Subsequent Events

On July 11, 2006, the Court made a judgment for the District to pay the defendants in the amount of \$6,003,000 in an eminent domain case. The property is for the public purpose of constructing, reconstructing and maintaining a water spreading, percolation, storage and recreational facility.

**BEAUMONT-CHERRY VALLEY
WATER DISTRICT**

BASIC FINANCIAL STATEMENTS

Year ended December 31, 2006

BEAUMONT-CHERRY VALLEY
WATER DISTRICT

Basic Financial Statements

Year ended December 31, 2006

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Board of Directors
Beaumont-Cherry Valley Water District
Beaumont, California

Independent Auditors' Report

We have audited the accompanying basic financial statements of the Beaumont-Cherry Valley Water District ("District"), as of and for the year ended December 31, 2006 as listed in the table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the District for the year ended December 31, 2005 and, in our report dated March 24, 2008, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Beaumont-Cherry Valley Water District, as of December 31, 2006, and the respective changes in financial position and cash flows of Beaumont-Cherry Valley Water District for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District has not presented the Management's Discussion and Analysis that the Government Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2008 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 considered in assessing the results of our audit.

Mayer Hoffman McCann P.C.

Irvine, California
March 24, 2008

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Net Assets

December 31, 2006

(with prior year data for comparison purposes only)

<u>Assets</u>	<u>2006</u>	<u>2005</u>
Current assets:		
Cash and investments (note 2)	\$ 12,784,088	\$ 17,212,528
Accounts receivable	3,109,161	2,011,670
Accrued interest receivable	182,810	163,158
Inventory	1,139,419	1,197,314
Prepaid expenses	59,127	51,956
Total current assets	<u>17,274,605</u>	<u>20,636,626</u>
Noncurrent assets:		
Notes receivable (note 9)	474,818	480,318
Capital assets, net of accumulated depreciation (note 3)	85,339,151	50,228,648
Total noncurrent assets	<u>85,813,969</u>	<u>50,708,966</u>
Total assets	<u>103,088,574</u>	<u>71,345,592</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable	1,813,967	1,323,269
Deposits payable	91,839	83,889
Accrued salaries and benefits	71,263	67,634
Unearned revenue	819,182	1,045,258
Total current liabilities	<u>2,796,251</u>	<u>2,520,050</u>
Noncurrent liabilities:		
Compensated absences (note 1j)	109,264	100,198
Total noncurrent liabilities	<u>109,264</u>	<u>100,198</u>
Total liabilities	<u>2,905,515</u>	<u>2,620,248</u>
 <u>Net Assets</u>		
Net assets:		
Invested in capital assets, net of related debt	85,339,151	50,228,648
Restricted (note 11)	-	7,094,009
Unrestricted	14,843,908	11,402,687
Total net assets	<u>\$ 100,183,059</u>	<u>\$ 68,725,344</u>

See accompanying notes to basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Revenues, Expenses and Changes in Net Assets

Year ended December 31, 2006
(with prior year data for comparison purposes only)

	<u>2006</u>	<u>2005</u>
Operating revenues:		
Water sales	\$ 5,490,413	\$ 3,436,947
Water services:		
Service connections	2,405,035	1,126,307
Development reimbursement	471,207	784,125
Inspection reimbursement	1,941,626	680,784
Other	<u>1,034,438</u>	<u>615,722</u>
Total water services	<u>5,852,306</u>	<u>3,206,938</u>
Total operating revenues	<u>11,342,719</u>	<u>6,643,885</u>
Operating expenses:		
Pumping expenses	1,583,416	1,222,663
Transmission and distribution	955,636	771,318
Customer accounts	194,824	108,121
General and administrative	2,301,548	2,268,095
San Timoteo Watershed	581,597	228,400
Depreciation	<u>749,218</u>	<u>698,427</u>
Total operating expenses	<u>6,366,239</u>	<u>5,297,024</u>
Income (loss) from operations	<u>4,976,480</u>	<u>1,346,861</u>
Nonoperating revenues (expenses):		
Standby charges	-	1,008,814
Rent and utilities reimbursement	700	400
Miscellaneous expense	(313,388)	(223,637)
Investment income	<u>798,288</u>	<u>564,411</u>
Total nonoperating revenues	<u>485,600</u>	<u>1,349,988</u>
Income before contributions	<u>5,462,080</u>	<u>2,696,849</u>
Capital contributions:		
Facilities charges	23,886,927	16,866,792
Front footage fees and other reimbursements	<u>2,108,708</u>	<u>1,660,987</u>
Total capital contributions	<u>25,995,635</u>	<u>18,527,779</u>
Change in net assets	31,457,715	21,224,628
Net assets at beginning of year	<u>68,725,344</u>	<u>47,500,716</u>
Total net assets at end of year	<u>\$ 100,183,059</u>	<u>\$ 68,725,344</u>

See accompanying notes to basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Cash Flows

Year ended December 31, 2006

(with prior year data for comparison purposes only)

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Cash received from customers	\$10,024,652	\$6,421,690
Cash payments to employees for services	(1,430,308)	(1,629,727)
Cash payments to suppliers for goods and services	(3,624,646)	(3,341,682)
Proceeds from standby charges	-	1,008,814
Rental income received	700	400
Miscellaneous expense	(313,388)	(223,637)
Net cash provided by (used for) operating activities	<u>4,657,010</u>	<u>2,235,858</u>
Cash flows from capital and related financing activities:		
Acquisitions and construction of capital assets, net	(35,859,721)	(17,059,307)
Proceeds from water connection fees	<u>25,995,635</u>	<u>18,527,779</u>
Net cash provided by (used for) capital and related financing activities	<u>(9,864,086)</u>	<u>1,468,472</u>
Cash flows from investing activities:		
Interest income received	<u>778,636</u>	<u>458,939</u>
Net cash provided by (used for) investing activities	<u>778,636</u>	<u>458,939</u>
Total increase (decrease) in cash and cash equivalents	(4,428,440)	4,163,269
Cash and cash equivalents at beginning of year	<u>17,212,528</u>	<u>13,049,259</u>
Cash and cash equivalents at end of year	<u><u>\$ 12,784,088</u></u>	<u><u>\$ 17,212,528</u></u>

(Continued)

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Statement of Cash Flows

(Continued)

	<u>2006</u>	<u>2005</u>
Reconciliation of loss from operations to net cash provided by operating activities:		
Income from operations	\$ 4,976,480	\$ 1,346,861
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Operating activities:		
Depreciation	749,218	698,427
Rental income	700	400
Standby charges and other revenues	-	1,008,814
Miscellaneous expense	(313,388)	(223,637)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(1,097,491)	(1,089,267)
Decrease (increase) in prepaid expenses	(7,171)	(16,388)
Decrease (increase) in materials and supplies inventory	57,895	(328,475)
Decrease (increase) in notes receivable	5,500	-
Increase (decrease) in accounts payable	490,698	(111,904)
Increase (decrease) in accrued salaries and benefits	3,629	23,279
Increase (decrease) in deposits payable	7,950	49,589
Increase (decrease) in unearned revenue	(226,076)	867,072
Increase (decrease) in compensated absences	9,066	11,087
Net cash provided by operating activities	<u>\$ 4,657,010</u>	<u>\$ 2,235,858</u>

Noncash capital, financing, and investing activities -

There were no significant noncash capital, financing, and investing activities for the years ended December 31, 2006 and 2005.

See accompanying notes to basic financial statements.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

Year ended December 31, 2006

(1) Summary of Significant Accounting Policies

(a) Description of the Reporting Entity

The Beaumont Irrigation District was formed in March of 1919 under the Wright Act of 1897. In the early 1970's, the Beaumont Irrigation District's name was changed to the Beaumont-Cherry Valley Water District for political reasons. However, the District today is still the original Irrigation District which was formed under the Wright Act of 1897.

Through the 1960's, 1970's and into the 1980's, irrigation of crop lands began to diminish, and domestic use of water began to increase. In 1982, the Board of Directors rewrote all of the irrigation rules and regulations which, originally, were based on total number of acres irrigated, assuming a fruit crop with adult trees. With the change in the rules and regulations from a contracted amount per acre to the payment of irrigation water per 100 cubic feet, irrigation demand greatly decreased within the District's service area, to the point where there are currently 141 irrigation accounts remaining of which only about half actually consume water.

Recognizing the continuing decline in water level in the Beaumont Basin, the Board of Directors began in the middle 1980's to look at the possibility of utilizing reclaimed wastewater as a way of offsetting the overdraft problems.

(b) Basis of Accounting, Measurement Focus, and Financial Statement Presentation

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 business enterprises, where the intent of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The basic financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting, Measurement Focus, and Financial Statement Presentation, (Continued)

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses and Changes in Net Assets.

Private-sector standards of accounting and financial reporting issued after November 30, 1989 are generally followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to some limitations. The District has elected not to follow subsequent private-sector guidance.

(c) Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(d) Cash and Investments

Investments are carried at fair value, except for guaranteed investment contracts, which are carried at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. In the financial statements, changes in fair value that occur during a fiscal year are recognized as *Investment income* reported for the fiscal year. *Investment income* includes interest earnings, changes in fair value and any gains or losses realized upon the liquidation or sale of investments.

(e) Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2006, cash and cash equivalents consisted of demand deposits and deposits in the Local Agency Investment Fund (LAIF).

(f) Revenues

The District receives its revenues primarily from the sales of water and related services. Other income is derived from interest earned on investments and developers fees.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(g) Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

(h) Revenue Recognition

Revenues are recognized when earned. Metered water accounts are read and billed bi-monthly on 30-day cycles. Unbilled water charges are accrued for the period from the last meter reading through year-end and are included in accounts receivable. Unbilled accounts receivable amounted to \$467,399 at December 31, 2006.

(i) Capital Assets

Capital assets are stated at cost. The District has set the capitalization threshold for reporting capital assets at \$1,000 with a useful life of two years or more.. Depreciation of all exhaustible capital assets used by the District is charged as an expense against their operations using a straight-line method, based on the average useful life of the asset.

Depreciation is computed using the straight-line method over the estimated useful lives of the capital assets as follows:

Wells: development and casings	75 years
Fire hydrants	50 years
Reservoirs and tanks	50 years
Pumping plant	10-50 years
Transmission and distribution plant:	
Pipelines	40-75 years
Services and meters	40-50 years
Pumping plant – buildings	40 years
Buildings	40 years
Water treatment plant	30 years
Telemetry	15 years
Office furniture and equipment	10 years
General equipment	5-10 years
Truck and automotive equipment	4 years

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(j) Compensated Absences

The District has a policy whereby an employee can accumulate sick leave and vacation. The sick leave is accumulated at one day per month. An employee not using any sick leave for twelve consecutive months could convert their twelve accrued days to cash at a rate of two accrued days for each hour's pay at their regular hourly rate. Upon retirement or death, employees or their beneficiaries are entitled to receive 50% of all accumulated sick leave.

Vacation is earned from the date of hire and is available for use the following year from ten working days to the maximum of 20 working days. The District has provided for these future costs by accruing earned and unused sick leave and vacation were \$109,264, which has been included in compensated absences in the accompanying statement of net assets.

(k) Net Assets

In the statement of net assets, net assets are classified in the following categories:

Investment in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

(l) 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 and disclosures. Accordingly, actual results could differ from those estimates.

(m) Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments

Cash and investments as of December 31, 2006 consist of the following:

Cash on hand	\$ 922
Deposits with financial institution	365,199
Investments	<u>12,417,967</u>
Total cash and investments	<u>\$12,784,088</u>

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

The table below identifies the *investment types* that are authorized for the District by the California Government Code and the District's investment policy. The table also identifies certain provisions of the California Government Code (or the District's investment policy, if more restrictive) that address *interest rate risk* and *concentration of credit risk*. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Investment Types</u> <u>Authorized by State Law</u>	<u>Authorized by</u> <u>Investment</u> <u>Policy**</u>	<u>Maximum</u> <u>Maturity*</u>	<u>Maximum</u> <u>Percentage</u> <u>of Portfolio*</u>	<u>Maximum</u> <u>Investment</u> <u>In One Issuer*</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	No	5 years	None	None
U.S. Agency Securities	No	5 years	None	None
Banker's Acceptances	No	180 days	40%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	No	5 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	No	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

** District does not have an investment policy. However, District Board of Directors had approved investments only in the Local Agency Investment Fund.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing in Local Agency Investment Fund to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>6 Months Or Less</u>	<u>7 to 12 Months</u>	<u>13 to 24 Months</u>	<u>More Than 24 Months</u>
Local Agency Investment Fund (LAIF)	<u>\$12,417,967</u>	<u>12,417,967</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$12,417,967</u>	<u>12,417,967</u>	<u>-</u>	<u>-</u>	<u>-</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>	
				<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	<u>\$12,417,967</u>	N/A	<u>-</u>	<u>-</u>	<u>12,417,967</u>
Total	<u>\$12,417,967</u>		<u>-</u>	<u>-</u>	<u>12,417,967</u>

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local 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. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of December 31, 2006, \$534,097 of the District's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

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.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(3) Capital Assets

Changes in capital assets for the year ended December 31, 2006 were as follows:

	<u>Balance at Dec 31, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Dec 31, 2006</u>
Capital assets, nondepreciable:				
Land	\$ 1,160,319	-	-	1,160,319
Construction in progress	<u>24,023,651</u>	<u>35,880,972</u>	<u>(8,973,003)</u>	<u>50,931,620</u>
 Total capital assets, nondepreciable	 <u>25,183,970</u>	 <u>35,880,972</u>	 <u>(8,973,003)</u>	 <u>52,091,939</u>
Capital assets, depreciable:				
Pumphouse structures	69,802	10,620	-	80,422
Well casings and development	665,674	-	-	665,674
Pumping equipment	1,210,583	15,544	(1,937)	1,224,190
Chlorinators	107,365	8,438	-	115,803
Reservoirs and tanks	2,353,505	1,152,499	(50,000)	3,456,004
Telemetry equipment	402,579	-	-	402,579
Transmission and distribution mains	22,020,248	6,068,645	(21,251)	28,067,642
Meters and meter services	2,431,646	1,056,316	-	3,487,962
Fire hydrants	3,884	-	-	3,884
Structures and improvements	445,791	3,588	-	449,379
Office furniture and equipment	301,687	249,751	(259,340)	292,098
Automobile equipment	427,468	37,850	-	465,318
General equipment	<u>60,361</u>	<u>369,752</u>	<u>(6,267)</u>	<u>423,846</u>
 Total capital assets, depreciable	 <u>30,500,593</u>	 <u>8,973,003</u>	 <u>(338,795)</u>	 <u>39,134,801</u>
Total capital assets	55,684,563	44,853,975	(9,311,798)	91,226,740
Accumulated depreciation	<u>(5,455,915)</u>	<u>(749,218)</u>	<u>317,544</u>	<u>(5,887,589)</u>
 Total capital assets, net	 <u>\$50,228,648</u>	 <u>44,104,757</u>	 <u>(8,994,254)</u>	 <u>85,339,151</u>

Depreciation expense for the depreciable capital assets was \$749,218 for the year ended December 31, 2006 is as follows:

Water \$749,218

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(4) Investment in Joint Venture

In 2002, the City of Beaumont, the Beaumont-Cherry Valley Water District ("District"), the South Mesa Mutual Water Company and the Yucaipa Valley Water District (collectively referred to as Joint Venture) entered into a joint powers agreement creating the San Timoteo Watershed Management Authority ("Authority"). The purpose of the Authority is to prepare and implement a Water Resources Management Plan for the San Timoteo Watershed and the waters tributary in order to conserve local water supplies, improve surface and subsurface water quality and quantity, protect and enhance groundwater storage and recreational resources, preserve open space, protect wildlife habitat and wetlands, protect and enhance agriculture, and develop and enhance the region's water resources for the benefit of the public.

(5) Defined Benefit Pension Plan

Plan Description

The District contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Contributions

Participants are required to contribute 7% of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and town contract with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period has been determined by an actuarial valuation of the plan as of June 30, 2003. The contribution rate indicated for the period is 9.3% of payroll for the miscellaneous plan. The District's covered payroll for PERS was \$359,285 for the year ended December 31, 2006, while the District's total payroll for all employees was \$1,126,957. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of December 31, 2006, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(5) Defined Benefit Pension Plan (Continued)

Three-Year Trend Information

Annual Pension Cost (Employer Contribution) - Miscellaneous

<u>Fiscal Year</u>	<u>Annual Pension cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/04	\$163,992	100%	-
12/31/05	186,378	100%	-
12/31/06	359,285	100%	-

(6) Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all permanent employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are, until paid or made available to the employee or other beneficiary, solely the property and rights of the District, without being restricted to the provisions of benefits under the plan, subject only to the claim of the District's general creditors. Participant rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant

It is the District's position that it has a fiduciary obligation for the due care required of a prudent investor in the management of the plan's resources but is not responsible for any loss due to the investment or failure of investment funds and assets of the plan, nor shall the District be required to replace any loss which may result from such investments.

(7) Risk Management

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In an effort to manage its risk exposure, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Authority).

The Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Section 6500 et seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(7) Risk Management, (Continued)

At December 31, 2006, as a member of the Authority, the District participated in the insurance programs as follows:

Property Loss – The District retains risk of loss up to \$1,000 (deductible amount); the Authority is self-insured up to \$50,000 and insurance coverage has been purchased to cover losses ranging from \$50,000 to \$50,000,000. For boiler and machinery coverage, deductibles vary depending on the type of equipment ranging from \$10,000 to \$25,000.

Auto and General Liability – The District is insured up to \$20,000,000 per occurrence with no deductible; the Authority is self-insured up to \$1,000,000 and excess insurance coverage has been purchased to cover losses ranging from \$1,000,000 to \$60,000,000.

Public Official's Errors and Omissions – The District is insured up to \$20,000,000 per occurrence with no deductible; the Authority is self-insured up to \$1,000,000 and excess insurance coverage has been purchased to cover losses ranging from \$1,000,000 to \$60,000,000.

Fidelity Coverage - The District is insured up to \$100,000 per occurrence with \$1,000 deductible for employee dishonesty, forgery or alteration, computer fraud and ERISA.

Workers' Compensation – The District is insured for statutory limits. The District is insured up to \$2,000,000 per accident. The Authority is self-insured up to \$2,000,000 and excess insurance coverage had been purchased.

(8) Contingencies and Commitments

Lawsuits – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's management that resolution of these matters will not have a material adverse effect on the financial condition of the District.

(9) Notes Receivable – Bonita Vista

During 2003 the Bonita Vista Mutual Water Company started the annexation process to join the District. The annexation agreement calls for the District to install a new water delivery system (transmission lines and approximately 102 services) at an estimated cost of \$500,000. Former Bonita Vista members are to pay a maximum of \$5,500 per meter. Notes are payable over 20 years at a variable interest rate calculated quarterly at 1.5 percent above the District's LAIF savings rate. At December 31, 2006, the balance of the notes is \$474,818.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Notes to Basic Financial Statements

(Continued)

(10) Related Party Transactions

The District entered into an agreement with Tom Lara Landscaping (“Contractor”) to provide landscaping services and maintenance for the District’s properties. The father of one of the District’s employee is the owner of the Contractor. At December 31, 2006, the District paid the Contractor \$515,564 for services rendered. In 2006, the District purchased 80 acres of land, for which the Contractor has been contracted for maintenance. The amount payable at December 31, 2006 was \$27,758.

(11) Restricted Net Assets

Unexpended net assets restricted for capital constructions as of year end are estimated as follows:

Capital restricted fees:	
Facilities charges	\$23,886,927
Front footage fees and other reimbursements	<u>2,108,708</u>
Total capital restricted fees	25,995,635
Less qualifying capital expenditures	(35,880,972)
Unexpended balance as of July 1, 2005	<u>7,094,009</u>
Unexpended balance as of June 30, 2006	<u>\$ -</u>