

YUIMA MUNICIPAL WATER DISTRICT



Comprehensive Annual Financial Report

for the fiscal year ended June 30, 2008



*Pauma Valley,
California*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2008



Prepared by the Finance Department
Yuima Municipal Water District
Pauma Valley, California

OUR MISSION AND VISION



Yuima Municipal Water District is committed to providing water service to our Pauma Valley customers that exceeds all standards of quality and reliability at fair and reasonable rates.

We hope to be known and respected in our community as good stewards of the Public resources and responsibilities entrusted to us.



Yuima Municipal Water District
Comprehensive Annual Financial Report
Year Ended June 30, 2008

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INTRODUCTORY SECTION



Board of Directors
W.D. "Bill" Knutson - President
Doug Anderson - Vice President
George Stockton - Secretary/Treasurer
John B. Lytle - Director
Michael Fitzsimmons - Director

General Manager
Linden A. Burzell, Ph. D.

Counsel
Jeffrey G. Scott



P.O. Box 177, 34928 Valley Center Road
Pauma Valley, CA 92061-0177
Tel: (760) 742-3704 Fax: (760) 742-2069
Website: www.yuimamwd.com

December 30, 2008

Honorable Board of Directors
Yuima Municipal Water District
34928 Valley Center Road
Pauma Valley, CA 92061-0177

We are pleased to present the Yuima Municipal Water District's ("District") Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008.

This report was prepared by the District's Finance Department following the guidelines set forth by the Government Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP). Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe that the data, as presented, is accurate in all material respects and that it is presented in a manner that provides a fair representation of the financial position and results of operation of the District. Included are all disclosures we believe necessary to enhance your understanding of the financial condition of the District. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A), which should be read in conjunction with this report. The District's MD&A can be found immediately following the Independent Auditors' Report.

Our independent external auditors, Teaman, Ramirez and Smith Inc., have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America, performing such tests and other procedures as they deem necessary to express an opinion in their report to the Board. The external auditors also have full and unrestricted access to the Board to discuss their audit and related findings as to the integrity of the financial reporting and adequacy of the internal control systems. The Independent Auditors' Report is presented as the first component of the financial section of this report.

The 2007-2008 fiscal year was indeed a challenging year. We are very proud of the results we achieved, which are presented throughout the pages of this report. The hard work and commitment of our Board, management, and every staff person at Yuima is reflected in the information included here. We encourage you to review the information presented in this report.

DISTRICT FORMATION, ORGANIZATION AND HISTORY

The District is a publicly-owned water agency, organized on January 19, 1963 as a California special district by the State Legislature, with an entitlement to import water under the provisions of the Municipal Water District Act of 1911. The Organization was formed for the prime purpose of importing Colorado River water to augment local water supplies.

Prior to the District's formation, the sole source of water was local ground water on the alluvial fan and the San Luis Rey River basin. Following a period of drought extending back to 1949, coupled with increased agricultural water demands, the water table fell drastically and overdrafts of the underlying water basin lowered the basin's level as much as 85 feet, forcing the abandonment of some wells and giving rise to increased pumping costs. This condition also prompted the filing of the Strub vs. Palomar Mutual Water Company suit to which the District is successor in interest and which limits the Improvement District "A's" (IDA's) withdrawal of water from the San Luis Rey River upstream of Cole Grade Road to 1,350 acre feet annually.



The District's ordinances, policies, taxes, and rates for service are set by the five Directors, elected by voters in their respective divisions, to serve staggered four-year terms on its Governing Board. The Board of Directors (Board) manages through an appointed general manager and two department heads who oversee the Finance and Operations Departments. There are currently 11 employees working for the District.

The financial data presented herein includes information for activities and entities that are significantly controlled by the District and for which the Board is primarily financially accountable.

THE REPORTING ENTITY AND ITS SERVICES

The District is a "revenue neutral" public agency, meaning that rates are set based on projections so that each end-user pays his or her fair share of the District's costs of water acquisition, operation and maintenance, betterment, and renewal and replacement of the public water facilities.

The District provides water and fire protection services. The District has established and maintains various self-balancing groups of accounts in order to enhance internal control and to further the attainment of other management objectives. These groups of accounts, which are sub-funds and funds of the reporting entity, are identified in the District's books and records as:

- ✓ General Fund
- ✓ Improvement District A Fund
- ✓ Fire Fund

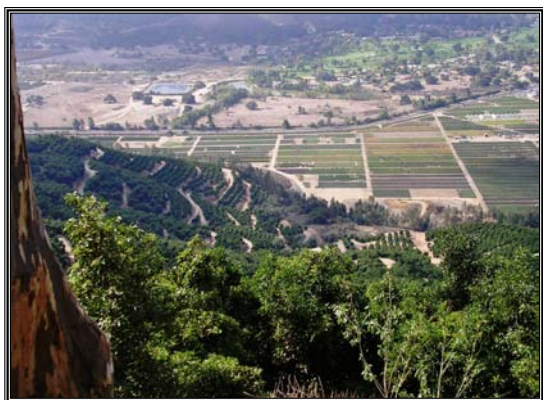
The General Fund accounts for all activity related to water operations as well as the general operations of the District's water activities. Improvement District A Fund accounts for water operations, capital assets, and construction-in-progress transactions related exclusively to the geographic area. The Fire Fund acts as a pass-through mechanism for revenues collected on behalf of the California Department of Forestry and Fire Protection (CalFire), to fund the fire protection operations.

CURRENT ECONOMIC CONDITIONS AND OUTLOOK

Over the last 45 years, the District has grown to be a strong agricultural community. Today the District serves a population of 1,966 through 337 service connections provided within approximately 21 square miles of northern San Diego County. The District operates 42.3 miles of water main, 17 productive wells, 10 potable water tanks, and 2 reservoirs.

It appears unlikely that population growth will be a significant factor within the next five years. No major housing developments are planned, and even if a project were initiated today, it would take at least five years to obtain the appropriate zoning changes and complete construction. It is estimated that population growth will not exceed 2% per year over the next five years. Considering that only about 3% of total District demand is residential, the increase in population growth is expected to be negligible during the next couple of years.

In fiscal year 2007-08 the District purchased approximately 59% of its water from the San Diego County Water Authority (SDCWA or the "Authority") at a cost of \$1.7 million, or 28% of the District's operating expenses. The Authority imports most of its water from the Metropolitan Water District of Southern California (MET). For the fiscal year ended June 30, 2008, the District billed 337 customers for 6,088 acre feet of water.



Water sales for the past ten years have ranged from 5,238 to 7,717 acre feet. Because a large portion of our sales are to agriculture, sales are greatly affected by weather conditions, making sales projections difficult. Total system demand is anticipated to be driven by irrigated agriculture which is estimated to constitute in excess of 95% of all water delivered.

Since May of 1994, the MET Interim Agricultural Water Program (IAWP) has provided a discount to qualifying agricultural water users. In addition, SDCWA offers a rebate on their water rate. In exchange for reduced rates, agricultural customers agree to have their water supply reduced first during droughts and other emergencies. Since the inception of the program, our agricultural customers have seen a savings of over \$4.9 million through both programs.

On January 1, 2008 MET enforced a mandatory cutback of 30% on all IAWP participants against a base year of 2006-07. Fortunately the District is able to augment the supply from MET through SDCWA with about 50% of its own local water supplies. Due to favorable weather conditions and exceptional participation

from our farmers with watering schedules, during the first half of 2008, this resulted in a 10% cutback in January and 0% cutbacks from February through June. It is estimated that the District will be able to maintain 0% cutbacks through December 2008.

As of June 30, 2008, it is apparent that significant changes to the IAWP are being considered by MET as a consequence of sustained multi-year drought conditions. It is very likely that IAWP will be significantly modified, with termination of the program a distinct possibility. The District believes it is most likely that this program will be phased out over the next several years, with minimal change during calendar year 2009.

ACCOMPLISHMENTS IN FISCAL YEAR 2007-08

PROGRESS ON TANK 8 AND BOOSTER 8

Significant progress has been made during this financial reporting period on the District's major multi-year Tank 8 and Booster 8 Project. The project includes the demolition of Reservoir 8 and its replacement with a 1.7 million gallon steel tank. The replacement of this open reservoir was undertaken to comply with State Health Department regulations requiring the phase-out of open reservoirs in public water supplies where down-stream filtration is not provided.

The project also includes the demolition and total replacement of Pump Station 8, in order to improve efficiency and capacity, as well as to eliminate potentially dangerous enclosed space conditions for District personnel. At June 30, 2008, this project was 85% complete. We expect the new Tank 8 and Booster 8 complex to be put into service by mid-December, 2008.



PROGRESS ON WELL REHABILITATIONS

In response to increasing agricultural demand and the reductions in imported supply arising from mandatory cutbacks under IAWP, the District has initiated actions to rehabilitate four existing groundwater wells which had previously been taken out of service because of low production, inefficient motor and other problems. At June 30, this project was 90% complete. These wells, when put into service in late 2008, should increase local groundwater production by about 600 acre-feet per year based on the initial pumps and thus aid the District materially in compensating for the loss of some 1,088 acre-feet of imported water due to the IAWP cutbacks.

NORTHERN ROUTE PIPELINE PROJECT

During the current reporting period, the District and its prospective partner, the San Luis Rey Indian Water Authority ("SLRIWA"), have made significant progress toward completion of a combined Environmental Impact Report/Environmental Assessment for the proposed Northern Route Pipeline Project. The proposed pipeline would be jointly owned and operated by the District and the SLRIWA and would allow the District to import water from MET at a significantly lower unit price, by virtue of avoided costs for pumping and SDCWA transportation charges. At the same time, the SLRIWA would use its capacity in the pipeline to transport some or all of the 16,000 acre-feet of Colorado River Water to which it is entitled to under the provisions of the 1988 San Luis Rey Indian Water Rights Settlement Act (Public Law 100-675).

It is expected that environmental requirements will be completed prior to the end of calendar year 2008, with a decision to proceed on the project to be made in late 2009 or early 2010. This decision will largely hinge on a timely re-assessment of long-term prospects for the availability of imported water from the State Water Project and the Colorado River system.

INTERNSHIP PROGRAM

The District has been an active participant in the San Diego County Water Authority's Regional Water/Wastewater Internship Program since 2006-07. As the water and wastewater industry experience an increased demand for qualified staff, the program was developed to provide students in the San Diego region with career opportunities and on-the-job experience. The program was divided into four instructional modules that included water system operations, water system maintenance, water treatment, and wastewater treatment. Qualified applicants selected to take part in the program are placed with participating agencies while taking applicable classes at the local community colleges. To date, the District has trained five interns.

BUDGETING CONTROLS

The District views the budget as an essential tool for proper financial management. Although not legally required to do so, the District adopts a budget annually to outline major elements of the forthcoming year's operating and capital plans and to allocate funding required for those purposes. It is designed and presented for the general needs of the District, its staff, and its customers. It is a comprehensive and balanced financial plan that features District services, resources and their allocation, financial policies, and other useful information to allow users to gain a general understanding of the District's financial status and future. The District's operating and capital budgets are approved by the Board of Directors. Board approval is required for any increase in appropriations. Actual expenditures are then compared to these appropriations on a monthly basis and are distributed to all department heads and to the Board quarterly.

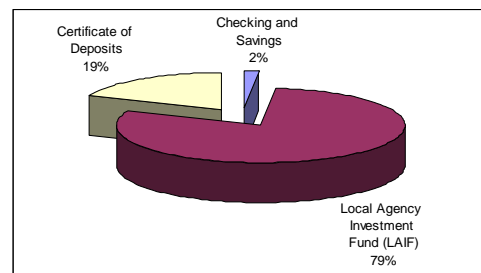
Annual operating water user rates and charges are derived from the annual operating budget and are based on historical seasonal demand, and other internal and external factors impacting the budget. The District maintains two sets of user rates and charges. One set is for the General District and the other for Improvement District A. Higher pumping charges apply in higher elevations within the district.

CASH MANAGEMENT

The District is regulated by State law (primarily California Government Code Section 53600 et seq.) as to the types of securities in which it can invest its cash assets. In addition, the Board of Directors annually adopts an investment policy that is generally more restrictive than the State codes. The standard practice of the District is to maintain an appropriate balance between safety, liquidity, and yield of its investments while meeting required expenditures, and conforming to all applicable State laws, the District's investment policy, and prudent cash management principles.

For the fiscal year 2007-08, the District's fixed income investment portfolio consisted primarily of short-term securities with an average maturity of 8.7 months. These securities included the State-managed Local Agency Investment Fund (LAIF), a mutual fund, and various Certificates of Deposit (CD's).

At June 30, 2008, the District's cash assets totaled \$5.1 million. The diversification of the portfolio is shown in the chart to the right. These cash balances are allocated to various restricted funds.



RISK MANAGEMENT

In 1996, the District became a member of the Joint Powers Insurance Authority (JPIA), a pool program which provides the District's coverage for general liability insurance, property insurance, employee bonds, and other blanket coverage's. In 2003 the District added the worker's compensation coverage under JPIA. During fiscal year 2007-08, the District continued its proactive liability risk management role through careful monitoring of losses and designing and implementing programs to minimize risks and losses. In addition, the District's Safety Committee analyzes workers' compensation issues by monitoring work conditions, and organizing and implementing safety training programs to reduce employee exposure to hazards. The District proudly maintains an excellent minimal loss history.

PENSION AND DEFERRED COMPENSATION PLANS

The District provides a defined benefit pension plan for its employees through the California Public Employees' Retirement System (CalPERS). The District contributes a specified percentage of covered employees' payroll, which is invested by CalPERS. Upon retirement, District employees are entitled to a specified retirement benefit. The plan is more fully described in Note 5 to the Financial Statements.

In addition, the District has adopted Deferred Compensation Plans (Plans) in accordance with Section 457(b) of the Internal Revenue Code. All assets in the Plans are held in trust for the exclusive benefit of the participants and their beneficiaries and therefore are not included in the accompanying financial statements. As of June 30, 2008, 7 employees were participating in the Plans and had accumulated assets of \$255,994.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The District provides other post-employment benefits (OPEB) as a part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes healthcare in addition to the benefits provided from specific pension plans. Financial reporting of the actuarial accrued liabilities corresponding to all promised benefits associated with past services of District employees is not required until Fiscal Year 2009-2010. However, the District decided to implement Governmental Accounting Standards Board Statement No. 45 early. For additional information see Note 6 to the Financial Statements.

AWARDS

The District was formally recognized for having their written investment policy certified by the Association of Public Treasurer's of the United States and Canada ("Association"). The District's policy was reviewed and certified as meeting the standards set forth by the Association. The District was honored at the Association's 43rd Annual Conference.

Yuima is one of 33 governments to have its investment policy certified by the Association's Investment Policy Certification Program ("Program"), which was developed in 1990. The Program was instituted in an effort to assist state and local governments interested in drafting or improving upon an existing investment policy.

The District's policy included 18 sections that the Association deems as critical elements which are: liquidity; selection and review of suitable investment instruments; internal controls; reporting; portfolio diversification; custody and safekeeping; selection of investment institution criteria; ethics; and conflicts of interest.

A written investment policy is only certified when the Association's Investment Policy Review Team acknowledges that the policy has met all criteria set forth in the Program. The Certificate is valid for a period of three years, upon which time it is recommended the policy be recertified.

CONTACTING THE DISTRICT'S FINANCE DEPARTMENT

This financial report is designed to provide the Board, customers, creditors, and investors with a general overview of the District's Financial condition. Should you have any questions regarding the content of this report, please contact Lori A. Johnson, Director of Finance, at (760) 742-3704.

ACKNOWLEDGMENTS

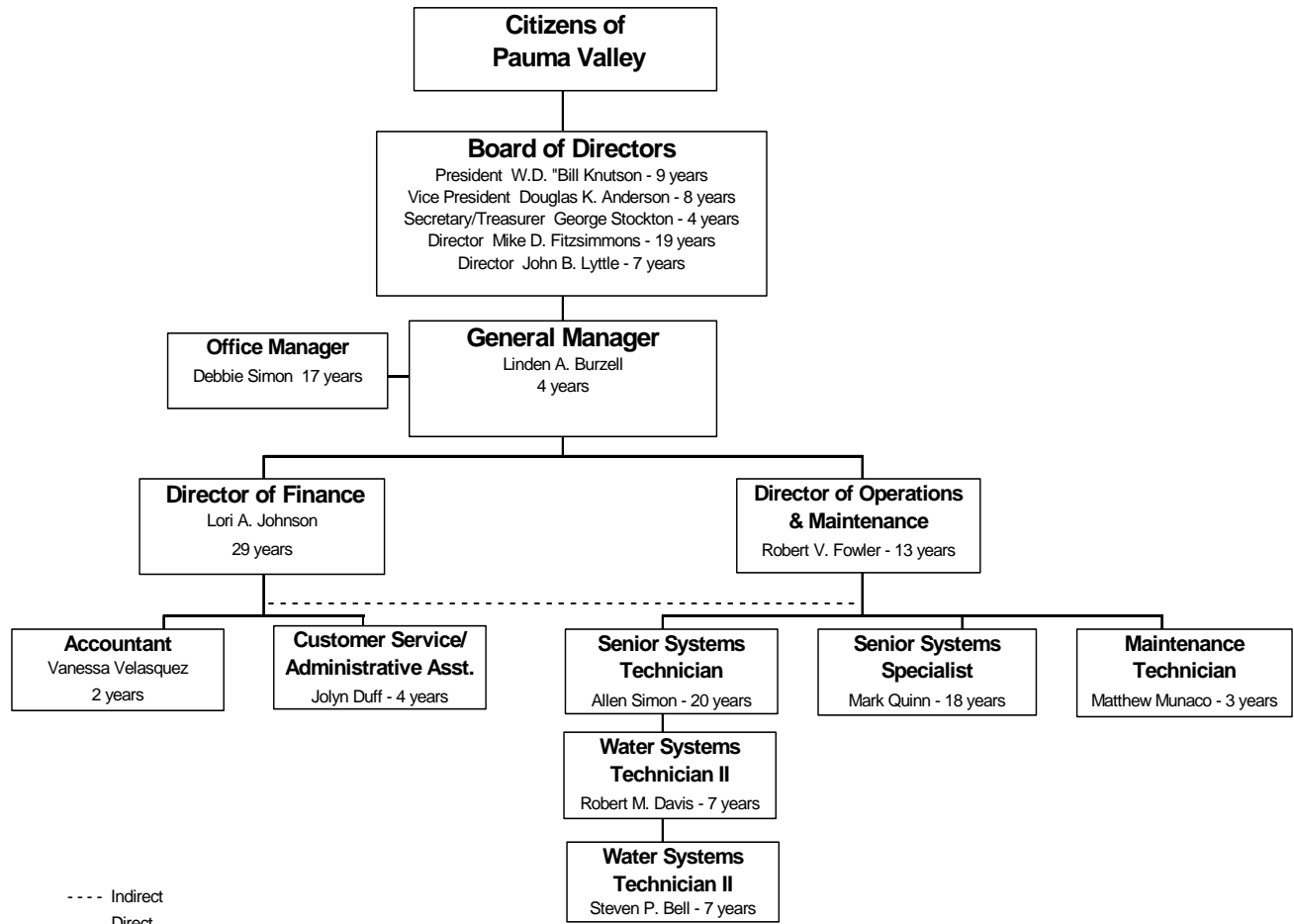
I would like to thank all of the staff in the Finance Department for their efforts in preparing this Comprehensive Annual Financial Report, and for their hard work to ensure a successful outcome. I would also like to thank the firm of Teaman, Ramirez and Smith, Inc., for their professional work and opinion. To the Board of Directors and staff, I acknowledge and appreciate your continued support and direction in striving for excellence in financial management.



Linden A. Burzell, General Manager

ORGANIZATION CHART

Fiscal Year Ended June 30, 2008



PRINCIPAL OFFICIALS

Fiscal Year Ended June 30, 2008

BOARD OF DIRECTORS

W.D. “Bill” Knutson, President
Douglas K. Anderson, Vice President
George Stockton, Secretary/Treasurer
Mike Fitzsimmons, Director
John B. Lyttle, Director

GENERAL MANAGER

Linden A. Burzell

DIRECTOR OF FINANCE

Lori A. Johnson

DIRECTOR OF OPERATIONS

Robert V. Fowler

GENERAL COUNSEL

Jeffrey G. Scott

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Yuima Municipal Water District
Yuima, California

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the Yuima Municipal Water District, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities and each major fund of the Yuima Municipal Water District as of June 30, 2008, and the respective changes in financial position and cash flows where applicable, thereof for the year 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 a report dated December 18, 2008, on our consideration of the District's internal control over financial reporting and on our tests of the District's 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The information identified in the accompanying table of contents as *Management's Discussion and Analysis* and *Required Supplementary Information* are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Yuima Municipal Water District's basic financial statements. The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Teaman Ramirez & Smith

December 18, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2008

As management of the Yuima Municipal Water District, we offer readers of the Yuima Municipal Water District's financial statements this narrative overview and analysis of the financial activities of the Yuima Municipal Water District for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vi of this report. All amounts, unless other-wise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the Yuima Municipal Water District exceeded its liabilities at the close of the most recent fiscal year by \$14,757,629 (*net assets*). Of this amount, \$5,459,941 (*unrestricted net assets*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$522,478. Approximately one third of this increase is attributable to a one-time infusion of resources from grants and reimbursements.
- As of the close of the current fiscal year, the Yuima Municipal Water District governmental funds (*fire funds*) reported combined ending fund balances of \$250,617, an increase of \$9,052 in comparison with the prior year.
- As of the close of the current fiscal year, the Yuima Municipal Water District business-type funds (*water related activities*) reported an ending fund balance of \$14,507,012, an increase of \$296,710 in comparison with the prior year.
- At the end of the current fiscal year, the fire protection unreserved fund balance was \$250,617, or 173 percent of total fire protection fund expenditures.
- At the end of the current fiscal year, the business-type (*water related activities*) unreserved fund balance was \$5,207,012, or 71.3 percent of total business-type expenditures.
- The Yuima Municipal Water District's total debt increased by \$1,315,495 (111 percent) during the current fiscal year. The key factor in this increase was the issuance of \$1,500,000 in qualified tax exempt bonds for pumping and storage facilities (Tank 8) in the Improvement District A.

More information about the overall analysis of the District's financial position and results of operations is provided in the following sections.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Yuima Municipal Water District's basic financial statements. The Yuima Municipal Water District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

REQUIRED (BASIC) FINANCIAL STATEMENTS

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Yuima Municipal Water District's finances, in a manner similar to a private-sector business. The required financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. These statements offer short-term and long-term financial information about the District. Each financial statement is identified, defined, and analyzed in the following sections.

The *Statement of Net Assets* presents information on all of the Yuima Municipal Water District's assets and liabilities, with the difference between the two reported as *net assets*. This statement provides financial information about the nature of investments and ownership (assets) and the obligations of the District to its bond investors and creditors for all purchases made (liabilities). Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Yuima Municipal Water District is improving or deteriorating.

The *Statement of Activities and Changes in Net Assets* accounts for all activities during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). This statement measures the success of the District's operations during the reporting period and can be used to assess whether or not the District has successfully recovered all of its costs through its user fees and other charges. This statement also measures the District's solvency and ability to meet its financial commitments.

The *Statement of Cash Flows* accounts for the District's cash activities during the reporting period. The primary purpose of this report is to provide information to the general readers about cash inflows and outflows which occurred during the reporting fiscal year. This statement shows cash receipts, cash disbursements, and changes in cash balances based on operating, capital and financing, and investing activities. The cash flow statement helps the readers to answer the following questions: "Where did cash come from; What was cash used for, and; What was the change in cash during the fiscal year?"

Both of the government-wide financial statements distinguish functions of the Yuima Municipal Water District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Yuima Municipal Water District include fire protection services. The business-type activities (Proprietary Fund) of the Yuima Municipal Water District include water related operations.

The government-wide financial statements can be found on pages 10 - 12 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 - 35 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Yuima Municipal Water District's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 36 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. In the case of the Yuima Municipal Water District, assets exceeded liabilities by \$14,757,629 at the close of the most recent fiscal year.

By far the largest portion of the Yuima Municipal Water District's net assets (63 percent) 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. The Yuima Municipal Water District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending. Although the Yuima Municipal Water District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of *unrestricted net assets* (\$5,459,941) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in its categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Yuima Municipal Water District Net Assets

	Governmental Activities (Fire Protection)		Business-type Activities (Water Operations)		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 283,965	\$ 277,082	\$ 5,820,841	\$ 5,702,012	\$ 6,104,806	\$ 5,979,094
Capital assets	-	-	11,798,063	10,132,455	11,798,063	10,132,455
Total Assets	\$ 283,965	\$ 277,082	\$ 17,618,904	\$ 15,834,467	\$ 17,902,869	\$ 16,111,549
Long-term liabilities outstanding	\$ -	\$ -	\$ 2,346,111	\$ 1,165,246	\$ 2,346,111	\$ 1,165,246
Other liabilities	33,348	35,516	765,781	675,636	799,129	711,152
Total liabilities	\$ 33,348	\$ 35,516	\$ 3,111,892	\$ 1,840,882	\$ 3,145,240	\$ 1,876,398
Net Assets:						
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 9,297,688	\$ 8,947,575	\$ 9,297,688	\$ 8,947,575
Restricted	-	-	-	-	-	-
Unrestricted	250,617	241,566	5,209,324	5,046,010	5,459,941	5,287,576
Total net assets	\$ 250,617	\$ 241,566	\$ 14,507,012	\$ 13,993,585	\$ 14,757,629	\$ 14,235,151

There was an increase of \$350,113 in the District's Invested in Capital Assets, Net of Related Debt. The increase is a net result of from the issuance of the \$1.5 million in long-term debt for the Tank 8 project and additions to construction in progress of \$1.7 million.

The District's net assets increased by \$522,478 during the current fiscal year. The increase is due to the following:

- ▶ The County of San Diego contributed \$87,926 to the fire fund for operations.
- ▶ The District received \$170,820 from federal grants and contributions.
- ▶ Charges for services in the water enterprise increased over the prior year by \$242,984 due to rate and service increases.

Yuima Municipal Water District Change in Net Assets

	Governmental Activities (Fire Protection)		Business-type Activities (Water Operations)		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services	\$ 51,000	\$ 61,585	\$ 6,918,807	\$ 6,675,823	\$ 6,969,807	\$ 6,737,408
Operating Grants and Contributions	87,926	-	-	-	87,926	-
Capital Grants and Contributions	-	-	170,820	-	170,820	-
General Revenues:						
Property Taxes	-	-	413,896	587,046	413,896	587,046
Investment Income	8,754	8,711	253,442	277,258	262,196	285,969
Other	5,660	-	16,214	235,022	21,874	235,022
Total Revenues	153,340	70,296	7,773,179	7,775,149	7,926,519	7,845,445
Expenses:						
Fire Protection	144,288	55,288	-	-	144,288	55,288
Water Enterprise	-	-	7,386,450	7,334,519	7,386,450	7,334,519
Interest on Long-term Debt	-	-	90,019	46,529	90,019	46,529
Total Expenses	144,288	55,288	7,476,469	7,381,048	7,620,757	7,436,336
Increase (Decrease) in Net Assets	9,052	15,008	296,710	394,101	305,762	409,109
Prior Period Adjustment	-	-	216,716	-	216,716	-
Net Assets - Beginning	241,565	226,557	13,993,586	13,599,485	14,235,151	13,826,042
Net Assets - Ending	\$ 250,617	\$ 241,566	\$ 14,507,012	\$ 13,993,586	\$ 14,757,629	\$ 14,235,151

ANALYSIS OF GOVERNMENTAL FUND AND GOVERNMENTAL ACTIVITIES – FIRE FUND

The District's fire protection fund to the government-wide financial statements has no reconciling items from the modified accrual to a full accrual basis. The information below provides an analysis of the increases or decreases in the activities for the governmental fund and governmental activities since the information on both the government-wide and fund statements reflect the same reported figures.

The key factors in the increase of the Fire Protection Activities net assets and fund balance is as follows:

- ▶ The County of San Diego contributed \$87,926 to help fund the fire protection operations due to the increase of costs to the California Department of Forestry (CDF) of approximately \$89,000. The District contracts fire services through CDF.

ANALYSIS OF PROPRIETARY FUND AND BUSINESS-TYPE ACTIVITIES– WATER OPERATIONS

The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Below is an analysis of the increases or decreases in the activities for the proprietary fund and business-type activities.

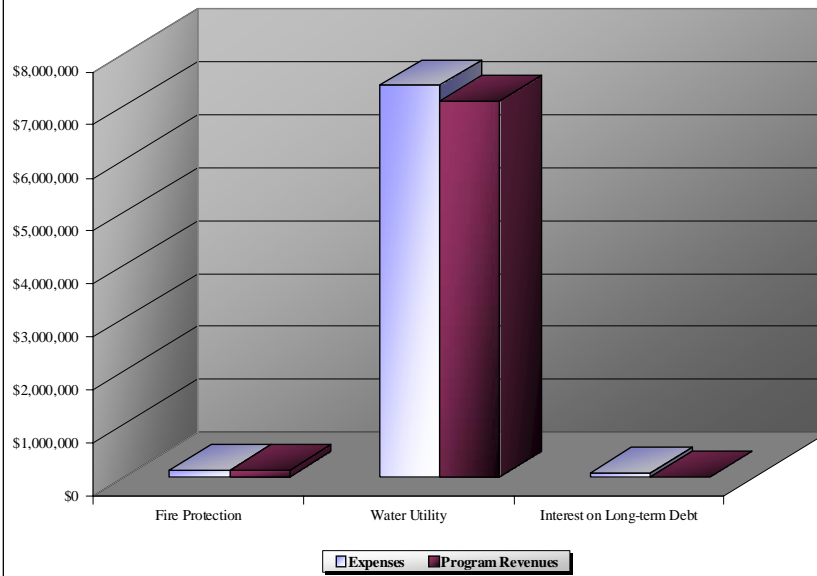
Revenues for the year ended June 30, 2008 totaled \$7,773,179, which is a .03% decrease from the prior year. Details of this decrease in revenues are as follows:

- ▶ Water sales and pumping revenues decreased by 2.7%, or \$167,343 from the prior year. There was an 18% decrease in the volume of water sold. In 2007-08 a total of 6,088.4 acre feet of water were billed compared to 7,433.0 acre feet in the prior year.
- ▶ Property taxes and assessments increased \$171,237 from 2006-07 to 2007-08. This increase is due to receiving the growth in property values in the 1% general tax take, state unitary taxes and the elimination of the ERAF tax shift. Meter Connection Fees and IDA Special Connection Fees totaled \$31,975.
- ▶ Other non-operating revenues decreased \$23,816 from the prior year due to lower returns on investments.

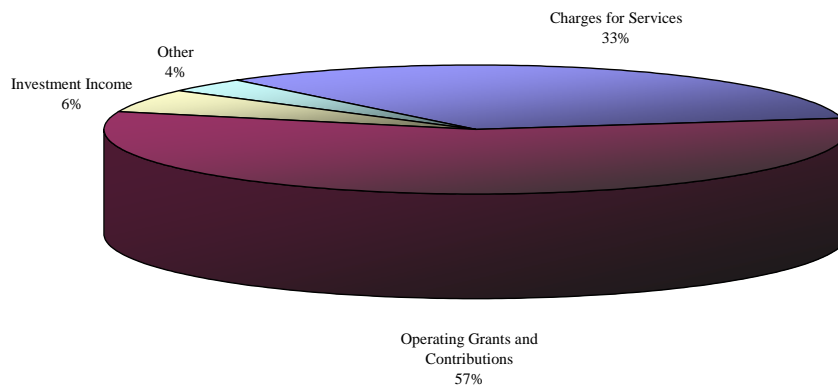
Expenses for the year ended June 30, 2008, totaled \$7,476,469. A decrease of \$95,421. Certain significant expenses are as follows:

- ▶ The cost of water sold increased 7.2% over the prior year due to the increase in the cost of imported water.
- ▶ Pumping and energy costs decreased 21.5% over prior year in relation to the decreased water sales.
- ▶ Customer Service Expense increased 20.4% due to our aggressive meter repair and replacement program in place this fiscal year.
- ▶ Transmission & Distribution expense decreased 22.5% largely due to lower system maintenance cost.
- ▶ Other non-operating expense includes obsolescing old parts held in inventory determined to be no longer applicable to our current system.

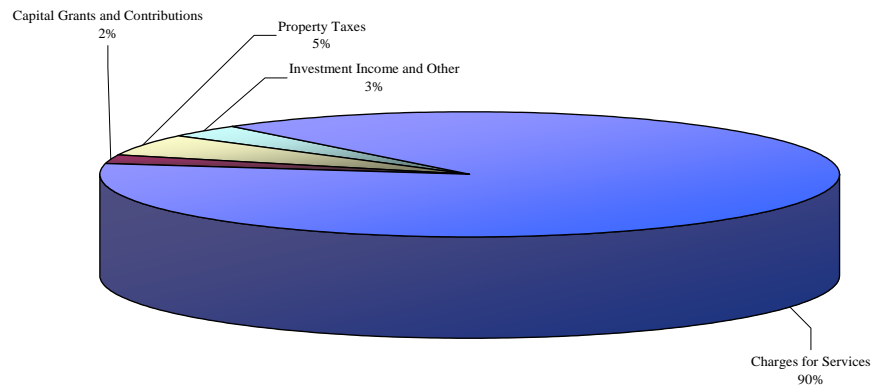
Expenses and Program Revenues - Governmental and Business-type Activities



Revenue by Source - Governmental Activities



Revenue by Source - Business-type Activities



CAPITAL ASSETS AND CAPITAL PROJECTS

The District's Capital Assets in service at June 30, 2008 totaled \$16,300,086 less \$6,555,544 of accumulated depreciation, for a net book value of \$9,744,542. Additional information on capital assets can be found in Note 3 to the financial statements. Capital Asset additions being depreciated totaled \$407,520 and included the following:

Capital Asset Additions	
Source of Supply	\$ 161,047
General Plant Additions	78,827
Pumping Plant	165,732
Water Treatment	-
Pipelines (Transmission & Distribution)	1,914
Total	<u>\$ 407,520</u>

Deletions of Capital Assets being depreciated totaled \$143,275.

Also, included in the total reported on the Statement of Net Assets is \$2,053,521 in construction-in-progress reflecting capital projects in various stages of completion. As of June 30, 2008, the following capital projects were in progress:

Construction in Progress	
Station 8 Pump Station Replacement	\$ 205,993
Reservoir 8 Replacement with 1.7 MG Tank	900,263
IDA Station 1 Renovation	95,486
Northern Route Feasibility Study	485,068
Parallel 20" Main Line Study	2,623
Fire Disaster Repairs (FEMA Reimbursable)	247,366
LISA Grant Basin Study	114,735
New IDA Fan Well & Hegardt Line Replacement	1,987
Total	<u>\$ 2,053,521</u>

To fund capital projects the District collects capacity fees from new development. These fees are restricted and used exclusively to provide capacity to service new development and fund future construction of facilities identified in the District's Master Plan. As of June 30, 2008 all capacity fees collected have been used for this purpose. Growth in the area is slow to none. The District does not expect any change for the next few years.

The District incurred damages to some of its facilities in the 2007 wildfires and subsequent mud flows. The District has received a majority of the reimbursement under the FEMA and State Disaster declarations during fiscal year ended 2008. All repairs and replacement are projected to be completed by the end of the year.

LONG-TERM DEBT

At the end of the current fiscal year, the Yuima Municipal Water District had total bonded debt outstanding of \$2,500,375, including the portion that is due within one year - \$154,464. The District issued new debt in the amount of \$1,500,000 this fiscal year to finance the replacement of Reservoir 8 with a 1.7 million gallon tank and pump station. Additional information on long-term debt can be found in Note 4 to the financial statements.

The District's outstanding bond indebtedness as of June 30, 2008 is as follows:

Schedule of Bond Indebtedness
For Fiscal Year Ended 2008

Long-term Debt							
Description	Year Issued	Total Bonds Sold	Final Maturity Date	Fixed Interest Rate	Bonds Outstanding (Audited) As of June 30, 2008		Total
					Current	Long Term	
Eastside Tank & Pump Station	2004	\$1,500,000	2016	3.73%	\$ 117,302	\$ 954,531	\$ 1,071,833
Tank 8 and Pump Station	2007	\$1,500,000	2022	4.58%	\$ 36,961	\$ 1,391,580	\$ 1,428,541
Total		<u>\$3,000,000</u>			<u>\$ 154,263</u>	<u>\$ 2,346,111</u>	<u>\$ 2,500,374</u>

FUTURE INFRASTRUCTURE PLANNING

Due to increasing demand for water in Pauma Valley, the District has determined that a new transmission pipeline will be required to bring additional imported water into the District from the First and Second San Diego Aqueducts. Two potential routes are under consideration. The first ("Southern Route") would parallel the District's existing 20" pipeline and would be built at the sole expense of the District. The second ("Northern Route") would be a joint venture between the San Luis Rey Indian Water Authority and the District, and would connect to the Metropolitan Water District portion of the aqueducts at a point just north of the jurisdictional boundary with the San Diego County Water Authority. The preliminary estimate of the District's cost is approximately \$25 million for either route.

GOVERNMENTAL ACTIVITIES – FIRE PROTECTION

Since the late 70's the District has exercised its latent powers to provide fire protection services. The services are provided under a joint powers agreement with Pauma Municipal Water District and Mootamai Municipal Water District wherein they contract with the State Department of Forestry & Fire Protection for fire protection during the non-fire season.

In November, 2004 Proposition C received an 81% approval by San Diego County voters in support of consolidation of unincorporated area fire protection agencies – provided that consolidation results in better coordinated and enhanced delivery of fire protection and emergency medical services at no additional cost. Citing voter support of Prop C, the Board of Supervisors requested LAFCO to initiate the process for consolidation.

On February 7, 2005, the San Diego Local Agency Formation Commission unanimously approved the initiation of a reorganization proposal involving the dissolution of sixteen (16) Fire Protection Districts and seven (7) County Service Areas plus the deactivation of the fire protection and emergency medical service functions of five (5) Municipal Water Districts, namely Yuima MWD, Pauma MWD, Mootamai MWD, Rincon del Diablo MWD and Ramona MWD.

The Board of Supervisors unanimously supported the concept of reapportioning local property tax in favor of a new regional fire protection agency. New reapportioned revenue would be phased in over three years and added to the proposed Regional Fire Protection District's existing revenue. The County's background material indicate the \$178.9 million in combined reapportioned and existing revenue would be available to the proposed Regional Fire Protection District by FY 08-09. The property tax revenue of the five municipal water districts is discretionary income that funds both water and fire function.

In the January 31, 2007 Micro Report prepared for LAFCO it was found that State law does not authorize removal of individual services from a multi-purpose district, and the Municipal Water District's could not be considered for the Phase 1 reorganization; accordingly, Municipal Water District's property tax and voter-approved assessment revenues would not transfer to a successor agency. There is a provision in the reorganization documents to allow a Municipal Water District to apply for readmission and evaluate whether their fire protection function could be voluntarily transferred to the regional agency. Yuima's Board has elected not to participate in the reorganization at this time. Their reasons for this decision include the following:

- No stable, reliable funding source for the new agency has been identified.
- It is not clear that the services provided to the local community will be equal to or better than those now provided by the California Department of Forestry ("CalFire")
- It is not clear that the reorganization will ever take place.
- The option to join later is still available.

ECONOMIC FACTORS

The District derives funding for operations from customer rates, fees, and charges. To the extent required, the District has the ability to generate additional funding resources through rate adjustments to cover the costs for providing water services. The District sets its rates annually based upon anticipated consumption. A significant reduction in consumption could have an adverse effect on the District's financial position.

The District sold 26.6% of total water delivered during the year 2007/08 to one customer. The same customer has been one of the top ten water consumers in the district for the last 20 years averaging 27.6% of the District sales.

The District incurred a \$780,517 operating loss during fiscal year 2008 and a \$624,959 operating loss during fiscal year 2007. The operating loss in 2008 is primarily the result of the lower water sales due to weather conditions, higher cost of imported water supplies, pumping costs and salary and benefit costs. The District has historically utilized its non-operating reserves to compensate for these operating losses.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to give our citizens, taxpayers, customers, investors, and creditors a general overview of the District's finances and to demonstrate the District's accountability for the money it received and the stewardship of the facilities it maintains. If you have any questions about this report or need additional financial information, contact the Yuima Municipal Water District's Finance Department, Lori A. Johnson, Director of Finance, 34928 Valley Center Road, Pauma Valley, Ca. 92061, or call (760) 742-3704.

Yuima Municipal Water District
Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 208,855	\$ 4,971,303	\$ 5,180,158
Accounts Receivable	95,767	527,610	623,377
Taxes Receivable	106	2,798	2,904
Interest Receivable	1,597	36,752	38,349
Internal Balances	(22,360)	22,360	-
Inventories		225,077	225,077
Prepays		34,941	34,941
Capital Assets, Not Being Depreciated		3,354,228	3,354,228
Capital Assets, Net of Depreciation		8,443,835	8,443,835
	<u>283,965</u>	<u>17,618,904</u>	<u>17,902,869</u>
Total Assets			
LIABILITIES			
Accounts Payable	33,348	291,863	325,211
Compensated Absences		180,857	180,857
Deposits and Other Liabilities		8,291	8,291
Net OPEB Obligation		123,386	123,386
Interest Payable		7,120	7,120
Long-term Liabilities			
Due Within One Year		154,264	154,264
Due in More Than One Year		2,346,111	2,346,111
	<u>33,348</u>	<u>3,111,892</u>	<u>3,145,240</u>
Total Liabilities			
NET ASSETS			
Invested in Capital Assets, Net of Related Debt		9,297,688	9,297,688
Unrestricted	250,617	5,209,324	5,459,941
	<u>250,617</u>	<u>14,507,012</u>	<u>14,757,629</u>
Total Net Assets	<u>\$ 250,617</u>	<u>\$ 14,507,012</u>	<u>\$ 14,757,629</u>

The accompanying notes are an integral part of this statement.

Yuima Municipal Water District
Statement of Activities
Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Fire Protection	\$ 144,288	\$ 51,000	\$ 87,926	\$
Business-type Activities:				
Water Enterprise	7,386,450	6,918,807		170,820
Interest on Long-term Debt	90,019			
Total Business-type Activities:	7,476,469	6,918,807		170,820
Total Primary Government	\$ 7,620,757	\$ 6,969,807	\$ 87,926	\$ 170,820

General Revenues:
Property Taxes
Investment Income
Other

Total General Revenues and Transfers

Change in Net Assets

Total Net Assets - Beginning, As Previously Reported

Prior Period Adjustment

Total Net Assets - Beginning, Restated

Total Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (5,362)		\$ (5,362)
	(296,823)	(296,823)
	(90,019)	(90,019)
	(386,842)	(386,842)
(5,362)	(386,842)	(392,204)
	413,896	413,896
8,754	253,442	262,196
5,660	16,214	21,874
14,414	683,552	697,966
9,052	296,710	305,762
241,565	13,993,586	14,235,151
	216,716	216,716
241,565	14,210,302	14,451,867
\$ 250,617	\$ 14,507,012	\$ 14,757,629

The accompanying notes are an integral part of this statement.

Yuima Municipal Water District
Balance Sheet
Governmental Fund
June 30, 2008

	<u>Fire Protection</u>
ASSETS	
Cash and Investments	\$ 208,855
Accounts Receivable	95,767
Taxes Receivable	106
Interest Receivable	<u>1,597</u>
Total Assets	<u><u>\$ 306,325</u></u>
LIABILITIES AND FUND BALANCE	
Accounts Payable	\$ 33,348
Due to Other Funds	<u>22,360</u>
Total Liabilities	<u>55,708</u>
Fund Balance	
Unreserved:	
Designated for Fire Mitigation	<u>250,617</u>
Total Fund Balance	<u>250,617</u>
Total Liabilities and Fund Balance	<u><u>\$ 306,325</u></u>
 Fund Balance of Governmental Fund	 \$ 250,617
 Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Reconciling items to the Statement of Net Assets	<u>-</u>
Net Assets of Governmental Activities	<u><u>\$ 250,617</u></u>

The accompanying notes are an integral part of this statement.

Yuima Municipal Water District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
Year Ended June 30, 2008

	<u>Fire Protection</u>
REVENUES	
Fire Protection Special Tax	\$ 49,555
Mitigation Fees	1,445
Contributions	87,926
Investment Income	8,754
Miscellaneous	<u>5,660</u>
Total Revenues	<u>153,340</u>
EXPENDITURES	
General and Administrative	2,274
Fire Protection	<u>142,014</u>
Total Expenditures	<u>144,288</u>
Excess (Deficiency) of Revenues Over Expenditures	9,052
Fund Balance, Beginning	<u>241,565</u>
Fund Balance, Ending	<u><u>\$ 250,617</u></u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,052
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Reconciling items to the Statement of Activities	<u>-</u>
Changes in Net Assets of Governmental Activities	<u><u>\$ 9,052</u></u>

The accompanying notes are an integral part of this statement.

Yuima Municipal Water District
Statement of Net Assets
Proprietary Fund
June 30, 2008

ASSETS

Current Assets:

Cash and Investments	\$ 4,971,303
Accounts Receivable	527,610
Taxes Receivable	2,798
Interest Receivable	36,752
Due from Other Funds	22,360
Inventories	225,077
Prepays	<u>34,941</u>

Total Current Assets	<u>5,820,841</u>
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Noncurrent Assets:

Capital Assets, Not Being Depreciated	3,354,228
Capital Assets, Net of Depreciation	<u>8,443,835</u>

Total Noncurrent Assets	<u>11,798,063</u>
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Total Assets	<u>17,618,904</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	291,863
Compensated Absences	180,857
Deposits and Other Liabilities	8,291
Net OPEB Obligation	123,386
Interest Payable	7,120
Notes Payable - Current Portion	<u>154,264</u>

Total Current Liabilities	<u>765,781</u>
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Noncurrent Liabilities:

Notes Payable	<u>2,346,111</u>
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Total Noncurrent Liabilities	<u>2,346,111</u>
------------------------------	------------------

Total Liabilities	<u>3,111,892</u>
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NET ASSETS

Invested in Capital Assets, Net of Related Debt	9,297,688
Unrestricted	<u>5,209,324</u>

Total Net Assets	<u><u>\$ 14,507,012</u></u>
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The accompanying notes are an integral part of this statement.

Yuima Municipal Water District
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
Year Ended June 30, 2008

OPERATING REVENUES

Water Sales and Pumping Charges	\$ 6,088,691
Other Services	430,599
	<hr/>
Total Operating Revenues	6,519,290
	<hr/>

OPERATING EXPENSES

Purchased Water	3,649,431
Pumping	1,157,719
Water Treatment	105,466
Transmission and Distribution	293,526
Customer Accounts	101,418
General Plant	89,574
General and Administrative	1,510,292
Depreciation	392,381
	<hr/>
Total Operating Expenses	7,299,807
	<hr/>

Operating Income (Loss)	<hr/> (780,517)
-------------------------	-----------------

NON-OPERATING REVENUES (EXPENSES)

Property Taxes and Assessments	524,779
Availability Charges	166,636
Lease Income	90,023
Investment Income	253,442
Other Non-operating Revenues	48,189
Interest Expense	(90,019)
Other Non-operating Expenses	(86,643)
	<hr/>

Total Non-Operating Revenues (Expenses)	906,407
	<hr/>

Income (Loss) Before Contributions	125,890
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Capital Contributions	170,820
	<hr/>

Change in Net Assets	296,710
	<hr/>

Total Net Assets, Beginning - As Previously Reported	13,993,586
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Prior Period Adjustment	216,716
	<hr/>

Total Net Assets, Beginning - As Restated	14,210,302
	<hr/>

Total Net Assets, Ending	<u><u>\$ 14,507,012</u></u>
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The accompanying notes are an integral part of this statement.

Yuima Municipal Water District
Statements of Cash Flows
Proprietary Fund
Year Ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 6,648,695
Cash from Other Operating Activities	48,189
Cash Payments to Employees	(893,165)
Cash Payments to Suppliers	<u>(5,923,359)</u>
Net Cash Provided (Used) by Operating Activities	<u>(119,640)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Property Taxes	526,738
Availability Charges	166,636
Lease Income	90,023
Advances from Other Funds	<u>11,496</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>794,893</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Contributions	170,820
Proceeds from Capital Debt	1,500,000
Acquisition of Capital Assets	(2,144,631)
Principal Payments on Capital Debt	(184,505)
Interest Payments on Capital Debt	<u>(82,899)</u>
Net Cash (Used) by Capital and Related Financing	<u>(741,215)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	<u>273,957</u>
Net Cash Provided (Used) by Investing Activities	<u>273,957</u>

Net Increase (Decrease) in Cash and Cash Equivalents	207,995
Cash and Cash Equivalents - Beginning of Year	<u>4,763,308</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 4,971,303</u></u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Net Operating Income (Loss)	\$ (780,517)
Adjustments to Reconcile Operating Income to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation	392,381
Miscellaneous Revenues	48,189
(Increase) Decrease in Accounts Receivable	131,139
(Increase) Decrease in Inventory	(40,123)
(Increase) Decrease in Prepaids	(1,964)
Increase (Decrease) in Accounts Payable	(22,598)
Increase (Decrease) in Compensated Absences	32,201
Increase (Decrease) in Deposits and Other Liabilities	(1,734)
(Increase) Decrease in Net OPEB Obligation	<u>123,386</u>
Total Cash Provided (Used) by Operating Activities	<u><u>\$ (119,640)</u></u>

The accompanying notes are an integral part of this statement.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1	Reporting Entity and Significant Accounting Policies	19 - 25
2	Cash and Investments	25 - 27
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5	District Employees' Retirement Plan (Defined Benefit Pension Plan)	30
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9	Net Assets - Designated	34
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Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

1) REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The Yuima Municipal Water District (the "District") was formed in January 1963 pursuant to Section 8 of the California Municipal Water district Act of 1911 for the purpose of securing a supplemental water supply from the Metropolitan Water District of California for its irrigation and domestic service within its boundaries. The District is governed by an elected, five-member Board of Directors (the "Board"). The 1963 General Obligation Bonds financed the construction of the necessary pipelines, pumping and storage facilities to bring Colorado River water from the aqueducts owned by the Metropolitan Water District and the San Diego County Water Authority to serve the properties within its boundaries, which cover about 13,460 acres in northeastern San Diego County, California; the District maintains, develops and manages such water distribution system. The District offices are located in Pauma Valley, California.

The accounts of the District are organized on the basis of geographic segments. These groups of accounts, which are subfunds of the proprietary fund, are identified in the District's books and records as the General Fund, Improvement District A, Annexation #1, Fire Fund, and their related capital improvement funds.

The area now known as "Improvement District A" was previously Palomar Mutual Water Company ("Palomar Mutual"). Palomar Mutual transferred its lands, water system and water rights, together with its rights, functions and duties as stated in an agreement dated February 11, 1948 between Palomar Mutual and Rossmoyne Village, Inc. to the District in April, 1968. This area consisting of approximately 4,000 acres was limited under a Stipulated Judgment (Strub vs. Palomar) filed November 10, 1953 and later modified to allow production of no more than 1,350 acre feet of water per calendar year from the San Luis Rey River, up-stream of Cole Grade Road.

The District added another 351 acres, Annexation #1, in November 1967, and another 63 acres, Annexation #2, in November 1969, by revising its boundaries pursuant to the Reorganization Act of 1965 as amended by LAFCO. The District added another six acres, Fitzsimmons Annexation, on March 26, 1991, and de-annexed 27 acres, Adams De-annexation, on March 29, 1991. Hence the District boundaries total 13,460 acres.

The Board of Directors and officers of the District at June 30, 2008 are as follows:

<u>Name</u>	<u>Title</u>	<u>Term Expiration</u>
W.D. "Bill" Knutson	President	January 2011
Douglas K. Anderson	Vice President	January 2011
George Stockton	Secretary/Treasurer	January 2009
Mike Fitzsimmons	Director	January 2009
John B. Lyttle	Director	January 2009

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 45

In August of 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement is effective for periods beginning after December 15, 2006. The Statement generally requires that state and local governmental employers account for and report the annual cost of other nonpension benefits (OPEB) and the outstanding obligations and commitments related to OPEB in

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

1) REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standards Board Statement No. 45 - Continued

essentially the same manner as they currently do for pensions. The Statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. The required disclosures are included in Note 6.

Governmental Accounting Standards Board Statement No. 48

In September of 2006, GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*. This Statement is effective for periods beginning after December 15, 2006. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability; that a transaction will be reported as a collateralized borrowing unless the criteria indicating that a sale has taken place are met. This Statement includes a provision stipulating that governments should not revalue assets that are transferred between components of the same financial reporting entity, and provides additional guidance for sales of receivables and future revenues within the same financial reporting entity. This Statement also includes guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables or future revenues, including residual interests and recourse provisions. The required disclosures are included in Note 4.

Governmental Accounting Standards Board Statement No. 50

In May of 2007, GASB issued Statement No. 50, *Pension Disclosures - an amendment of GASB Statements No. 25 and No. 27*. This Statement is effective for periods beginning after June 15, 2007. This Statement amends Statement 25 to require defined benefit pension plans and defined contribution plans to disclose in the notes to financial statements the methods and assumptions used to determine the fair value of investments, if the fair value is based on other than quoted market prices. This Statement amends Statement 27 to require cost-sharing employers to include, in the note disclosure of the required contribution rates of the employer(s) in dollars and the percentage of that amount contributed for the current year and each of the two preceding years, how the contractually required contribution rate is determined (for example, by statute or by contract, or on an actuarially determined basis) or that the cost-sharing plan is financed on a pay-as-you-go basis. This Statement also amends Statement 27 to require that, if a cost-sharing plan does not issue a publicly available stand-alone plan financial report prepared in accordance with the requirements of Statement 25, as amended, and the plan is not included in the financial report of another entity, each employer in that plan should present as RSI the schedules of funding progress and employer contributions for the plan (and notes to these schedules). The required disclosures are included in Note 5.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

1) REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Basis of Presentation

The basic financial statements of the Yuima Municipal Water District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for governmental accounting and financial reporting purposes.

The accompanying financial statements are presented on the basis set forth in Government Accounting Standards Board Statements No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, No. 36, *Recipient Reporting for Certain Non-exchange Revenues, an Amendment of GASB Statement No.33*, No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments; Omnibus*, and No. 38, *Certain Financial Statement Note Disclosures*.

These statements require that the financial statements described below be presented:

Government-wide Statements: The Government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the District include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

Fund Financial Statements: Separate financial statements are provided for the governmental fund and proprietary fund.

D) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The District has one type of Proprietary Fund, which is an Enterprise Fund.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

1) REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Enterprise Funds are used to account for operations 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 purposes. The District maintains one Enterprise Fund, the Water Department, to account for the operations of the District's utility services. In accordance with GASB Statement No. 20, the District has elected to apply only those Financial Accounting Standard Board Statements and interpretations issued prior to November 30, 1989.

Governmental Funds are used to account for the District's Fire activities. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District has one Special Revenue Governmental Fund, which is the Fire Protection Fund. The Fire Protection Fund is used to account for all financial resources and expenditures used to provide fire protection services within the boundaries of the District.

E) Reconciliation Between the Governmental Fund Financial Statements and Government-wide Statements

The District has one governmental fund that provides fire protection services. These services are provided and paid through special assessments to the California Department of Forestry. The District currently has no capital assets, long-term debt or other reconciling items necessary to reconcile between the Governmental fund financial statements and the Government-wide statements.

F) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents consists of short-term highly liquid investments with maturities of 90 days or less.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

1) REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES - Continued

G) Investments

As a governmental entity other than an external investment pool in accordance with GASB 31, the District's investments are stated at fair value.

In applying GASB 31, the District utilized the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
 - a) Items required to be reported at amortized cost,
 - b) Items in external pools that are not SEC-registered,
 - c) Items subject to involuntary participation in an external pool,
 - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General Fund to the extent its cash and investments' balance exceeds the cumulative value of those investments subject to GASB 31;
- 4) The gain/loss resulting from valuation will be reported within the revenue account "investment income" on the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds. For Proprietary Fund Types the gain/loss from valuation will be reported within the "investment income" account on the Statement of Activities and the Statement of Revenues, Expenses and Changes in Net Assets for Proprietary Funds.

H) Water Sales and Accounts Receivable

Water sales revenue is recorded and billed monthly when the service is rendered. During the year ended June 30, 2008, the District reported water sales to one customer which totaled approximately 26.6% as a percentage of consumption. Management has not incurred any additional expense to serve this customer, and the District has more than one source of supply to meet its needs.

I) Allowance for Uncollectible Accounts

The District does not provide an allowance for uncollectible accounts. Based upon prior experience and management's assessment of the collectibility of existing specific accounts all past due accounts have been paid. When accounts become past due, they are transferred to the tax roll and eventually collected.

J) Unbilled Services

Unbilled water services are accrued at year-end.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

1) REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES - Continued

K) Inventory

Inventory consists of parts, materials and supplies needed to keep the plant and equipment owned by either the General District or Improvement District A in efficient operating condition to supply water to their customers without interruption of such service. It is valued at cost, and when it is used, it is charged out on the first in, first out basis.

L) Capital Assets

Capital assets of the District are recorded at cost, or if donated, at approximate value on the date contributed. Contributed assets are recorded at the developer's cost or at the value determined by the developer at the date of contribution. The District does not capitalize interest costs incurred on the construction of capital assets. Assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
General Plant	5-30
Source of Supply	10-50
Pumping Plant	25
Water Treatment Plant	33 1/3
Transmission and Distribution	33 1/3

M) Restricted Assets

Amounts shown as restricted assets have been restricted by either bond indenture, by law, or contractual obligations to be used for specified purposes, such as serving bonded debt and construction of capital assets

N) Property Tax

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January	
Levy Year	July 1 to June 30	
Due Dates	November 1	1 st Installment
	February 1	2 nd Installment
Delinquent Dates	December 10	1 st Installment
	April 10	2 nd Installment

Under California law, property taxes and other charges (such as assessments) are assessed and collected by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to entities based on complex formulas prescribed by state statutes.

O) Capitalized Expenses

Certain administrative and general expenses, relating to assets under construction, are charged to construction-in-progress until the assets are ready for their intended use. Upon completion of major utility plant additions the capitalized cost is recorded as part of the asset to which it is related and is depreciated over the estimated useful life of the related asset.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

1) REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES - Continued

P) Allocation of Expenses

The District uses a three factor formula for the purpose of allocating indirect expenses between the General District and Improvement District A. The three factors used in this formula are:

- 1) Value of Plant, equipment and property;
- 2) Number of customers served by each; and
- 3) Direct hours worked.

This allocation is made on a monthly basis.

Q) Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management.

R) Prior Period Adjustment

The statement of activities and proprietary fund statements reflect a \$216,716 prior period adjustment. The District early implemented Governmental Accounting Standards Board Statement No. 45 and elected to use the alternative method of calculating other postemployment benefits prospectively. The \$216,716 represents managements estimate in prior years which has been adjusted since the District will be estimating other postemployment benefits prospectively.

2) CASH AND INVESTMENTS

Cash and Investments

Cash and Investments as of June 30, 2008 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and Investments	<u>\$ 5,180,158</u>

Cash and investments as of June 30, 2008 consist of the following:

Cash on Hand	\$ 500
Deposits with Financial Institutions	1,050,168
Investments	<u>4,129,490</u>
Total Cash and Investments	<u>\$ 5,180,158</u>

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

2) CASH AND INVESTMENTS - Continued

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

The table below identifies the investment types that are authorized by the District's investment policy. The table also identifies certain provisions of 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio ⁽¹⁾	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (Other Investment Pools)	N/A	None	None

⁽¹⁾ Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rates 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.

As of June 30, 2008 the District had the following investments:

	<u>Maturity Date</u>
State Investment Pool (LAIF) \$	N/A

*The District has various non-negotiable Certificates of Deposit with various maturity dates, however, these amounts are considered to be deposits with institutions rather than investments.

Disclosures Relating to Credit Risk

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

Investment Type	Minimum Legal Rating	Exempt From Disclosure	<u>Rating as of Year End</u>		
			AAA	Aa	Not Rated
State Investment Pool (LAIF) \$	N/A	4,129,490			

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

2) CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2008 none of the District's deposits with financial institutions were in excess of federal depository insurance limits.

Local Agency Investment Fund (LAIF)

The yield of LAIF for the quarter ended June 30, 2008 was 3.11%. The estimated amortized cost and fair value of the LAIF Pool at June 30, 2008 was \$70,027,950,242 and \$70,024,464,150, respectively. The District's share of the Pool at June 30, 2008 was approximately .005897 percent.

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. It is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each district may invest up to \$40,000,000 in the Fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments in LAIF are secured by the full faith and credit of the State of California. The fair value of the District's investment in this Pool is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes and asset-backed securities totaling \$6,113,006,000 and \$4,118,272,000. LAIF's (and the District's) exposure to risk (credit, market or legal) is not currently available.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

3) CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital Assets, Not Depreciated:				
Land and Improvements	\$ 1,300,707	\$	\$	\$ 1,300,707
Construction in Progress	316,698	1,736,823		2,053,521
Total Capital Assets Not Depreciated	<u>1,617,405</u>	<u>1,736,823</u>	<u>0</u>	<u>3,354,228</u>
Capital Assets, Being Depreciated:				
General Plant	1,475,628	78,827	24,870	1,529,585
Source of Supply	4,623,944	161,047		4,784,991
Pumping Plant	1,854,776	165,732	118,405	1,902,103
Water Treatment Plant	141,315			141,315
Transmission and Distribution Plant	<u>6,639,471</u>	<u>1,914</u>		<u>6,641,385</u>
Total Capital Assets Being Depreciated	<u>14,735,134</u>	<u>407,520</u>	<u>143,275</u>	<u>14,999,379</u>
Less Accumulated Depreciation:				
General Plant	(901,341)	(85,412)	(24,857)	(961,896)
Source of Supply	(944,213)	(95,966)		(1,040,179)
Pumping Plant	(801,591)	(60,623)	(32,063)	(830,151)
Water Treatment Plant	(53,615)	(3,667)		(57,282)
Transmission and Distribution Plant	<u>(3,519,323)</u>	<u>(146,713)</u>		<u>(3,666,036)</u>
Total Accumulated Depreciation	<u>(6,220,083)</u>	<u>(392,381)</u>	<u>(56,920)</u>	<u>(6,555,544)</u>
Total Capital Assets Being Depreciated, Net	<u>8,515,051</u>	<u>15,139</u>	<u>86,355</u>	<u>8,443,835</u>
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 10,132,456</u>	<u>1,751,962</u>	<u>86,355</u>	<u>\$ 11,798,063</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Business-type Activities:	
Water Enterprise	\$ 392,381

4) LONG-TERM LIABILITIES

The following is a summary of changes in Business-type Long-term liabilities for the year:

Description	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Note Payable:					
2004 Installment Note	\$ 1,184,880	\$	\$ 113,046	\$ 1,071,834	\$ 117,302
2007 Installment Note		<u>1,500,000</u>	<u>71,459</u>	<u>1,428,541</u>	<u>36,962</u>
Total	<u>\$ 1,184,880</u>	<u>\$ 1,500,000</u>	<u>\$ 184,505</u>	<u>\$ 2,500,375</u>	<u>\$ 154,264</u>

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

4) LONG-TERM LIABILITIES - Continued

Notes Payable - 2004 Installment Note - On April 19, 2004, the District entered into an installment sale agreement with Municipal Financial Corporation for \$1,500,000 payable to City National Bank. The agreement is to provide financing for the construction of water storage facilities known as Eastside 3M tank and pump station. Principal and interest on the agreement is payable April 21st and October 21st of each year. Interest on the agreement accrues at 3.73%. Principal on the agreement is payable in annual installments ranging from \$50,124 to \$76,669, commencing October 21, 2004, through April 21, 2016. The agreement requires a maintenance of water system revenues that the pledged net system revenues are in an amount, which will be sufficient to be at least equal to one hundred twenty five percent (125%) of the annual debt service for such fiscal year.

For the Year Ended June 30,	Principal	Interest	Total
2009	\$ 117,302	\$ 38,896	\$ 156,198
2010	121,719	34,479	156,198
2011	126,301	29,897	156,198
2012	131,056	25,142	156,198
2013	135,990	20,208	156,198
2014-2016	<u>439,466</u>	<u>29,128</u>	<u>468,594</u>
Total	<u>\$ 1,071,834</u>	<u>\$ 177,750</u>	<u>\$ 1,249,584</u>

Notes Payable - 2007 Installment Note - On August 27, 2007, the District entered into an installment sale agreement with Municipal Finance Corporation for \$1,500,000 payable to Citizens Bank. The agreement is to provide financing for the construction of a water storage tank and a pump station in IDA, known as Tank 8. Principal and interest on the agreement is payable January 15th and July 15th of each year. Interest on the agreement accrues at 4.58%. Principal on the agreement is payable in annual installments ranging from \$35,325 to \$68,115, commencing January 15, 2008, through July 15, 2022. The agreement requires a maintenance of water system revenues that the pledged net system revenues are in an amount which will be sufficient to be at least equal to one hundred twenty five percent (125%) of the annual debt service for such fiscal year.

For the Year Ended June 30,	Principal	Interest	Total
2009	\$ 36,962	\$ 66,255	\$ 103,217
2010	76,481	62,869	139,350
2011	80,024	59,326	139,350
2012	83,731	55,619	139,350
2013	87,610	51,740	139,350
2014-2018	502,821	193,928	696,749
2019-2023	<u>560,912</u>	<u>66,162</u>	<u>627,074</u>
Total	<u>\$ 1,428,541</u>	<u>\$ 555,899</u>	<u>\$ 1,984,440</u>

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

4) LONG-TERM LIABILITIES - Continued

Pledged Revenues

The District has pledged a portion of future water activities revenues to repay its 2004 and 2007 Installment Notes Payable to Citizens and City National Bank under the agreement with Municipal Finance Corporation. The note payables are secured solely by operating revenues from the proprietary fund. Total principal and interest remaining on the note payables are \$3,234,024 payable through fiscal year 2023. For the current year, principal and interest paid by the operating revenues were \$184,505 and \$93,486, respectively.

5) DISTRICT EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

Plan Description

The Yuima Municipal Water 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 entities within the State of California. Benefit provisions and all other requirements are established by state statute and District ordinance. As of fiscal year 2008, entities participating in the California Public Employees Retirement System (PERS) with less than one hundred members, are mandated by the State to be in a risk pool. The District has less than one hundred members participating in PERS and has presented information based on the requirements of cost-sharing multiple-employer defined benefits plans since certain information for an agent multiple-employer defined benefit plan are unavailable. Copies of the PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 8% of their annual covered salary. The District makes the contributions required of District employees. The District is required to contribute at an actuarially determined rate. These rates were determined as part of the June 30, 2005 actuarial valuation: the current rate is 35.634% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by PERS.

Miscellaneous Employees

For 2007-08, the District's annual pension cost for miscellaneous employees, of \$340,331 for PERS was equal to the District's required and actual contributions. The required contribution for fiscal year 2007-08 was determined as part of the June 30, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial value of PERS 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).

THREE YEAR TREND INFORMATION FOR PERS			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/06	\$ 185,249	100%	\$ -0-
6/30/07	\$ 328,313	100%	\$ -0-
6/30/08	\$ 340,331	100%	\$ -0-

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

6) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The District administers a single-employer defined benefit healthcare plan (“the Retiree Health Benefit Plan”). In May 2000, the District Board of Directors approved and adopted the plan to be effective July 1, 2000. The Plan is permitted under Government Code Section 53200 et. seq., and generally provides that the District will pay all or a portion of the premiums for certain post employment health insurance coverage for eligible management employees. Benefit provisions are established and amended by the Board of Directors. The Retiree Health Benefit Plan does issue a publicly available financial report, which can be obtained from District’s office at 34928 Valley Center Road, Pauma Valley, California 92061-0177.

Funding Policy

Contributions to the plan are made solely by the District. The District contributes a percentage of the health insurance premiums based on the age of the employee when they retire or if they become disabled. For the fiscal year 2008, the District made no contributions to the Plan. The District, currently, has one retiree receiving benefits from the plan. Below are the retirement ages and corresponding percentages that the District will contribute to the Plan.

<u>Retirement Age and Benefit Units</u>	<u>% of Premium</u>
65	50%
66	55%
67	60%
68	65%
69	70%
70	75%
71	80%
72	85%
73	90%
74	95%
75	100%

*Disabled employees, who become disabled before attaining the age 65, will receive contributions that are 50% of their health insurance premium.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The District has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

6) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - Continued

Annual OPEB Cost and Net OPEB Obligation - Continued

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 to the Retiree Health Plan:

Annual Required Contribution	\$ 123,386
Interest on Net OPEB Obligation	-
Adjustments to Annual Required Contribution	<u>-</u>
Annual OPEB Cost (Expense)	123,386
Contributions Made	<u>-</u>
Increase (Decrease) in Net OPEB Obligation	123,386
Net OPEB Obligation - Beginning of Year	<u>-</u>
Net OPEB Obligation - End of Year	<u><u>\$ 123,386</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the Net OPEB obligation for fiscal year 2008 and the two preceding fiscal years were as follows:

Three-Year Trend Information

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net Obligation
6/30/06	\$ *	*	\$ *
6/30/07	\$ *	*	\$ *
6/30/08	\$ 123,386	0.0%	\$ 123,386

*The District implemented GASB 45 in the current year. Information for the two previous years is unavailable.

Funded Status and Funding Progress

As of June 30, 2008, the actuarial accrued liability for benefits was \$882,185, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$477,532, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 184.7 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include 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 about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

6) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - Continued

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 methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement Age for Active Employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 65, or at the first year in which the member would qualify for benefits.

Marital Status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 1999 United States Life Tables for Males and for Females were used.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on projections from the National Health Expenditures (NHE) reports issued in January 2008. These reports used information from the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 6.7 percent initially, reduced to an ultimate rate of 5.6 percent after six years, was used.

Health Insurance Premiums - 2008 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation Rate - The expected long-term inflation assumption of 5.0 percent was based on the payroll growth rate.

Payroll Growth Rate - The expected long-term payroll growth rate was based on an average of the prior ten years.

Based on the historical and expected returns of the District's short-term investment portfolio, a discount rate of 4.0 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2008, was thirty years.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

7) DEFERRED COMPENSATION PLAN

The District offers their employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is under two investment group contracts, American United Life and Valic, which offer a fixed and variable rate, respectively. The plan permits employees to defer a portion of their salary until future retirement years. Eligibility to participate is after six months of service. The plan requires a minimum of \$25 per month to be allocated for each option preference. The maximum amount that may be deferred under this plan for the calendar year 2008 was \$15,500 per participant and is \$15,500 for the calendar year 2008; or up to 25% of gross compensation.

8) FIRE MITIGATION FEE PROGRAM

On March 20, 1987 the Board of Directors of the District passed Resolution Number 404-87 effective July 1, 1987 establishing a Fire Mitigation Fee Program. Since that time, the District has annually re-established participation in the program. The Board resolved to participate in the San Diego County's Fire Mitigation Fee Program whereby the District requests the County of San Diego to collect 100% of the ceiling amount of the fire mitigation fee on the District's behalf from applicants for building permits or other permits for development. This percent of ceiling fee is equal to or less than capital facility expansion needs caused by new development. Mitigation fees paid under this program will be used to expand the availability of capital facilities and equipment to serve new development. A separate budget accounting category has been set up on the books of the District to be known as the San Diego County Fire Mitigation Fee Fund.

9) NET ASSETS - DESIGNATED

In addition to the regulatory restrictions imposed by state law, the Board of Directors by resolution allocated and designated unrestricted net asset balances for the following purposes:

	<u>Beginning of Year</u>	<u>Additions Transfers In</u>	<u>Dispositions Transfers Out</u>	<u>End of Year</u>
Customer Rate Stabilization	\$ 1,629,576	\$	\$	\$ 1,629,576
Minimum Operating Reserve	690,447			690,447
Continuing Capital Projects	1,648,580	87,324	1,087,248	648,656
Debt Service Requirements		487,831		487,831
Vehicle Replacement	426,415	29,136		455,551
System Improvements/Planning	846,984			846,984
Employee Benefit Requirements	<u>365,371</u>	<u>84,908</u>		<u>450,279</u>
Total	<u>\$ 5,607,373</u>	<u>\$ 689,199</u>	<u>\$ 1,087,248</u>	<u>\$ 5,209,324</u>

10) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Yuima Municipal Water District
Notes to Financial Statements
Year Ended June 30, 2008

10) RISK MANAGEMENT - Continued

The District is a member of Association of California Water Agencies Joint Powers Insurance Authority (JPIA). The JPIA is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage from commercial insurance carriers to reduce its exposure to large losses.

The District pays annual premiums for its liability (auto, general, and public officials), property loss, workers' compensation, and fidelity bond coverage. They are subject to retrospective adjustments based on claims experience. The nature and amounts of these adjustments cannot be estimated and are charged or credited to expense as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

11) COMMITMENTS AND CONTINGENCIES

Legal

The District is involved with various potential litigation matters. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial condition of the District.

Economic Dependency

For fiscal year ended June 30, 2008, 54% of water sold by the District is purchased from the San Diego Water Authority and 46% is produced or purchased from local groundwater sources. All electricity used by the District for pumping and operations is purchased from San Diego Gas and Electric.

REQUIRED SUPPLEMENTARY INFORMATION

Yuima Municipal Water District
Schedule of Funding Progress for OPEB
Year Ended June 30, 2008

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial liability as a percentage of annual covered payroll as of June 30:

Required Supplementary Information
Schedule of Funding Progress - Retiree Health Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Assets in Excess of) AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded (Assets In Excess of) AAL as a Percentage of Covered Payroll (b-a)/c
June 30, 2008	\$ -	\$ 882,185	\$ 882,185	0.0%	\$ 477,532	184.7%

*The District implemented GASB 45 in the current year and the two previous actuarial valuations are unavailable.

Yuima Municipal Water District
Notes to Required Supplementary Information
Year Ended June 30, 2008

1. BUDGETARY DATA

The budget process begins in March with input from staff with a series of goals and objectives in mind. The General Manager and Department Heads discuss the budget process and departments submit budget requests. Budget requests are refined by the Department Heads and approved by the General Manager. Following a series of Finance Committee meetings with the Board of Directors a program is presented that is fiscally sound, prudent, and necessary for the continued efficient operation of the District during the coming year. The proposed budget is then presented to the Board of Directors for review and ultimate approval in June.

Yuima Municipal Water District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Governmental Fund Type - Fire Protection
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Fire Protection Special Tax	\$ 49,700	\$ 49,700	\$ 49,555	\$ (145)
Mitigation Fees			8,754	8,754
Contributions	44,930	44,930	87,926	42,996
Investment Income			1,445	1,445
Miscellaneous			5,660	5,660
Total Revenues	94,630	94,630	153,340	58,710
EXPENDITURES				
General and Administration	2,175	2,175	2,274	(99)
Fire Protection	92,455	92,455	142,014	(49,559)
Total Expenditures	94,630	94,630	144,288	(49,658)
Excess of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	9,052	<u>\$ 9,052</u>
Fund Balance - Beginning of Year			<u>241,565</u>	
Fund Balance - End of Year			<u>\$ 250,617</u>	

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STATISTICAL SECTION

STATISTICAL SECTION

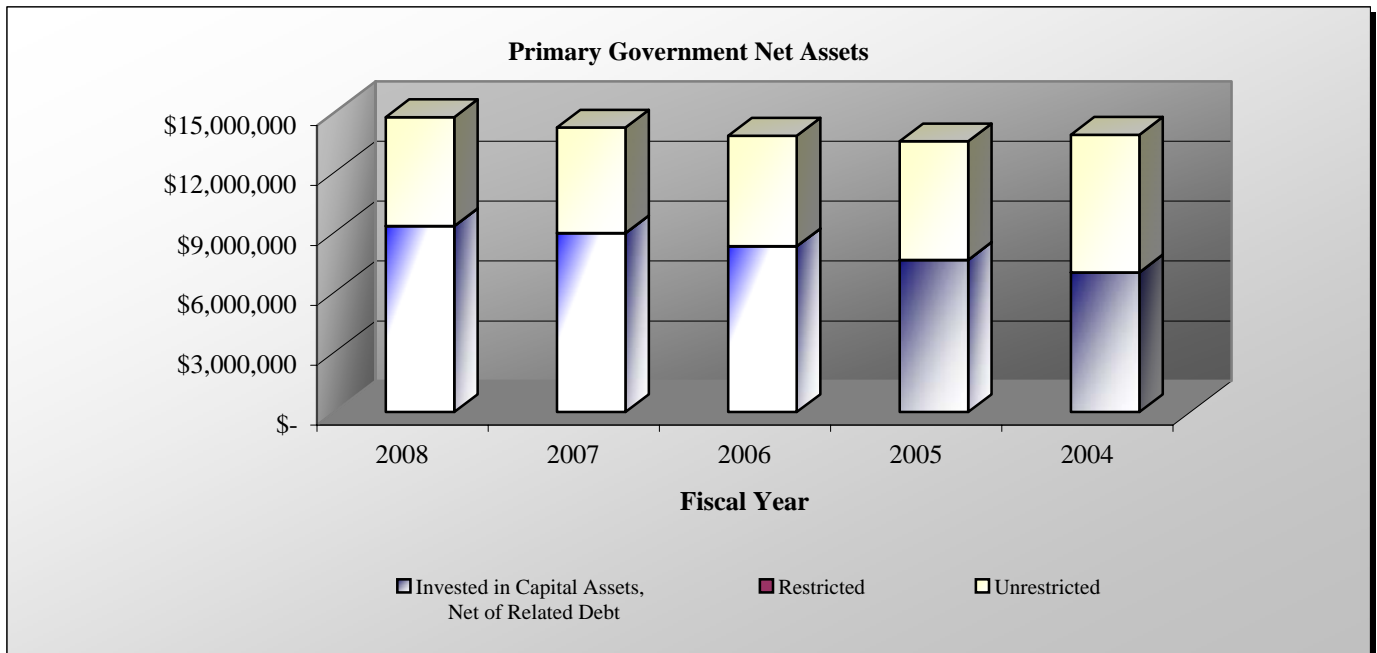
This part of the Yuima Municipal Water District comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	39
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the water sales.	46
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	52
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	55
Operating Information 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.	58

Yuima Municipal Water District
Net Assets by Component
Last Ten Fiscal Years

Page 1 of 2

	Fiscal Year				
	2008	2007	2006	2005	2004
Governmental Activities:					
Invested in Capital Assets,					
Net of Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	250,617	241,565	226,557	233,232	188,191
Total Governmental Activities Net Assets	\$ 250,617	\$ 241,565	\$ 226,557	\$ 233,232	\$ 188,191
Business - type Activities					
Invested in Capital Assets,					
Net of Related Debt	\$ 9,297,688	\$ 8,947,575	\$ 8,295,589	\$ 7,613,682	\$ 6,984,703
Restricted	-	-	-	-	-
Unrestricted	5,209,324	5,046,011	5,303,896	5,697,144	6,704,573
Total Business-type Activities Net Assets	\$ 14,507,012	\$ 13,993,586	\$ 13,599,485	\$ 13,310,826	\$ 13,689,276
Primary Government					
Invested in Capital Assets,					
Net of Related Debt	\$ 9,297,688	\$ 8,947,575	\$ 8,295,589	\$ 7,613,682	\$ 6,984,703
Restricted	-	-	-	-	-
Unrestricted	5,459,941	5,287,576	5,530,453	5,930,376	6,892,764
Total Primary Government Net Assets	\$ 14,757,629	\$ 14,235,151	\$ 13,826,042	\$ 13,544,058	\$ 13,877,467



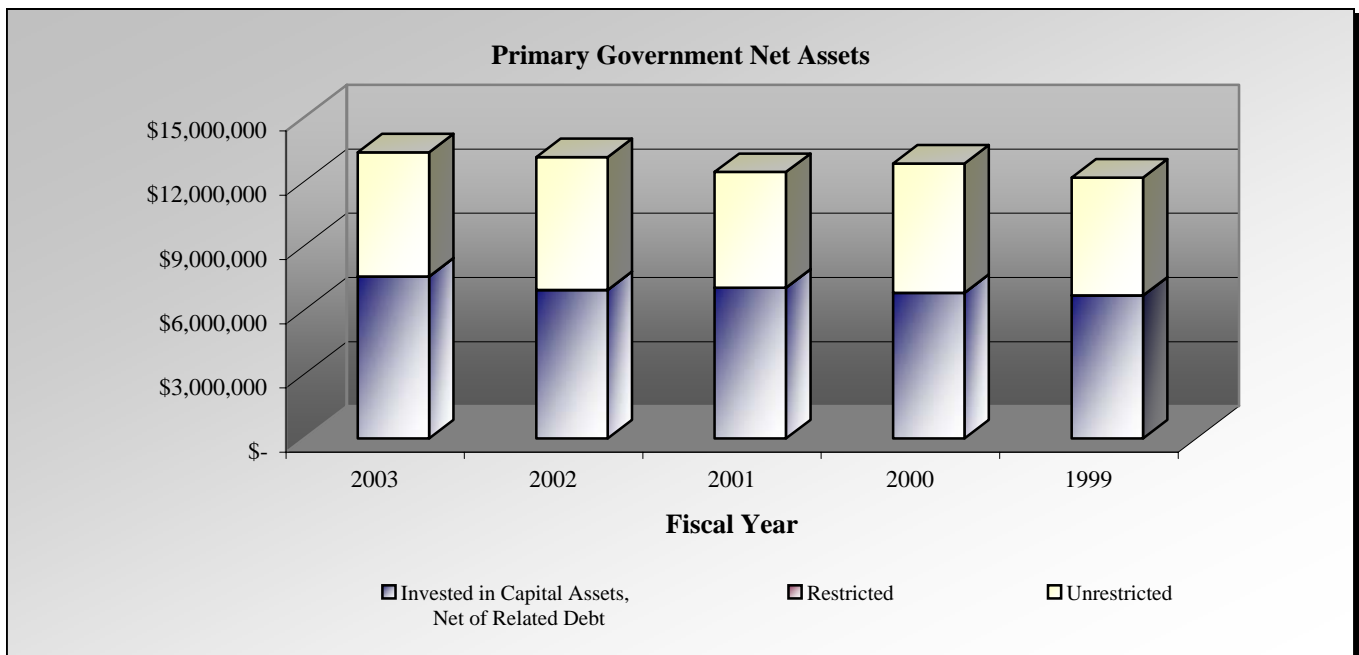
Source: Yuima Municipal Water District

Notes: The District's assets consist primarily of water treatment and distribution facilities.

Yuima Municipal Water District
Net Assets by Component
Last Ten Fiscal Years

Page 2 of 2

	Fiscal Year				
	2003	2002	2001	2000	1999
Governmental Activities:					
Invested in Capital Assets,					
Net of Related Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	176,779	184,032	187,205	167,996	164,115
Total Governmental Activities Net Assets	\$ 176,779	\$ 184,032	\$ 187,205	\$ 167,996	\$ 164,115
Business - type Activities					
Invested in Capital Assets,					
Net of Related Debt	\$ 7,556,294	\$ 6,929,113	\$ 7,038,267	\$ 6,799,750	\$ 6,670,157
Restricted	-	-	-	-	-
Unrestricted	5,624,626	6,019,871	5,213,605	5,866,018	5,344,585
Total Business-type Activities Net Assets	\$ 13,180,920	\$ 12,948,984	\$ 12,251,872	\$ 12,665,768	\$ 12,014,742
Primary government					
Invested in Capital Assets,					
Net of Related Debt	\$ 7,556,294	\$ 6,929,113	\$ 7,038,267	\$ 6,799,750	\$ 6,670,157
Restricted	-	-	-	-	-
Unrestricted	5,801,405	6,203,903	5,400,810	6,034,014	5,508,700
Total Primary Government Net Assets	\$ 13,357,699	\$ 13,133,016	\$ 12,439,077	\$ 12,833,764	\$ 12,178,857



Source: Yuima Municipal Water District

Notes: The District's assets consist primarily of water treatment and distribution facilities.

Yuima Municipal Water District
Changes in Net Assets
Last Ten Fiscal Years

Page 1 of 2

	Fiscal Year				
	2008	2007	2006	2005	2004
Expenses					
Governmental Activities:					
Fire Protection	\$ 144,288	\$ 55,288	\$ 98,633	\$ 68,300	\$ 45,490
Total Governmental Activities Expenses	<u>144,288</u>	<u>55,288</u>	<u>98,633</u>	<u>68,300</u>	<u>45,490</u>
Business-type activities:					
Water Activities	7,386,450	7,334,519	6,001,789	5,375,827	6,032,769
Interest on Long-term Debt	90,019	46,529	50,652	54,354	9,810
Total Business-type Activities Expenses	<u>7,476,469</u>	<u>7,381,048</u>	<u>6,052,441</u>	<u>5,430,181</u>	<u>6,042,579</u>
Total Primary Government Expenses	<u><u>\$ 7,620,757</u></u>	<u><u>\$ 7,436,336</u></u>	<u><u>\$ 6,151,074</u></u>	<u><u>\$ 5,498,481</u></u>	<u><u>\$ 6,088,069</u></u>
Program Revenues					
Governmental Activities:					
Charges for Services	\$ 51,000	\$ 61,585	\$ 59,070	\$ 50,028	\$ 54,613
Operating Grants and Contributions	87,926	-	46,236	40,324	-
Capital Grants and Contributions	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>138,926</u>	<u>61,585</u>	<u>105,306</u>	<u>90,352</u>	<u>54,613</u>
Business-type Activities:					
Charges for Services	6,918,807	6,675,823	5,736,423	4,491,018	5,401,434
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	170,820	-	-	-	-
Total Business-type Activities Program Revenues	<u>7,089,627</u>	<u>6,675,823</u>	<u>5,736,423</u>	<u>4,491,018</u>	<u>5,401,434</u>
Total Primary Government Program Revenues	<u><u>\$ 7,228,553</u></u>	<u><u>\$ 6,737,408</u></u>	<u><u>\$ 5,841,729</u></u>	<u><u>\$ 4,581,370</u></u>	<u><u>\$ 5,456,047</u></u>
Net (Expense)/Revenue					
Governmental Activities	\$ (5,362)	\$ 6,297	\$ 6,673	\$ 22,052	\$ 9,123
Business-type Activities	<u>(386,842)</u>	<u>(705,225)</u>	<u>(316,018)</u>	<u>(939,163)</u>	<u>(641,145)</u>
Total Primary Government Net (Expense)/Revenue	<u><u>\$ (392,204)</u></u>	<u><u>\$ (698,928)</u></u>	<u><u>\$ (309,345)</u></u>	<u><u>\$ (917,111)</u></u>	<u><u>\$ (632,022)</u></u>
General Revenues and Other					
Changes in Net Assets					
Governmental Activities:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	8,754	8,711	6,234	3,407	2,289
Other	5,660	-	-	-	-
Total Governmental Activities	<u>14,414</u>	<u>8,711</u>	<u>6,234</u>	<u>3,407</u>	<u>2,289</u>
Business-type Activities:					
Property Taxes	413,896	587,046	205,676	191,219	402,724
Investment Income	253,442	277,258	291,715	138,272	93,824
Other	16,214	235,022	107,286	231,220	175,444
Total Business-type Activities	<u>683,552</u>	<u>1,099,326</u>	<u>604,677</u>	<u>560,711</u>	<u>671,992</u>
Total Primary Government	<u><u>\$ 697,966</u></u>	<u><u>\$ 1,108,037</u></u>	<u><u>\$ 610,911</u></u>	<u><u>\$ 564,118</u></u>	<u><u>\$ 674,281</u></u>
Change in Net Assets					
Governmental Activities	\$ 9,052	\$ 15,008	\$ 12,907	\$ 25,459	\$ 11,412
Business-type Activities	<u>296,710</u>	<u>394,101</u>	<u>288,659</u>	<u>(378,452)</u>	<u>30,847</u>
Total Primary Government	<u><u>\$ 305,762</u></u>	<u><u>\$ 409,109</u></u>	<u><u>\$ 301,566</u></u>	<u><u>\$ (352,993)</u></u>	<u><u>\$ 42,259</u></u>

Source: Yuima Municipal Water District

Yuima Municipal Water District
Changes in Net Assets
Last Ten Fiscal Years

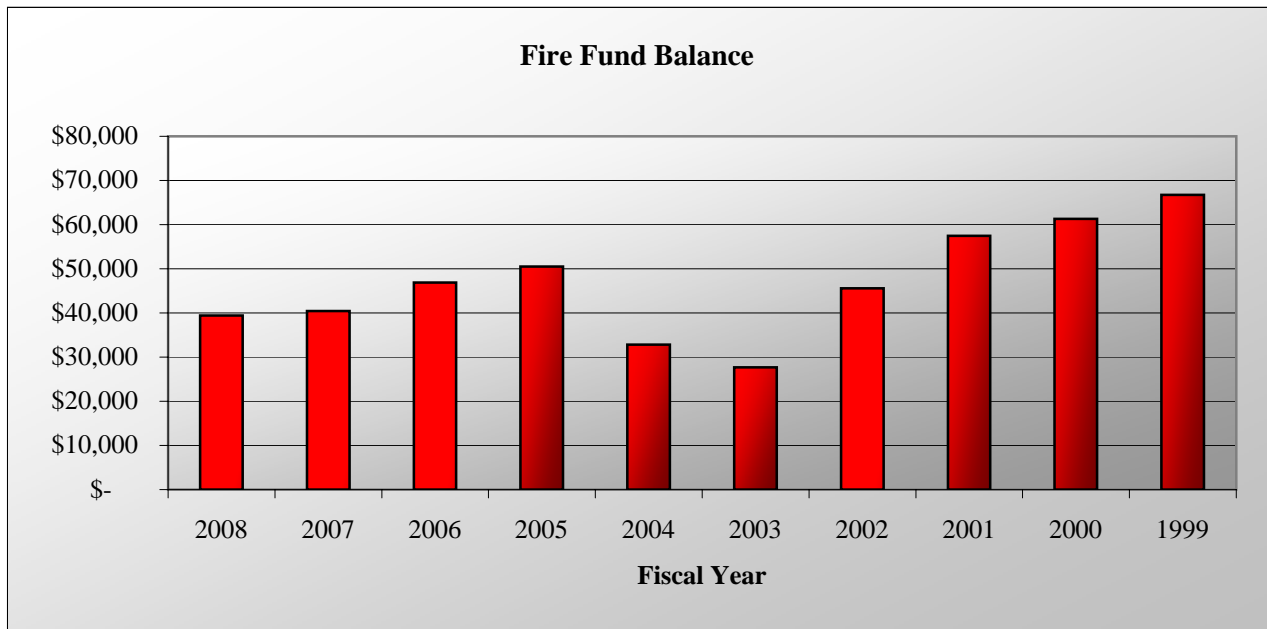
Page 2 of 2

	Fiscal Year				
	2003	2002	2001	2000	1999
Expenses					
Governmental Activities:					
Fire Protection	\$ 62,344	\$ 59,006	\$ 52,516	\$ 50,577	\$ 47,678
Total Governmental Activities Expenses	62,344	59,006	52,516	50,577	47,678
Business-type activities:					
Water Activities	5,109,328	5,583,648	5,110,669	4,392,877	2,851,440
Interest on Long-term Debt	-	-	-	-	-
Total Business-type Activities Expenses	5,109,328	5,583,648	5,110,669	4,392,877	2,851,440
Total Primary Government Expenses	<u>\$ 5,171,672</u>	<u>\$ 5,642,654</u>	<u>\$ 5,163,185</u>	<u>\$ 4,443,454</u>	<u>\$ 2,899,118</u>
Program Revenues					
Governmental Activities:					
Charges for Services	\$ 52,029	\$ 51,317	\$ 64,833	\$ 49,798	\$ 49,828
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Governmental Activities Program Revenues	52,029	51,317	64,833	49,798	49,828
Business-type Activities:					
Charges for Services	4,736,676	5,681,365	3,978,840	4,347,389	2,925,913
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Business-type Activities Program Revenues	4,736,676	5,681,365	3,978,840	4,347,389	2,925,913
Total Primary Government Program Revenues	<u>\$ 4,788,705</u>	<u>\$ 5,732,682</u>	<u>\$ 4,043,673</u>	<u>\$ 4,397,187</u>	<u>\$ 2,975,741</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (10,315)	\$ (7,689)	\$ 12,317	\$ (779)	\$ 2,150
Business-type Activities	(372,652)	97,717	(1,131,829)	(45,488)	74,473
Total Primary Government Net (Expense)/Revenue	<u>\$ (382,967)</u>	<u>\$ 90,028</u>	<u>\$ (1,119,512)</u>	<u>\$ (46,267)</u>	<u>\$ 76,623</u>
General Revenues and Other					
Changes in Net Assets					
Governmental Activities:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	3,063	4,516	6,892	4,660	4,191
Other	-	-	-	-	-
Total Governmental Activities	3,063	4,516	6,892	4,660	4,191
Business-type Activities:					
Property Taxes	265,511	261,624	341,374	224,473	376,044
Investment Income	134,805	196,560	341,352	326,939	271,418
Other	204,271	141,211	35,208	137,984	14,402
Total Business-type Activities	604,587	599,395	717,934	689,396	661,864
Total Primary Government	<u>\$ 607,650</u>	<u>\$ 603,911</u>	<u>\$ 724,826</u>	<u>\$ 694,056</u>	<u>\$ 666,055</u>
Change in Net Assets					
Governmental Activities	\$ (7,252)	\$ (3,173)	\$ 19,209	\$ 3,881	\$ 6,341
Business-type Activities	231,935	697,112	(413,895)	643,908	736,337
Total Primary Government	<u>\$ 224,683</u>	<u>\$ 693,939</u>	<u>\$ (394,686)</u>	<u>\$ 647,789</u>	<u>\$ 742,678</u>

Source: Yuima Municipal Water District

**Yuima Municipal Water District
Fund Balances of Governmental Funds
Last Ten Years**

Fiscal Year Ended	GOVERNMENTAL FUNDS			Total Reserved Balance	Total Unreserved Balance
	General ⁽¹⁾ Fund	Fire Fund	Total Balance		
2008	\$ -	\$ 39,415	\$ 39,415	\$ -	\$ 39,415
2007	-	40,417	40,417	-	40,417
2006	-	46,878	46,878	-	46,878
2005	-	50,479	50,479	-	50,479
2004	-	32,860	32,860	-	32,860
2003	-	27,684	27,684	-	27,684
2002	-	45,560	45,560	-	45,560
2001	-	57,490	57,490	-	57,490
2000	-	61,293	61,293	-	61,293
1999	-	66,727	66,727	-	66,727



Source: Yuima Municipal Water District

Notes: (1) The District does not have a governmental type general fund.

Yuima Municipal Water District
Changes in Fund Balances of Governmental Fund
Last Ten Fiscal Years

Page 1 of 2

	Fiscal Year				
	2008	2007	2006	2005	2004
Revenues					
Fire Protection Special Tax	\$ 49,555	\$ 48,671	\$ 48,671	\$ 45,519	\$ 50,614
Mitigation Fees	1,445	12,914	10,399	4,509	3,999
Contributions	87,926	-	46,236	40,324	-
Investment Income	8,754	8,711	6,234	3,407	2,289
Miscellaneous	5,660	-	-	-	-
Total Revenues	<u>153,340</u>	<u>70,296</u>	<u>111,540</u>	<u>93,759</u>	<u>56,902</u>
Expenditures					
General and Administrative	2,274	5,773	5,992	3,030	3,845
Fire Protection	<u>142,014</u>	<u>49,515</u>	<u>92,641</u>	<u>65,270</u>	<u>41,645</u>
Total Expenditures	<u>144,288</u>	<u>55,288</u>	<u>98,633</u>	<u>68,300</u>	<u>45,490</u>
Net Change in Fund Balances	<u>\$ 9,052</u>	<u>\$ 15,008</u>	<u>\$ 12,907</u>	<u>\$ 25,459</u>	<u>\$ 11,412</u>

Source: CAFR - Statement of Revenues, Expenditures and Changes in Fund Balance - Government Funds

Notes: The Fire Fund has no related debt and therefore has no debt expenditures or ratio presented.

Yuima Municipal Water District
Changes in Fund Balances of Governmental Fund
Last Ten Fiscal Years

Page 2 of 2

	Fiscal Year				
	2003	2002	2001	2000	1999
Revenues					
Fire Protection Special Tax	\$ 44,373	\$ 46,922	\$ 48,513	\$ 44,988	\$ 49,828
Mitigation Fees	7,656	4,395	16,320	-	-
Contributions	-	-	-	4,810	-
Investment Income	3,063	4,516	6,892	4,660	4,191
Miscellaneous	-	-	-	-	-
Total Revenues	<u>55,092</u>	<u>55,833</u>	<u>71,725</u>	<u>54,458</u>	<u>54,019</u>
Expenditures					
General and Administrative	7,531	1,489	2,260	1,426	2,623
Fire Protection	<u>54,813</u>	<u>57,517</u>	<u>50,256</u>	<u>49,151</u>	<u>45,055</u>
Total Expenditures	<u>62,344</u>	<u>59,006</u>	<u>52,516</u>	<u>50,577</u>	<u>47,678</u>
Net Change in Fund Balances	<u>\$ (7,252)</u>	<u>\$ (3,173)</u>	<u>\$ 19,209</u>	<u>\$ 3,881</u>	<u>\$ 6,341</u>

Source: CAFR - Statement of Revenues, Expenditures and Changes in Fund Balance - Government Funds

Notes: The Fire Fund has no related debt and therefore has no debt expenditures or ratio presented.

**Yuima Municipal Water District
Commodity Charges and Base Charges
Last Ten Fiscal Years**

Commodity Charges

Fiscal Year Ended	Agricultural Water		Domestic Water		Average Annual Increase	Pumping Charge			Average Annual Increase
	Rate (per acre foot)		Rate (per acre foot)						
	Yuima	IDA	Yuima	IDA		Yuima	IDA (Range)		
2008	\$ 669	\$ 506	\$ 764	\$ 558	10%	\$ 81	\$ 60	\$ 287	10%
2007	\$ 608	\$ 460	\$ 695	\$ 509	8%	\$ 74	\$ 54	\$ 261	4%
2006	\$ 563	\$ 426	\$ 649	\$ 474	6%	\$ 71	\$ 52	\$ 251	0%
2005	\$ 537	\$ 394	\$ 638	\$ 449	15%	\$ 71	\$ 52	\$ 251	0%
2004	\$ 476	\$ 337	\$ 571	\$ 385	4%	\$ 71	\$ 52	\$ 251	0%
2003	\$ 458	\$ 326	\$ 563	\$ 380	0%	\$ 71	\$ 52	\$ 251	0%
2002	\$ 458	\$ 326	\$ 559	\$ 378	8%	\$ 71	\$ 52	\$ 251	26%
2001	\$ 430	\$ 298	\$ 504	\$ 327	-3%	\$ 56	\$ 41	\$ 199	25%
2000	\$ 445	\$ 307	\$ 504	\$ 327	0%	\$ 45	\$ 33	\$ 159	0%
1999	\$ 445	\$ 307	\$ 502	\$ 327	0%	\$ 45	\$ 33	\$ 159	0%

Base Charges

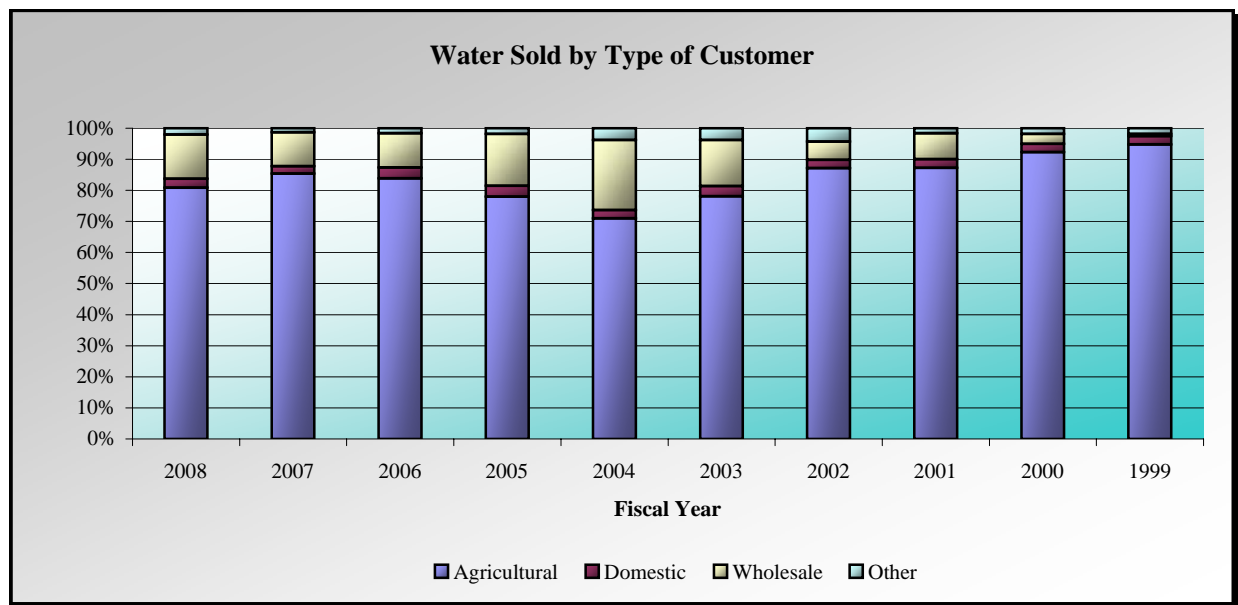
Fiscal Year Ended	Monthly Meter Charge by Meter Size										Average Annual Increase
	5/8"	1"	1¼" & 1½"	2"	3"	4"	5"	6"	8"		
2008	\$ 20	\$ 32	\$ 60	\$ 103	\$ 191	\$ 326	\$ 461	\$ 591	\$ 1,032		10%
2007	\$ 18	\$ 29	\$ 54	\$ 94	\$ 173	\$ 296	\$ 419	\$ 542	\$ 939		0%
2006	\$ 18	\$ 29	\$ 54	\$ 94	\$ 173	\$ 296	\$ 419	\$ 542	\$ 939		0%
2005	\$ 18	\$ 29	\$ 54	\$ 94	\$ 173	\$ 296	\$ 419	\$ 542	\$ 939		79%
2004	\$ 15	\$ 23	\$ 38	\$ 56	\$ 99	\$ 144	\$ 235	\$ 235	\$ 360		0%
2003	\$ 15	\$ 23	\$ 38	\$ 56	\$ 99	\$ 144	\$ 235	\$ 235	\$ 360		0%
2002	\$ 15	\$ 23	\$ 38	\$ 56	\$ 99	\$ 144	\$ 235	\$ 235	\$ 360		0%
2001	\$ 15	\$ 23	\$ 38	\$ 56	\$ 99	\$ 144	\$ 235	\$ 235	\$ 360		0%
2000	\$ 15	\$ 23	\$ 38	\$ 56	\$ 99	\$ 144	\$ 235	\$ 235	\$ 360		0%
1999	\$ 15	\$ 23	\$ 38	\$ 56	\$ 99	\$ 144	\$ 235	\$ 235	\$ 360		0%

Source: Yuima Municipal Water District

Notes: The District annually performs a water rate study to determine the new water rates for the following fiscal year. The new rates are based on the amount of revenue needed and derived by a balance between a base charge for each meter and a commodity charge for the volume of water used by each customer. The allocation of revenue to the base charge and commodity charge is determined by the proportion of fixed cost and variable costs needed to produce the water supply. Typically 70-75% of revenue is derived from commodity charges (variable costs) and the remainder from the base charges (fixed costs).

**Yuima Municipal Water District
Water Sold by Type of Customer
Last Ten Fiscal Years**

Fiscal Year Ended	Agricultural	Domestic	Wholesale	Other	Total Water Sales	Total Acre Feet Sold	Total Rainfall (inches)
2008	\$ 2,672,727	\$ 96,922	\$ 471,004	\$ 66,617	\$ 3,307,270	6,088.4	17.45
2007	3,021,073	85,156	383,500	48,899	3,538,628	7,380.5	6.75
2006	2,452,927	104,109	322,386	48,172	2,927,594	6,492.5	16.47
2005	1,766,266	80,347	376,411	42,872	2,265,896	5,384.5	41.47
2004	2,330,462	86,853	740,981	123,864	3,282,161	7,398.8	13.03
2003	1,793,695	75,397	340,910	87,014	2,297,017	6,271.4	26.20
2002	2,266,233	70,095	152,428	112,020	2,600,776	7,633.3	7.77
2001	1,740,766	53,892	166,736	33,403	1,994,797	6,368.2	18.66
2000	1,986,174	56,878	69,627	39,222	2,151,901	6,884.1	11.37
1999	1,566,506	45,224	10,630	31,448	1,653,808	5,052.1	14.94



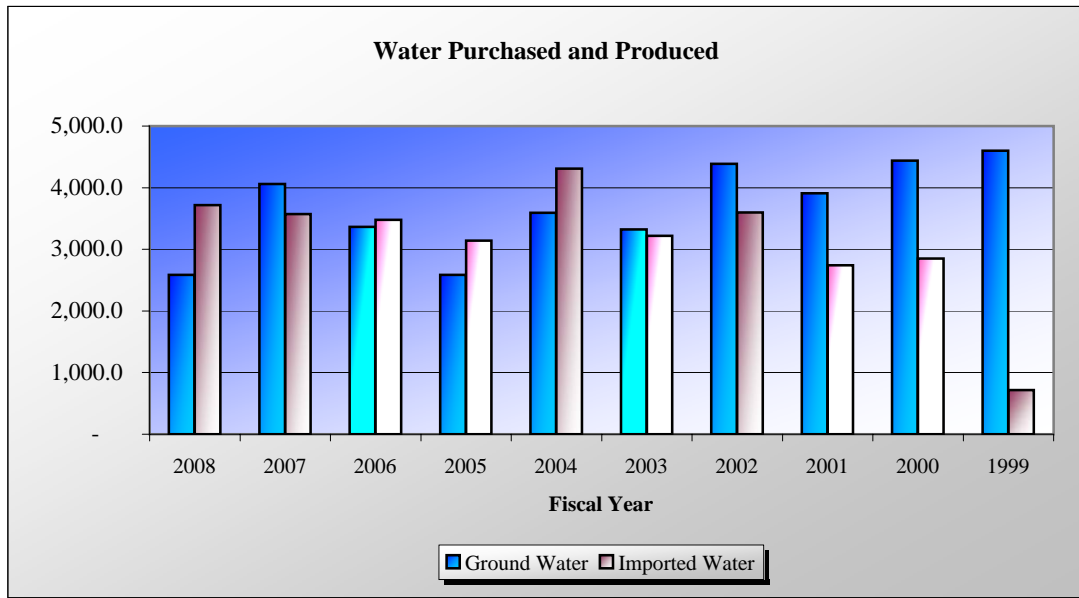
Source: Yuima Municipal Water District

Notes: (1) Yuima's primary and only significant revenue source is retail water sales. The proportion of customer type that makes up the revenue base has remained relatively unchanged for the time frame presented. Agricultural and Wholesale water customers make up the largest section of the revenue base. Consequently, demand peaks sharply during dry years when irrigation requirements are greatest and drops during wet years. As a result in fiscal years of higher rainfall a corresponding dip in Total Acre Feet Sold can be seen.

(2) Although revenue by customer type is not presented separately on the face of the financial statements, these revenues are recorded separately in the District's general ledger for tracking purposes.

**Yuima Municipal Water District
Water Purchased and Produced
Last Ten Fiscal Years**

Fiscal Year Ended	Acre Feet			Percent Ground Water	Percent Imported Water
	Ground Water	Imported Water	Total Water Produced		
2008	2,583.6	3,719.8	6,303.4	41%	59%
2007	4,060.1	3,573.5	7,633.6	53%	47%
2006	3,367.0	3,478.7	6,845.7	49%	51%
2005	2,583.6	3,142.9	5,726.5	45%	55%
2004	3,591.1	4,309.0	7,900.1	45%	55%
2003	3,320.9	3,219.9	6,540.8	51%	49%
2002	4,389.3	3,598.0	7,987.3	55%	45%
2001	3,908.9	2,739.0	6,647.9	59%	41%
2000	4,441.4	2,848.8	7,290.2	61%	39%
1999	4,597.7	719.0	5,316.7	86%	14%



Source: Yuima Municipal Water District

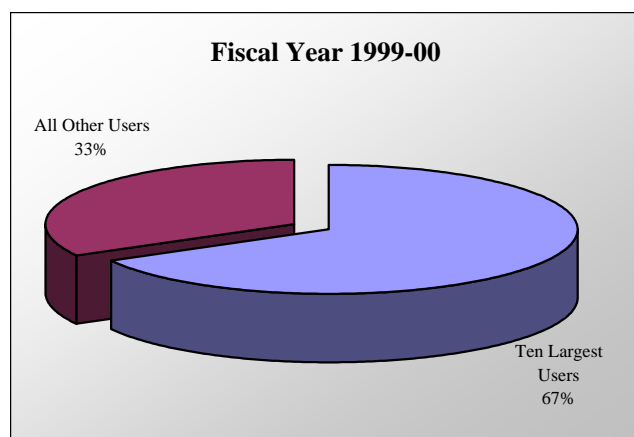
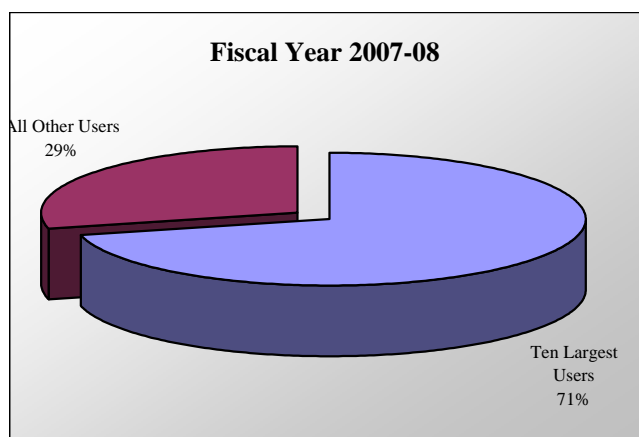
**Yuima Municipal Water District
Principal Water Consumers
For the Fiscal Years 2008 and 2000⁽¹⁾**

FISCAL YEAR ENDED 2008

Customer Name⁽²⁾	Usage in Acre Feet	Percent of Water Sold
Pauma Ranches	1,620	26.61%
Pauma Ridge	593	9.73%
Humason/Starbeam	489	8.02%
Rancho Eugenio	363	5.97%
Val Vista	326	5.35%
T-Y Nursery	249	4.08%
House	231	3.79%
Metta Forest	161	2.64%
Mercado	154	2.52%
McKillip	144	2.36%
Total Top Ten Consumers	4,328	71.08%
Other Consumers	1,761	28.92%
Total Water Billed	6,089	100.00%

FISCAL YEAR ENDED 2000

Customer Name⁽²⁾	Usage in Acre Feet	Percent of Water Sold
Pauma Ranches	1,943	28.22%
Rancho Eugenio	545	7.92%
Chandler Ranches (Humason)	424	6.16%
Pauma Ridge	415	6.03%
Testa	360	5.23%
House	265	3.85%
PKB Farms	214	3.11%
McKillip	201	2.92%
Ordway	126	1.83%
Metta Forest	125	1.82%
Total Top Ten Consumers	4,618	67.08%
Other Consumers	2,266	32.92%
Total Water Billed	6,884	100.00%



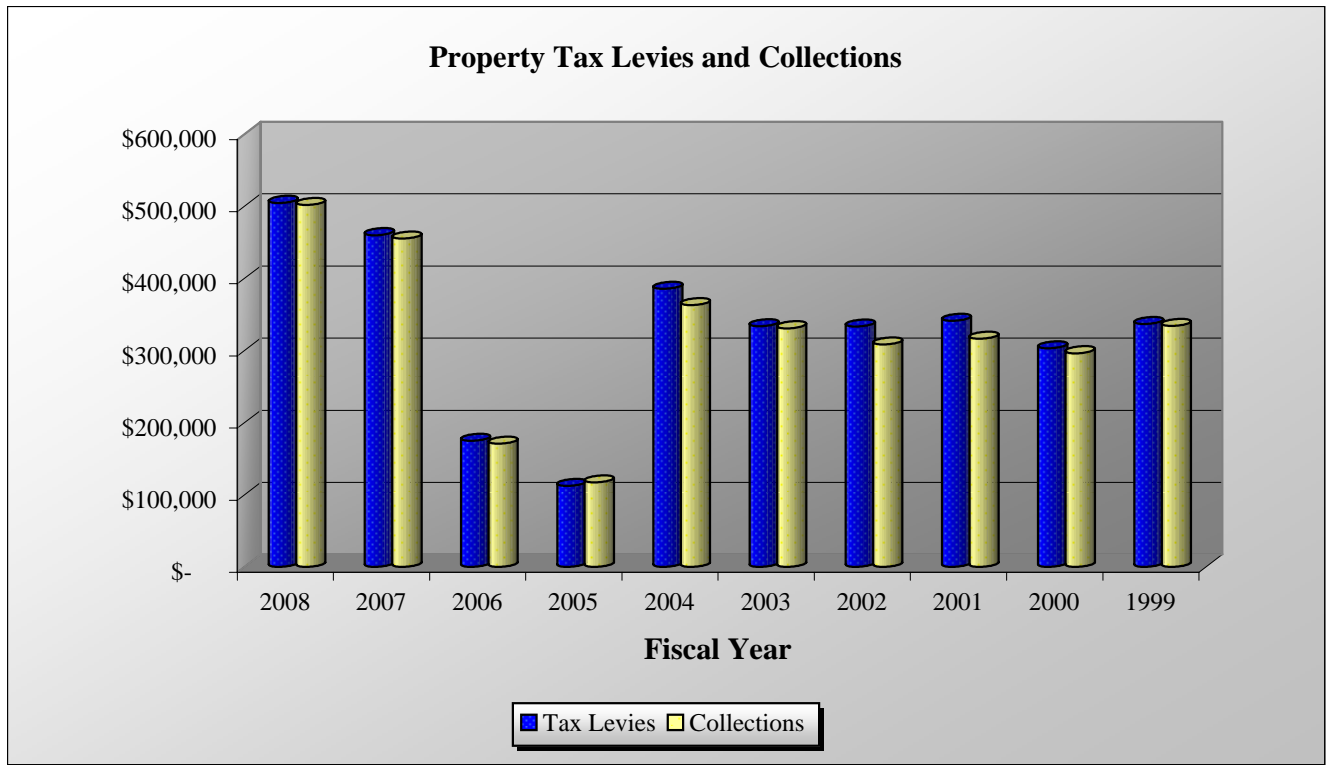
Source: Yuima Municipal Water District

Notes: (1) Ninth prior year not available, earliest fiscal year available for comparison is 1999-00.

(2) The District's service area has been established for many years with a relatively stable local economy has seen few changes to the customer base. This stability is reflected in the similarities between the current list of the largest water customers and the list from eight years ago.

**Yuima Municipal Water District
Property Tax and Assessment Levies
Last Ten Years**

Fiscal Year Ended	CURRENT YEAR LEVY			Total Collections Thru 6/30	Net Uncollected at 6/30	Percent Uncollected at 6/30
	Property Taxes ⁽¹⁾	Special Assessments ⁽²⁾	Total Levy			
2008	\$ 423,916	\$ 80,825	\$ 504,741	\$ 501,943	\$ 2,798	0.56%
2007	375,864	84,096	459,960	455,203	4,757	1.04%
2006	107,497	67,544	175,041	170,862	4,179	2.45%
2005	39,818	72,550	112,368	117,265	(4,897)	-4.18%
2004	300,168	85,477	385,645	362,860	22,785	6.28%
2003	265,510	68,261	333,771	330,867	2,904	0.88%
2002	261,624	71,759	333,383	308,341	25,042	8.12%
2001	249,616	91,758	341,374	316,572	24,802	7.83%
2000	224,473	78,543	303,016	296,271	6,745	2.28%
1999	206,048	130,748	336,796	334,245	2,551	0.76%



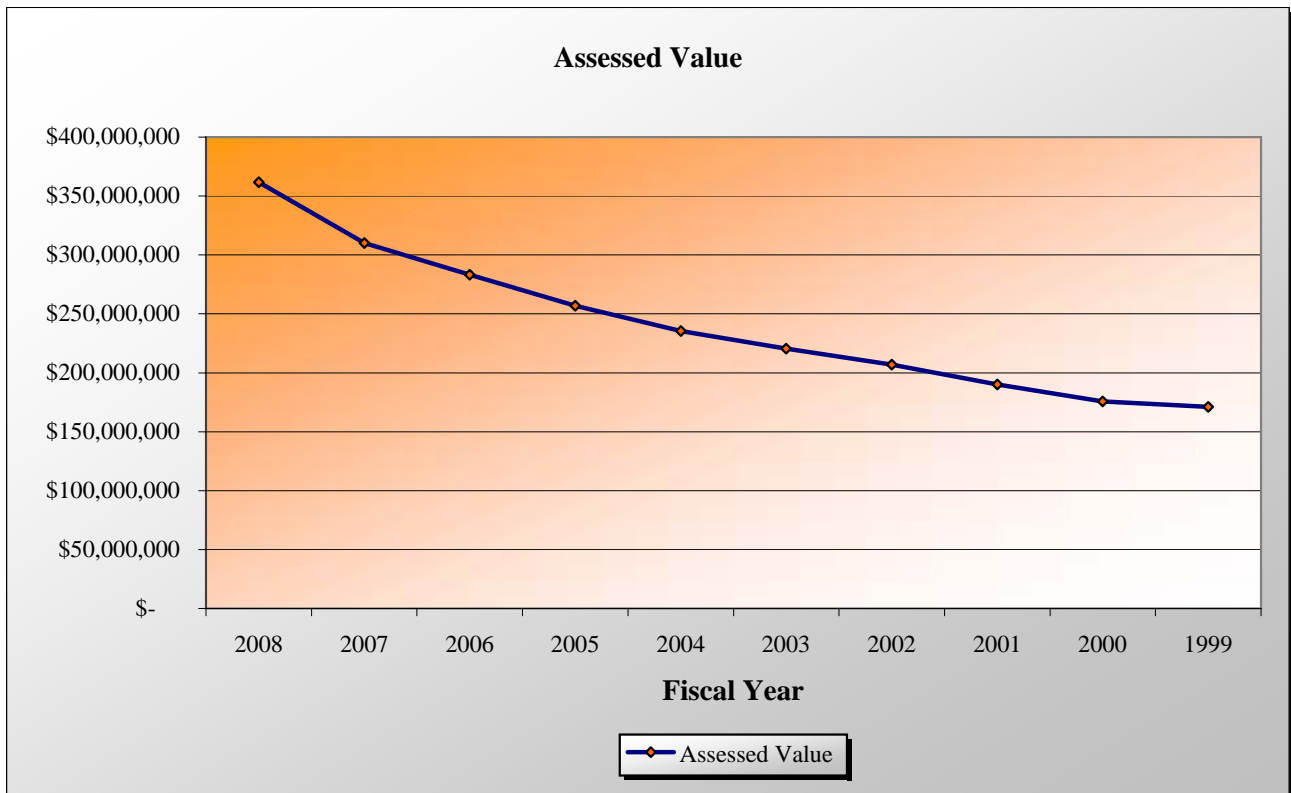
Source: Yuima Municipal Water District and the Office of the Auditor Controller, County of San Diego

Notes: (1) Property taxes represent a portion of the county 1% general tax rate. In Fiscal Years 2005 and 2006, the District experienced a property tax revenue shift as part of the ERAF shift.

(2) Special Assessments represent \$10 per acre water availability charge assessed on all taxable acreage in the District not otherwise deferred.

**Yuima Municipal Water District
Assessed Value of Taxable Property
Last Ten Years**

Fiscal Year Ended	SECURED			Net Assessed Secured Value	Assessed Unsecured Value	Total Assessed Value	Tax Rate ⁽¹⁾
	Real Property	Personal Property	Exemptions				
2008	\$ 168,248,295	\$ 7,095	\$ 4,922,806	\$ 163,332,584	\$ 198,315,068	\$ 361,647,652	-
2007	155,088,305	7,221	4,906,718	150,188,808	159,861,864	310,050,672	-
2006	144,032,327	104,446	2,955,704	141,181,069	142,024,468	283,205,537	-
2005	132,163,829	1,515,461	2,615,858	131,063,432	125,888,690	256,952,122	-
2004	122,093,104	1,326,634	2,438,808	120,980,930	114,557,922	235,538,852	-
2003	114,806,027	1,370,571	2,350,033	113,826,565	106,625,207	220,451,772	-
2002	107,123,843	1,280,817	2,362,262	106,042,398	100,917,290	206,959,688	-
2001	97,544,545	1,116,334	2,355,970	96,304,909	93,653,625	189,958,534	-
2000	90,177,332	995,625	2,339,420	88,833,537	86,978,407	175,811,944	-
1999	86,595,429	964,134	2,282,245	85,277,318	85,889,264	171,166,582	-



Source: Yuima Municipal Water District and the Office of the Auditor Controller, County of San Diego

Notes: (1) The District does not assess a tax rate. However, the District receives its proportionate share of property taxes levied by the County of San Diego in accordance with Proposition 13.

**Yuima Municipal Water District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended	General Obligation Bonds⁽¹⁾	Revenue Bonds⁽²⁾	Term Loans	Total	Number of Meters	Debt per Meter	Population⁽³⁾	Debt per Capita
2008	-	-	\$ 2,346,111	\$ 2,346,111	337	\$ 6,962	1,966	\$ 1,193
2007	-	-	1,165,246	1,165,246	336	3,468	1,966	593
2006	-	-	1,274,550	1,274,550	332	3,839	1,966	648
2005	-	-	1,385,123	1,385,123	332	4,172	1,966	705
2004	-	-	1,486,306	1,486,306	331	4,490	1,966	756
2003	-	-	-	-	331	-	1,966	-
2002	-	-	-	-	329	-	1,966	-
2001	-	-	-	-	323	-	1,966	-
2000	-	-	-	-	320	-	1,966	-
1999	-	-	-	-	317	-	1,850	-

Source: Yuima Municipal Water District

Notes: (1) The District has not issued any General Obligation Bonds to date.

(2) The District has not issued any Revenue Bonds to date.

(3) Population data provided by the San Diego Association of Governments (SANDAG), constructed from 2000 U.S. Census Bureau.

Yuima Municipal Water District
Revenue Debt Coverage
Last Five Years⁽¹⁾

Fiscal Year Ended	Total Revenues⁽²⁾	Total Expenses⁽³⁾	Net Revenue Available for Debt Service	DEBT SERVICE REQUIREMENTS			Coverage Factor
				Principal	Interest	Total⁽⁴⁾	
2008	\$ 7,762,770	\$ 6,912,967	\$ 849,803	\$ 152,627	\$ 61,796	\$ 214,423	396%
2007	7,741,412	6,927,183	814,229	113,046	43,152	156,198	521%
2006	6,341,100	5,646,860	694,240	108,945	47,253	156,198	444%
2005	5,051,729	5,049,080	2,649	104,992	51,206	156,198	2%
2004	6,073,426	5,754,100	319,326	101,183	55,015	156,198	204%

Source: Yuima Municipal Water District

- Notes:
- (1) The District did not have any outstanding debt between fiscal years ended 1999-2003.
 - (2) Computation excludes fire fund revenues.
 - (3) The transactions to record depreciation expense are not included in Total Expenses.
 - (4) Includes Municipal Finance Corporation Loans. See Note 4 to the financial statements.

Yuima Municipal Water District
San Diego County Demographic and Economic Statistics
Last Ten Years

Year	Population	Per Capita			
		Personal Income (in thousands)	Personal Income (in dollars)	School Enrollment	Unemployment Rate
2008	2,736,720	\$ 77,958,184	28,490	460,949	3.5%
2007	2,789,593	84,346,910	30,236	470,494	3.3%
2006	2,824,933	92,654,006	32,799	480,017	4.3%
2005	2,864,593	97,009,480	33,865	488,377	4.3%
2004	2,901,719	100,655,726	34,688	494,588	5.3%
2003	2,921,810	104,630,453	35,810	499,750	5.7%
2002	2,933,929	113,062,259	38,536	499,356	5.1%
2001	2,936,609	119,135,889	40,569	498,186	4.5%
2000	3,093,000	126,813,000	41,000	495,288	4.2%
1999	3,118,000	132,515,000	42,500	496,699	4.6%

Source: County of San Diego, Comprehensive Annual Financial Report

Notes: (1) San Diego County, while not an exact representation of the District, is used to obtain the Demographic and Economic data shown above. There is no exact data available for the Pauma Valley area.

Yuima Municipal Water District
San Diego County Employment by Industry⁽¹⁾
Calendar Year 2007 and 1998

	2007⁽²⁾		1998	
	Average Annual Employment	% of Total Employment	Average Annual Employment	% of Total Employment
Agriculture	10,800	1%	10,600	1%
Natural Resources & Mining	400	0%	300	0%
Construction	87,200	7%	60,200	5%
Manufacturing	102,100	8%	124,000	11%
Wholesale Trade	45,500	3%	34,700	3%
Retail Trade	148,700	11%	124,700	11%
Transportation				
Warehousing & Utilities	28,800	2%	28,600	3%
Information	38,000	3%	34,300	3%
Finance Activities	80,400	6%	66,000	6%
Professional & Business Services	216,500	16%	173,100	16%
Educational & Health Services	128,800	10%	107,100	10%
Leisure & Hospitality	160,900	12%	118,600	11%
Other Services				
Repair, Religious, Professional	48,800	4%	39,400	4%
Federal Government	40,800	3%	43,300	4%
State Government	40,300	3%	32,200	3%
Local Government	141,100	11%	119,000	11%
Total, All Industries	<u>1,319,100</u>	<u>100%</u>	<u>1,116,100</u>	<u>100%</u>
Civilian Employment	1,471,600	95%	1,266,900	96%
Civilian Unemployment	<u>70,900</u>	<u>5%</u>	<u>46,400</u>	<u>4%</u>
Total Civilian Labor Force	<u>1,542,500</u>	<u>100%</u>	<u>1,313,300</u>	<u>100%</u>
Civilian Unemployment Rate	4.60%		3.50%	

Source: California Employment Development Department

Notes: (1) San Diego County, while not an exact representation of the District, is used to obtain the employment profile data shown above. There is no exact data available for the Pauma Valley area.

(2) Data for the 2008 calendar year is not yet available, therefore 2007 data is provided.

**Yuima Municipal Water District
San Diego County Principal Employers⁽¹⁾
Calendar year 2007 and 1998**

	2007⁽²⁾			1998		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of California	40,600	1	2.79%	32,400	2	2.59%
Federal Government	39,900	2	2.74%	44,200	1	3.53%
University of California, San Diego	26,924	3	1.85%	21,444	4	1.71%
County of San Diego	16,147	4	1.11%	17,700	5	1.41%
San Diego Unified School District	14,555	5	1.00%	25,230	3	2.01%
Sharp HealthCare	13,872	6	0.95%	8,111	8	0.65%
Scripps Health	12,196	7	0.84%			
San Diego State University	11,247	8	0.77%			
City of San Diego	11,195	9	0.77%	11,085	6	0.88%
Kaiser Permanente	8,008	10	0.55%	5,959	10	0.48%
Qualcomm Inc.				10,431	7	0.83%
U.S. Postal Service, San Diego District				7,162	9	0.57%
Total	194,644		13.37%	183,722		14.66%

Source: County of San Diego, Comprehensive Annual Financial Report

Notes: (1) San Diego County, while not an exact representation of the District, is used to obtain the employment profile data shown above. There is no exact data available for the Pauma Valley area.

(2) Data for the 2008 calendar year is not yet available, therefore 2007 data was provided.

Yuima Municipal Water District
District Employees and Operational Information⁽¹⁾
Last Ten Fiscal Years

District Employees

Fiscal Year Ended	Management	Field Operations	Administrative Services	Total Employees⁽²⁾	Average Years of Service
2008	3	5	3	11	11.2
2007	3	5	3	11	10.2
2006	3	5	3	11	10.1
2005	3	4	2	9	10.1
2004	3	4	2	9	9.7
2003	3	4	2	9	8.8
2002	3	4	2	9	7.9
2001	3	4	2	9	10.7
2000	3	4	2	9	9.8
1999	3	4	2	9	9.2

Operational Information

Water System

Service Area.....	13,460 acres
Miles of Water Main.....	42.3 miles
Number of Raw Water Reservoirs.....	2
Number of Treated Water Tanks.....	10
Total Treated Storage Capacity.....	13.8 mgd
Number of Producing Wells.....	17 mgd
Daily Production Peak.....	5.2 mgd
Average Daily Production.....	4.3 mgd
Number of Service Connections.....	337

Source: Yuima Municipal Water District

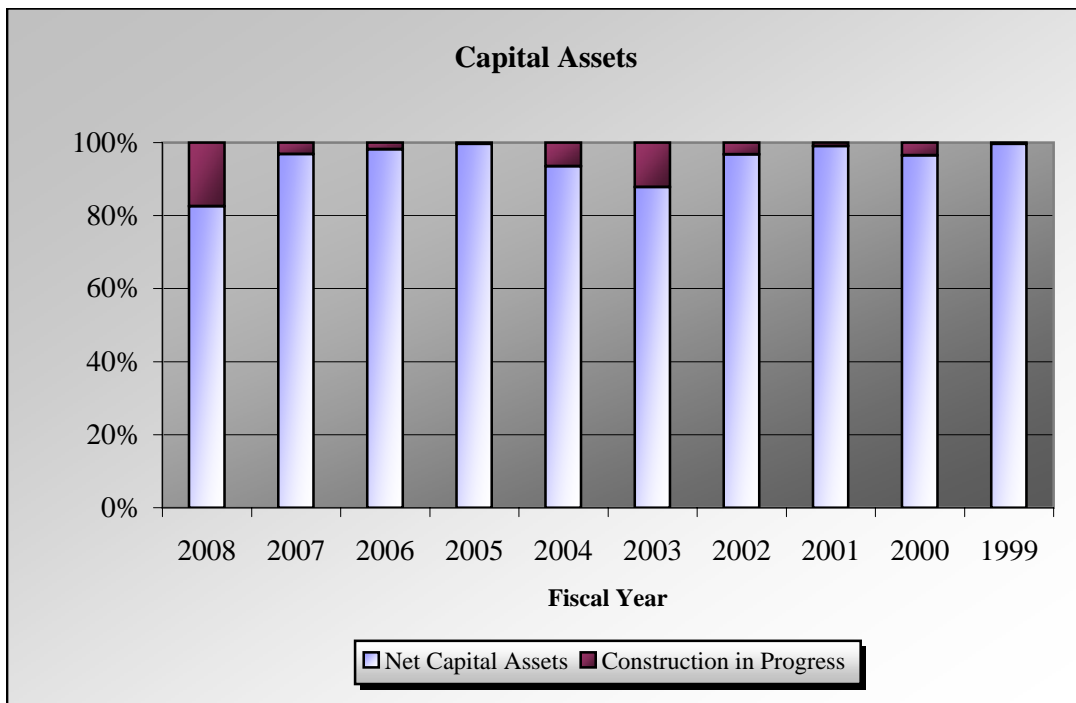
Notes: (1) Yuima is an established water district which is reflected in the relatively small increases in employees over this ten year period.

(2) The employee count represents the head count for the employees in each department.

**Yuima Municipal Water District
Capital Assets
Last Ten Years**

Page 1 of 2

Fiscal Year Ended	Annexation Fees	Land	Source of Supply	Pumping Plant	Water Treatment Plant
2008	\$ 944,872	\$ 355,835	\$ 4,784,991	\$ 1,902,104	\$ 141,315
2007	944,872	355,835	4,623,944	1,854,776	141,315
2006	944,872	355,835	4,130,665	1,798,410	141,315
2005	944,872	355,835	3,906,073	1,546,574	126,446
2004	944,872	355,835	2,867,634	1,459,221	126,446
2003	944,872	355,835	2,867,634	1,406,406	126,446
2002	944,872	269,682	2,867,634	1,373,475	61,128
2001	944,872	264,652	2,880,255	1,271,947	60,104
2000	944,872	265,150	2,257,525	1,236,376	60,104
1999	944,872	265,150	2,257,525	1,201,625	60,104



Source: Yuima Municipal Water District

Notes: The Fire Protection function has no related capital assets, since such activity is outsourced to the California Department of Forestry.

Yuima Municipal Water District
Capital Assets
Last Ten Years

Page 2 of 2

Fiscal						
Year	Transmission	General	Accumulated	Net Capital	Construction	
Ended	& Distribution	Plant	Depreciation	Assets	in Progress	
2008	\$ 6,641,385	\$ 1,529,585	\$ (6,555,544)	\$ 9,744,542	\$ 2,053,521	
2007	6,639,470	1,475,628	(6,220,083)	9,815,757	316,698	
2006	6,565,232	1,372,870	(5,865,848)	9,413,351	176,063	
2005	6,511,924	1,158,508	(5,565,847)	8,984,384	28,115	
2004	6,433,619	1,078,963	(5,305,840)	7,960,750	555,817	
2003	4,902,325	1,068,401	(5,037,898)	6,634,020	922,274	
2002	4,899,545	1,051,554	(4,765,390)	6,702,499	226,614	
2001	4,868,566	1,292,690	(4,615,226)	6,967,859	70,407	
2000	4,844,024	1,291,062	(4,336,850)	6,562,264	237,487	
1999	4,838,152	1,145,320	(4,066,649)	6,646,100	24,057	

Yuima Municipal Water District
Operating & Capital Indicators
Last Ten Fiscal Years

Page 1 of 2

	Fiscal Year				
	2008	2007	2006	2005	2004
Service Area	13,460	13,460	13,460	13,460	13,460
Total Rainfall (inches)	17.45	6.75	16.47	41.47	13.03
Miles of Water Main (8"+)	40.3	39.5	36.0	36.0	36.0
Number of Treated Water Tanks	10	9	9	9	8
Capacity of Water Tanks (acre feet)	57.5	52.3	52.3	52.3	37.2
Number of Open Reservoirs	1	2	2	2	2
Capacity of Open Reservoirs (acre feet)	2.1	4.7	4.7	4.7	4.7
Number of Ag Only Open Reservoirs	2	2	2	2	2
Capacity of Ag Only Open Reservoirs (acre feet)	11.7	11.7	11.7	11.7	11.7
Number of Productive Wells	17	17	17	16	16
Maximum gallons per minute Flows	2,650	2,650	2,650	2,200	2,200
Number of Pump Stations	9	9	9	9	8
Number of Pumps	27	31	31	31	30
Pump Capacity (horsepower)	3,955	3,850	3,850	3,850	3,800
Number of Service Connections	337	336	332	332	331
Production Peak (mgd)	5.2	5.2	5.2	3.6	3.6
Average Production (mgd)	4.3	4.3	4.3	3.0	3.0
Number of Mainline Repairs	-	-	-	1.0	-

Source: Yuima Municipal Water District

Yuima Municipal Water District
Operating & Capital Indicators
Last Ten Fiscal Years

Page 2 of 2

	Fiscal Year				
	2003	2002	2001	2000	1999
Service Area	13,460	13,460	13,460	13,460	13,460
Total Rainfall (inches)	26.20	7.77	18.66	11.37	14.94
Miles of Water Main (8"+)	36.0	36.0	34.7	34.7	34.7
Number of Treated Water Tanks	8	8	7	7	7
Capacity of Water Tanks (acre feet)	37.2	37.2	33.5	33.5	33.5
Number of Open Reservoirs	2	2	3	3	3
Capacity of Open Reservoirs (acre feet)	4.7	4.7	14.2	14.2	14.2
Number of Ag Only Open Reservoirs	2	2	1	1	1
Capacity of Ag Only Open Reservoirs (acre feet)	11.7	11.7	6.0	6.0	6.0
Number of Productive Wells	15	15	15	15	15
Maximum gallons per minute Flows	2,150	2,150	2,150	2,150	2,150
Number of Pump Stations	8	8	8	8	8
Number of Pumps	28	28	28	25	25
Pump Capacity (horsepower)	3,625	3,625	3,625	3,475	3,475
Number of Service Connections	331	329	323	320	317
Production Peak (mgd)	3.4	3.4	3.4	3.4	3.4
Average Production (mgd)	2.8	2.8	2.8	2.8	2.8
Number of Mainline Repairs	1.0	2.0	-	1.0	2.0

Source: Yuima Municipal Water District

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YUIMA MUNICIPAL WATER DISTRICT

**34928 Valley Center Road
P.O. Box 177
Pauma Valley, California 92061
(760) 742-3704**