

Indian Wells Valley Water District

Management Report

June 30, 2022



C.J. Brown & Company CPAs
An Accountancy Corporation

Indian Wells Valley Water District

Management Report

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An Accountancy Corporation

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Board of Directors
Indian Wells Valley Water District
Ridgecrest, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of Indian Wells Valley Water District (District) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Current Year Comment and Recommendation

Our comment, all of which have been discussed with the appropriate members of management, is summarized as follows:

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District’s financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management’s Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District’s financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management’s Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

* * * * *

This communication is intended solely for the information and use of management, the audit committee, the board of directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.



C.J. Brown & Company CPAs
Cypress, California
March 13, 2023

APPENDIX

Indian Wells Valley Water District

Audit/Finance Committee Letter

June 30, 2022



C.J. Brown & Company CPAs

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Board of Directors
Indian Wells Valley Water District
Ridgecrest, California

We have audited the financial statements of the business-type activities of the Indian Wells Valley Water District (District) for the years ended June 30, 2022 and 2021 and have issued our report thereon dated March 13, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 16, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated March 13, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the District, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2022, the District implemented the provisions of *GASB Statement No. 87 – Leases*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the other post-employment benefit (OPEB) plan: deferred outflows of resources, total OPEB liability, and deferred inflows of resources are based on the alternative measurement method. This alternative measurement method was determined and prepared by the District’s third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate OPEB and relate balances in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the net pension liability is based on an actuarial valuation of this liability that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate the net pension liability and related amounts for the District to determine that they are reasonable in relation to the financial statements taken as a whole.

Qualitative Aspects of the Entity's Significant Accounting Practices, continued

Significant Accounting Estimates, continued

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's net other post-employment benefit liability, in Note 7 to the basic financial statements is based on an actuarial valuation.

The disclosure of the District's net pension liability in Note 8 to the basic financial statements is based on an actuarial valuation.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 through 9 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 13, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Changes in the District's Total OPEB Liability and Related Ratios, Schedules of District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Conclusion

We appreciate the cooperation extended us by Donald Zdeba, General Manager and Tyrell Staheli, Chief Financial Officer, in the performance of our audit testwork. We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

C.J. Brown & Company, CPAs

C.J. Brown & Company CPAs
Cypress, California
March 13, 2023

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
GASB 68 Entry #1 - To reclassify 2021 contributions to NPL at June 30, 2022.			
1-0-2500-500	Net Pension Liability	429,611.00	
1-0-1500-000	Deferred Outflows		429,611.00
Total		<u>429,611.00</u>	<u>429,611.00</u>
Adjusting Journal Entries JE # 2			
GASB 68 Entry #2 - To reclassify 2022 contributions to deferred outflows of resources at June 30, 2022.			
1-0-1500-000	Deferred Outflows	489,602.00	
1-1-4500-000	PERS ER Contributions		73,441.00
1-2-4500-000	PERS ER Contribution		14,688.00
1-3-4500-000	PERS ER Contribution		117,504.00
1-4-4500-000	PERS ER Contribution		39,168.00
1-5-4500-000	PERS ER Contribution		39,168.00
1-6-4500-000	PERS ER Contribution		53,856.00
1-7-4500-000	PERS ER Contribution		151,777.00
Total		<u>489,602.00</u>	<u>489,602.00</u>
Adjusting Journal Entries JE # 3			
GASB 68 Entry #3 - To record changes in pension liability during FY20/21 at June 30, 2022.			
1-0-1500-000	Deferred Outflows	173,279.00	
1-0-1500-000	Deferred Outflows	96,497.00	
1-0-2500-000	Deferred Inflows	103,181.00	
1-0-2500-500	Net Pension Liability	1,237,908.00	
1-1-5641-500	PERS Cost by Function	111,087.00	
1-2-5641-500	PERS Cost by Function	22,217.00	
1-3-5641-500	PERS Cost by Function	177,739.00	
1-4-5641-500	PERS Cost by Function	59,246.00	
1-5-5641-500	PERS Cost by Function	59,246.00	
1-6-5641-500	PERS Cost by Function	81,464.00	
1-7-5641-500	PERS Cost by Function	229,580.00	
1-0-1500-000	Deferred Outflows		103,181.00
1-0-2500-000	Deferred Inflows		59.00
1-0-2500-000	Deferred Inflows		2,120,100.00
1-0-2500-000	Deferred Inflows		128,104.00
Total		<u>2,351,444.00</u>	<u>2,351,444.00</u>
Adjusting Journal Entries JE # 4			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY19/20 at June 30, 2022.			
1-0-2500-000	Deferred Inflows	440,535.00	
1-0-2500-000	Deferred Inflows	24,832.00	
1-0-2500-000	Deferred Inflows	184,425.00	
1-0-1500-000	Deferred Outflows		149,767.00
1-0-1500-000	Deferred Outflows		136,794.00
1-1-5641-500	PERS Cost by Function		54,485.00
1-2-5641-500	PERS Cost by Function		10,897.00
1-3-5641-500	PERS Cost by Function		87,175.00
1-4-5641-500	PERS Cost by Function		29,058.00
1-5-5641-500	PERS Cost by Function		29,058.00
1-6-5641-500	PERS Cost by Function		39,956.00
1-7-5641-500	PERS Cost by Function		112,602.00
Total		<u>649,792.00</u>	<u>649,792.00</u>
Adjusting Journal Entries JE # 5			
GASB 75 Entry #1 - To reclassify 2021 contributions to a reduction in Net OPEB Liability at June 30, 2022.			
1-0-2400-500	Net OPEB Liability	79,915.00	
1-0-1501-000	Deferred Outflows - OPEB		79,915.00
Total		<u>79,915.00</u>	<u>79,915.00</u>

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
GASB 75 Entry #2 - To contra reclassify 2022 contributions for retiree benefits to deferred outflows of resources from expense at June 30, 2022.			
1-0-1501-000	Deferred Outflows - OPEB	73,620.00	
1-9-5928-000	OPEB Expense		73,620.00
Total		<u>73,620.00</u>	<u>73,620.00</u>
Adjusting Journal Entries JE # 7			
GASB 75 Entry #3 - To record changes in OPEB liability during FY20/21 in the current year.			
1-0-1501-000	Deferred Outflows - OPEB	540,418.00	
1-0-2400-000	Deferred OPEB Inflows	132,540.00	
1-0-2400-000	Deferred OPEB Inflows	9,749.00	
1-9-5928-000	OPEB Expense	165,344.00	
1-0-1501-000	Deferred Outflows - OPEB		132,540.00
1-0-1501-000	Deferred Outflows - OPEB		9,749.00
1-0-2400-000	Deferred OPEB Inflows		96,659.00
1-0-2400-000	Deferred OPEB Inflows		223,827.00
1-0-2400-500	Net OPEB Liability		385,276.00
Total		<u>848,051.00</u>	<u>848,051.00</u>
Adjusting Journal Entries JE # 8			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30,			
1-0-2400-000	Deferred OPEB Inflows	7,839.00	
1-0-2400-000	Deferred OPEB Inflows	45,998.00	
1-0-1501-000	Deferred Outflows - OPEB		33,513.00
1-9-5928-000	OPEB Expense		20,324.00
Total		<u>53,837.00</u>	<u>53,837.00</u>
Adjusting Journal Entries JE # 9			
AJE - To correct prepaid insurance for insurance expense recorded twice and to reclassify payroll related liabilities for medical and life insurance at June 30, 2022.			
1-0-1440-000	Pre-Paid Insurance	6,198.53	
1-0-1440-000	Pre-Paid Insurance	273.48	
1-1-5214-000	Water Supply - Emp Benefits	11,249.92	
1-3-5414-000	T&D - Benefits	21,796.71	
1-4-5414-100	Engineering - Benefits	4,218.72	
1-5-5514-000	Customer Accts - Benefits	6,328.08	
1-6-5565-000	Field Service - Benefits	9,140.56	
1-7-5614-000	Administration - Benefits	13,359.26	
1-7-5614-100	Accounting - Benefits	4,218.72	
1-0-1440-000	Pre-Paid Insurance		70,311.97
1-0-2305-000	Accrued Group Term Life Ins		273.48
1-0-2305-002	Accrued Medical Insurance		6,198.53
Total		<u>76,783.98</u>	<u>76,783.98</u>
Adjusting Journal Entries JE # 10			
AJE - To correct unearned revenue to actual per review of support provided by District at June 30, 2022.			
1-0-2224-000	Unearned Revenue	71,196.48	
1-0-2260-000	Customer Deposits	104,489.33	
1-0-2224-000	Unearned Revenue		104,489.33
1-0-4110-100	Residential Usage		71,196.48
Total		<u>175,685.81</u>	<u>175,685.81</u>
Adjusting Journal Entries JE # 11			
AJE - To correct customer deposits after AJE #10 reclassification to agree with customer deposit report provided at June 30, 2022.			
1-0-4110-100	Residential Usage	45,409.47	
1-0-2260-000	Customer Deposits		45,409.47
Total		<u>45,409.47</u>	<u>45,409.47</u>

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 12			
AJE - To adjust accrued interest receivable to actual per review of bank statements at June 30, 2022.			
1-0-4920-000	Interest Income	16,526.82	
1-0-1373-000	Accrued Interest Receivable		16,526.82
Total		<u>16,526.82</u>	<u>16,526.82</u>
Adjusting Journal Entries JE # 13			
CPE - To reverse compensated absence accrual for revised version (AJE#14) at June 30, 2022.			
1-0-2311-000	Accrued Employee Vacation Bene	2,423.43	
1-0-2311-050	Accrued Employee Vacation LT	9,693.70	
1-0-2311-100	Accrued Sick Leave	1,222.27	
1-0-2311-150	Accrued Sick Leave LT	4,889.07	
1-7-5645-001	Accrued Sick/Vacation Leave		12,117.13
1-7-5645-001	Accrued Sick/Vacation Leave		6,111.34
Total		<u>18,228.47</u>	<u>18,228.47</u>
Adjusting Journal Entries JE # 14			
CPE - To record revised compensated absence accrual at June 30, 2022.			
1-7-5645-001	Accrued Sick/Vacation Leave	21,856.73	
1-7-5645-001	Accrued Sick/Vacation Leave	6,597.18	
1-0-2311-000	Accrued Employee Vacation Bene		4,371.35
1-0-2311-050	Accrued Employee Vacation LT		17,485.38
1-0-2311-100	Accrued Sick Leave		1,319.44
1-0-2311-150	Accrued Sick Leave LT		5,277.74
Total		<u>28,453.91</u>	<u>28,453.91</u>
Adjusting Journal Entries JE # 15			
PPA - To record initial lease asset and liability at 7/1/2019.			
1-0-1119-001	Lease Equipment - Asset	78,114.94	
1-0-2165-001	Unitrends Lease		78,114.94
Total		<u>78,114.94</u>	<u>78,114.94</u>
Adjusting Journal Entries JE # 16			
PPA - To record 1 year of payments and amortization of lease asset and lease liability FY 2020.			
1-0-2165-001	Unitrends Lease	21,352.30	
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)	22,318.55	
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)	2,393.66	
1-0-1142-000	Accum Amort - Lease Equipment		22,318.55
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)		23,745.96
Total		<u>46,064.51</u>	<u>46,064.51</u>
Adjusting Journal Entries JE # 17			
PPA - To record 2 year of payments and amortization of lease asset and lease liability FY 2021.			
1-0-2165-001	Unitrends Lease	22,111.74	
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)	22,318.55	
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)	1,634.22	
1-0-1142-000	Accum Amort - Lease Equipment		22,318.55
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)		23,745.96
Total		<u>46,064.51</u>	<u>46,064.51</u>
Adjusting Journal Entries JE # 18			
AJE - To record 3 year of payments and amortization of lease asset and lease liability at June 30, 2022.			
1-0-2165-001	Unitrends Lease	22,898.19	
1-7-5675-201	Amortization Expense	22,318.55	
1-9-5927-300	Lease Interest Expense	847.77	
1-0-1142-000	Accum Amort - Lease Equipment		22,318.55
1-7-5675-200	Computer Maintenance		23,745.96
Total		<u>46,064.51</u>	<u>46,064.51</u>

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 19			
PPA - To record initial lease receivable and deferred inflow of resources at 1/1/2021.			
1-0-1376-001	Lease Receivable - Butterworth	19,126.55	
1-0-2500-100	Deferred Inflow - Butterworth Lease		19,126.55
Total		<u>19,126.55</u>	<u>19,126.55</u>
Adjusting Journal Entries JE # 20			
PPA - To record fiscal year lease payments and amortization of lease asset and lease liability at June 30, 2021.			
1-0-2500-100	Deferred Inflow - Butterworth Lease	4,781.64	
1-0-4970-999	GASB 87 Lessor - PPA (Income) Expense	2,000.00	
1-0-1376-001	Lease Receivable - Butterworth		1,731.12
1-0-4970-999	GASB 87 Lessor - PPA (Income) Expense		268.88
1-0-4970-999	GASB 87 Lessor - PPA (Income) Expense		4,781.64
Total		<u>6,781.64</u>	<u>6,781.64</u>
Adjusting Journal Entries JE # 21			
AJE - To record fiscal year lease payments and amortization of lease asset and lease liability at June 30, 2022.			
1-0-2500-100	Deferred Inflow - Butterworth Lease	9,563.27	
1-0-4970-000	Olancha Farm Rent	10,000.00	
1-0-1376-001	Lease Receivable - Butterworth		9,534.01
1-0-4920-301	Lease Interest Income		465.99
1-0-4970-000	Olancha Farm Rent		9,563.27
Total		<u>19,563.27</u>	<u>19,563.27</u>
Total Adjusting Journal Entries		<u>5,598,740.39</u>	<u>5,598,740.39</u>

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Proposed Journal Entries			
Proposed Journal Entries JE # 101			
PAJE - To accrue June legal expenses noted per review of check 68887 dated 8/10/22 vendor Murphy & Evertz LLP at June 30, 2022			
1-7-5651-000	Legal Services	6,660.00	
1-0-2220-000	Accounts Payable		6,660.00
Total		<u>6,660.00</u>	<u>6,660.00</u>
Proposed Journal Entries JE # 102			
PAJE - To adjust unbilled accounts receivable per analysis performed during audit fieldwork at June 30, 2022.			
1-0-1371-000	Accounts Receivable Water Sale	22,137.10	
1-0-4110-902	Arsenic Charge 1" Meter	322.05	
1-0-4110-100	Residential Usage		2,849.31
1-0-4110-101	Residential RTS		3,625.43
1-0-4110-300	Master-Metered Res. Usage		535.21
1-0-4110-301	Master-Metered Res. RTS		251.05
1-0-4110-400	Commercial/Public/Ind Usage		1,406.91
1-0-4110-401	Commercial/Public/Ind RTS		456.40
1-0-4110-600	Construction Water		2.07
1-0-4110-700	Fire Prevention		115.92
1-0-4110-800	GSA Pump Fee		9,074.41
1-0-4110-801	B-Zone Charge		1,643.02
1-0-4110-802	C-Zone Charge		461.74
1-0-4110-803	D-Zone Charge		165.92
1-0-4110-901	Arsenic Charge 3/4" Meter		1,496.26
1-0-4110-903	Arsenic Charge 1-1/2" Meter		4.20
1-0-4110-904	Arsenic Charge 2" Meter		40.11
1-0-4110-905	Arsenic Charge 3" Meter		47.28
1-0-4110-906	Arsenic Charge 4" Meter		14.36
1-0-4110-907	Arsenic Charge 6" Meter		127.24
1-0-4110-908	Arsenic Charge 8" Meter		142.31
Total		<u>22,459.15</u>	<u>22,459.15</u>
	Total Proposed Journal Entries	<u>29,119.15</u>	<u>29,119.15</u>
	Total All Journal Entries	<u>5,627,859.54</u>	<u>5,627,859.54</u>

Legend:

AJE	Audit Adjusting Journal Entry
CPE	Client Prepared Adjusting Journal Entry
PPA	Prior Period Adjusting Journal Entry
GASB 68 Entry	GASB 68 Adjusting Journal Entry
GASB 75 Entry	GASB 75 Adjusting Journal Entry