

Comprehensive Annual Financial Report

of the San Juan Water District

For the Fiscal Year Ended June 30, 2012

Prepared by

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Introduction

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December 7, 2012

Members of the Board of Directors
San Juan Water District

Directors:

The San Juan Water District is required by State statute to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we are pleased to present the Comprehensive Annual Financial Report (CAFR) for the San Juan Water District (District) for the fiscal year ended June 30, 2012. The information presented in this CAFR is intended to provide financial information with all the disclosures necessary to enable the District's customers, investment community and general public to assess the District's financial condition.

This report contains management's representations concerning the finances of the District. Management is responsible for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to both protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Mann, Urrutia, Nelson, CPA's and Associates, LLP, a firm of licensed certified public accountants with which the District contracts for these services. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2012, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and is intended to be read in conjunction with it. The District's MD&A can be located immediately following the independent auditor's report.

The CAFR is organized into Introduction, Financial, Supplementary Information and Statistical sections. The Introductory section includes this transmittal letter, a list of principal officials, District's organizational chart and Certificate of Achievement for Excellence in Financial Reporting awarded by the GFOA. The Financial section includes: Independent Auditor's Report on the District's financial statements; MD&A; June 30, 2012 basic financial statements, including the Statement of Net Assets, Statement of Activities, Statement of Cash Flows and Notes to the Basic Financial Statements. Supplementary information consists of Schedule of Administrative and General Expenses (Unaudited) and Schedule of Operations—Budget and Actual. The financial statements are prepared in accordance with GAAP. The Statistical section summarizes selected unaudited general financial and operational information of the District.

District Profile

History

The District was formed as a result of petitions being presented to the Board of Supervisors of Sacramento and Placer Counties by Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company and a group of homeowners in South Placer County. An election was held within the boundaries of the sponsoring districts on February 10, 1954. At this election, voters approved the formation of the San Juan Water District by nearly a two-thirds majority and elected five Directors. The District is a community services district formed under Section 60000 et seq., Title 5, Division 3 of the California Government Code.

The District provides water on a wholesale and retail basis to an area of approximately 17 square miles for retail and 46 square miles for wholesale (which includes the retail area) in Sacramento and Placer Counties. The District's wholesale operation consists of negotiating water contracts; operating a surface water treatment plant and storage, pumping and transmission facilities (which deliver water to five wholesale entities); and providing the administrative support related to those activities. Retail operations consists of storage, pumping, transmission and distribution facilities (which deliver water to approximately 10,368 retail service connections located in a portion of Northeast Sacramento County and the Granite Bay area of South Placer County) and providing the administrative, customer service, conservation and engineering support related to those activities.

Accounting System and Budgetary Controls

The District's accounting records are maintained using the accrual basis of accounting. The revenues of the District are recognized when they are earned and the expenses are recognized when they are incurred.

The District staff works with the Finance and Administrative Services Division to develop the annual budget. The process begins in January and managers develop their budget requests needed to fulfill the District's mission, goals and objectives for the next fiscal year. The Finance and Administrative Services Division prepares the proposed budget and provides a copy of the Wholesale and Retail budgets separately to the Finance Committee, making any necessary adjustments arising from that review. Then the Finance and Administrative Services Manager presents the separate proposed budgets to the Board of Directors in May and June for their review. The public hearing on each proposed budget is held at the next Board of Directors meeting, with anticipated finalization and adoption scheduled for the following meeting or at least no later than June 30th. The budget is used as a management tool for projecting and measuring revenues and expenses.

Mission Statement

The District's mission, and highest priority to our customers, is to take all necessary actions to ensure the delivery of a reliable water supply of the highest quality at reasonable and equitable costs. As part of accomplishing our mission, we commit to working cooperatively with others on projects of mutual public benefit to achieve the greatest possible efficiency and effectiveness. We further commit to communicate what we are doing, and why we are doing it. The District prides itself in providing excellent customer service to all its customers, external and internal.

Water Supply

The District's existing water supply consists of three separate raw water contracts. The first source of water is 33,000 acre-feet of pre-1914 water rights on the American River. The second source is a contract with the U.S. Bureau of Reclamation for 24,200 acre-feet of Central Valley Project water. The third water source is a contract with Placer County Water Agency for 25,000 acre-feet of water. The District has completed the process of long-term water contract negotiations with the U. S. Bureau of Reclamation for Central Valley Project water resulting in a 40 year long-term contract.

All sources of surface water are either stored or flow through Folsom Lake and delivery is taken at Folsom Dam outlets, either by gravity or pumped by the U. S. Bureau of Reclamation Folsom Pumping Plant. Total raw water delivery for the fiscal year was 55,324 acre-feet.

Water Efficiency

The District has long been a proponent and practitioner of cost effective water efficiency programs. The implementation of these programs has been highly successful and the District continually strives to meet the standards of the California Urban Water Conservation Council's (CUWCC) Best Management Practices (BMPs) that are required by the Sacramento Area Water Forum Agreement, California legislation SBx7x, the California Department of Water Resources, and the U.S. Bureau of Reclamation Central Valley Project Improvement Act.

Some of the District's more innovative water efficiency programs are:

- ◆ Water Conservation Poster Contest and Calendar – For over 15 years San Juan Water District has collaborated with four of its retail water suppliers and local elementary schools to promote an annual water conservation poster contest.
- ◆ Rebate Program – Provides residential customers High-Efficiency Washing Machine and Hot Water D'Mand System rebates; provides commercial and residential customers with High Efficiency Toilet and Irrigation Efficiency rebates.
- ◆ Free Programs – Assist customers with Residential Meter Retrofit Program; Irrigation Support that includes Landscape Workshops; provide Landscape Water budgets; and maintain an on-site library for customers to check out books about soil aeration, mulches, drip irrigation, water efficient landscaping, fertilizers, waster education information for children and more. Free pamphlets on these topics are also available.
- ◆ Water Efficient Landscape (WEL) Garden – Located behind San Juan Water District's office are gardens to inspire visitors to create a landscape that looks beautiful every season. The garden demonstrates efficient irrigation and non-water using materials to create a beautiful landscape.

The benefits include more cost-effective and efficient water conservation programs for an expanding number of participating water providers, and increased customer awareness of the importance of water efficiency for future reliable water supplies.

Water Treatment Plant

The District's water treatment facilities, Sidney N. Peterson Water Treatment Plant, was constructed in three phases and completed between the years of 1975 to 1983. The facilities include two flocculation-sedimentation basins, two filter basins, operations building and a covered 62 million gallon storage reservoir. Major upgrades and improvements to the plant in 2001 added two new filter backwash hoods; 2004 added a solids handling facility; 2008 added a new 54" raw water pipeline; 2009 added a new chlorine storage building; installed new caulking joints in north and south filter basins; replaced aging 2' tube settlers with 2' and 4' tube settlers and 12" launders with 18" launders in the North and South Sedimentation basins and rehabilitated the both basins concrete walls; relined all raw water pipelines (42",54" 66" & 72") and replaced emergency generator. These projects along with other capital projects increased efficiency and productivity to meet the required demands of customers and improved operations to help meet Federal and State regulatory requirements.

With a capacity of approximately 120 million gallons per day, the plant receives delivery of raw water directly from Folsom Dam outlets. The raw water undergoes an extensive water treatment process to ensure the highest quality of water for all District and wholesale customers. From the water treatment plant, the water flows into the 62 million gallon Hinkle Reservoir for storage and distribution. The District maintains approximately 214 miles of transmission and distribution pipelines, which transport the high quality treated water to wholesale and retail customers.

During the fiscal year, the District completed capital improvement projects to meet the District's goal of water system reliability: installed a new 72" and 60" diameter steel pipeline from the Bureau's Pump Station at Folsom Dam to the Hinkle Wye continuing to the City of Roseville tie-in; replaced 24 filter valves; installed a new high efficiency solar power array designed to supply approximately 90% of the power needs to feed the Peterson Water Treatment Plant, Hinkle Pump Station, and Field Operations Building; and installed new 72" and 60" pipelines to provide redundancy and additional operational control for delivering treated water to and from Hinkle Reservoir. In addition, other projects are underway in the next fiscal year to improve and efficiently maintain water systems that in many cases are more than 30 years old, including pipelines and instrumentation and control systems.

Enterprise Operations

The District is comprised of two separate enterprise operations with distinct functions:

1. Wholesale Operation's primary responsibilities are: acquire and maintain a safe and reliable source of water supply through contracts; treatment of surface drinking water; storage and delivery of water to contracting wholesale water agencies; construct and maintain treatment and water storage systems as recommended by the Wholesale Master Plan.
2. Retail Operation's primary responsibilities are: maintain a safe and reliable source of water supply received from the Wholesale Agency; storage, transmission and distribution of water to retail customers at a reasonable cost; construct and maintain transmission and distribution pipeline systems as recommended by the Retail Master Plan; provide

engineering oversight to District projects and new connections to the system; provide customer service; develop and monitor conservation programs.

The financial management and accounting for the two enterprise operations is recorded separately; however, for financial reporting purposes they are presented in a consolidated report. As additional information, the accounting for the two operations on a budget versus actual basis is provided.

Factors Affecting Financial Condition

Economic Outlook

The District is located in Northern California approximately 20 miles Northeast of Sacramento and between the Cities of Folsom and Roseville. While over the years the region as a whole has been successful in attracting new high-tech companies and expansion of existing companies, the statewide and national economic conditions have caused a slowing in development. The housing downturn as well as financial market deterioration has created more caution related to expansion and the economy. The District's Retail Service Area (RSA) has again experienced a very moderate, low growth rate in recent years as reflected in the number of new service connections. There were approximately 40 more service connections for the current fiscal year, which represents a growth rate of approximately .386% for the year. The national housing turmoil and resulting foreclosures in the RSA has caused the District to implement solutions for ensuring that water bills due on vacant and foreclosed properties are collected prior to closing of sale and escrow on these properties. This number has remained manageable and the District has been able to collect these monies through communication with realtor, banks, escrow companies and new property owners.

Overall, the current and future financial stability of the District is positive with the existing revenue sources remaining stable. Retail revenues are currently received entirely through a metered rate system. As the result of a Federal Mandate, the entire District became 100% metered effective January 1, 2005 and began billing all customers on a metered rate. Until that time, customers had been voluntarily switching to metered billing based upon rate comparisons provided on water bills for metered versus flat rate billing. New conservation related billing structures, referred to as Best Management Practices (BMP) 11, intend to work toward having 70% of revenues received from the volumetric portion of the water rates. Using the alternative Canadian Model which is available, only 30% of revenues are required to be received from volumetric portion of rates and the District meets this standard as it is actually 41%. The District will continue to actively monitor legislation related to this and other rate structure requirements. Any rate structure alterations would be discussed by the Board of Directors and follow noticing requirements of Proposition 218.

Long-term Financial Planning

In order to ensure funds are available to meet both operating and capital needs, the District (for both Wholesale and Retail Operations) established a financial planning process with development of a Master Plan that contains a review of current infrastructure, and that recommends projects for a twenty to thirty year period. The District next estimates current and future operating needs then works with a rate consultant to develop a water rate study and financial plan.

Both the Wholesale and Retail Financial Plans were updated in 2012 by the Reed Group, Inc. While the plan did not recommend a water rate increase for Wholesale, there was a

recommended 2% water rate increase for Retail in 2013 (with options for discussion by the Board). There were cost-saving measures implemented by staff as well as unanticipated revenues that offset the need to increase rates. In accordance with prior plans, operating, capital and reserve requirement needs, the adopted Fiscal Year 2012-2013 budgets, the Board approved a Wholesale Water Rate increase of 0% and a Retail Water Rate increase of 2%, effective January 1, 2013. Wholesale Water Rate increases are due to the significant nature of capital projects and debt service required (minimal operational increase required). Retail Water Rate increases are due to capital projects (minimal operational increase required).

Relevant Financial Policies

Effective in June 2011, the Board of Director's changed the District's policy related to the California Public Employees' Retirement System (PERS) Employer Paid Member Contribution (EPMC). Previously, the 8% EPMC was paid by the District on behalf of the employee and now employees are making the full 8% contribution.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Juan Water District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the sixth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the entire staff of Finance and Administrative Services, Retail Operations (Conservation, Customer Service, Engineering Services, and Field Services), and Wholesale Operations. This specifically includes the continuing support of the Board of Directors of the District in the planning and implementation of the financial affairs of the District.

Sincerely,

Shauna Lorance
General Manager

Mary A. Morris
Finance & Administrative Services Manager

San Juan Water District
List of Elected and Appointed Officials
June 30, 2012

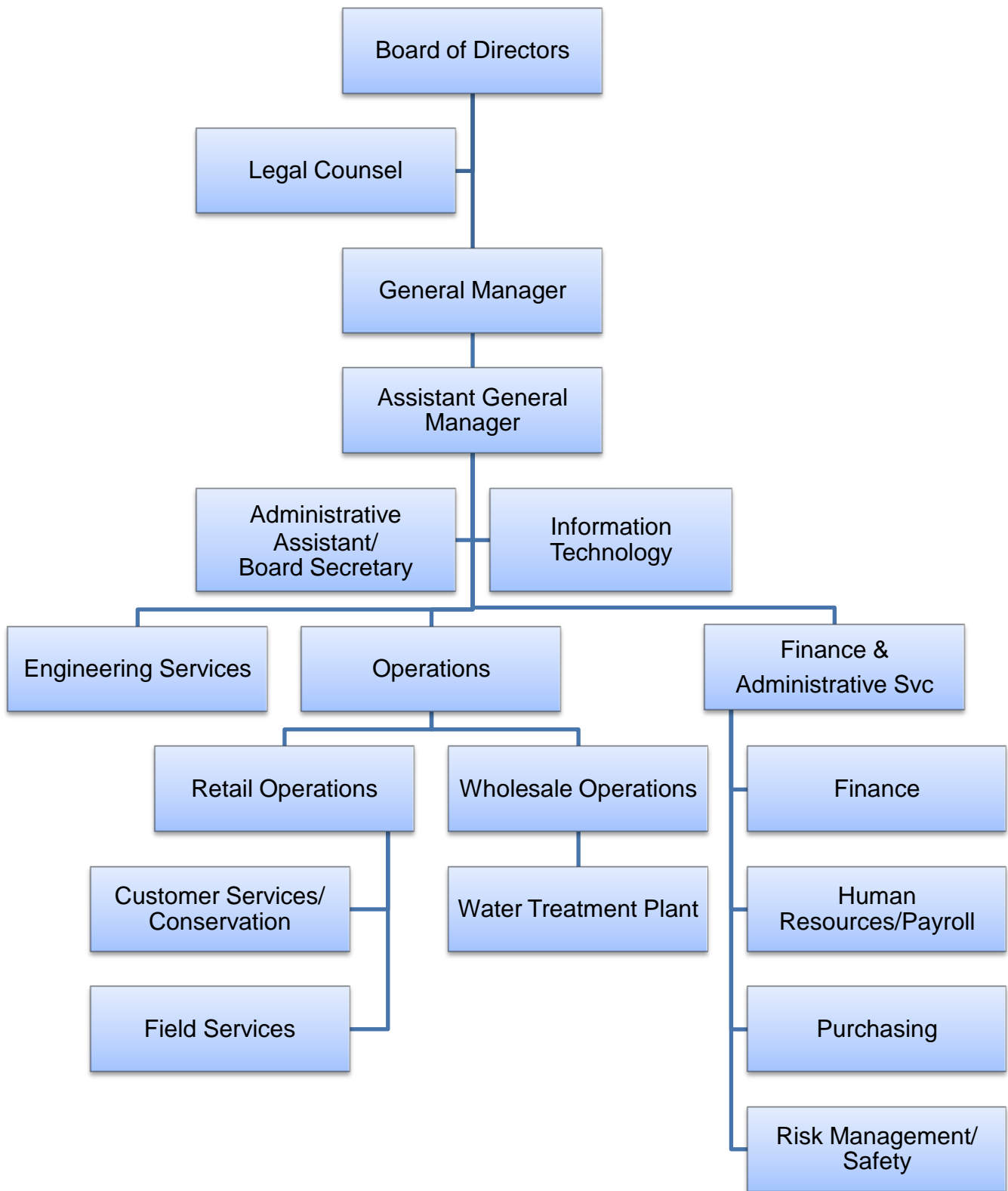
Board of Directors – Elected Officials

<u>Title</u>	<u>Name</u>	<u>Current Term</u>
President	Pamela Tobin	12/2008 – 12/2012
Vice President	Kenneth H. Miller	12/2008 – 12/2012
Director	Edward J. “Ted” Costa	12/2010 – 12/2014
Director	Dave Peterson	12/2010 – 12/2014
Director	Bob Walters	12/2010 – 12/2014

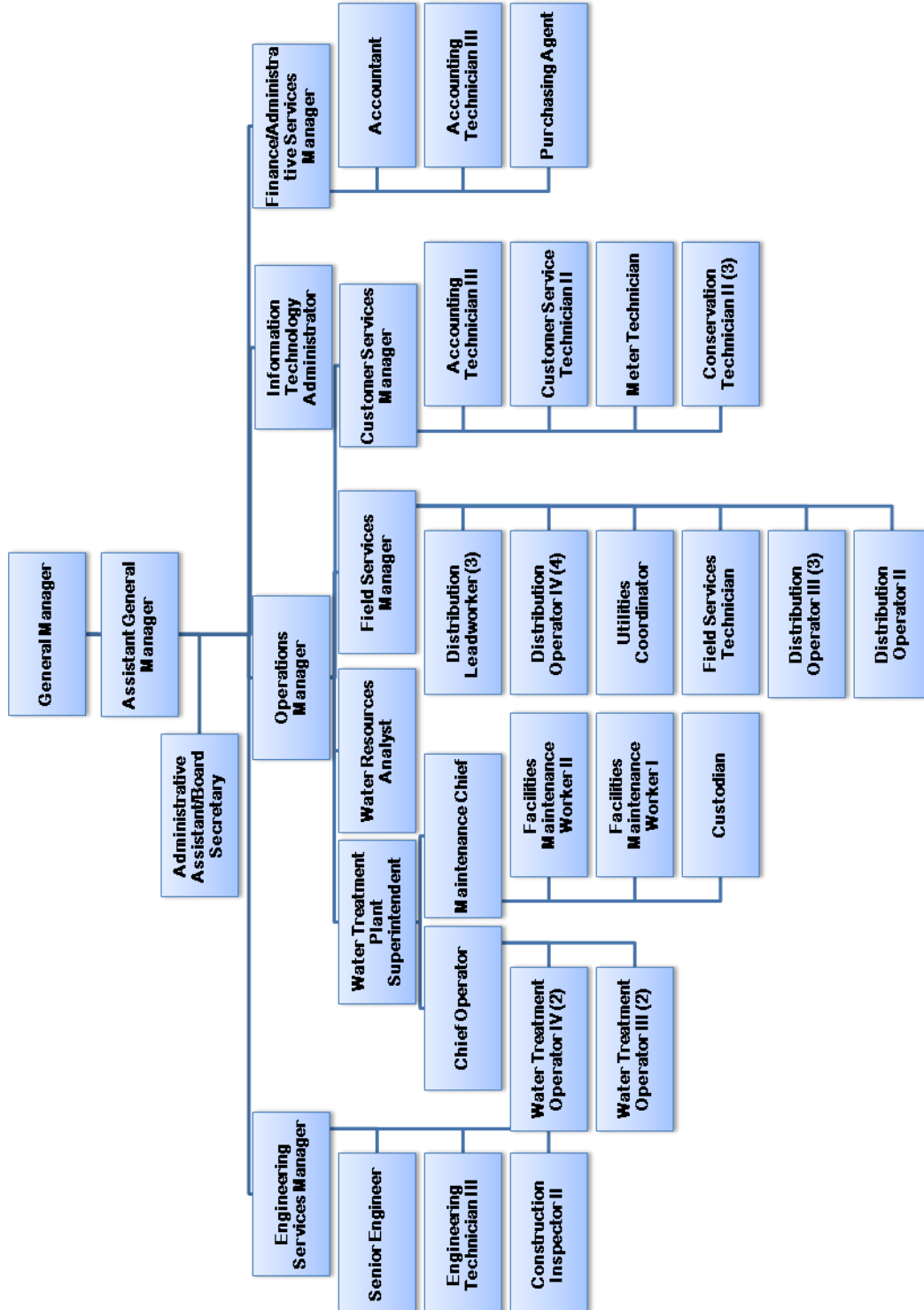
Staff – Appointed Officials

General Manager	Shauna L. Lorance
Assistant General Manager	Keith B. Durkin
Administrative Assistant/Board Secretary	Teri Hart
Finance and Administrative Services Manager	Mary A. Morris
Operations Manager	Rick Hydrick
Customer Services Manager	Judy A. Johnson
Engineering Services Manager	Rob Watson
Field Services Manager	George Machado
Water Treatment Plant Superintendent	Bill Sadler

San Juan Water District
Organization Chart
June 30, 2012



San Juan Water District
 Organization Chart
 June 30, 2012



Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Juan Water District
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Juan Water District
Granite Bay, California

We have audited the accompanying financial statements of the business-type activities of San Juan Water District (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the District as of June 30, 2011, were audited by other auditors whose report dated September 9, 2011, expressed an unqualified opinion on those 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of San Juan Water District, as of June 30, 2012 and 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, schedule of administrative and general expenses, schedule of operations – budget and actual, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of administrative and general expenses and the schedule of operations – budget and actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Marlene M. McCPAs

Sacramento, California
December 7, 2012

Management's Discussion and Analysis

In order to enhance the information provided in the transmittal letter, management offers this narrative overview and analysis of the financial activities of the San Juan Water District (District) for the fiscal year ended June 30, 2012. We encourage readers to consider the information here in conjunction with that transmittal letter, which can be found on pages 1-6 of this report. The information is intended to provide a better understanding of the District's financial operations and performance.

Financial Highlights

Several key points are important when reading the District's CAFR:

- At the end of the fiscal year, assets exceeded liabilities by \$74,217,635 (net assets) as compared with \$71,974,145 in the prior year. This amount is comprised of investments in capital assets, restricted and unrestricted net assets. Of the total amount, \$23,686,173 is considered unrestricted and available to meet the District's ongoing obligations. However, the majority of these funds have been designated for specific projects which will be required for replacement of capital facilities.
- Total net assets increased by \$2,243,490, compared to the prior year increase of \$2,084,178 in the prior fiscal year. The major reason for the increase in both years was capital contribution revenue for a cooperative construction project and revenues higher than projected.
- Operating revenues increased by \$534,634, which is due to a decrease in debt service charge in wholesale water rates, increased water consumption in retail water rates and increased revenue for cost sharing activities. In the prior year, operating revenues increased by \$724,745, which was due to a 5% rate increase in wholesale water rates and a 2% rate increase in retail water rates.
- Non-operating revenues increased by \$391,223 due to increase in capital contributions for a cooperative construction project, lower investment earnings as the direct result of the recessionary economy, lower property tax revenues due to decreased assessment values and reduction in direct obligation debt service revenue associated with the 2012 Refunding Bonds. In the prior year, non-operating revenues decreased by \$1,178,319 due to lower investment earnings as the direct result of the recessionary economy, decrease in capital contribution due to completion of a cooperative construction with a higher level of activity in the prior year and lower property tax revenues due to decreased assessment values. .

Overview of the Financial Statements

The four sections of the District's financial statements are: 1) introductory section, 2) financial section, 3) supplemental information section, and 4) statistical section.

Introductory Section - This includes the letter of transmittal, Certificate of Achievement for Excellence in Financial Reporting awarded by the GFOA, list of Board of Directors and Staff, and organization chart.

Financial Section - This section includes the auditor's report, management's discussion and analysis and basic financial statements. The District's basic financial statements are comprised of the Statements of Net Assets, Statements of Activities, and Statements of Cash Flows. The Statement of Net Assets presents information on all assets and liabilities, with the difference between the two reported as net assets. When evaluated over a period of time, increases or decreases in net assets may serve as an indicator of whether the financial position of the District is improving or deteriorating. The Statements of Activities reflects the revenues and expenses for the fiscal year ended. The Statements of Cash Flows shows the sources and uses of cash in the operating, non-capital, capital and related financing, and investing activities. The notes provide in depth information that is vital to gaining a full understanding of the data provided in the financial statements. The notes to the financial statements begin on page 25.

Supplemental Information Section - In addition to the basic financial statements and accompanying notes, this report also provides additional information on administrative and general expenses and budget versus actual.

Statistical Section - The statistical section provides additional information not contained in the financial section on District activities.

Financial Analysis of the District

As a government agency, the District is not in the business to make a profit as a private company would be. In contrast, the District has two major goals, which are:

- ✓ Recovering the cost of providing services to its constituents, and
- ✓ Securing the financial resources needed to maintain and improve the capital facilities used in providing those services.

The financial statements assist a reader in determining whether the District is meeting these goals. In general, net assets provide a realistic indicator of a government's financial position. For the fiscal year ending June 30, 2012, assets exceeded liabilities by \$74,217,635. In the prior year, assets exceeded liabilities by \$71,974,145.

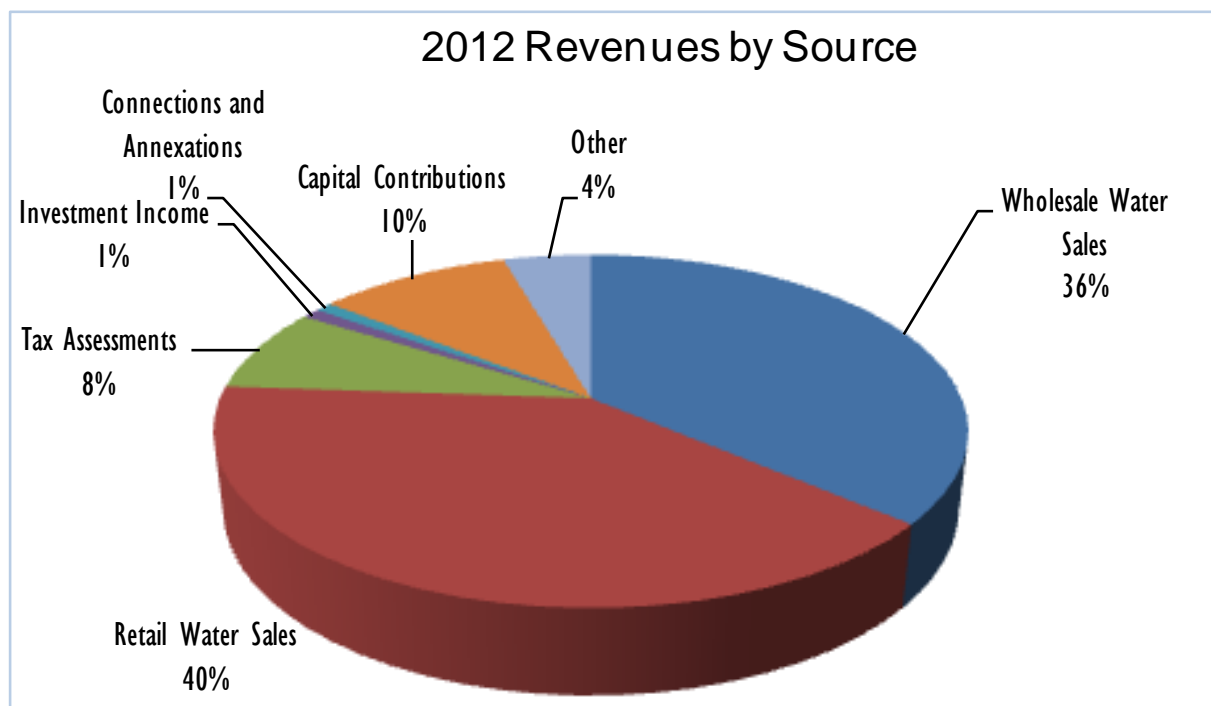
Statements of Net Assets

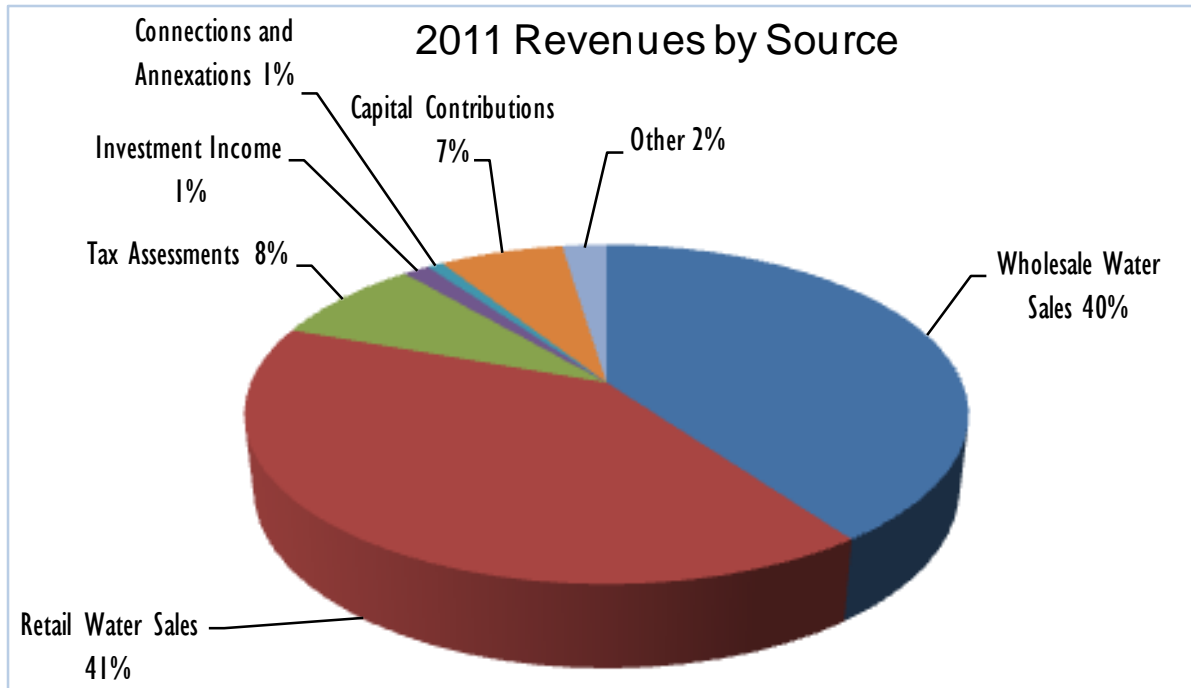
	2012	2011	Change	2010	Change
Current Assets	\$ 21,459,536	\$ 19,763,408	\$ 1,696,128	\$ 11,287,455	\$ 8,475,953
Restricted Assets	11,696,415	16,485,507	(4,789,092)	30,838,327	(14,352,820)
Capital Assets, Net	84,128,153	83,182,028	946,125	75,067,143	8,114,885
Other Assets	5,158,798	6,605,161	(1,446,363)	6,744,099	(138,938)
Total Assets	<u>\$122,442,902</u>	<u>\$126,036,104</u>	<u>(\$3,593,202)</u>	<u>\$123,937,024</u>	<u>\$2,099,080</u>
Current Liabilities	\$ 3,883,092	\$ 6,780,035	\$ (2,896,943)	\$ 5,882,062	\$ 897,973
Long-Term Liabilities	44,342,175	47,281,924	(2,939,749)	48,164,995	(883,071)
Total Liabilities	\$ 48,225,267	\$ 54,061,959	\$ (5,836,692)	\$ 54,047,057	\$ 14,902
Invested in capital assets, net of related debt	47,620,292	47,026,193	594,099	43,492,739	3,533,454
Restricted net assets	2,911,170	4,835,676	(1,924,506)	4,931,780	(96,104)
Unrestricted	23,686,173	20,112,276	3,573,897	21,465,448	(1,353,172)
Net Assets	74,217,635	71,974,145	2,243,490	69,889,967	2,084,178
Total Liabilities and Net Assets	<u>\$ 122,442,902</u>	<u>\$ 126,036,104</u>	<u>\$ (3,593,202)</u>	<u>\$ 123,937,024</u>	<u>\$ 2,099,080</u>

The largest portion of the District's net assets, 64%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. In the prior year, investment in capital assets represented 65% of net assets with the same percentage in the fiscal year prior to that. The District utilizes capital assets to serve its customers; therefore, these assets are not available for future spending. While the District's investment in capital assets is reported net of related debt, be aware that the funds needed to repay this debt must be contributed from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, restricted net assets, 4%, are subject to external restriction on how they may be used (specifically, for debt service on the 2009 Certificates of Participation (COPs)). The remaining unrestricted net assets, 32%, may be utilized to meet the District's ongoing obligations and future facility improvements or replacements. The stability of unrestricted net assets is an indicator that the financial condition of the District remains strong.

The increase of \$2,243,490 in total net assets is representative of increases in revenues and capital contributions offset by reduced non-operating revenues. In the prior fiscal year, the increase of \$2,084,178 in total net assets is representative of increases in revenues and capital contributions offset by reduced non-operating revenues. In the fiscal year two years prior, the increase of \$1,753,861 in total net assets was due to increase in capital contributions offset by reduced operating and non-operating revenues.





Graphical representations of total District revenues demonstrate the generally stable revenue streams with exception of capital contributions which can vary significantly from year-to-year and would most often equal zero.

Operating revenue increased by \$533,634 due to a slight rebound in retail water use and additional cost sharing revenues. In the prior fiscal year, the increase of \$724,745 was due to rate increases for both wholesale and retail customers and a slight rebound in water use. The District believes that customer-driven conservation efforts are both motivated by efficient use of natural resources and the economic downturn that had potentially created a financial need for using less water in order to save on household and business costs.

Statements of Activities

	2012	2011	Change	2010	Change
Operating Revenues					
Wholesale Water Sales	\$ 7,364,002	\$ 7,764,982	\$ (400,980)	\$ 7,554,793	\$ 210,189
Retail Water Sales	8,090,259	7,834,917	255,342	7,299,989	534,928
Other	803,986	123,714	680,272	144,086	(20,372)
Total Operating Revenues	<u>\$ 16,258,247</u>	<u>\$ 15,723,613</u>	<u>\$ 534,634</u>	<u>\$ 14,998,868</u>	<u>\$ 724,745</u>
Nonoperating Revenues					
Tax assessments	1,561,130	1,597,524	(36,394)	1,687,204	(89,680)
Investment income	187,780	271,233	(83,453)	475,140	(203,907)
Capital Contributions	2,009,234	1,283,677	725,557	2,172,250	(888,573)
Connections and annexations	176,362	163,541	12,821	163,266	275
Other	108,047	335,355	(227,308)	331,789	3,566
Total Nonoperating Revenues	<u>4,042,553</u>	<u>3,651,330</u>	<u>391,223</u>	<u>4,829,649</u>	<u>(1,178,319)</u>
Total Revenues	<u>\$ 20,300,800</u>	<u>\$ 19,374,943</u>	<u>\$ 925,857</u>	<u>\$ 19,828,517</u>	<u>\$ (453,574)</u>
Operating Expenses					
Administration and general	2,455,196	2,431,343	23,853	2,458,413	(27,070)
Conservation	662,589	617,614	44,975	635,946	(18,332)
Customer service	681,163	658,999	22,164	666,816	(7,817)
Engineering	325,113	342,523	(17,410)	317,454	25,069
Pumping and telemetry	621,783	590,723	31,060	545,977	44,746
Source of Supply	3,186,686	2,820,911	365,775	3,284,932	(464,021)
Transmission and distribution	1,764,998	1,657,517	107,481	1,764,549	(107,032)
Water treatment	1,701,918	2,118,922	(417,004)	2,171,923	(53,001)
Depreciation	3,870,801	3,024,662	846,139	3,058,880	(34,218)
Retirement Benefit Fund	252,332	377,057	(124,725)	742,340	(365,283)
Total Operating Expenses	<u>15,522,579</u>	<u>14,640,271</u>	<u>882,308</u>	<u>15,647,230</u>	<u>(1,006,959)</u>
Nonoperating Expenses					
Bond and note interest	2,471,907	2,591,472	(119,565)	2,359,167	232,305
Other	62,824	59,022	3,802	68,259	(9,237)
Total Nonoperating Expenses	<u>2,534,731</u>	<u>2,650,494</u>	<u>(115,763)</u>	<u>2,427,426</u>	<u>223,068</u>
Total Expenses	<u>18,057,310</u>	<u>17,290,765</u>	<u>766,545</u>	<u>18,074,656</u>	<u>(783,891)</u>
Change in Net Assets	2,243,490	2,084,178	159,312	1,753,861	330,317
Net Assets at Beginning of year	71,974,145	69,889,967	2,084,178	68,136,106	1,753,861
Net Assets at End of Year	<u>\$ 74,217,635</u>	<u>\$ 71,974,145</u>	<u>\$ 2,243,490</u>	<u>\$ 69,889,967</u>	<u>\$ 2,084,178</u>

The \$391,223 increase in non-operating revenues is a result of a decrease in property tax values, reduced investment income due to market conditions, and higher capital contribution revenue. This compares to the prior year's \$1,178,319 decrease in non-operating revenues is a result of reduced investment income due to market conditions, continued slowing of new connections and lower capital contribution revenue. Two years prior, non-operating revenues increased by \$1,802,868 which was attributed to increased capital contributions.

The \$882,308 increase in operating expenses is due to higher legal and consulting costs (revenues associated with cost recovery activities provide an offset), grant program activity, higher source of supply costs for retail capital project contributions and more depreciating assets. In the prior fiscal year, operating expenses decreased by \$1,006,959 due to reduced source of supply costs due to lower water use and retirement benefit (OPEB) costs due to single year of ARC reflected.

Though the District continually seeks cost-efficient methods of providing service and completing capital projects, this year and coming years have placed even greater emphasis on saving money due to the continued slowing economy.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2012, net of accumulated depreciation, is \$84,128,153. This investment includes land, buildings, water treatment plant and distribution system, construction in progress, vehicles, equipment, office equipment and furniture. As of June 30, 2011, this amount was \$83,182,028. The increase from the prior fiscal year of \$946,125 is due to several smaller construction projects. At June 30, 2012, the District had \$1,328,476 in construction commitments outstanding. At June 30, 2011, the District had \$1,153,525 in construction commitments outstanding.

New subdivision and commercial development within the Retail Service Area has experienced a major slowing in growth. The outlook for the next fiscal year 2011-2012 shows a continuing slow growth trend with some vacant land currently being developed. Additional information on capital assets can be located in Note 3 of the Notes to the Basic Financial Statements beginning on Page 32.

Debt Administration

As of June 30, 2012, the District had three different debt issues outstanding in an aggregate amount of \$43,839,527. Of this amount, \$1,513,611 represents the current portion due in Fiscal Year 2012-2013. In the prior year, there were four outstanding debt issues in an aggregate amount of \$47,142,938, with \$1,053,410 representing the portion due in Fiscal Year 2011-2012. For more information on Long-Term Liabilities, refer to Note 6 of the Notes to the Basic Financial Statements beginning on Page 35.

	Outstanding Debt Issues		
Year Ended June 30	2012	2011	2010
2012 Revenue Bonds	\$ 13,625,000	\$ -	\$ -
2009 Certificates of Participation	30,085,000	30,095,000	30,105,000
2003 Certificates of Participation	-	16,890,000	17,875,000
1977 Economic Development Administration Loan	129,527	152,014	173,430
California Energy Commission Loan	-	5,924	11,513
Total	<u>\$ 43,839,527</u>	<u>\$ 47,142,938</u>	<u>\$ 48,164,943</u>

MBIA Indemnity Corporation insures the payment of the principal and interest on the 2003 Certificates of Participation. Standard & Poor's Ratings Group and Moody's Rating Services had given the COP a rating of "AAA" with the issuance of bond insurance by MBIA Indemnity Corporation. Pursuant to the Trust Agreement, with the recent downgrading of MBIA the District was required to file a disclosure reporting significant events and had completed this immediately following the event. For the 2009 Certificates of Participation, the District received an underlying credit rating of "AA", outlook stable from both Standard & Poor's Ratings Group and Fitch Ratings. This rating was upgraded to "AA+" by Fitch Ratings in 2010 and affirmed in July 2011.

Economic Factors and Next Year's Budgets and Rates

The local economy has continued to experience slow growth combined with turmoil in the housing and financial markets during the fiscal year. Interest rates are holding and sometimes dropping slightly which will provide lower investment earnings in the next year. The Consumer Price Index (CPI) increased 5.2% over the prior 12 months. The District currently expects to continue to receive its share of the 1% property tax revenue, but carefully monitors the activity

of the State of California for potential reallocation of these funds. Proposition 1A protected these funds to the extent that the State can only borrow them for a period of three years and must re-pay them including interest, but there is still a general concern given the State's economic situation. Although these are used for capital improvements and not for operations, any loss of these funds would require re-evaluation of capital projects costs and scheduling to calculate the impact to the District.

These factors were taken into consideration during preparation of the Fiscal Year 2011-2012 Budget. As approved by the Board of Directors, the District's Wholesale Water Rates are scheduled to remain unchanged with no increase on January 1, 2012 and the Retail Water Rates will remain unchanged with no increase on January 1, 2012. Several factors made holding rates possible including: higher than anticipated revenues, lower costs due to cost savings measures and a favorable bidding climate on capital improvement projects. The current rates are required to fund the capital improvement program and cover the costs of providing water service to the District's customers.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance and Administrative Services Manager, San Juan Water District, 9935 Auburn-Folsom Road, Granite Bay, CA 95746.

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Basic Financial Statements

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SAN JUAN WATER DISTRICT
STATEMENT OF NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 16,842,004	\$ 16,665,927
Accounts receivable	3,969,645	2,301,048
Accrued interest and taxes receivable	59,567	65,911
Current portion of amounts recoverable under long-term water sales contracts	244,608	306,432
Inventory	88,251	66,811
Prepaid expenses	255,461	357,279
Total Current Assets	21,459,536	19,763,408
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents	8,785,245	11,649,830
Investments	2,911,170	4,835,677
Capital Assets, Net	84,128,153	83,182,028
Total Restricted Assets	95,824,568	99,667,535
Other Assets		
Investments	4,033,150	5,061,750
Amounts recoverable under long-term water sales contracts	134,400	534,912
Investment in electrical power	343,477	355,461
Deferred charges-unamortized bond expenses and other	647,771	653,038
Total Other Assets	5,158,798	6,605,161
Total Noncurrent Assets	100,983,366	106,272,696
TOTAL ASSETS	\$ 122,442,902	\$ 126,036,104
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,331,080	\$ 4,179,217
Accrued interest	770,910	1,016,995
Customer/developer deposits	8,518	25,448
Deferred income	15,720	15,984
Due to other governments	10	10
Deposits held for other governments	-	227,669
Compensated absences	243,243	261,302
Current portion of long-term debt	1,513,611	1,053,410
Total Current Liabilities	3,883,092	6,780,035
Long-Term Liabilities		
Long-term debt	43,752,865	46,728,453
Compensated absences	589,310	553,471
Total Long-Term Liabilities	44,342,175	47,281,924
Total Liabilities	48,225,267	54,061,959
Net Assets		
Invested in capital assets, net of related debt	47,620,292	47,026,193
Restricted for debt service reserve fund	2,911,170	4,835,676
Unrestricted	23,686,173	20,112,276
	74,217,635	71,974,145
TOTAL LIABILITIES AND NET ASSETS	\$ 122,442,902	\$ 126,036,104

SAN JUAN WATER DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

	2012	2011
Operating Revenues		
Water sales-wholesale		
Water charges to retail area	\$ 2,101,621	\$ 2,283,825
Citrus Heights Water District	2,176,090	2,105,684
Fair Oaks Water District	1,542,080	1,523,874
Sacramento Suburban Water District	648,377	961,467
Orangevale Mutual Water Company	658,243	622,698
City of Folsom	224,993	260,176
Granite Bay Golf Club	7,972	7,258
Other Public Agencies	4,626	-
Total Water Sales-Wholesale	7,364,002	7,764,982
Water sales-retail	8,090,259	7,834,917
Other	803,986	123,714
Total Operating Revenues	16,258,247	15,723,613
Operating Expenses		
Source of Supply		
Water charged to retail service area	2,565,722	2,283,825
Placer County Water Agency	337,500	300,000
US Bureau of Reclamation	25,384	47,411
Wheeling	138,730	90,448
Bureau pumping	92,854	89,836
Other	26,496	9,391
Depreciation	3,870,801	3,024,662
Administration and general	2,455,196	2,431,343
Water treatment	1,701,918	2,118,922
Transmission and distribution	1,764,998	1,657,517
Customer service	681,163	658,999
Pumping and telemetry	621,783	590,723
Engineering	325,113	342,523
Conservation	662,589	617,614
Retirement Benefit Fund (OPEB)	252,332	377,057
Total Operating Expenses	15,522,579	14,640,271
Net Income (Loss) From Operations	735,668	1,083,342
Nonoperating Revenues		
Tax assessments	1,561,130	1,597,524
Investment income	187,780	271,233
Connections and annexations	176,362	163,541
Other	108,047	335,355
Total Nonoperating Revenues	2,033,319	2,367,653
Nonoperating Expenses		
Bond and note interest	2,471,907	2,591,472
Other	62,824	59,022
Total Nonoperating Expenses	2,534,731	2,650,494
Net Income Before Capital Contributions	234,256	800,501
Capital Contributions	2,009,234	1,283,677
Change in Net Assets	2,243,490	2,084,178
Net Assets at Beginning of year	71,974,145	69,889,967
Net Assets at End of Year	\$ 74,217,635	\$ 71,974,145

SAN JUAN WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

	<u>2012</u>	<u>2011</u>
<u>Cash Flows from (used for) Operating Activities:</u>		
Receipts from customers	\$ 14,589,386	\$ 17,364,501
Payments to suppliers for goods and services	(8,129,487)	(5,849,891)
Payments to employees for services	(5,124,643)	(4,834,147)
Customer Deposits Received	7,700	32,353
Customer Deposits Returned	<u>(24,630)</u>	<u>(51,648)</u>
Net Cash Provided (Used) by Operating Activities	1,318,326	6,661,168
<u>Cash Flows from (used for) Noncapital Financing Activities:</u>		
Other income(expenses)	201,331	17,618
Tax assessments received	<u>1,552,395</u>	<u>1,464,248</u>
Net Cash Provided (Used) by Noncapital Financing Activities	1,753,726	1,481,866
<u>Cash Flows from (used for) Capital and Related Financing Activities:</u>		
Purchases of capital assets	(4,845,147)	(11,139,546)
Proceeds from sale of capital assets	-	95,562
Payments received on amounts recoverable under water sales contracts	306,432	302,195
Payments received for direct debt obligations	130,895	110,027
Principal payments on long-term debt	(1,053,410)	(1,022,005)
Interest payments on long-term debt	(2,692,983)	(2,601,567)
Proceeds from issuance of debt	17,056,273	0
Issuance costs paid	(272,728)	0
Debt service held for other governments	(227,654)	0
Transferred to trustee to defease debt	(16,555,915)	0
Connection and annexation income	176,362	163,541
Capital Contributions	<u>2,009,234</u>	<u>1,283,677</u>
Net Cash from (used for) Capital and Related Financing Activities	(5,968,641)	(12,808,116)
<u>Cash Flows from (used for) Investing Activities:</u>		
Purchases of investments	(4,000,000)	(5,000,000)
Proceeds from sale and maturity of investments	2,994,000	5,000,000
Transfer OPEB to CERBT	1,011,222	0
Investment Income	<u>202,859</u>	<u>334,196</u>
Net Cash Provided (Used) by Investing Activities	208,081	334,196
Net Increase (Decrease) in Cash and Cash Equivalents	(2,688,508)	(4,330,886)
Cash and Cash equivalents at beginning of year	<u>28,315,757</u>	<u>32,646,643</u>
Cash and Cash Equivalents at end of year	<u>\$ 25,627,249</u>	<u>\$ 28,315,757</u>
<u>Financial Statement Presentation:</u>		
Cash and cash equivalents	\$ 16,842,004	\$ 16,665,927
Restricted cash and cash equivalents	<u>8,785,245</u>	<u>11,649,830</u>
Total Cash and Cash Equivalents	<u>\$ 25,627,249</u>	<u>\$ 28,315,757</u>

SAN JUAN WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

	2012	2011
Reconciliation of Net Income (Loss) from Operations to Cash provided by (used for) Operating Activities		
Net Operating Income (Loss)	\$ 735,668	\$ 1,083,342
Adjustments to reconcile net income (loss) from operations to net cash provided by (used for) operating activities:		
Depreciation and amortization	3,870,801	3,143,768
(Gain) Loss on disposal of capital assets	28,230	13,761
Changes in assets and liabilities:		
(Increase) Decrease in Accounts receivable	(1,668,597)	1,437,564
(Increase) Decrease in Inventory	(21,440)	5,842
(Increase) Decrease in Electrical Investment	0	13,438
(Increase) Decrease in Prepaid Expenses	101,818	(36,940)
Increase (Decrease) in Accounts payable	(1,816,070)	718,970
Increase (Decrease) in Salaries payable	87,330	253,994
Increase (Decrease) in Customer/developer deposits	(16,930)	(19,295)
Increase (Decrease) in Deferred income	(264)	(6,850)
Increase (Decrease) in Due to other governments	0	10
Increase (Decrease) in Compensated absences	17,780	53,564
	<u>\$ 1,318,326</u>	<u>\$ 6,661,168</u>
<u>Non-cash Activities</u>		
Change in fair value of investments	\$ 11,675	\$ 39,070

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

1. Summary of Significant Accounting Policies

The basic financial statements of the San Juan Water District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As allowed by the GASB, the District has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989. The more significant of the District's accounting policies are described below.

Reporting Entity: The San Juan Water District (the District) was incorporated March 4, 1954 as a community service district under community service district law of the State of California (Section 60000 et. seq., Title 5, Division 3 of the California Government Code). The District is governed by a five member Board of Directors elected by the voters within the District for staggered, four year terms, every two years. The District provides water to retail customers in Sacramento and Placer Counties and sells water on a wholesale basis to other agencies. The accompanying basic financial statements present the District and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

The District has created the San Juan Suburban Water District Financing Corporation (the Corporation) to provide assistance to the District in the issuance of debt. Although legally separate from the District, the Corporation is reported as if it were part of the primary government because it shares a common Board of Directors with the District and its sole purpose is to provide financing to the District under the debt issuance documents of the District. Debt issued by the Corporation is reflected as debt of the District in these financial statements. The Corporation has no other transactions and does not issue separate financial statements.

Basis of Presentation - Fund Accounting: The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net assets for the enterprise fund represent the amount available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net assets is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

1. Summary Of Significant Accounting Policies (Continued)

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as deferred revenues until earned.

Earned but unbilled water services are accrued as revenue. Water lines are constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance.

These lines are recorded as capital contributions when they pass inspection by the District and the estimated costs are capitalized as pipelines, reservoirs, pumping stations and buildings.

Operating revenues and expenses consists of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Operating expenses include source of supply expenses, the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Principles: The Board of Directors does not operate under any legal budgeting constraints. Budget integration is employed as a management control device. Budgets are formally adopted by the Board and take effect on each July 1.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Overhead Allocation: The quarterly overhead expense of maintaining vehicles, equipment, small tools and radios is charged to construction jobs and maintenance operations performed by District forces, all prorated on a man-hour basis. In addition, administrative overhead in the amount of 15% of the total cost is added to all jobs to recover associated costs.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, including restricted assets. Cash and cash equivalents include demand deposits, money market funds and California Local Agency Investment Funds (LAIF).

Restricted Assets: Certain proceeds of the District's long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "reserve" account is used to report resources set aside to make up potential future deficiencies in the 2009 Certificates of Participation debt service. The indenture does not establish a reserve fund in connection with the issuance of the 2012 Revenue Refunding Bonds. Certain unspent debt proceeds are restricted to specific capital projects by the applicable debt covenant. Restricted assets also include certain employee withholdings.

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

1. Summary Of Significant Accounting Policies (Continued)

Capital Assets: Capital assets are recorded at historical cost if purchased or constructed. Donated assets are valued at estimated fair value on the date received. Depreciation is calculated using the straight line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Life</u>
Building and structures	5-33 years
Machinery and equipment	3-15 years
Plant and pipelines	33 years

The cost of maintenance and repairs that do not add to the value of the asset or materially extend asset lives are charged to operations when incurred. It is the District's policy to capitalize all capital assets with a cost of more than \$5,000. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

Inventory: Inventories are stated at the lower of cost, on a weighted average method, or market. Inventories consist of materials and supplies.

Bond Premiums and Issuance Costs: Bond premiums, as well as issuance costs, are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums. Bond issuance costs are reported as deferred charges and are amortized over the life of the related debt.

Property Taxes: The District receives property taxes from both Sacramento and Placer Counties. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of March 1 of the preceding fiscal year. They become a lien on the first day of the levy year they are levied. Secured property tax is levied on January 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. At that time, delinquent accounts are assessed a penalty of 10 %. Accounts that remain unpaid on June 30 are charged an additional 12 percent per month. Unsecured property tax is levied on July 1 and due on July 31, and becomes delinquent on August 31. The penalty percentage rates are the same as secured property tax.

The District elected to receive the property taxes from the Counties under the Teeter Bill. Under this program the District receives 100% of the levied property taxes in periodic payments with the Counties assuming responsibility for delinquencies.

Compensated Absences: It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. These benefits will be paid to employees upon separation from service from the District in accordance with the vesting policy. The cost of vacation and sick pay are accrued in the period earned with an offsetting liability in compensated absences. The current portion is calculated as the amount that is estimated to be used during the next year and the remaining is included in the long-term liabilities.

Deferred Income: Deferred income represents revenues received for wholesale and retail sales that have not been earned as of June 30, 2012 and 2011.

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

1. Summary Of Significant Accounting Policies (Continued)

Water Charge to the Retail Service Area: For accounting purposes a charge is made to the retail area for water used at a wholesale rate. This amount is recorded as income to the wholesale unit and as expense to the retail area.

Segment Information: The District's management has determined the District consists of one operating segment.

2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments

Cash and investments as of June 30, 2012 and 2011 are classified in the accompanying financial statements as follows:

Cash and investments as of June 30, 2012 and 2011 consisted of the following:

	2012	2011
Cash and cash equivalents	\$ 16,842,004	\$ 16,665,927
Restricted cash and cash equivalents	8,785,245	11,649,830
Restricted investments	2,911,170	4,835,677
Investments	4,033,150	5,061,750
Total Cash and Investments	\$ 32,571,569	\$ 38,213,184

Investment policy: Investments, with the exception of LAIF, are reported at fair value. California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs.

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit 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. During the years ended June 30, 2012 and 2011, the District's permissible investments included the following instruments:

	2012	2011
Cash on hand	\$ 350	\$ 350
Deposits with financial institutions	753,395	1,136,701
Total Cash and Cash Equivalents	753,745	1,137,051
Money market mutual funds	3,848,166	6,553,681
Investments in Local Agency Investment fund (LAIF)	21,009,251	25,460,702
US agency securities	2,927,257	3,999,870
Medium-term corporate notes	4,033,150	1,061,880
Total Investments	\$ 31,817,824	\$ 37,076,133
Total Cash and Investments	\$ 32,571,569	\$ 38,213,184

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

**2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments
(Continued)**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One issuer
U.S. treasury obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Bankers acceptances	180 days	20%	20%
High grade commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	50%
LAIF	N/A	None	None
Time deposits	5 years	10%	50%
Medium term corporate notes	5 years	30%	50%
Money market mutual funds	N/A	15%	10%
Mortgage pass-through securities	5 years	20%	20%
Collateralized mortgage obligations	5 years	20%	20%
Mortgage-backed or other pay-through bonds	5 years	20%	20%
Equipment leased-back certificates	5 years	20%	20%
Consumer receivable pass-through certificates	5 years	20%	50%
Consumer receivable-backed bonds	5 years	20%	50%

*Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The 2003 and 2009 Revenue Certificates of Participation and the 2012 Revenue Refunding Bonds debt agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk, including 1) the authorization of the investment of the debt service reserve in guaranteed investment contracts required to be held by foreign banks, domestic or Canadian life insurance companies, wholly-owned and guaranteed financial institution subsidiaries of one of the above mentioned institutions or a domestic financial guaranty insurance company or affiliate with a minimum unsecured debt or financial strength rating of AAA by nationally recognized statistical rating organization; 2) a specified maturity date of February 1, 2033; and 3) a requirement that if such provider's unsecured debt or financial strength rating falls below AA-, the guaranteed investment contracts must be collateralized with U.S. Treasury Obligations, or senior debt or mortgage pass-through Obligations of GNMA, FNMA or FHLMC. No collateralized mortgage obligations are allowed for these providers, and collateral levels must be at least 104% of the principal and accrued interest on the guaranteed investment contracts if the collateral type is U.S. Treasury Obligations or Obligations of GNMA and at least 105% if the collateral type is Obligations of FNMA or FHLMC.

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

**2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments
(Continued)**

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, 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 the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

	Remaining Maturity (in Months)				
	Total	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
U.S. agency securities	\$ 2,006,390	\$ -	\$ -	\$ 2,006,390	\$ -
Medium-term corporate notes	2,026,760		1,033,770	992,990	
LAIF	12,250,637	12,250,637			
Money market mutual funds	1,411,799	1,411,799			
<u>Held by bond trustee:</u>					
LAIF	8,758,614	8,758,614			
Money market mutual funds	5,363,624	5,363,624			
Total Investments	\$ 31,817,824	\$ 27,784,674	\$ 1,033,770	\$ 2,999,380	\$ -

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

	Total	Minimum		
		Legal Rating	AAA	Not Rated
U.S. agency securities	\$ 2,006,390	N/A	\$ 2,006,390	\$ -
Medium-term corporate notes	2,026,760	A	2,026,760	
LAIF	12,250,637	N/A		\$ 12,250,637
Money market mutual funds	1,411,799	A	1,411,799	
<u>Held by bond trustee:</u>				
LAIF	8,758,614	N/A		8,758,614
Money market mutual funds	5,363,624	A	5,363,624	
Total Investments	\$ 31,817,824		\$ 10,808,573	\$ 21,009,251

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

**2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments
(Continued)**

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 50% of total investments, with the exception of U.S. Treasury obligations, U.S. agency securities and LAIF. Investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total District investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Banks	U.S. agency security	\$ 1,001,930
Federal Farm Credit Banks	U.S. agency security	1,004,460
General Electric Corporation	Medium-term corporate note	2,026,760

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, 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 public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2012, the carrying amount of the District's deposits was \$753,745. In accordance with State law (Government Code Section 53630), deposits are covered by federal depository insurance corporation, supplemental insurance held by the investment broker and collateralized as required by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District. As of June 30, 2012 and 2011, all of the District's deposits with financial institutions in excess of federal depository insurance corporation limits were held in collateralized accounts. As of June 30, 2012, District investments in the following investment types were held by a third party custodian (trustee) separate from the broker-dealer used to buy the securities:

Investment Type	Reported Amount
U.S. agency securities	\$ 2,006,390
Medium-term corporate notes	2,026,760
Money market mutual funds	6,775,423

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

**2. Cash, Cash Equivalents, Deposits with Financial Institutions, and Investments
(Continued)**

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$21,887,750,115 managed by the State Treasurer. Of that amount, 100% is invested in non-derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

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.

3. Accounts Receivable

	2012	2011
Wholesale Customers	\$ 2,309,726	\$ 1,061,658
Retail Customers	1,346,674	1,234,030
Retail Collections	4,478	3,811
Cavitt Stallman	8,420	9,484
Miscellaneous	304,347	44
Less: Allowance for Doubtful Accounts	(4,000)	(7,979)
Accounts Receivable, net	\$ 3,969,645	\$ 2,301,048
Interest - LAIF	\$ 18,741	\$ 33,820
Property Taxes	40,826	32,091
Total Accrued Interest and Taxes Receivable	\$ 59,567	\$ 65,911

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

4. Capital Assets

Capital asset activity for the years ended June 30, 2012 and 2011 was as follows:

	June 30, 2011	Additions	Disposals	Transfers	June 30, 2012
Capital Assets, not being depreciated:					
Land	\$ 572,670	\$ -	\$ -	\$ -	\$ 572,670
Construction in progress	11,581,902	4,772,373	-	(6,994,985)	9,359,290
Total Capital Assets, not being depreciated	12,154,572	4,772,373	-	(6,994,985)	9,931,960
Capital Assets, being depreciated:					
Pipelines, reservoirs, pumping	61,262,297	9		1,737,099	62,999,405
Water Treatment Plant	41,601,301	7,331		(525,329)	41,083,302
Land Improvements	464,044			5,712,566	6,176,610
Reservoirs	6,692,236			9,675	6,701,911
Pumping Stations	7,981,878			33,525	8,015,403
Buildings	1,564,819		(45,015)	27,450	1,547,254
Vehicles and Equipment	4,330,326	65,444	(882,567)	-	3,513,203
Total Capital Assets, being depreciated	123,896,901	72,784	(927,582)	6,994,985	130,037,088
Less accumulated depreciation					
Pipelines, reservoirs, pumping	(25,434,925)	(1,759,903)		(238,444)	(27,433,272)
Water Treatment Plant	(15,578,900)	(1,306,937)		264,301	(16,621,536)
Land Improvements	(256,322)	(26,967)		(191)	(283,480)
Reservoirs	(5,121,822)	(154,779)		(498)	(5,277,099)
Pumping Stations	(2,611,034)	(263,422)		(34,965)	(2,909,421)
Buildings	(1,014,041)	(48,148)	45,015	(165)	(1,017,339)
Vehicles and Equipment	(2,852,401)	(293,592)	854,337	(7,091)	(2,298,747)
Total accumulated depreciation	(52,869,445)	(3,853,748)	899,352	(17,053)	(55,840,894)
Total Capital Assets, being depreciated, net	71,027,456	(3,780,964)	(28,230)	6,977,932	74,196,194
Total Capital Assets, being depreciated, net	\$ 83,182,028	\$ 991,408	\$ (28,230)	\$ (17,053)	\$ 84,128,153

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

4. Capital Assets (Continued)

	June 30, 2010	Additions	Disposals	Transfers	June 30, 2011
Capital Assets, not being depreciated:					
Land	\$ 572,670	\$ -	\$ -	\$ -	\$ 572,670
Construction in progress	26,731,562	10,966,697		(26,116,357)	11,581,902
Total Capital Assets, not being depreciated	27,304,232	10,966,697	-	(26,116,357)	12,154,572
Capital Assets, being depreciated:					
Pipelines, reservoirs, pumping	47,069,711			14,192,586	61,262,297
Water Treatment Plant	31,124,736	35,757		10,440,808	41,601,301
Land Improvements	464,044				464,044
Reservoirs	6,181,890			510,346	6,692,236
Pumping Stations	7,905,578			76,300	7,981,878
Buildings	1,498,415			66,404	1,564,819
Vehicles and Equipment	3,458,884	137,092	(95,563)	829,913	4,330,326
Total Capital Assets, being depreciated	97,703,258	172,849	(95,563)	26,116,357	123,896,901
Less accumulated depreciation					
Pipelines, reservoirs, pumping	(24,079,217)	(1,355,708)			(25,434,925)
Water Treatment Plant	(14,582,215)	(996,685)			(15,578,900)
Land Improvements	(229,355)	(26,967)			(256,322)
Reservoirs	(4,982,339)	(139,483)			(5,121,822)
Pumping Stations	(2,362,872)	(248,162)			(2,611,034)
Buildings	(967,644)	(46,397)			(1,014,041)
Vehicles and Equipment	(2,736,704)	(211,260)	95,563		(2,852,401)
Total accumulated depreciation	(49,940,346)	(3,024,662)	95,563	-	(52,869,445)
Total Capital Assets, being depreciated, net	47,762,912	(2,851,813)	-	26,116,357	71,027,456
Total Capital Assets, being depreciated, net	\$ 75,067,144	\$ 8,114,884	\$ -	\$ -	\$ 83,182,028

5. Investment In Electrical Power

The District participates in the California-Oregon Transmission Project (Project), a Joint Powers Authority (JPA), which is a project of the Department of Energy, Western Area Power Administration. The Project is governed by a Management Committee, which is chaired by a representative of the Transmission Agency of Northern California with each participant in the project having representation on the Management Committee.

The District applied as a Community Services District and a Central Valley Project Contractor, and received allocation of 1MW (megawatt) of power (capacity and associated energy) in exchange for an investment as a participant in the construction of the transmission line. Subsequent to the original allocation from the Department of Energy, the District purchased one additional megawatt of power from Trinity County Public Utility District. The cost of the purchase

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

6. Long-Term Liabilities (Continued)

2009 Revenue Certificates of Participation

On June 30, 2009, the District issued Revenue Certificates of Participation in the amount of \$30,510,000 to fund certain capital improvements secured by a lien on all revenues on the District. Principal payments are due on February 1 through 2039 and range from \$10,000 to \$3,015,000, with semi-annual interest payments due on February 1 and August 1 through February 1, 2033 that range from \$90,450 to \$1,008,477. Interest rates range from 3% to 6%.

2003 Revenue Certificates of Participation

On June 25, 2003, the District issued Revenue Certificates of Participation in the amount of \$23,995,000 to advance refund the 1993 Revenue Certificates of Participation and to fund certain capital improvements secured by a lien on all revenues on the District. Principal payments were due on February 1 through 2033 and range from \$475,000 to \$1,455,000, with semi-annual interest payments due on February 1 and August 1 through February 1, 2033 that range from \$25,294 to \$446,731. Interest rates range from 2% to 4.75%. This debt was defeased on May 16, 2012; therefore, is no longer outstanding.

1977 Economic Development Administration (“EDA”) Loan

On September 14, 1977, the District entered into a loan agreement in the amount of \$512,000 with the EDA related to 1977 Drought Act. The interest rate is 5% with annual principal and interest payments of \$30,088 and \$29,149 due July 1 through 2016 and 2017, respectively.

California Energy Commission Advance

This advance in the amount of \$47,553 was received on October 4, 2000 and is related to the Energy Efficiency Improvements project. The interest rate is 5.9% with semi-annual principal and interest payments of \$3,094 due through June 22, 2012.

Long-term debt consisted of the following for years ending June 30, 2012 and 2011:

	2012	2011
2012 Revenue Refunding Bonds	\$ 13,625,000	\$ -
2009 Revenue Certificates of Participation	30,085,000	30,095,000
2003 Revenue Certificates of Participation	-	16,890,000
1977 Economic Development Administration Loan	129,527	152,014
California Energy Commission Advance	-	5,924
Total	\$ 43,839,527	\$ 47,142,938
Less: Current portion	(1,513,611)	(1,053,410)
Total	42,325,916	46,089,528
Add: Unamortized premium	1,818,156	669,717
Less: Deferred amount on refunding	(391,207)	(30,792)
Long-term debt	\$ 43,752,865	\$ 46,728,453

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

6. Long-Term Liabilities (Continued)

The District's long-term liability activity during the years ended June 30, 2012 and 2011 was:

	June 30, 2011	Additions	Reductions	June 30, 2012	Due Within One Year
2012 Revenue Refunding Bonds	\$ -	\$ 13,625,000	\$ -	\$ 13,625,000	\$ 1,480,000
2009 Revenue Certificates of Participation	30,095,000	-	(10,000)	30,085,000	10,000
2003 Revenue Certificates of Participation	16,890,000	-	(16,890,000)	-	-
1977 Economic Development Administration Loan	152,013	-	(22,486)	129,527	23,611
California Energy Commission Advance	5,925	-	(5,925)	0	-
Total bonds and notes payable	<u>\$ 47,142,938</u>	<u>\$ 13,625,000</u>	<u>\$ (16,928,411)</u>	<u>\$ 43,839,527</u>	<u>\$ 1,513,611</u>
Compensated absences	<u>\$ 814,773</u>	<u>\$ 491,187</u>	<u>\$ (473,407)</u>	<u>\$ 832,553</u>	<u>\$ 243,243</u>

	June 30, 2010	Additions	Reductions	June 30, 2011	Due Within One Year
2012 Revenue Refunding Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Revenue Certificates of Participation	30,105,000	-	(10,000)	30,095,000	10,000
2003 Revenue Certificates of Participation	17,875,000	-	(985,000)	16,890,000	1,015,000
1977 Economic Development Administration Loan	173,430	-	(21,417)	152,013	22,486
California Energy Commission Advance	11,513	-	(5,588)	5,925	5,924
Total bonds and notes payable	<u>\$ 48,164,943</u>	<u>\$ -</u>	<u>\$ (1,022,005)</u>	<u>\$ 47,142,938</u>	<u>\$ 1,053,410</u>
Compensated absences	<u>\$ 761,209</u>	<u>\$ 414,449</u>	<u>\$ (360,885)</u>	<u>\$ 814,773</u>	<u>\$ 261,302</u>

The following is a schedule of maturities for long-term debt at June 30, 2012:

2012 Revenue Refunding Bonds

Year Ended June 30	Principal	Interest	Total
2013	\$ 1,480,000	403,113	\$ 1,883,113
2014	250,000	554,300	804,300
2015	420,000	551,800	971,800
2016	440,000	539,200	979,200
2017	450,000	526,000	976,000
2018-2022	2,535,000	2,336,150	4,871,150
2023-2027	3,150,000	1,723,550	4,873,550
2028-2032	3,975,000	890,400	4,865,400
2033	925,000	48,562	973,562
Total	<u>\$ 13,625,000</u>	<u>\$ 7,573,075</u>	<u>\$ 21,198,075</u>

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

6. Long-Term Liabilities (Continued)

2009 Revenue Certificates of Participation

Year Ended June 30	Principal	Interest	Total
2013	\$ 10,000	1,707,675	\$ 1,717,675
2014	405,000	1,707,275	2,112,275
2015	415,000	1,691,075	2,106,075
2016	430,000	1,672,400	2,102,400
2017	450,000	1,653,050	2,103,050
2018-2022	2,630,000	7,891,000	10,521,000
2023-2027	3,445,000	7,076,288	10,521,288
2028-2032	4,465,000	6,053,750	10,518,750
2033-2037	11,980,000	3,984,425	15,964,425
2038-2039	5,855,000	532,200	6,387,200
Total	\$ 30,085,000	\$ 33,969,138	\$ 64,054,138

1977 Economic Development Administration Loan

Year Ended June 30	Principal	Interest	Total
2013	\$ 23,611	6,476	\$ 30,087
2014	24,792	5,296	30,087
2015	26,031	4,056	30,087
2016	27,333	2,755	30,087
2017	27,761	1,388	29,149
Total	\$ 129,527	\$ 19,971	\$ 149,499

The District is required by its 2003 and 2009 Revenue Certificates of Participation and 2012 Revenue Refunding Bonds to collect rates and charges from its water system that will be sufficient to yield net revenues equal to 115% of debt service payments on any future debt issued and deposit the net revenues in a revenue fund pledged for such future debt service payments.

In June 2003, the District utilized proceeds of the 2003 Revenue Certificates of Participation totaling \$5,690,000 with an average interest rate of 3.33% to advance refund \$5,710,000 of outstanding 1993 Revenue Certificates of Participation with an average interest rate of 5.25%, which were fully retired. Proceeds in the amount of \$6,073,426, including existing funds of \$205,488, were deposited in an irrevocable trust to provide for all future debt service payments on the 1993 Certificates of Participation. As a result, the 1993 Certificates of Participation are considered to be defeased and the liability for the 1993 Certificates of Participation was removed from the District's financial statements. The advance refunding resulted in a difference between the reacquisition price and the net acquisition price of the old debt of \$434,092. This deferred amount on refunding, reported in the accompanying financial statements as a deduction from long-term debt, was being charged to operations over the original life of the 1993 Certificates of Participation through February 1, 2013. The District completed the advance

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

6. Long-Term Liabilities (Continued)

refunding to reduce its total debt service payments through February 1, 2014 by \$382,182 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$326,833.

In June 2012, the District utilized proceeds of the 2012 Revenue Refunding Bonds totaling \$13,625,000 with an average interest rate of 4.85% to advance refund \$15,875,000 of outstanding 2003 Revenue Certificates of Participation with an average interest rate of 3.33%, which were fully retired. Proceeds in the amount of \$16,555,915, including existing funds of \$1,696,877 were deposited in an irrevocable trust to provide for all future debt payments on the 2003 Certificates of Participation. As a result, the 2003 Certificates of Participation are considered to be defeased and the liability for the defeased 2003 Certificates of Participation has been removed from the District's financial statements.

The advance refunding resulted in a difference between the reacquisition price and the net acquisition price of the old debt of \$394,322. This deferred amount on refunding, reported in the accompanying financial statements as a deduction from long-term debt, is being charged to operations through February 1, 2033 instead of the original life of the 2003 Certificates of Participation which were amortized through February 1, 2039. The District completed the advance refunding to reduce its total debt service payments by \$3,260,050 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$785,042.

The District participated with four other water districts in a cooperative transmission pipeline project, two of which also participated in the 1993 Revenue Certificates of Participation to finance their share of the pipeline costs. Their share of the 1993 Revenue Certificates of Participation proceeds totaled \$4,661,845. Although the 1993 Revenue Certificates of Participation were refunded, a portion of the scheduled debt maturities in the previous table continue to be partially offset by amounts recoverable under long-term water sales contracts from Fair Oaks Water District and Orangevale Mutual Water Company. The following is a schedule of maturities for the amounts recoverable from these agencies:

Year Ended June 30	Principal	Interest	Total
2013	\$ 244,608	2,685	\$ 247,293
2014	134,400	1,344	135,744
Total	<u>\$ 379,008</u>	<u>\$ 4,029</u>	<u>\$ 383,037</u>

7. Invested in Capital Assets, Net of Related Debt

	2012	2011
Capital Assets, gross	\$ 139,969,048	\$ 136,051,482
Less: Accumulated Depreciation	<u>(55,840,894)</u>	<u>(52,869,445)</u>
Net Capital Assets	\$ 84,128,154	\$ 83,182,037
Less: Debt Used for Capital Purposes	(45,266,476)	(47,781,863)
Add: Unspent Debt Proceeds	8,758,614	11,626,019
Invested In Capital Assets, Net of Related Debt	<u>\$ 47,620,292</u>	<u>\$ 47,026,193</u>

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

8. Restricted Net Assets

Restricted net assets consist of constraints placed on net asset use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net assets consisted of the debt service reserve on the 2009 Certificates of Participation of \$2,911,170 at June 30, 2012, and the 2003 and 2009 Certificates of Participation of \$4,835,676 at June 30, 2011.

	2012			2011		
	Wholesale	Retail	Total	Wholesale	Retail	Total
2003 COP Reserve Fund	\$ -	\$ -	\$ -	\$1,388,206	\$ 536,300	\$1,924,506
2009 COP Reserve Fund	1,863,149	1,048,021	2,911,170	1,863,149	1,048,021	2,911,170
Restricted Net Assets	<u>\$1,863,149</u>	<u>\$1,048,021</u>	<u>\$2,911,170</u>	<u>\$3,251,355</u>	<u>\$1,584,321</u>	<u>\$4,835,676</u>

9. Unrestricted Net Assets

Designations: Designations of unrestricted net assets may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. The following is a summary of designated net asset balances at June 30:

	Wholesale		Retail		Total	
	2012	2011	2012	2011	2012	2011
Capital Reserves	\$ 5,396,990	\$ 2,723,613	\$ 4,184,436	\$ 4,512,905	\$ 9,581,426	\$ 7,236,518
Connection Reserves	139,297	129,542	2,677,014	2,559,282	2,816,311	2,688,824
Operating Reserves	936,792	892,147	1,336,017	1,350,059	2,272,809	2,242,206
Hinkle Reservoir lining replacement reserve	2,381,240	2,318,547	0	0	2,381,240	2,318,547
Rate Stabilization Reserve	1,000,000	1,000,000	0	0	1,000,000	1,000,000
Reserve for employees' vacation/sick leave	358,753	368,573	494,033	446,200	852,786	814,773
Emergency Capital Reserves	0	0	595,062	591,202	595,062	591,202
Kokila Reservoir lining replacement reserve	0	0	350,521	338,682	350,521	338,682
Developers' deposits-construction/inspection	0	0	16,117	47,983	16,117	47,983
Other Post Employment Benefits Fund/PERS	305,699	706,955	305,699	706,955	611,398	1,413,910
Economic Development Administration	0	0	30,000	30,000	30,000	30,000
Self-insurance reserve	10,000	10,000	10,000	10,000	20,000	20,000
Total designated net assets	<u>\$10,528,771</u>	<u>\$ 8,149,377</u>	<u>\$ 9,998,899</u>	<u>\$10,593,268</u>	<u>\$20,527,670</u>	<u>\$18,742,645</u>
Unrestricted net assets	<u>2,599,396</u>	<u>983,410</u>	<u>559,107</u>	<u>386,221</u>	<u>3,158,503</u>	<u>1,369,631</u>
Total unrestricted, designated net assets	<u>\$13,128,167</u>	<u>\$ 9,132,787</u>	<u>\$10,558,006</u>	<u>\$10,979,489</u>	<u>\$23,686,173</u>	<u>\$20,112,276</u>

10. Deferred Compensation Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for employees who elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

10. Deferred Compensation Plan (*Continued*)

employee is not obligated to report the deferred salary for income tax purposes. This information is reported in accordance with the Internal Revenue Code on participating employee's W2s. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. The District is not provided with market value of all plan assets held in trust by the four deferred compensation plans.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net assets.

11. Employees' Retirement Plan

Plan Description - The District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public employers within the State of California.

All permanent full and part-time District employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times the monthly average salary of their highest twelve (Tier 1) and thirty-six (Tier 2) consecutive months full-time equivalent monthly pay. Copies of the PERS annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy - Active plan members are required to contribute 8% of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account, which amounted to \$293,923 and \$310,716 for the years ended June 30, 2012 and 2011, respectively. For Tier 1, the District was required to contribute at an actuarially determined rate of 14.826% and 12.725% for the years ended June 30, 2012 and 2011, respectively. For Tier 2, the District was required to contribute at an actuarially determined rate of 14.153% and 12.725% for the years ended June 30, 2012 and 2011, respectively. The contribution requirements of plan members and the District are established and may be amended by PERS.

Annual Pension Cost - For the years ending June 30, 2012 and 2011, the District incurred annual pension costs of \$478,444 and \$482,714, respectively. The required contribution was determined as part of the June 30, 2010 actuarial valuation using entry age actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary in duration of service ranging from 3.55% to 14.45% for miscellaneous members and (c) 3.00% cost of living adjustment. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of the plan's assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a three year period (smoothed market value). The plan's excess assets are

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

11. Employees' Retirement Plan (Continued)

being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2010 was 17 years.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed
June 30, 2010	\$429,259	100%
June 30, 2011	\$482,714	100%
June 30, 2012	\$478,444	100%

The funded status information for the risk pool in which the District belongs is as follows:

Actuarial Valuation Date	Accrued Liabilities (AL)	Actuarial Value of Assets (AVA)	Unfunded Liabilities (UL)	Funded Ratio (AVA/AL)	Annual Covered Payroll	UL as % of Covered Payroll
June 30, 2007	\$ 699,663,524	\$ 576,069,687	\$ 123,593,827	82.3%	\$ 139,334,562	88.7%
June 30, 2008	\$ 776,166,719	\$ 641,167,624	\$ 134,999,095	82.6%	\$ 155,115,302	87.0%
June 30, 2009	\$ 883,394,429	\$ 694,384,975	\$ 189,009,454	78.6%	\$ 161,972,631	116.7%
June 30, 2010	\$ 945,221,095	\$ 754,858,961	\$ 190,362,134	79.9%	\$ 159,156,834	119.6%

12. Other Post-Employment Benefits (OPEB)

Plan Description - The District's single-employer, defined benefit post-employment healthcare plan provides medical premium coverage to eligible retired District employees and survivor dependents as defined by their participating tier (first or second) and coverage level (basic or medicare supplement) with a choice of several plans. This is contracted with the California Public Employees' Retirement System (CalPERS) through the Public Employees' Medical and Hospital Care Act (PEMHCA). In 2009, the District implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. No separate financial report is prepared on this plan.

At June 30, 2012, twenty-four retired employees/survivor dependents meet those eligibility requirements. Benefit provisions are established and may be amended by District within applicable legal standards.

	First Tier	Second Tier
Implementation Date	Prior to 2/1/09	2/1/2009
Benefit Eligibility	Service or disability retirement from District	
Vesting	5 Years, 100%	10 to 20 Years, 50% - 100%
Maximum Contribution	\$1,596.13	No retirees yet
Average Contribution	\$804.59	No retirees yet

SAN JUAN WATER DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012 AND 2011

12. Other Post-Employment Benefits (OPEB) (Continued)

Funding Policy - The obligation of the District to contribute to the plan is established and may be amended by the Board. Currently, employees are not required to contribute to the plan to the extent they are fully vested. If they are not 100% vested, they would be required to contribute the balance to fully cover the premium. The District is required to report the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC was determined as part of the June 30, 2011 actuarial valuation and the current ARC rate is 5.92 percent of annual covered payroll.

The District's contributions have historically been financed on a pay-as-you-go basis and thus the District has previously only recognized the cost of providing those benefits by expensing the annual insurance premiums, which amounted to \$226,112 and \$195,901 for the years ending June 30, 2012 and 2011, respectively. The District has established an irrevocable trust with the California Employers' Retiree Benefit Trust ("CERBT") to prefund the other post-employment benefit annual required contribution.

Annual OPEB Cost - The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation as of June 30, 2012 and prior. The District began setting aside reserve funds in 2009 equal to the ARC less Current Year Premiums plus accrued interest.

Trend Information						
Year Ended	Annual OPEB Cost (AOC)	Actual		Net OPEB Trust Contribution	Percentage of	
		Employer Contribution	Current Year Premiums		AOC	Net OPEB Obligation
June 30, 2009	\$ 525,594	\$ 184,476	\$ 184,476	\$ -	35%	\$ 341,118
June 30, 2010	572,958	171,736	171,736	-	30%	\$ 742,340
June 30, 2011	572,958	195,901	195,901	-	34%	\$ 1,119,397
June 30, 2012	478,444	1,489,666	226,112	1,263,554	311%	\$ 108,175

The funded status of the plan as of June 30, 2012 is:

Actuarial Valuation Date	Normal Accrued Liability	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (AVA/AL)	Annual Covered Payroll	UL as % of Covered Payroll
June 30, 2010	\$ 5,668,522	\$ 742,340	\$ 4,926,182	13.1%	\$ 3,579,329	137.6%
June 30, 2011	\$ 5,668,522	\$ 1,119,397	\$ 4,549,125	19.7%	\$ 3,813,394	119.3%
June 30, 2012	\$ 7,811,617	\$ 1,011,222	\$ 6,800,395	12.9%	\$ 3,651,635	186.2%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

12. Other Post-Employment Benefits (OPEB) (Continued)

assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 7.10 percent investment rate of return, (net of administrative expenses) and an annual healthcare cost trend rate of 4.2% initially, with a range beginning at 7% in 2012 and decreasing to 5% from 2015 forward. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method the plan's normal cost is developed as a level amount over the participants' working lifetime. The AAL is the cumulative value, on the valuation date, of prior service costs. For retirees, the AAL is the present value of all projected benefits.

	2012	Percentage of annual OPEB cost contributed	2011	Percentage of annual OPEB cost contributed
ARC, for the year ended June 30	\$ 478,444		\$ 572,958	
Interest on Net OPEB obligation from prior year	-		-	
Actuarial adjustment	-		-	
Annual OPEB cost	<u>478,444</u>		<u>572,958</u>	
Employer contributions:				
To OPEB trust	(1,263,554)	264.1%	-	0.0%
Subsidies paid under Plan on behalf of retirees	(226,112)	47.3%	(195,901)	34.2%
Total Employer contributions	<u>(1,489,666)</u>	<u>311.4%</u>	<u>(195,901)</u>	<u>34.2%</u>
(Increase) Decrease in the net OPEB obligation	(1,011,222)		377,057	
Net OPEB obligation, beginning of year	<u>1,119,397</u>		<u>742,340</u>	
Net OPEB obligation, end of year	<u>\$ 108,175</u>		<u>\$ 1,119,397</u>	

The ARC under this method equals the normal cost plus the amortization of the unfunded AAL over a closed thirty (30) year period. The UAAL is amortized as a level percentage of projected pay. The Plan costs are derived by making certain specific assumptions as to the rates of interest, mortality, turnover, and the like, which are assumed to hold for many years into the future. Actual experience may differ somewhat from the assumptions and the effect of such

SAN JUAN WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

12. Other Post-Employment Benefits (OPEB) (Continued)

differences is spread over all periods. Due to these differences, the costs determined by the valuation must be regarded as estimates of the true Plan costs.

13. Insurance

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA), a public entity risk pool of California water agencies, for general and auto liability, public officials' liability property damage and fidelity insurance. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. ACWA/JPIA may be terminated at any time by written consent of three-fourths of voting members at which time the members may be required to pay their share of any additional amount of premium in accordance with loss allocation formulas for final disposition of all claims and losses covered by the joint powers agreement. The ACWA/JPIA's financial statements are available at 5620 Birdcage Street, Suite 200, Citrus Heights, CA 95610-7632. The District's deductibles and maximum coverage are as follows:

Coverage Limits:			Provider	Funding Source
Amount				
<i>General & Auto Liability (includes public officials liability)</i>				
\$ -	\$ 1,000,000	ACWA/JPIA		Shared risk pool
1,000,001	11,000,000	Everest Reinsurance Company		Shared risk pool
11,000,001	20,000,000	Ironshore Specialty Insurance Company		Shared risk pool
20,000,001	40,000,000	Great American Assurance Company		Shared risk pool
40,000,001	60,000,000	Allied World National Assurance Company		Shared risk pool
<i>Crisis Management - Response</i>				
\$ -	\$ 250,000	ACWA/JPIA		Shared risk pool
<i>Crisis Management - Communication</i>				
\$ -	\$ 250,000	ACWA/JPIA		Shared risk pool
<i>Property Damage</i>				
\$ -	\$ 1,000	ACWA/JPIA (Mobile Equipment/Vehicles)		Deductible
-	10,000	ACWA/JPIA (Buildings/Fixed Equip/Pers Prop)		Deductible
10,001	100,000	ACWA/JPIA		Shared risk pool
<i>Property Damage (additional)</i>				
\$ -	\$ 100,000,000	ACWA/JPIA (Accounts Receivable, Valuable Papers)		Shared risk pool
\$ -	\$ 10,000,000	ACWA/JPIA (Business Interruption, Extra Expense)		Shared risk pool
\$ -	\$ 100,000	ACWA/JPIA (Catastrophic for Vehicles Garaged on Premises)		Shared risk pool
<i>Fidelity</i>				
\$ -	\$ 1,000	Self-insured		Deductible
1,001	100,000	ACWA/JPIA		Shared risk pool
<i>Workers Compensation Liability</i>				
\$ -	\$ 2,000,000	ACWA/JPIA		Shared risk pool
<i>Employers Liability</i>				
\$ -	\$ 2,000,000	ACWA/JPIA		Shared risk pool

SAN JUAN WATER DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012 AND 2011

13. Insurance (Continued)

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

14. New Governmental Accounting Standards

New pronouncements issued by the Governmental Accounting Standards Board (“GASB”) are listed below with the impact to the District, if known at the time of completion of the CAFR.

Statement No. 65 - Items Previously Reported as Assets and Liabilities

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. There is no impact to the District.

Statement No. 66 - Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. There is no impact to the District.

Statement No. 67 – Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 30, 2013. Earlier application is encouraged. The District plans to incorporate any required changes by the compliance deadline.

Statement No. 68 – Accounting and Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27

Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 30, 2014. Earlier application is encouraged. The District plans to incorporate any required changes by the compliance deadline.

15. Commitments and Contingencies

As of June 30, 2012 and 2011, the District had the following commitments for capital improvements:

Capital Project	Remaining Construction Commitment	
	June 30, 2012	June 30, 2011
FO 40" Transmission Main	\$ 201,318	\$ 250,642
Treated Water/Bypass Pipeline Project	-	902,883
Water Treatment Plant Alum Tank Replacement	399,853	-
2012 Water Mains/Service Replacement	491,032	-
SCADA Improvements	236,273	-
Total	\$ 1,328,476	\$ 1,153,525

Supplementary Information Section

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San Juan Water District
Schedule of Administrative and General Expenses
For the Year Ended June 30, 2012

	Total	Wholesale	Retail
Salaries and benefits	\$ 1,681,442	\$ 1,009,609	\$ 671,833
Audit/consulting	251,996	212,213	39,783
Shop Supplies	29,139	-	29,139
Other/Landscaping	43,856	8,076	35,780
Directors' fees/expenses	59,208	29,604	29,604
Elections expense	-	-	-
Insurance	89,693	41,259	48,434
Legal	242,699	211,706	30,993
Meetings/conventions	31,873	18,272	13,601
Office supplies/expenses	239,426	147,710	91,716
Public relations	187,693	106,348	81,345
Telephone/Radio	24,254	6,258	17,996
Utilities	21,515	12,955	8,560
Hazardous waste	608	-	608
Subtotal	2,903,402	1,804,010	1,099,392
Less overhead allocation	(448,206)	(252,037)	(196,169)
Net Totals	\$ 2,455,196	\$ 1,551,973	\$ 903,223

San Juan Water District
Schedule of Administrative and General Expenses
For the Year Ended June 30, 2011

	Total	Wholesale	Retail
Salaries and benefits	\$ 1,633,628	\$ 882,405	\$ 751,223
Audit/consulting	266,486	232,583	33,903
Shop Supplies	22,929	-	22,929
Other/Landscaping	27,683	14,793	12,890
Directors' fees/expenses	52,016	26,008	26,008
Elections expense	2,404	2,029	375
Insurance	52,244	23,847	28,397
Legal	235,757	188,351	47,406
Meetings/conventions	21,689	12,739	8,950
Office supplies/expenses	212,287	141,713	70,574
Public relations	130,478	52,208	78,270
Telephone/Radio	28,312	9,057	19,255
Utilities	22,857	12,701	10,156
Hazardous waste	975	-	975
Subtotal	2,709,745	1,598,434	1,111,311
Less overhead allocation	(278,402)	(202,955)	(75,447)
Net Totals	\$ 2,431,343	\$ 1,395,479	\$ 1,035,864

San Juan Water District
Schedule of Operations - Budget and Actual
Wholesale and Retail Combined
For the Year Ended June 30, 2012

	<u>Total</u>		Variance With Final Budget Positive (Negative)
	Actual	Final Budget	
Operating Revenues			
Water charges to retail area	\$ 2,101,621	\$ 2,141,647	\$ (40,026)
Citrus Heights Water District	2,176,090	2,119,937	56,153
Fair Oaks Water District	1,542,080	1,607,525	(65,445)
Sacramento Suburban Water District	648,377	775,207	(126,830)
Orangevale Mutual Water Company	658,243	654,337	3,906
City of Folsom	224,993	209,033	15,960
Granite Bay Golf Club & Other Public Agencies	12,598	8,053	4,545
Total Water Sales - Wholesale	<u>7,364,002</u>	<u>7,515,739</u>	<u>(151,737)</u>
Water Sales - retail	8,090,259	7,887,000	203,259
Other	803,986	75,000	728,986
Total Operating Revenues	<u>16,258,247</u>	<u>15,477,739</u>	<u>780,508</u>
Operating Expenses			
Source of Supply			
Water charged to retail area	2,565,722	2,119,937	445,785
Place County Water Agency	337,500	306,000	31,500
U.S. Bureau of Reclamation	25,384	30,416	(5,032)
Wheeling	138,730	133,629	5,101
Bureau pumping	92,854	100,676	(7,822)
Other	25,959	77,213	(51,254)
Energy assessments	537	561	(24)
Administrative and general	2,455,196	2,200,818	254,378
Water treatment	1,701,918	2,039,825	(337,907)
Transmission and distribution	1,764,998	1,699,479	65,519
Customer service	681,163	655,925	25,238
Pumping and telemetry	621,783	632,046	(10,263)
Engineering	325,113	460,573	(135,460)
Conservation	662,589	708,302	(45,713)
Retirement Benefit Fund	252,332	350,000	(97,668)
Total Operating Expenses Excluding Depreciation	<u>11,651,778</u>	<u>11,515,400</u>	<u>136,378</u>
Net Income (Loss) From Operations Excluding Depreciation	4,606,469	<u>\$ 3,962,339</u>	<u>\$ 916,886</u>
Depreciation	<u>3,870,801</u>		
Net Income from Operations	<u>\$ 735,668</u>		

San Juan Water District
Schedule of Operations - Budget and Actual
Wholesale
For the Year Ended June 30, 2012

	Wholesale		Variance With Final Budget Positive (Negative)
	Actual	Final Budget	
Operating Revenues			
Water charges to retail area	\$ 2,101,621	\$ 2,141,647	\$ (40,026)
Citrus Heights Water District	2,176,090	2,119,937	56,153
Fair Oaks Water District	1,542,080	1,607,525	(65,445)
Sacramento Suburban Water District	648,377	775,207	(126,830)
Orangevale Mutual Water Company	658,243	654,337	3,906
City of Folsom	224,993	209,033	15,960
Granite Bay Golf Club & Other Public Agencies	10,428	8,053	2,375
Total Water Sales - Wholesale	7,361,832	7,515,739	(153,907)
Water Sales - retail			-
Other	497,525	15,000	482,525
Total Operating Revenues	7,859,357	7,530,739	328,618
Operating Expenses			
Source of Supply			
Water charged to retail area			-
Place County Water Agency	337,500	306,000	31,500
U.S. Bureau of Reclamation	25,384	30,416	(5,032)
Wheeling	138,730	133,629	5,101
Bureau pumping	92,854	100,676	(7,822)
Other	25,959	77,213	(51,254)
Energy assessments	537	561	(24)
Administrative and general	1,551,973	1,311,193	240,780
Water treatment	1,701,918	2,039,825	(337,907)
Transmission and distribution	79,124	155,336	(76,212)
Customer service	-	-	-
Pumping and telemetry	-	-	-
Engineering	38,278	57,519	(19,241)
Conservation	230,186	226,024	4,162
Retirement Benefit Fund	126,166	175,000	(48,834)
Total Operating Expenses Excluding Depreciation	4,348,609	4,613,392	(264,783)
Net Income (Loss) From Operations Excluding Depreciation	3,510,748	\$ 2,917,347	\$ 63,835
Depreciation	2,373,893		
Net Income from Operations	\$ 1,136,855		

San Juan Water District
Schedule of Operations - Budget and Actual
Retail
For the Year Ended June 30, 2012

	Retail		Variance With Final Budget Positive (Negative)
	Actual	Final Budget	
Operating Revenues			
Water charges to retail area			\$ -
Citrus Heights Water District			-
Fair Oaks Water District			-
Sacramento Suburban Water District			-
Orangevale Mutual Water Company			-
City of Folsom			-
Granite Bay Golf Club & Other Public Agencies	2,170		
Total Water Sales - Wholesale	2,170	-	-
Water Sales - retail	8,090,259	7,887,000	203,259
Other	306,461	60,000	246,461
Total Operating Revenues	8,398,890	7,947,000	449,720
Operating Expenses			
Source of Supply			
Water charged to retail area	2,565,722	2,119,937	445,785
Place County Water Agency			-
U.S. Bureau of Reclamation			-
Wheeling			-
Bureau pumping			-
Other			-
Energy assessments			-
Administrative and general	903,223	889,625	13,598
Water treatment			-
Transmission and distribution	1,685,874	1,544,143	141,731
Customer service	681,163	655,925	25,238
Pumping and telemetry	621,783	632,046	(10,263)
Engineering	286,835	403,054	(116,219)
Conservation	432,403	482,278	(49,875)
Retirement Benefit Fund	126,166	175,000	(48,834)
Total Operating Expenses Excluding Depreciation	7,303,169	6,902,008	401,161
Net Income (Loss) From Operations Excluding Depreciation	1,095,721	<u>\$ 1,044,992</u>	<u>\$ 850,881</u>
Depreciation	1,496,908		
Net Income from Operations	<u>\$ (401,187)</u>		

Statistical Section

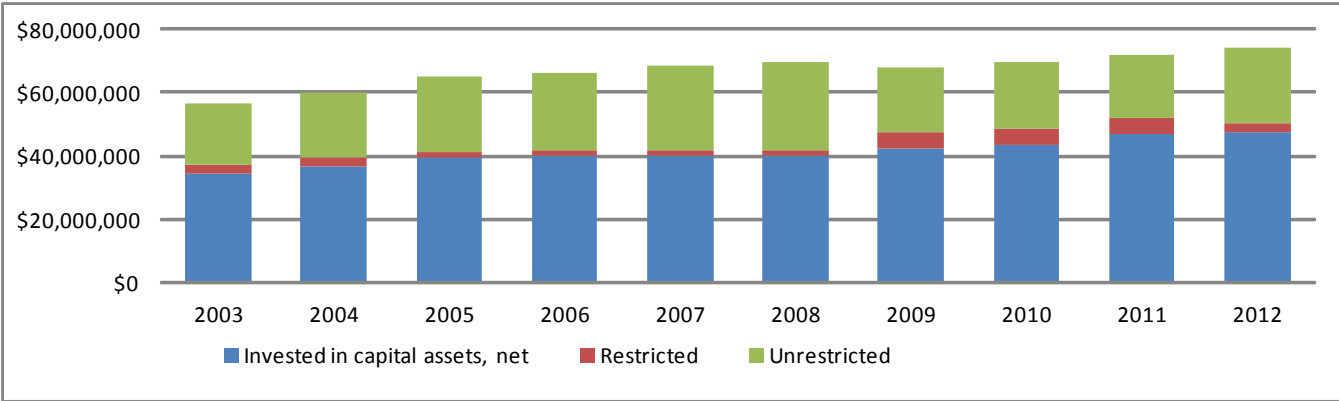
This part of the San Juan Water District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the district’s overall financial health.

Contents	Page
Financial Trends	53
These schedules contain trend information to help the reader understand how the district’s financial performance and well-being have changed over time.	
Revenue Capacity	55
These schedules contain information to help the reader assess the district’s most significant local revenue sources: wholesale water rates, retail water rates and property taxes.	
Debt Capacity	59
These schedules present information to help the reader assess the affordability of the district’s current levels of outstanding debt and the district’s ability to issue additional debt in the future.	
Demographic and Economic Information.....	67
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information.....	69
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs. Government Code Section 66013(d) and (e) Report is included in this section.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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**San Juan Water District
Net Assets by Component
(Accrual Basis of Accounting)**

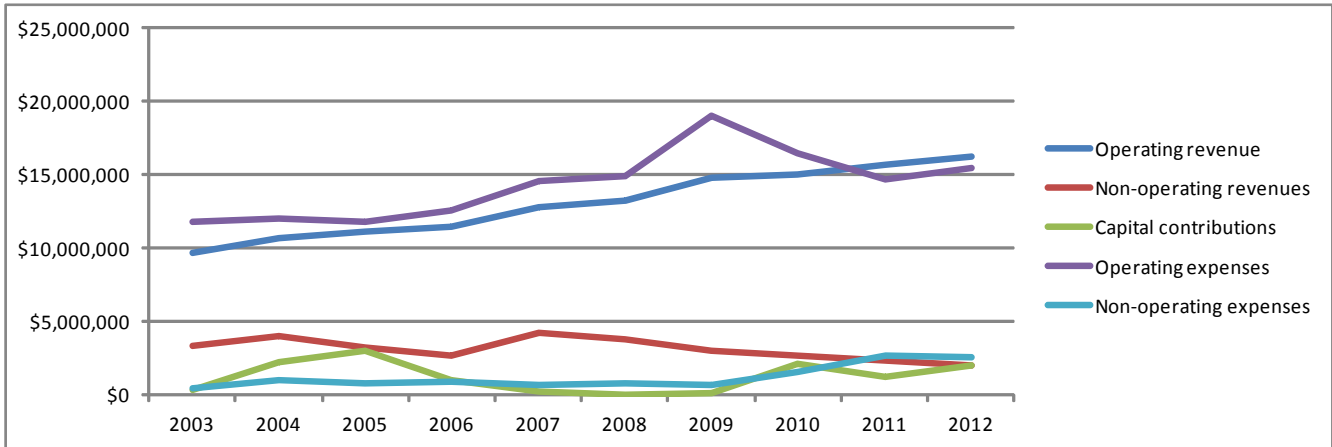


	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net Assets:										
Invested in capital assets, net	\$34,535,992	\$36,450,715	\$39,346,360	\$40,061,013	\$40,198,780	\$40,225,803	\$42,545,198	\$43,492,739	\$47,026,193	\$47,620,292
Restricted	2,650,354	2,893,502	1,745,910	1,694,605	1,747,260	1,798,667	4,704,111	4,931,780	4,835,676	2,911,170
Unrestricted	19,122,813	20,864,605	23,752,127	24,728,796	26,577,138	27,894,578	20,886,799	21,465,447	20,112,276	23,686,173
Total net assets	\$56,309,159	\$60,208,822	\$64,844,397	\$66,484,414	\$68,523,178	\$69,919,048	\$68,136,108	\$69,889,966	\$71,974,145	\$74,217,635

Source: District Finance and Administrative Services Division

**San Juan Water District
Changes in Net Assets
(Accrual Basis of Accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Operating Revenues:										
Wholesale Revenue	\$ 4,721,626	\$ 5,243,288	\$ 5,744,760	\$ 5,769,324	\$ 6,228,302	\$ 6,410,654	\$ 7,111,207	\$ 7,554,791	\$ 7,764,982	\$ 7,364,002
Retail Revenue	4,940,654	5,414,979	5,285,572	5,668,705	6,575,947	6,766,657	7,542,865	7,299,989	7,834,917	8,090,259
Other Revenue	51,577	31,815	52,836	43,443	49,218	48,498	147,769	144,086	123,714	803,986
Total Operating Revenue	9,713,857	10,690,082	11,083,168	11,481,472	12,853,467	13,225,809	14,801,841	14,998,866	15,723,613	16,258,247
Operating Expenses:	11,751,877	12,019,491	11,835,475	12,622,867	14,543,281	14,893,792	19,062,904	16,465,647	14,640,270	15,522,579
Net loss from operations	(2,038,020)	(1,329,409)	(752,307)	(1,141,395)	(1,689,814)	(1,667,983)	(4,261,063)	(1,466,781)	1,083,343	735,668
Nonoperating revenues	3,329,045	4,040,058	3,190,015	2,675,765	4,212,810	3,808,095	3,036,346	2,665,689	2,367,655	2,033,319
Nonoperating expenses	428,465	1,013,406	810,514	942,717	663,380	745,278	690,024	1,617,298	2,650,494	2,534,731
Net income before capital contributions	862,560	1,697,243	1,627,194	591,653	1,859,616	1,394,834	(1,914,741)	(418,390)	800,504	234,256
Capital contributions	382,314	2,202,420	3,008,381	1,048,364	179,148	1,043	131,801	2,172,250	1,283,677	2,009,234
Change in Net Assets	\$ 1,244,874	\$ 3,899,663	\$ 4,635,575	\$ 1,640,017	\$ 2,038,764	\$ 1,395,877	\$(1,782,940)	\$ 1,753,860	\$ 2,084,181	\$ 2,243,490



Source: District Finance and Administrative Services Division

San Juan Water District
Wholesale Water Rates and Connection Fees
 Last Ten Years Effective January 1

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Uniform Commodity Rate (UCR):										
San Juan Water District Retail	\$ 74.37	\$ 77.16	\$ 85.03	\$ 93.44	\$ 100.31	\$ 102.85	\$ 115.19	\$ 127.86	\$ 90.60	\$ 90.60
Citrus Heights Water District	44.22	48.77	53.74	59.07	63.26	69.31	77.71	86.25	90.60	90.60
Fair Oaks Water Company	44.22	48.77	53.74	59.07	63.26	69.31	77.71	86.25	90.60	90.60
Orange Vale Water Company	44.22	48.77	53.74	59.07	63.26	69.31	77.71	86.25	90.60	90.60
City of Folsom	90.42	90.42	90.42	90.42	130.61	130.61	146.28	162.37	90.60	90.60
Annual Service Charge:										
San Juan Water District Retail	\$ 242,000	\$ 259,000	\$ 285,000	\$ 335,000	\$ 335,000	\$ 237,742	\$ 266,271	\$ 295,561	\$ 311,080	\$ 311,080
Citrus Heights Water District	249,000	275,000	303,000	357,000	357,000	297,343	333,024	369,657	367,450	367,450
Fair Oaks Water Company	190,000	210,000	231,000	272,000	272,000	204,388	228,915	254,095	208,340	208,340
Orange Vale Water Company	66,900	73,800	81,800	95,600	95,600	66,885	74,911	83,151	80,300	80,300
City of Folsom	-	-	-	37,700	37,700	26,360	26,360	32,771	35,160	35,160
Annual Debt Service Charge:										
San Juan Water District Retail	\$ 178,500	\$ 215,500	\$ 216,100	\$ 215,500	\$ 215,500	\$ 443,901	\$ 618,403	\$ 563,089	\$ 563,594	\$ 560,294
Citrus Heights Water District	205,500	251,700	252,200	251,600	251,600	534,537	738,294	621,614	627,938	623,983
Fair Oaks Water Company	150,750	185,000	185,400	184,900	184,900	320,878	444,071	415,185	385,416	383,713
Orange Vale Water Company	46,275	56,800	56,900	56,800	56,800	103,854	143,636	173,021	166,458	165,863
City of Folsom			14,100	14,100	14,100	48,972	48,972	50,104	59,659	59,298
Connection Fees (implemented in 2008):										
Up to 1" Meter						\$ 312	\$ 319	\$ 337	\$ 344	\$ 354
1 1/2" Meter						520	531	560	572	588
2" Meter						1,040	1,062	1,121	1,145	1,178
3" Meter						1,664	1,699	1,793	1,832	1,884
4" Meter						3,328	3,398	3,585	3,663	3,767
6" Meter						5,200	5,309	5,602	5,724	5,887
8" Meter						13,000	13,273	14,004	14,309	14,717
10" Meter						18,720	19,113	20,166	20,606	21,193
12" Meter						30,160	30,793	32,490	33,199	34,145
						44,720	45,659	48,175	49,226	50,629

Note: Effective 2011, SJWD Retail and Folsom UCR no longer includes pumping costs. SJWD Retail are now direct costs in the budget, Folsom pays a pumping surcharge to SJWD Retail.

Source: District Finance and Administrative Services Division

San Juan Water District
Retail Water Rates and Connection Fees
 Last Ten Years Effective January 1 Beginning 2007 (Effective September 1 Prior To 2007)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Commodity Rate/CCF:										
Residential										
0 to 20 ccf	\$ 0.26	\$ 0.27	\$ 0.28	\$ 0.28	\$ 0.34	\$ 0.37	\$ 0.40	\$ 0.43	\$ 0.44	\$ 0.44
21 to 200 ccf	0.45	0.46	0.47	0.47	0.57	0.62	0.68	0.73	0.74	0.74
201+ ccf	0.31	0.32	0.33	0.33	0.40	0.44	0.48	0.51	0.52	0.52
Commercial	0.38	0.39	0.40	0.40	0.49	0.53	0.53	0.62	0.63	0.63
Daily Base Charge (fixed based on meter size):										
Up to 1"	\$ 0.78	\$ 0.80	\$ 0.82	\$ 0.82	\$ 0.89	\$ 0.97	\$ 1.06	\$ 1.13	\$ 1.15	\$ 1.15
1 1/2"	2.15	2.19	2.26	2.26	2.37	2.58	2.81	3.01	3.07	3.07
2"	3.36	3.43	3.53	3.53	3.78	4.12	4.49	4.80	4.90	4.90
3"	6.61	6.74	6.94	6.94	7.51	8.19	8.93	9.56	9.75	9.75
4"	10.25	10.46	10.77	10.77	11.72	12.77	13.92	14.89	15.19	15.19
6"					23.40	25.51	27.81	29.76	30.36	30.36
8"					42.09	45.88	50.01	53.51	54.58	54.58
10"					67.79	73.89	80.54	86.18	87.90	87.90
12"					100.50	109.55	119.41	127.77	130.32	130.32
Fire District	3.83	3.91	4.03	4.03	4.55	4.96	5.41	5.79	5.90	5.90
Daily Base Charge for Private Fire Lines (fixed based on meter size):										
4"	\$ 0.28	\$ 0.29	\$ 0.30	\$ 0.30	\$ 0.34	\$ 0.37	\$ 0.40	\$ 0.43	\$ 0.44	\$ 0.44
6"	0.42	0.43	0.44	0.44	0.50	0.55	0.60	0.64	0.65	0.65
8"	0.56	0.57	0.59	0.59	0.67	0.73	0.80	0.86	0.88	0.88
10"	0.70	0.71	0.73	0.73	0.82	0.89	0.97	1.04	1.05	1.05
Connection Fees (in addition, new connections also pay a Wholesale Connection fee listed in Wholesale Rates):										
Up to 1" Meter					\$ 11,533	\$ 11,891	\$ 12,164	\$ 12,834	\$ 13,114	\$ 13,488
1 1/2" Meter					23,065	23,780	24,327	25,667	26,227	26,974
2" Meter					36,904	38,048	38,923	41,068	41,963	43,159
3" Meter					73,808	76,096	77,846	82,135	83,926	86,318
4" Meter					115,325	118,900	120,806	127,462	130,241	133,953
6" Meter					230,651	237,801	243,270	256,674	262,269	269,744
8" Meter					415,179	428,050	437,895	462,023	472,095	485,550
10" Meter					668,900	689,636	705,498	744,371	760,598	782,275
12" Meter					991,817	1,022,563	1,046,082	1,103,721	1,127,782	1,159,924

Source: District Finance and Administrative Services Division

**San Juan Water District
Retail Metered Water Sales by Type
Last Ten Fiscal Years**

Fiscal Year	Residential	Commercial	Total Water Sales	Total Water Deliveries (CCF)
2003	\$ 4,445,790	\$ 486,339	\$ 4,932,129	
2004	\$ 4,643,848	\$ 750,094	\$ 5,393,942	
2005	\$ 4,626,374	\$ 649,889	\$ 5,276,263	
2006	\$ 4,962,285	\$ 689,690	\$ 5,651,975	5,819,855
2007	\$ 5,738,787	\$ 817,126	\$ 6,555,913	6,558,306
2008	\$ 5,868,469	\$ 879,339	\$ 6,747,808	6,267,424
2009	\$ 6,580,530	\$ 946,169	\$ 7,526,699	5,821,462
2010	\$ 6,372,458	\$ 919,104	\$ 7,291,562	5,078,489
2011	\$ 6,821,008	\$ 1,000,370	\$ 7,821,378	5,038,636
2012	\$ 7,058,136	\$ 1,025,042	\$ 8,083,178	5,229,292

Source: District Finance and Administrative Services Division

**San Juan Water District
Ten Largest Retail Customers
Current Year and Four Years Ago**

Customer	Fiscal Year					
	2012			2008		
	Total Revenue	Rank	% of Revenue	Total Revenue	Rank	% of Revenue
Roseville Joint Union High School	\$ 19,455	1	0.24%	\$ 18,424	1	0.27%
Rolling Greens Estates LLC	13,960	2	0.17%	14,732	2	0.22%
City of Folsom/Davies Park	12,303	3	0.15%			
California State Dept of Parks & Rec	11,958	4	0.15%			
Granite Bay Business Park	11,648	5	0.14%	10,581	4	0.16%
Bushnells Landscape Creations	10,774	6	0.13%	11,407	3	0.17%
Sierra Valley Real Estate	10,552	7	0.13%	9,569	6	0.14%
Placer County Department of Facility Svc	-		0.00%	8,715	9	0.13%
Maison Chapeaux	9,841	8	0.12%	7,624	10	0.11%
Roseville Parkway of Swan Lake	8,423	9	0.10%			0.00%
Otow Revocable Living Trust	7,554	10	0.09%	8,728	8	0.13%
Eureka Union School District/Cavitt Jr High				10,228	5	0.15%
Eureka Union School District/Oakhills				8,861	7	0.13%
Total	\$ 116,468		1.42%	\$ 108,869		1.61%

Source: District Customer Services Department

**San Juan Water District
Property Tax Levies and Collections - Bonded Debt
Last Ten Years**

Fiscal Year End	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	704,095	884,843	125.7%	0	884,843	125.7%
2004	916,353	1,204,749	131.5%	0	1,204,749	131.5%
2005	-	45,799	0.0%	0	45,799	0.0%
2006	-	1,956	0.0%	0	1,956	0.0%
2007	-	-	0.0%	0	-	0.0%
2008	-	-	0.0%	0	-	0.0%
2009	-	-	0.0%	0	-	0.0%
2010	-	-	0.0%	0	-	0.0%
2011	-	-	0.0%	0	-	0.0%
2012	-	-	0.0%	0	-	0.0%

Sources: Sacramento County Auditor-Controller and Placer County Auditor-Controller

Notes: Includes tax revenue for bonded debt only; 1998 General Obligation Bonds were repaid in 2004.

**San Juan Water District
Principal Property Taxpayers
Current Year and Ten Years Ago**

Taxpayer	Primary Land Use	2012		2003	
		Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Steadfast Sunrise LLC	Commercial	\$ 114,761,141	1.03%	\$ -	0.00%
MP Birdcage Marketplace LLC	Shopping Center	57,788,574	0.52	25,577,629	
The Realty Associates Fund VIII LP	Shopping Center	53,363,989	0.48	-	
VIF & Lyon Oak Creek LLC	Apartments	50,261,544	0.45	-	
Rollingwood Commons Apartments LLC	Apartments	29,934,859	0.27	-	
Grove at Sunrise LLC	Apartments	28,526,113	0.26	-	
PK I Cable Park LP	Commercial	26,186,126	0.24	-	
Marshall Field Stores Inc.	Commercial	23,300,272	0.21	18,223,684	
Sacto Fair Oaks Blvd Apartments LLC	Apartments	22,836,093	0.21	-	
Theodore Mitchell	Commercial	22,319,605	0.20	-	
Costco Wholesale Corporation	Commercial	21,363,137	0.19	-	
Sears Roebuck & Company	Commercial	21,043,423	0.19	12,331,769	
Madison & Sunrise Associates LLC	Commercial	20,899,681	0.19	-	
Lowes HIW Inc.	Commercial	20,351,932	0.18	-	
Fair Oaks Promenade LLC	Commercial	20,247,994	0.18	-	
Wal Mart Real Estate Business Trust	Commercial	19,850,000	0.18	-	
Salishan Apartments LP	Apartments	19,156,700	0.17	-	
First Acorn LLC	Commercial	19,046,125	0.17	-	
Fair Oaks Fountains LLC	Apartments	18,842,835	0.17	-	
Placer Partners LLC	Commercial	18,682,569	0.17	-	
The Fairways Apts-Wdc & DLC Sequola Fairways				30,221,383	0.35
National Life and Accident Insurance Co.				26,084,865	
Folsom Ranch Apartments				23,603,700	0.28
Macy's Sunac Properties Corp/Federated Stores				21,143,016	
California Family Health Bldg & Medical				14,061,741	0.16
Hunting Square Limited LP				13,495,521	0.16
Lake Pointe Apartments				12,900,000	0.15
Total		\$ 628,762,712	5.66%	\$ 197,643,308	2.31%

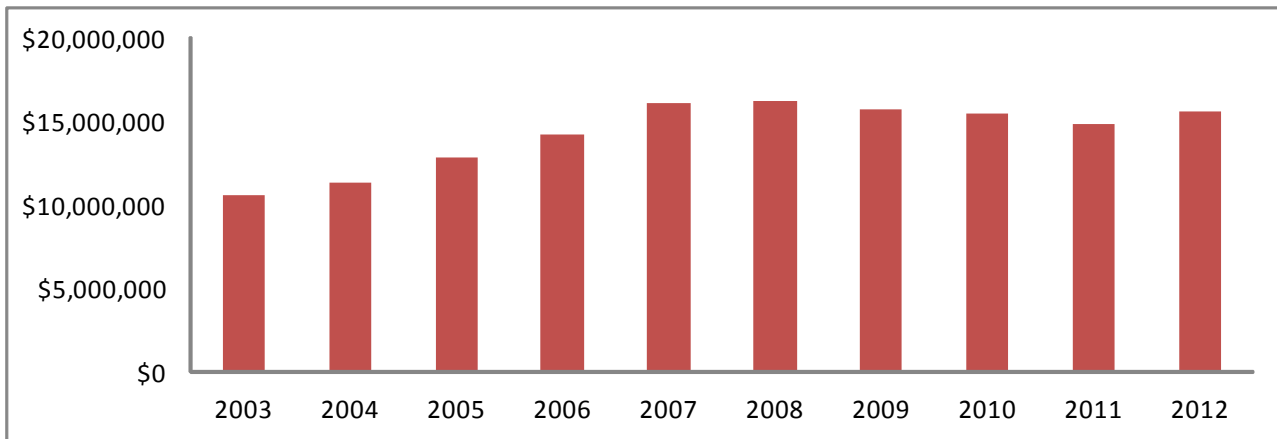
Source: California Municipal Statistics, Inc.

2011-2012 Total Secured Assessed Valuation: \$11,113,030,569

2002-2003 Total Secured Assessed Valuation: \$8,567,796,118

San Juan Water District
Assessed Actual Value - Taxable Property
(Accrual Basis of Accounting)
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Secured Assessed Value	Unsecured Assessed Value	Total Assessed Value	Total Property Tax Revenue	Total Direct Tax Rate
2003	\$ 10,630,343	\$ 211,386	\$ 10,841,729	\$ 2,142	0.020%
2004	11,392,975	200,789	11,593,764	2,576	0.022%
2005	12,819,457	214,569	13,034,026	505	0.004%
2006	14,234,265	227,710	14,461,975	644	0.004%
2007	16,073,386	268,952	16,342,338	1,790	0.011%
2008	16,248,701	73,486	16,322,187	1,835	0.011%
2009	15,701,866	74,471	15,776,337	1,822	0.012%
2010	15,454,819	67,677	15,522,496	1,687	0.011%
2011	14,900,077	63,928	14,964,005	1,565	0.010%
2012	15,579,095	32,499	15,611,594	1,561	0.010%



Source: County of Placer and County of Sacramento

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

**San Juan Water District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Economic Development Admin Loan	California Energy Commission Loan	Total Debt	Percentage of Personal Income	Per Capita
2003	\$ 1,905,000	\$ -	\$ 23,995,000	\$ 297,351	\$ 42,720	\$26,240,071	67.89%	\$139.28
2004	980,000	-	23,225,000	282,131	39,006	24,526,137	60.13%	135.07
2005	-	-	22,390,000	266,150	35,063	22,691,213	52.21%	122.00
2006	-	-	21,535,000	249,370	30,883	21,815,253	47.78%	115.56
2007	-	-	20,660,000	231,751	26,453	20,918,204	43.30%	109.49
2008	-	-	19,765,000	213,251	21,762	20,000,013	39.87%	103.33
2009	-	-	49,345,000	193,826	16,787	49,555,613	94.65%	252.72
2010	-	-	47,980,000	173,430	11,513	48,164,943		267.58
2011	-	-	46,985,000	152,013	5,924	47,142,937		261.11
2012	-	13,625,000	30,085,000	129,527	-	43,839,527		242.14

Source: San Juan Water District Finance & Administrative Services Division

Note: Details regarding the District's debt can be found in the notes to the financial statements.

**San Juan Water District
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value^a of Property	Population^b	Debt Per Capita^c
2003	\$ 1,905	\$ 1,905	\$ 10,841,729	0.018%	188,400	\$ 10.11
2004	980	980	11,593,764	0.008%	181,584	5.40
2005	-	0	13,034,026	0.000%	185,996	-
2006	-	0	14,461,975	0.000%	188,786	-
2007	-	0	16,342,338	0.000%	191,051	-
2008	-	0	16,322,187	0.000%	193,554	-
2009	-	0	15,776,337	0.000%	196,089	-
2010	-	0	15,522,496	0.000%	180,000	-
2011	-	0	14,964,005	0.000%	180,543	-
2012	-	0	15,611,594	0.000%	181,048	-

^a Property in the District is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to the actual value.

^b Population data were provided by Placer and Sacramento Counties

^c The 1998 General Obligation Bonds were repaid in 2004.

Source: San Juan Water District Finance & Administrative Services Division
Placer and Sacramento Counties

**San Juan Water District - Computation of Direct and Overlapping Bonded Debt
June 30, 2012**

2011-12 Assessed Valuation:	\$ 15,247,504,005
Redevelopment Incremental Valuation:	257,432,031
Adjusted Assessed Valuation:	<u>\$ 14,990,071,974</u>

<u>Direct and Overlapping Tax and Assessment Debt</u>	<u>Total Debt 6/30/2012</u>	<u>Percent Applicable (1)</u>	<u>District's Share of Debt 6/30/2012</u>
Los Rios Community College District	\$ 308,710,000	8.221%	\$ 25,379,049
Folsom-Cordova Unified School District School Facilities Improvement District No	37,231,422	11.642%	4,334,482
San Juan Unified School District	299,538,609	36.681%	109,873,757
Placer Union High School District	34,259,040	4.550%	1,558,786
Roseville Joint Union High School District	95,427,900	17.814%	16,999,526
Eureka Union School District	5,250,716	71.737%	3,766,706
Loomis Union School District	5,965,000	17.945%	1,070,419
Roseville City School District	29,787,844	0.763%	227,281
City of Folsom	12,120,000	13.607%	1,649,168
City of Folsom Assessment District No. 90-1	1,370,000	100.000%	1,370,000
Sacramento Area Flood Control District Operation and Maintenance Assessmen	3,685,000	13.983%	515,274
California Statewide Community Development Authority Obligations	297,625	100.000%	297,625
San Juan Suburban Water District	-	100.000%	-
Total Direct and Overlapping Tax and Assessment Debt	<u>\$ 833,643,156</u>		<u>\$ 167,042,073</u>

Ratios to 2011-12 Assessed Valuation

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.10%

Overlapping General Fund Debt

Sacramento County General Fund Obligations	\$ 336,653,617	9.890%	\$ 33,295,043
Sacramento County Pension Obligations	976,998,305	9.890%	96,625,132
Sacramento County Board of Education Certificates of Participation	9,315,000	9.890%	921,254
Placer County General Fund Obligations	46,195,000	7.879%	3,639,704
Placer County Office of Education Certificates of Participation	2,120,000	7.879%	167,035
Los Rios Community College District Certificates of Participation	6,105,000	8.221%	501,892
Sierra Joint Community College District Certificates of Participation	12,470,000	5.773%	719,893
Folsom-Cordova Unified School District Certificates of Participation	26,665,000	7.337%	1,956,411
San Juan Unified School District Certificates of Participation	1,490,736	36.681%	546,817
Roseville Joint Union High School District Certificates of Participation	3,020,000	17.814%	537,983
Eureka Union School District Certificates of Participation	4,865,000	71.737%	3,490,005
Other School District Certificates of Participation	23,645,000	Various	1,049,333
City of Folsom Certificates of Participation	11,495,000	13.607%	1,564,125
City of Roseville Certificates of Participation	18,790,000	2.919%	548,480
Sacramento Metropolitan Fire District Pension Obligations	62,968,975	20.035%	12,615,834
Orangevale Recreation and Park District Certificates of Participation	400,000	99.963%	399,852
Sunrise Recreation and Park District Certificates of Participation	6,885,000	37.316%	2,569,207
Placer Mosquito and Vector Control District Certificates of Participation	4,485,000	7.879%	353,373
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT	<u>\$ 1,554,566,633</u>		<u>\$ 161,501,373</u>
Less: Sacramento County self-supporting obligations			679,690
TOTAL NET OVERLAPPING GENERAL FUND DEBT			<u>\$ 160,821,683</u>
TOTAL DIRECT DEBT			\$ -
TOTAL GROSS OVERLAPPING DEBT			\$ 328,543,446
TOTAL NET OVERLAPPING DEBT			\$ 327,863,756
GROSS COMBINED TOTAL DEBT (2)			\$ 328,543,446
NET COMBINED TOTAL DEBT			\$ 327,863,756

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the district.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to Adjusted Assessed Valuation:

Gross Combined Total Debt	2.19%
Net Combined Total Debt	2.19%
STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12:	\$ -

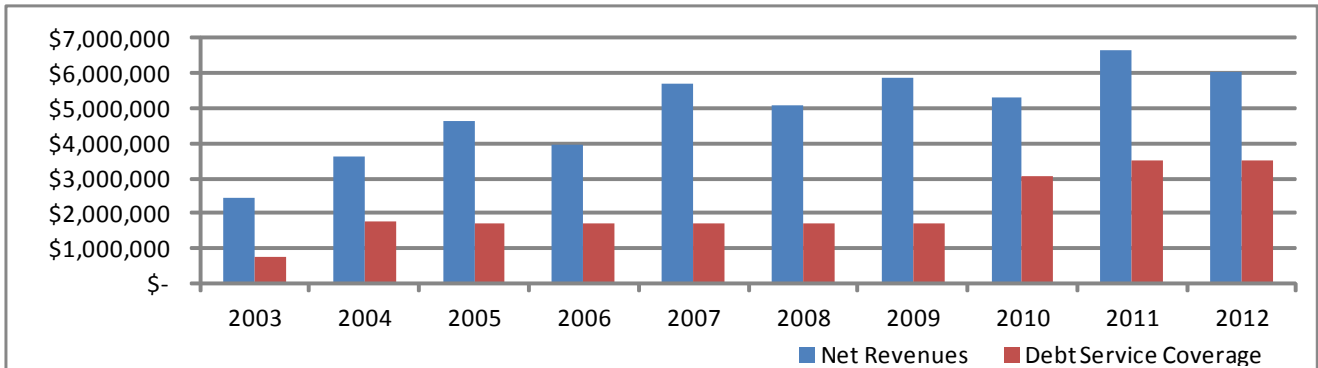
San Juan Water District
Ratio of Annual Debt Service Expenses for All Debt to Total General Expenses
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenses (1)	Ratio of Debt Service to Total General Expenses
2003	1,283,006	486,864	1,769,870	11,693,478	15.14%
2004	1,713,934	1,134,404	2,848,338	11,898,493	23.94%
2005	1,834,924	1,043,472	2,878,396	11,602,517	24.81%
2006	875,960	916,858	1,792,818	12,648,726	14.17%
2007	897,049	948,978	1,846,027	14,366,884	12.85%
2008	918,191	863,197	1,781,388	14,738,945	12.09%
2009	954,401	826,187	1,780,588	18,906,512	9.42%
2010	1,390,670	1,810,145	3,200,815	15,715,490	20.37%
2011	1,024,924	2,465,408	3,490,332	14,143,017	24.68%
2012	1,053,410	2,448,654	3,502,064	15,838,223	22.11%

Source: San Juan Water District Finance & Administrative Services Division

Note: (1) Total general expenses are total expenses excluding interest expense. Details regarding the District's outstanding debt can be found in the notes to the financial statements.

San Juan Water District Debt Service Coverage Last Ten Fiscal Years



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Retail Water Sales	\$ 4,940,654	\$ 5,414,979	\$ 5,285,572	\$ 5,668,705	\$ 6,575,947	\$ 6,766,658	\$ 7,542,865	\$ 7,299,989	\$ 7,834,917	\$ 8,090,259
Wholesale Water Sales	4,721,626	5,243,288	5,744,760	5,769,324	6,228,302	6,410,653	7,111,208	7,865,283	7,764,982	7,364,002
Connections/Annexations	406,592	315,512	224,993	306,605	926,276	174,865	45,699	163,266	163,541	176,362
Property Tax Revenue	1,257,017	1,370,861	458,819	643,882	1,790,197	1,835,558	1,822,166	1,687,204	1,597,524	1,561,130
Investment Income	474,741	479,746	659,455	867,082	1,384,866	1,561,139	847,510	468,099	271,233	187,780
Other	357,430	701,005	1,853,784	901,639	160,689	255,298	327,374	484,166	335,357	108,047
Total	\$ 12,158,060	\$ 13,525,391	\$ 14,227,383	\$ 14,157,237	\$ 17,066,277	\$ 17,004,171	\$ 17,696,822	\$ 17,968,007	\$ 17,967,554	\$ 17,487,580
Operation & Maintenance Costs										
Source of Supply	\$ 2,644,823	\$ 2,865,957	\$ 2,965,677	\$ 2,704,782	\$ 3,173,789	\$ 3,240,902	\$ 3,221,008	\$ 3,284,931	\$ 2,820,910	\$ 3,186,686
Pumping and Telemetry	598,394	692,185	594,962	551,418	623,259	580,370	663,975	542,837	590,217	621,783
Water Treatment	1,518,716	1,616,340	1,689,104	2,003,075	2,146,066	2,223,995	2,211,536	2,171,923	2,119,426	1,701,918
Transmission/Distribution	1,480,290	1,201,061	1,353,547	1,249,430	1,629,065	1,731,271	1,639,125	1,767,690	1,657,517	1,764,998
Administration/General	2,033,951	1,975,784	1,297,828	2,040,731	1,986,027	2,387,564	2,161,541	3,199,146	2,450,651	2,455,196
Customer Service	550,880	505,118	606,320	599,116	594,680	679,121	689,023	666,916	658,999	681,163
Conservation	434,527	334,962	351,467	383,433	501,649	503,713	636,509	637,461	617,917	662,589
Engineering	329,770	325,821	398,573	397,717	449,342	319,227	359,576	317,451	342,523	325,113
Other	104,135	370,416	357,962	287,268	285,117	268,108	249,251	76,552	59,022	62,824
Total	\$ 9,695,486	\$ 9,887,644	\$ 9,615,440	\$ 10,216,970	\$ 11,388,994	\$ 11,934,271	\$ 11,831,544	\$ 12,664,907	\$ 11,317,182	\$ 11,462,270
Net Revenues	\$ 2,462,574	\$ 3,637,747	\$ 4,611,943	\$ 3,940,267	\$ 5,677,283	\$ 5,069,900	\$ 5,865,278	\$ 5,303,100	\$ 6,650,372	\$ 6,025,310
Debt Service										
2012 Bonds										\$ -
2009 COPs								\$ 1,272,129	\$ 1,718,275	1,718,075
2003 COPs	\$ -	\$ 1,704,572	\$ 1,662,019	\$ 1,665,319	\$ 1,668,219	\$ 1,661,969	\$ 1,648,383	1,733,552	1,732,488	1,747,713
1993 COPs	695,629	-	-	-	-	-	-	-	-	-
EDA Loan	30,088	30,088	30,088	30,088	30,088	30,088	30,088	30,088	30,088	30,088
CEC Advance	6,188	6,188	6,188	6,188	6,188	6,188	6,188	6,188	6,188	6,188
Total	\$ 731,905	\$ 1,740,848	\$ 1,698,295	\$ 1,701,595	\$ 1,704,495	\$ 1,698,245	\$ 1,684,659	\$ 3,041,957	\$ 3,487,039	\$ 3,502,064
Debt Service Coverage	3.36	2.09	2.72	2.32	3.33	2.99	3.48	1.74	1.91	1.72

Source: San Juan Water District Finance & Administrative Services Division

**San Juan Water District
Principal Employers for Counties Served
Current Year and Four Years Ago (Nine Years Ago - Placer)**

Employer	Fiscal Year					
	2010			2006		
	Number of Employees	Rank	% of Total Employed	Number of Employees	Rank	% of Total Employed
<u>County of Sacramento</u>						
State of California	73,243	1	12.26%	67,467	1	10.42%
Sacramento County	11,260	2	1.89%	14,408	2	2.23%
Sutter Health Sacramento Sierra Region	8,702	3	1.46%			
University of California, Davis/US Davis Health	8,500	4	1.42%	7,901	3	1.22%
CHW/Mercy Health Care	6,976	5	1.17%	4,897	10	0.76%
Kaiser Permanente	6,414	6	1.07%	6,656	6	1.03%
Elk Grove Unified School District	6,391	7	1.07%			
Intel Corporation	6,000	8	1.00%	7,000	4	1.08%
Sacramento Municipal Utility District	5,057	9	0.85%			
San Juan Unified School District	4,900	10	0.82%	5,775	8	0.89%
Los Rios Community College District				7,000	4	1.08%
City of Sacramento				6,000	7	0.93%
				5,105	9	0.79%
Total	137,443		23.01%	132,209		20.43%
Total Employed in Sacramento County	597,258			647,300		

Employer	Fiscal Year					
	2010			2001		
	Number of Employees	Rank	% of Total Employed	Number of Employees	Rank	% of Total Employed
<u>County of Placer</u>						
Kaiser Permanente	3,064	1	1.94%	1,349	7	1.01%
Hewlett-Packard Co.	2,500	2	1.59%	6,000	1	4.50%
Placer County	2,400	3	1.52%	2,600	2	1.95%
Union Pacific Railroad Co. Inc.	2,000	4	1.27%	1,218	8	0.91%
Sutter Health	1,983	5	1.26%	1,428	6	1.07%
Northstar-At-Tahoe	1,500	6	0.95%			
Thunder Valley Casino Resort	1,412	7	0.90%			
City of Roseville	1,282	8	0.81%	989	10	0.74%
PRIDE Industries, Inc.	1,135	9	0.72%	1,540	4	1.16%
Raley's	1,006	10	0.64%	1,463	5	1.10%
NEC Electronics America, Inc.				1,609	3	1.21%
Artesyn Solutions, Inc.				1,200	9	0.90%
Total	18,282		11.60%	19,396		14.55%
Total Employed in Placer County	157,540			133,333		

Note: Information is not available specific to San Juan Water District service area, so counties served are shown.

Source:

Sacramento Business Journal
California State Employment Development Department

**San Juan Water District
Demographic and Economic Statistics
Last Ten Fiscal Years**

	Wholesale Population	Retail Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2003	188,400	28,734	\$ 38,649,539	\$ 29,686	6.10%
2004	181,584	28,776	\$ 40,789,349	\$ 30,686	5.70%
2005	185,996	29,056	\$ 43,462,957	\$ 32,192	5.00%
2006	188,786	30,442	\$ 45,653,787	\$ 33,521	4.70%
2007	191,051	30,512	\$ 48,313,850	\$ 35,197	5.20%
2008	193,554	30,605	\$ 50,157,252	\$ 36,340	6.80%
2009	196,089	30,578	\$ 52,356,182	\$ 37,179	11.30%
2010	180,000	30,641	\$ 53,612,730	\$ 37,700	12.40%
2011	180,548	30,615	Not yet available		12.30%
2012	181,048	30,722	Not yet available		10.80%

Note:

Wholesale population includes estimates of of Citrus Heights Water District, Fair Oaks Water District, Orange Vale Water Company, San Juan Water District Retail and City of Folsom (served by San Juan Water District Wholesale).

Source:

San Juan Water District Urban Water Management Plan; California State Department of Finance; California State Employment Development Department

**San Juan Water District
Staffing - Certificates - Licenses by Function/Program
Last Ten Fiscal Years**

Last Ten Fiscal Years by Function/Program	Full-Time Equivalent Employees as of June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Executive	3	3	3	3	3	3	3	3	3	3
Conservation	3	3	3	3.5	3.5	3.5	3.5	5	5	4
Customer Service	4	4	3	3	3	3	3	3	3	4
Engineering Services	4	4	3	3	3	3	3.5	4	4	4
Field Services	18	16	15	16	17	17	17	15	15	15
Finance/Administrative Services	3	3	4	4	5	5	5	5	5	5
Water Treatment Operations	10	11	10	10	10	10	10	10	10	10
Total	45	44	41	42.5	44.5	44.5	45	45	45	45

Actual Versus Budgeted

	FY 2001		FY 2012	
	Filled as of		Filled as of	
	June 30	Budgeted	June 30	Budgeted
Executive	3	3	3	3
Conservation	5	5	4	4
Customer Service	3	3	4	4
Engineering Services	4	4	3	4
Field Services	18	18	15	15
Finance/Administrative Services	3	3	5	5
Water Treatment Operations	10	10	10	10
Total	46	46	44	45

Certificates and Licenses

	June 30, 2012
California Department of Health Services Water Distribution Operator	
Grade 1	1
Grade 2	3
Grade 3	9
Grade 4	12
Grade 5	2
California Department of Health Services Water Treatment Operator	
Grade 1	2
Grade 2	7
Grade 3	2
Grade 4	5
Grade 5	1
AWWA Cross-Connection Control Program	
California Professional Engineer - Civil	4
Masters Degree	1
California Certified Municipal Treasurer	1
California Special District Administrator	1

Source: San Juan Water District Finance & Administrative Services Division

Note: The 2005 Human Resource Master Plan re-allocated positions within the District and added 2 positions.

San Juan Water District
Wholesale Water System Capital Asset and Operating Indicators
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Facilities:											
# of Treatment Plants	1	1	1	1	1	1	1	1	1	1	
Plant Capacity (MGD)	120	120	120	120	120	120	120	120	120	120	
# of ARVs									71	71	
# of Blow-offs									52	52	
# of Fire Hydrants									13	13	
# of Valves									21	21	
# of Pumping Stations ⁽¹⁾	3	3	3	3	3	3	3	3	-	-	
# of Storage Tanks/Reservoirs	2	2	2	2	2	2	2	2	2	2	
Water Supply Available:											
Pre-1914 Water Rights	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	
USBR/CVP Water Contract	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	
PCWA Contract	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Total Water Supply	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	82,200	
Water Supply Delivered:											
Pre-1914 Water Rights	28,205	36,761	30,761	35,476	35,402	32,539	28,999	30,364	32,732	34,912	
USBR/CVP Water Contract	4,585	5,225	7,013	5,947	9,908	7,884	7,022	418	1,211	555	
PCWA Contract	13,037	13,980	11,998	11,802	12,249	12,818	11,301	9,075	8,574	8,841	
Total Water Supply Delivered	45,827	55,966	49,772	53,225	57,559	53,241	47,322	39,857	42,517	44,308	
Production (average in acre feet):											
Five Year	67,616	68,703	70,319	70,217	69,559	68,168	64,669	61,047	59,005	56,159	
Ten Year	60,302	61,486	64,520	64,992	67,421	68,044	67,248	65,683	64,455	62,849	
Fifteen Year	57,071	57,861	59,578	60,211	62,200	62,948	63,263	63,363	63,880	63,660	
Twenty Year	56,762	57,354	58,399	58,937	59,626	59,885	60,140	59,945	60,385	60,685	
Connections: ⁽²⁾											
San Juan Water District (retail)	10,200	10,079	10,288	10,306	10,339	10,345	10,348	10,373	10,361	10,471	
Citrus Heights Water District	19,249	19,302	19,265	19,486	19,498	19,573	19,547	19,568	19,576	19,642	
Fair Oaks Water District	13,554	13,577	13,544	13,848	14,469	14,474	14,450	14,129	14,135	14,140	
Orange Vale Water Company	5,209	5,277	5,324	5,518	5,566	5,572	5,572	5,543	5,545	5,545	
City of Folsom									981	981	981
Total Connections	48,212	48,235	48,421	49,158	49,872	49,964	49,917	50,594	50,598	50,779	
Population ⁽³⁾											
	188,400	181,584	185,996	188,786	191,051	193,554	196,089	180,000	180,548	181,048	

⁽¹⁾ Pump stations were assigned directly to Retail beginning January 1, 2011. Prior to that, costs were recovered through the Wholesale Rate charged to SJWD Retail.

⁽²⁾ Connections in Italic are projected as that agency's fiscal year end is 12/31.

⁽³⁾ The District updated population statistics in its 2010 Urban Water Management Plan.

Source: San Juan Water District Finance & Administrative Services Division, Engineering Services and Wholesale Operations

San Juan Water District
Wholesale Water Production by Month
Last Ten Fiscal Years
(in million gallons)

Month	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
July	3,181	3,175	3,110	3,255	3,099	2,563	2,937	2,292	3,240	2,866
August	2,901	2,938	3,053	3,101	3,226	2,409	2,917	2,095	3,126	2,714
September	2,577	2,909	2,787	2,670	2,932	1,907	2,427	1,844	2,607	2,345
October	2,004	2,403	1,852	2,166	2,116	1,170	1,646	1,413	1,873	1,525
November	1,117	1,151	1,014	1,466	1,138	878	857	1,059	786	965
December	1,015	980	1,039	1,048	968	661	764	679	780	930
January	946	922	933	881	1,065	559	728	722	719	922
February	852	793	831	819	962	537	631	673	619	651
March	1,146	1,293	1,035	812	1,308	1,325	620	538	617	549
April	1,130	2,057	1,313	980	1,732	2,021	1,405	577	1,186	835
May	1,845	2,870	1,926	2,510	1,793	2,639	1,854	1,285	1,793	1,788
June	3,019	3,101	2,696	3,004	2,323	2,791	2,112	2,544	2,042	1,936
Annual Total	21,733	24,592	21,589	22,712	22,662	19,460	18,898	15,721	19,388	18,026
Average Monthly Water Production	1,811	2,049	1,799	1,893	1,889	1,622	1,575	1,310	1,616	1,502
Average Daily Water Production	59.5	67.4	59.1	62.2	62.1	53.3	51.8	43.1	53.1	49.4

Source: San Juan San Juan Water District Wholesale Operations Division

San Juan Water District
Retail Water System Capital Asset and Operating Indicators
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Facilities:										
Miles of Main Line	165	203	210	213.5	213.5	213.5	214	214	214	214
# of ARVs									768	768
# of Blow-offs									788	788
# of Fire Hydrants									1,412	1,412
# of Valves									2,761	2,761
# of Pumping Stations	5	5	5	5	5	5	5	5	8	8
# of Storage Tanks/Reservoirs	3	3	3	3	3	3	3	3	3	3

Connections:										
Single-Family Residential			9,746	9,753	9,752	9,756	9,761	9,778	9,771	9,811
Multi-Family Residential			118	118	117	121	121	119	119	119
Commercial			187	190	217	215	215	239	238	239
Institutional			12	11	11	11	11	11	11	11
Landscape Irrigation			213	222	230	230	228	214	210	209
Agricultural Irrigation			4	4	4	4	4	4	4	4
Other			8	8	8	8	8	8	8	8
Total Connections	10,200	10,079	10,288	10,306	10,339	10,345	10,348	10,373	10,361	10,401
Total New Connections	208	(121)	209	18	33	6	3	25	(12)	40

Consumption (units of ccf): ⁽¹⁾										
Single-Family Residential			5,043,423	5,680,870	5,392,177	5,020,192	4,369,153	4,327,393	4,500,448	
Multi-Family Residential			90,785	99,732	92,353	96,145	87,162	80,391	83,539	
Commercial			155,681	173,631	167,395	149,209	171,923	197,402	199,458	
Institutional			98,444	104,898	103,931	93,052	81,364	68,920	74,877	
Landscape Irrigation			425,275	503,444	501,790	453,918	358,816	355,991	360,465	
Agricultural Irrigation			5,361	4,531	8,808	8,144	9,282	7,612	9,634	
Other			886	1,200	970	802	789	927	871	
Total Consumption	-	-	-	5,819,855	6,568,306	6,267,424	5,821,462	5,078,489	5,038,636	5,229,292
Average Daily Consumption	-	-	-	15,945	17,995	17,171	15,949	13,914	13,804	14,327
Population	28,734	28,776	29,056	30,442	30,512	30,605	30,578	30,641	30,615	30,722

⁽¹⁾ Beginning on January 1, 2005, the District was fully metered; data prior to that time is not available.

Source: San Juan Water District Customer Services and Engineering Services Departments

**San Juan Water District
Retail Water Connection Fee Report
Per Government Code Section 66013(d) and (e)
Fiscal Year Ended June 30, 2012**

Connection Fees, beginning balance		\$ 2,495,532
Connection Fees Collected	\$ 167,436	
Interest Earned	<u>14,036</u>	
Fees Available	181,472	
Applied to:		
Capital Costs Funded	\$ 116,482	
Refunds	<u>-</u>	
Total Funds Applied	116,482	
Net Changes for the Year		<u>64,990</u>
Connection Fees, ending balance		<u><u>\$ 2,560,522</u></u>

California Government Code (CGC) Section 66013 (c) requires the District to place capital facilities connection fees received and any interest income earned from the investment of these monies in a separate capital facilities fund. These monies are to be used solely for the purposes for which they were collected and not commingled with other District funds.

CGC Section 66013(d) requires the District to make certain information available to the public within 180 days after the close of each fiscal year. CGC Section 66013(e) allows the required information to be included in the District's annual financial report. The Retail Water Connection Fee Report meets this requirement.

Capacity fees are imposed for initiating water connection service by the District at the request of the customer. No fees are imposed upon real property or upon person as an incident of property ownership, but rather as a condition of service.

The District's 10-year Capital Improvement Plan shows these connection fees will be utilized in the amount of \$2,560,522 for growth/expansion related capital projects in addition to \$10,319,000 estimated to be received during the period for new connections.

Source: San Juan Water District Finance & Administrative Services Division