
YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED
APRIL 30, 2023 AND 2022
AND
INDEPENDENT AUDITOR'S REPORT

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Yolo County Flood Control & Water Conservation District
Woodland, California

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Yolo County Flood Control & Water Conservation District (the District) as of and for the years ended April 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Yolo County Flood Control & Water Conservation District, as of April 30, 2023 and 2022, and the respective changes in financial position and, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yolo County Flood Control & Water Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mamm, Mantia, Nelson CPA's

Sacramento, California
September 27, 2023

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of Management's Discussion and Analysis, the Basic Financial Statements, and Notes to the Financial Statements. Management's Discussion and Analysis provides a narrative of the District's financial performance and activities for the fiscal years ended April 30, 2023, 2022, and 2021. The Basic Financial Statements provide a broader overview of the District's finances. The Notes provide additional information that is essential to a full understanding of the data provided in the Basic Financial Statements.

The basic financial statements consist of three statements:

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the District's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.

The *Statement of Cash Flows* presents information showing how the District's cash changed during the two most recent fiscal years. It shows the sources and uses of cash.

Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current assets	\$ 5,984,142	\$ 7,979,799	\$ 5,611,225
Capital assets, net of accumulated depreciation	<u>30,733,247</u>	<u>30,692,466</u>	<u>31,694,020</u>
Total Assets	<u>36,717,389</u>	<u>38,672,265</u>	<u>37,305,245</u>
Current liabilities	1,803,396	588,634	850,180
Long-term liabilities	<u>5,398,788</u>	<u>5,645,721</u>	<u>2,108,804</u>
Total Liabilities	<u>7,202,184</u>	<u>6,234,355</u>	<u>2,958,984</u>
Net investment in capital assets	25,117,993	24,835,152	29,431,242
Restricted net position	374,173	373,258	-
Unrestricted net position	<u>4,023,039</u>	<u>7,229,500</u>	<u>4,915,019</u>
Total Net Position	<u>\$ 29,515,205</u>	<u>\$ 32,437,910</u>	<u>\$ 34,346,261</u>

Current Assets: includes cash and equivalents, accounts receivable, prepaid expenses and inventory. There was a decrease of \$1,995,657 in 2023 compared to 2022 due to the drawn down of cash due to the decrease in water revenues.

Capital Assets, Net of Depreciation: includes land and land rights, construction in progress and the District's dams, hydroelectric facilities, conveyance system, headquarters and related equipment. The increase of \$40,781 in 2023 was partly due to the installation of new canal structures and the addition of construction in progress jobs.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED APRIL 30, 2023**

Current Liabilities: includes accounts payable, salaries payable, interest payable, customer deposits, unearned revenue, current portion of long-term liabilities and current portion of employee compensated balances. There was an increase of \$1,214,762 in 2023. The increase was mainly due to the increase in customer water deposits and an increase in accounts payable.

Long-term Liabilities: includes a 2021 loan for transmission and distribution plant improvements. The decrease in 2023 of \$246,933 was due to payments made towards loan principal.

Net Position - Net Investment in Capital Assets: represents the historical cost of the District's property, plant and equipment, net of depreciation; plus construction in progress; less any outstanding debt related to the capital assets. There was an increase of \$282,841 in 2023 and a decrease of \$4,596,090 in 2022. These are related to the changes in capital assets, net of depreciation and current long-term liabilities.

Net Position - Restricted: consists of amounts restricted for debt service.

Net Position - Unrestricted: consists of the excess of assets minus liabilities not invested in capital assets.

The Total Net Position: There was a decrease of \$2,922,705 in 2023 and an increase of \$1,908,351 in 2022. The changes from 2023 and 2022 were due to lower capital and operating costs.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED APRIL 30, 2023**

Statement of Revenues, Expenses, and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenues:			
Water sales	\$ 325,334	\$ 1,625,122	\$ 4,632,221
Hydroelectric power sales	-	39,456	343,338
Recreation fees	-	7,447	13,461
	<u>325,334</u>	<u>1,672,025</u>	<u>4,989,020</u>
Total Operating Revenues			
Non-Operating Revenues:			
Property taxes	1,753,937	1,628,692	1,465,099
Federal and State grants	75,000	645,184	428,442
Miscellaneous non-operating revenues	862,534	544,140	503,399
	<u>2,691,471</u>	<u>2,818,016</u>	<u>2,396,940</u>
Total Non-Operating Revenues			
Capital Contributions	<u>10,556</u>	<u>3,529</u>	<u>5,827</u>
Total Revenues	<u>3,027,361</u>	<u>4,493,570</u>	<u>7,391,787</u>
Operating Expenses			
Sources of supply	541,718	552,597	482,143
Transmission and distribution	850,284	946,829	1,202,742
Environmental resources	4,910	6,066	8,775
Hydroelectric	24,625	25,625	76,279
General and administrative	1,654,853	1,922,831	1,808,901
Maintenance - general plant	326,943	414,160	274,336
Water resources / studies	246,778	352,494	452,334
Yolo Subbasin Groundwater Agency	219,184	200,360	224,330
Flood SAFE Yolo	3,121	10,641	98,749
Madison-Esparto Regional County Service Area	12,118	14,868	38,783
Drought mitigation	116,158	23,666	-
Depreciation	1,165,946	1,169,315	1,133,413
Property taxes	257,078	253,180	238,239
	<u>5,423,716</u>	<u>5,892,632</u>	<u>6,039,024</u>
Total Operating Expenses			
Non-Operating Expenses	<u>526,350</u>	<u>509,289</u>	<u>659,485</u>
Total Expenses	<u>5,950,066</u>	<u>6,401,921</u>	<u>6,698,509</u>
Change in Net Position	<u>(2,922,705)</u>	<u>(1,908,351)</u>	<u>693,278</u>
Net Position - Beginning of Year	<u>32,437,910</u>	<u>34,346,261</u>	<u>33,652,983</u>
Net Position - End of Year	<u>\$ 29,515,205</u>	<u>\$ 32,437,910</u>	<u>\$ 34,346,261</u>

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED APRIL 30, 2023**

REVENUES

Yolo County Flood Control & Water Conservation District's principal sources of revenue is from water sales.

Fiscal Year 2022 - 2023 Revenues:

Total revenues were \$3,027,361. Total revenues decreased \$1,466,209 from the prior year.

2022-2023 agricultural water sales totaled \$49,380 and non-agricultural water sales totaled \$275,954. This represents a \$1,299,788 total decrease in water sales from 2021-2022 water sales. Total agricultural water delivered (including Well #13 groundwater sales) was 792 acre-feet and total non-agricultural water delivered was 5,808 acre-feet (this includes littoral and prescriptive water).

The District uses a sliding scale to calculate water rates, which calculates the cost of water based upon the amount of water available in storage on April 1st of each year. The rate of agricultural water for the 2022-2023 year was \$43.00-\$100.00 per acre-foot, which was slightly different from the sliding scale since it was a drought year and the District sold groundwater to some customers. The 2021-22 agricultural water rate was \$32.00 per acre-foot. Non-agricultural water rates were \$69.24 per acre-foot.

Given the drought, low reservoir levels, and lack of irrigation releases, there were no Hydroelectric Power Sales in 2022-2023, which resulted in a decrease in hydroelectric revenue from 2021-22 of \$39,456 .

The District received \$1,753,937 in property taxes compared to \$1,628,692 in 2021-2022 and \$1,465,099 in 2020-2021.

Non-operating revenues consist of reimbursements from other agencies and various shared services agreements, investment interest, and contributions to capital.

The District received grant funds of \$75,000 from a USBR Water Smart Grant.

Fiscal Year 2021 - 2022 Revenues:

Total revenues were \$4,493,570. Total revenues decreased \$2,898,217 from the prior year.

2021-2022 agricultural water sales totaled \$1,219,691 and non-agricultural water sales totaled \$405,431. This represents a \$3,007,099 total decrease from 2020-2021. Total agricultural water delivered was 30,434 acre-feet and 7,198 acre-feet of non-agricultural water was delivered (this includes littoral and prescriptive water).

The District uses a sliding scale to calculate water rates. This scale calculates the cost of water based upon the amount of water available in storage on April 1st of each year. The rate of agricultural water for the 2021-2022 year was \$43.00 per acre-foot compared to \$32.00 per acre-foot for the 2020-2021. Non-agricultural water rates were \$69.24 per acre-foot.

Hydroelectric Power Sales decreased to \$39,456 in 2021-2022. This was down \$303,882 from 2020-2021, which was due to the decrease of water releases from the Indian Valley Reservoir because of the ongoing drought.

The District received \$1,628,692 in property taxes compared to \$1,465,099 in 2020-2021 and \$1,375,975 in 2019-2020.

Non-operating revenues consist of reimbursements from other agencies (YSGA, Yolo County (FloodSAFE Yolo) and various shared services agreements), investment interest, and contributions to capital.

The District received grant funds of \$645,184 which was a combination of the Department of Water Resources (DWR) Yolo Subbasin GSP Planning and Preparation Project Grant and COVID-19 Relief Funds from the California State Controller's Office.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED APRIL 30, 2023**

Fiscal Year 2020 - 2021 Revenues:

Total revenues increased \$46,570 from the prior year. Total revenues were \$7,391,787.

Agricultural water sales totaled \$4,268,530 and non-agricultural water sales totaled \$363,691. This represents a \$944,213 increase from 2019-2020. Total agricultural water delivered was 134,436 acre-feet and 10,143 acre-feet of non-agricultural water was delivered (this includes littoral and prescriptive water).

The District uses a sliding scale to calculate water rates. This scale calculates the cost of water based upon the amount of water available in storage on April 1st of each year. The rate of agricultural water for the 2020-2021 year was \$32.00 per acre-foot compared to \$26.00 per acre-foot for the 2019-2020 year. Non-agricultural water rates increased to \$69.24 per acre-foot.

Hydroelectric Power Sales increased to \$343,338 in 2020-2021. This was down \$211,665 from 2019-2020, which was due to CAISO scheduling fees being reduced from revenue rather than recording them as an expense.

The District received grant funds of \$428,442 which was a combination of Proposition 1 funds available from the State Water Resources Control Board Storm Water Grant Program and the Department of Water Resources (DWR) Groundwater Sustainability Planning Program. The DWR Proposition 84 Drought Grant funding was full expended.

EXPENSES

Fiscal Year 2022 - 2023 Expenses:

Total expenses for the fiscal year were \$5,950,066, which was a decrease of \$451,855 from the previous year.

Operating expenses were \$5,423,716 which was a \$468,916 decrease from 2021-2022. This includes \$1,165,946 in depreciation expense.

The decrease in expenses was a result of several factors: a decrease in administrative salaries and positions, and a decrease in water resources salaries and positions and a decrease in transmission and distribution operations costs due to no water operations during the year.

Non-operating expenses totaled \$526,350 compared to \$509,289 in 2021-2022 fiscal year.

Fiscal Year 2021 - 2022 Expenses:

Total expenses for the fiscal year were \$6,401,921, which was a decrease of \$296,588 from the previous year.

Operating expenses were \$5,892,632 which was a \$146,392 decrease from 2020-2021. This includes \$1,169,315 in depreciation expense.

The decrease in expenses was a result of several factors: a decrease in administrative salaries and positions, and a decrease in water resources salaries and positions and a decrease in transmission and distribution operations costs due to a short water year.

Non-operating expenses totaled \$509,289 compared to \$659,485 in 2020-2021 fiscal year. The decrease is attributable to no loss on write-off of prior period expenses.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED APRIL 30, 2023**

Fiscal Year 2020 - 2021 Expenses:

Total expenses for the fiscal year were \$6,698,509, which was an increase of \$379,090 from the previous year.

Operating expenses were \$6,039,024, which was a \$667,418 increase from 2019-2020. This includes \$1,133,413 in depreciation expense.

The increase in expenses was a result of several factors: an increase in administrative salaries and positions, an increase in employee benefit costs, and costs associated with COVID-19 (\$39,569).

Non-operating expenses totaled \$659,485 compared to \$947,813 in 2019-2020 fiscal year. The decrease is attributable to no loss on disposal of assets and no expenses related to Yolo County's Madison Flood Control Mitigation Fund program.

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Land and land rights	\$ 2,765,137	\$ 2,765,137	\$ 2,765,137
Construction in progress	911,252	14,404	139,851
Sources of supply	23,980,077	23,956,217	23,932,484
Transmission and distribution plant	21,088,987	20,817,382	20,611,294
General plant	4,985,428	4,971,013	4,970,444
Less: accumulated depreciation	<u>(22,997,634)</u>	<u>(21,831,687)</u>	<u>(20,725,190)</u>
Total Capital Assets, net	<u>\$ 30,733,247</u>	<u>\$ 30,692,466</u>	<u>\$ 31,694,020</u>

Major capital asset events during 2023 included various canal structure improvements and repairs from the January 2023 storm event damage.

OUTSTANDING FINANCING DEBT

	<u>2023</u>	<u>2022</u>	<u>2021</u>
State Water Resources Control Board Loan Payable	\$ -	\$ -	\$ 2,262,778
Zion's Bancorp Loan	<u>5,615,254</u>	<u>5,857,314</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 5,615,254</u>	<u>\$ 5,857,314</u>	<u>\$ 2,262,778</u>

The State Water Resources Control Board Loan Payable was issued in March 2011 in the amount of \$4,220,712 to finance improvements to the Capay Dam and apron. The loan was paid off in fiscal year 2021-2022 by the issuance of the installment purchase agreement with Zion's Bancorporation for the Indian Valley Hydroelectric Rehabilitation and Moore Siphon Replacement projects.

GROUNDWATER REPLENISHMENT

To attach a value to the District's groundwater recharge activities, the District developed a process to account for and value the District's groundwater recharge component each year. The Groundwater Replenishment Value (GRV) is basically the value of the District's water losses in Yolo County over a fiscal year. The water losses are the difference between the water supply and water sales. The water supply figure is considered to be the larger of the District's releases from storage and the diversions at Capay Dam. The sales figure is the total reported sales. Once the acre-feet of water loss is determined, the figure is multiplied by the average cost of water per acre-foot for the fiscal year. The GRV value for the years ended April 30, 2023 and 2022 was \$1,985,028 and \$1,964,517, respectively.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED APRIL 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's Board approved an operating budget at its regular May 2023 meeting along with updated agricultural water rates to ensure fiscal sustainability during dry years. The approved expense budget for the fiscal year 2023-2024 is \$7,641,880. With projected revenues of \$10,954,071 the District is projecting a net income of \$3,312,191. From this income funds will be transferred to a Drought Reserve Fund of \$1,720,500, a short-term Capital Recovery Fund of \$199,800 and approximately \$945,000 will be collected from a Special Tax Assessment and held for Capital Improvements.

Agricultural water sales are the major revenue driver in the budget. The water rates are \$55.90 per acre-foot for agricultural water and \$69.24 per acre-foot for non-agricultural water. The current fiscal year 2023-2024 revenue budget includes \$6,560,985 in water sales.

The revenue from property taxes included in the budget is \$1,641,407 plus \$945,000 from a Special Property Tax Assessment.

CONTACTING DISTRICT FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the District's finances for those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Financial Supervisor, Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, and Woodland, CA 95695.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
STATEMENTS OF NET POSITION
AS OF APRIL 30, 2023 AND 2022**

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 5,111,095	\$ 7,073,028
Restricted cash and cash equivalents (Note 2)	374,173	373,258
Receivables:		
Accounts receivable (net of allowance of \$5,954 and \$12,533, respectively)	38,742	163,691
Intergovernmental Retention	231,531	44,376
Prepaid expenses	-	99,981
Inventory	129,805	118,301
	98,796	107,164
Total Current Assets	5,984,142	7,979,799
Non-Current Assets		
Capital assets:		
Non-depreciable capital assets (Note 3)	3,676,389	2,779,541
Depreciable capital assets (Note 3)	27,056,858	27,912,925
Total Capital Assets	30,733,247	30,692,466
Total Non-Current Assets	30,733,247	30,692,466
TOTAL ASSETS	36,717,389	38,672,265
LIABILITIES		
Current Liabilities		
Accounts payable	776,953	97,966
Salaries and benefits payable	83,915	12,385
Interest payable	58,165	60,672
Unearned revenues	29,577	29,577
Customer deposits	494,506	28,047
Compensated absences, current portion (Note 4)	112,718	117,927
Loan payable, current portion (Note 4)	247,562	242,060
Total Current Liabilities	1,803,396	588,634
Non-Current Liabilities		
Compensated absences, net of current (Note 4)	31,096	30,467
Loan payable, net of current (Note 4)	5,367,692	5,615,254
Total Non-Current Liabilities	5,398,788	5,645,721
TOTAL LIABILITIES	7,202,184	6,234,355
NET POSITION		
Net investment in capital assets	25,117,993	24,835,152
Restricted for debt service	374,173	373,258
Unrestricted (Note 5)	4,023,039	7,229,500
TOTAL NET POSITION	\$ 29,515,205	\$ 32,437,910

The accompanying notes are an integral part of the financial statements.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Water sales	\$ 325,334	\$ 1,625,122
Hydroelectric power sales	-	39,456
Recreation fees	-	7,447
	<u>325,334</u>	<u>1,672,025</u>
OPERATING EXPENSES		
Source of supply	541,718	552,597
Transmission and distribution	850,284	946,829
Environmental resources	4,910	6,066
Hydroelectric	24,625	25,625
General and administrative	1,654,853	1,922,831
Maintenance - general plant	326,943	414,160
Water studies	246,778	352,494
Yolo Subbasin Groundwater Agency	219,184	200,360
FloodSAFE Yolo	3,121	10,641
Madison-Esparto Regional County Service Area (MERCSA)	12,118	14,868
Drought mitigation	116,158	23,666
Depreciation	1,165,946	1,169,315
Property taxes	257,078	253,180
	<u>5,423,716</u>	<u>5,892,632</u>
	<u>(5,098,382)</u>	<u>(4,220,607)</u>
OPERATING LOSS		
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	1,753,937	1,628,692
Federal and State grants	75,000	645,184
Shared service revenues	547,543	212,240
Interest income	94,155	23,365
FloodSAFE Yolo revenues	-	3,825
Yolo Subbasin Groundwater Agency reimbursements	218,410	212,561
Loss on disposal of capital assets	(132)	(5,936)
Groundwater sustainability grant expenses	-	(103,160)
Interest expense	(128,508)	(132,657)
Other non-operating revenues	2,426	92,149
Other non-operating expenses	(397,710)	(267,536)
	<u>2,165,121</u>	<u>2,308,727</u>
	<u>(2,933,261)</u>	<u>(1,911,880)</u>
Capital Contributions	<u>10,556</u>	<u>3,529</u>
CHANGE IN NET POSITION	<u>(2,922,705)</u>	<u>(1,908,351)</u>
NET POSITION, BEGINNING OF YEAR	<u>32,437,910</u>	<u>34,346,261</u>
NET POSITION, END OF YEAR	<u>\$ 29,515,205</u>	<u>\$ 32,437,910</u>

The accompanying notes are an integral part of the financial statements.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 829,568	\$ 1,736,840
Cash paid to suppliers	(1,293,570)	(1,967,612)
Cash paid to employees	<u>(2,221,399)</u>	<u>(2,839,275)</u>
Net Cash Used for Operating Activities	<u>(2,685,401)</u>	<u>(3,070,047)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Property taxes	1,753,937	1,628,692
Federal and state grants	75,000	645,184
Flood SAFE Yolo revenues	-	3,825
Yolo Subbasin Groundwater Agency reimbursements	218,410	212,561
Shared service revenues	547,543	212,240
Groundwater Sustainability grant	-	(103,160)
Other non-operating revenues	2,426	92,149
Other non-operating expenses	<u>(397,710)</u>	<u>(267,536)</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,199,606</u>	<u>2,423,955</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets	(1,206,728)	(270,758)
Proceeds from long-term liabilities	-	5,974,358
Loss from disposal of capital assets	-	97,060
Contributed capital	10,556	3,529
Principal paid on long-term liabilities	(242,060)	(2,379,822)
Interest paid on long-term liabilities	<u>(131,146)</u>	<u>(92,349)</u>
Net Cash (Used for) Provided by Capital and Related Financing Activities	<u>(1,569,378)</u>	<u>3,332,018</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest income	<u>94,155</u>	<u>23,365</u>
Net Cash Provided by Investing Activities	<u>94,155</u>	<u>23,365</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,961,018)	2,709,291
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>7,446,286</u>	<u>4,736,995</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,485,268</u>	<u>\$ 7,446,286</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>		
Cash and cash equivalents	\$ 5,111,095	\$ 7,073,028
Restricted cash and cash equivalents	<u>374,173</u>	<u>373,258</u>
Total Cash and Cash Equivalents	<u>\$ 5,485,268</u>	<u>\$ 7,446,286</u>

The accompanying notes are an integral part of the financial statements.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

	2023	2022
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (5,098,382)	\$ (4,220,607)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:		
Depreciation	1,165,946	1,169,315
Changes in assets and liabilities:		
Decrease in accounts receivable	37,775	320,442
Increase in prepaid expenses	(11,504)	(7,561)
Decrease in inventory	8,368	27,836
Increase (Decrease) in accounts payable	678,987	(79,183)
Increase (Decrease) in salaries and benefits payable	71,530	(1,629)
Increase (Decrease) in customer deposits	466,459	(255,627)
Decrease in compensated absences	(4,580)	(23,033)
Net Cash Used for Operating Activities	\$ (2,685,401)	\$ (3,070,047)

The accompanying notes are an integral part of the financial statements.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The Yolo County Flood Control & Water Conservation District (the "District"), was formed on July 1, 1951 under the provisions of the State of California, General Law 9307, Statutes of 1951, Chapter 1647 to provide irrigation water and flood control. The District is governed by a five member Board of Directors who are appointed by the Yolo County Board of Supervisors for alternating four-year terms. The District currently provides irrigation water to approximately 58,000 acres of agricultural land.

The District's boundaries cover approximately 200,000 acres of Yolo County, including the Cities of Woodland, Davis and Winters, and the towns of Capay, Esparto, Madison, and other small communities within the Capay Valley. The District manages a small hydroelectric plant, two reservoirs, more than 150 miles of canals and laterals, and three dams.

On May 3, 2016, the Board of Directors adopted a resolution supporting a Yolo County application with the Yolo Local Agency Formation Commission to dissolve the Madison-Esparto Regional County Service Area (MERCSA) and agreed to assume responsibility for revenues and expenses associated with slough cleaning and maintenance services formerly performed by MERCSA within the dissolved Madison County Service Area.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Based on the application of the criteria above, management has determined that there are no component units of the District.

Affiliated Entities: The District is a member of the Association of California Water Agencies – Joint Powers Insurance Authority (JPIA). The JPIA began operations on October 1, 1979 and has continued without interruption since that time. The JPIA is composed of member water agencies and is governed by a board of directors appointed by the member districts. The governing board has authority over budget and financing. The JPIA is empowered to bill for and recover the amount of any deficit at the end of the fiscal year in which it occurs should further contributions on the part of the deficit member be insufficient to cure the deficit. Complete audited financial statements can be obtained at the Agency's office: 2100 Professional Drive, Roseville, California, 95661-3700.

In June 2017, the District joined the newly formed Yolo Subbasin Groundwater Agency (the Agency), which operates in accordance with a Joint Exercise of Power Agreement (the Agreement) between the District, 17 other local agencies located in the Yolo Subbasin of the Sacramento Valley Groundwater Basin and the Yocha Dehe Wintun Nation. The Agency was established to be the Groundwater Sustainability Agency for the Yolo Subbasin to coordinate and administer compliance with the State of California SB 1168, SB 1319 and AB 1739 (collectively the Sustainable Groundwater Management Act (SGMA)). The Board of Directors of the Agency is initially comprised of one representative of each of the 19 members and 5 "Affiliated Parties" listed in the Agreement. Exhibit D of the Agreement provides for the collection of administrative fees from members for the first two years of operations that may be revised in subsequent years. The District's administrative fees total \$110,000 every year, as discussed in Exhibit D of the Agreement. Complete audited financial statements can be obtained at the Agency's website: <https://yologroundwater.org>.

The District is a member of the Northern California Water Association (NCWA), a California Nonprofit Mutual Benefit Corporation. The NCWA supports and promotes the maintenance of existing surface and ground water rights in Northern California, educates its members, governmental authorities and the public regarding all aspects of water use and provides a forum for the exchange of information between water purveyors. The NCWA has sixteen board members selected from its members. The NCWA is authorized to collect dues from the members for operating costs of the Association under its Bylaws.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In 2022, the District was a member of the Water Resources Association of Yolo County, a California non-profit mutual benefit corporation (the Association); in November 2022, the Association's Board of Directors voted to dissolve, and the District is no longer a member. The Association's responsibilities have been transferred to the Yolo Subbasin Groundwater Agency. The District is a party to the Westside Sacramento Integrated Regional Water Management (IRWM) Plan through its associate membership in the Association. The Association is authorized to collect dues from the members for operating costs of the Association under its Bylaws. Since the formation of the YSGA, the WRA has not collected dues from member entities.

The District has only a residual interest in the assets of the entities described above upon their dissolution and would not be held responsible for any of the entities' liabilities.

B. Basis of Presentation

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

The District's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

In the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position, business-like activities are presented using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange include revenues from grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. When such funds are received, they are reported as unearned revenue until the earnings process is complete. Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of water sales and hydroelectric power sales. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash held in a bank checking account and money market account, and the investment in the State of California Local Agency Investment Fund (LAIF), and the Yolo County (County) Treasurer's pool. The investment in LAIF is stated at fair value and the investment in the County Pool is stated at amortized cost, which approximates fair value. Investments in LAIF and in the County pool are available on demand.

For purposes of the statement of cash flows, the District considers all highly liquid investments with original maturity of three months or less, including amounts held in LAIF and in the County pool, to be cash and cash equivalents.

E. Receivables

Receivables consist mainly of amounts due, including retention receivable, grants and amounts due from customers for water service charges. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. At April 30, 2023 and 2022, the allowance for uncollectible receivables totaled \$5,954 and \$12,533, respectively.

F. Prepaid Expenses

Payments made for services that will benefit periods beyond the balance sheet date are recorded as prepaid expenses. Prepaid expenses are recognized as expenses when consumed rather than when paid.

G. Inventory

Inventory is reported at cost using the average cost method. Inventory consists of expendable supplies held for consumption. The costs of inventories are recorded as expenses when consumed rather than when purchased.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are valued at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Capital assets are defined by the District as assets with a cost of \$2,500 or more. Major outlays for capital assets and improvements are capitalized as projects are constructed. Maintenance and repairs are charged to operations when incurred.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is provided over the useful lives of assets using the straight line method. Estimated useful lives of depreciable assets are as follows:

<u>Asset Classification</u>	<u>Estimated Life</u>
Dams and hydroelectric plants	30 -100 years
Buildings and Improvements	10 - 35 years
Bridges	20 - 50 years
Equipment	5 - 25 years
Meters and gauges	15 years

I. Customer Deposits

Under the accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue. The District collects cash deposits from customers equal to \$5 per acre of land to be irrigated. These deposits are applied to customer billings once water delivery occurs.

J. Compensated Absences and Postemployment Benefits

The District's policy is to permit employees to accumulate up to 320 hours of earned but unused vacation and compensatory time-off, which vests with the employee and will be paid upon separation from the District. Sick leave is not payable at separation and is not accrued by the District. The liability for compensated absences is recorded as a long-term liability in the financial statements. The current portion of this liability is estimated based on historical trends. In the financial statements, the proprietary funds report the liability as it is incurred. The District did not include salary-related payments in the compensated absences liability, including social security taxes, Medicare taxes, and contributions to the defined contribution retirement plan that would be paid on amounts accrued. However, salary-related payments are not considered to be significant.

The District does not currently provide postemployment benefits.

K. Property Taxes

Yolo County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Yolo up to 1 percent of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The valuation/lien date for all property taxes is January 1. Secured property tax is due in two installments: the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property taxes are due on March 1, and become delinquent, if unpaid on August 31.

The County uses the alternative method of property tax apportionment known as the "Teeter Plan". Under this method of property tax apportionment, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

L. Grant Revenues

Certain grant revenues are recognized when specified related expenditures have been incurred. In other grant programs, proceeds are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if accrual criteria is met. Cash received prior to incurrence of the related expenses are recorded as unearned revenue.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

N. Reclassification

Certain reclassifications may have been made to prior year amounts in order to be consistent with current year's presentation.

O. Implementation of Government Accounting Standards Board Statements

Effective May 1, 2022, the District implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of contracts; and (2) establishes a single model for lease accounting based on the foundational principle that lease financings of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. There was no impact to the District's financial position as a result of adoption.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. There was no impact to the District's financial position as a result of adoption.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. There was no impact to the District's financial position as a result of adoption.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). There was no impact to the District's financial position as a result of adoption.

Governmental Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plan) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plan. There was no impact to the District's financial position as a result of adoption.

P. Future Government Accounting Standards Board Statements

These statements are not effective until May 1, 2023 or later and may be applicable for the District. However, the District has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending April 30, 2024.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending April 30, 2024.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of the Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs, and SBITAs are effective for the District's fiscal year ending April 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the District's fiscal year ending April 30, 2024.

Government Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending April 30, 2025.

Government Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending April 30, 2025.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of April 30, 2023 and 2022 consisted of the following:

	2023	2022
Cash		
Cash on hand	\$ 350	\$ 350
Restricted cash - debt service	374,173	373,258
Deposits with financial institutions	3,439,556	1,087,603
Total Cash	3,814,079	1,461,211
Investments		
Yolo County investment pool	701,855	664,649
Local Agency Investment Fund fund	969,334	5,320,426
Total Investments	1,671,189	5,985,075
Total Cash and Cash Equivalents	\$ 5,485,268	\$ 7,446,286

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investment Policy

The District's investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on meeting daily cash flow needs, while striving to achieve the highest yield or return on investment. All investments are made in accordance with Government Code, Section 53600, Chapter 4 – Financial Affairs and, in general, the investment policy is more restrictive than state law. Under the provisions of the District's investment policy the District may invest or deposit in the following:

Type	Limit as a Percentage of Total Portfolio	Maximum Term
Local Agency bonds	No limit	5 years
U.S. Treasury obligations, State obligations (CA and other)	No limit	5 years
U.S. Agencies	No limit	5 years
Banker's Acceptance - commercial banks	40% (1 bank, \$3 million limit)	180 days
Commercial Paper - select agencies (non-pooled funds)	25% (no more than 10% with any one issuer)	270 days
Commercial Paper - other agencies	25% (no more than 10% with any one issuer)	270 days
Negotiable certificates of deposit	30% (no more than 10% with any one issuer)	5 years
Placement service deposits and certificates of deposit	50%	5 years
Repurchase Agreements	No limit	1 year
Reverse repurchase agreements and securities lending agreements	20%	92 days
Medium-term notes	30% (no more than 10% with any one issuer)	5 years
Mutual funds, money market mutual funds	20%	N/A
Collateralized bank deposits	No limit	5 years
Mortgage pass-through securities	20%	5 years
Time Deposits	No limit	5 years
County Pooled Investment Funds	No limit	N/A
Local Agency Investment Fund (LAIF)	No limit	N/A

Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses from increases in interest rates, the District's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the District to meet all projected obligations. As of April 30, the District had the following investments by maturity:

Investment Type	Interest Rates	2023	
		12 months or less	13 to 24 months
Yolo County investment pool	Variable	\$ 701,855	\$ -
Local Agency Investment Fund (LAIF)	Variable	969,334	-
Total Investments		\$ 1,671,189	\$ -

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investment Type	Interest Rates	2022	
		12 months or less	13 to 24 months
Yolo County investment pool	Variable	\$ 664,649	\$ -
Local Agency Investment Fund (LAIF)	Variable	<u>5,320,426</u>	<u>-</u>
Total Investments		<u>\$ 5,985,075</u>	<u>\$ -</u>

Credit Risk

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. Neither LAIF nor the County pool have a rating provided by a nationally recognized statistical rating agency.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the District contain limitations on the amount that can be invested in any one issuer. All investments of the District are in the LAIF and the County pool which contain a diversification of 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 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, except that the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. 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.

At April 30, 2023 and 2022, the carrying amount of the District's deposits were \$3,439,556 and \$1,087,603, and the bank balance of deposits totaled \$3,828,570 and \$1,502,598, respectively. Of the balances in financial institutions, \$250,000 at April 30, 2023 and 2022 was covered by federal depository insurance and the remaining amounts were secured by a pledge of securities by the financial institution, but not in the name of the District.

Investments in External Investment Pools

Investment in Local Agency Investment Fund (LAIF): The District is a voluntary participant in LAIF. Funds deposited in LAIF are invested in accordance with Government Code Sections 16430 and 16480. Oversight of LAIF is provided by the Pooled Money Investment Board whose members are the California State Treasurer, California Director of Finance and the California State Controller. The LAIF Board consists of five members as designated by state statute. Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the District's position in the pool is the same as the value of the pooled shares. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investment in Yolo County Investment Pool: The District participates in the Yolo County Investment Pool, which is managed by the Yolo County Treasurer. Funds deposited in the County pool are invested in accordance with the California State Government Code and the County investment policy. The County has established a treasury oversight committee to monitor and review the management of funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. On a quarterly basis, interest is allocated to participants based on average daily balances. The Yolo County Treasury Oversight Committee oversees the Treasurer's investments and policies. Investments held in the County's investment pool are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the District's position in the pool is the same as the value of the pooled shares. The balance available for withdrawal is based on the accounting records maintained by the County, which are recorded on an amortized cost basis. Information regarding categorization of investments and other deposit and investment risk disclosures can be found in Yolo County's financial statements. Withdrawal of funds from the Yolo County Investment Pool may occur pursuant to Government Code Section 27136 and approval of the Board of Supervisors. The Yolo County financial statements may be obtained by contacting the County Department of Financial Services' office at 625 Court Street, Room 102, Woodland, CA 95695.

NOTE 3 - CAPITAL ASSETS

Capital asset activity consisted of the following for the year ended April 30, 2023:

	<u>May 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>April 30, 2023</u>
Capital assets not being depreciated					
Land and land rights	\$ 2,765,137	\$ -	\$ -	\$ -	\$ 2,765,137
Construction in progress	<u>14,404</u>	<u>1,192,313</u>	<u>-</u>	<u>(295,465)</u>	<u>911,252</u>
Total Capital Assets not Being Depreciated	<u>2,779,541</u>	<u>1,192,313</u>	<u>-</u>	<u>(295,465)</u>	<u>3,676,389</u>
Capital assets being depreciated					
Source of Supply	23,956,217	-	-	23,860	23,980,077
Transmission and Distribution Plant	20,817,382	-	-	271,605	21,088,987
General Plant	<u>4,971,013</u>	<u>14,415</u>	<u>-</u>	<u>-</u>	<u>4,985,428</u>
Total Capital Assets Being Depreciated	<u>49,744,612</u>	<u>14,415</u>	<u>-</u>	<u>295,465</u>	<u>50,054,492</u>
Total Capital Assets	<u>52,524,153</u>	<u>1,206,728</u>	<u>-</u>	<u>-</u>	<u>53,730,881</u>
Less: Accumulated depreciation					
Source of Supply	(10,844,576)	(393,939)	-	-	(11,238,515)
Transmission and Distribution Plant	(6,985,802)	(602,219)	-	-	(7,588,021)
General Plant	<u>(4,001,309)</u>	<u>(169,789)</u>	<u>-</u>	<u>-</u>	<u>(4,171,098)</u>
Total Accumulated Depreciation	<u>(21,831,687)</u>	<u>(1,165,947)</u>	<u>-</u>	<u>-</u>	<u>(22,997,634)</u>
Total Capital Assets, net	<u>\$ 30,692,466</u>	<u>\$ 40,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,733,247</u>

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Capital asset activity consisted of the following for the year ended April 30, 2022:

	<u>May 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>April 30, 2022</u>
Capital assets not being depreciated					
Land and land rights	\$ 2,765,137	\$ -	\$ -	\$ -	\$ 2,765,137
Construction in progress	<u>139,851</u>	<u>171,269</u>	<u>(98,095)</u>	<u>(198,621)</u>	<u>14,404</u>
Total Capital Assets not Being Depreciated	<u>2,904,988</u>	<u>171,269</u>	<u>(98,095)</u>	<u>(198,621)</u>	<u>2,779,541</u>
Capital assets being depreciated					
Source of Supply	23,932,484	-	-	23,733	23,956,217
Transmission and Distribution Plant	20,611,294	31,200	-	174,888	20,817,382
General Plant	<u>4,970,444</u>	<u>68,289</u>	<u>(67,720)</u>	<u>-</u>	<u>4,971,013</u>
Total Capital Assets Being Depreciated	<u>49,514,222</u>	<u>99,489</u>	<u>(67,720)</u>	<u>198,621</u>	<u>49,744,612</u>
Total Capital Assets	<u>52,419,210</u>	<u>270,758</u>	<u>(165,815)</u>	<u>-</u>	<u>52,524,153</u>
Less: Accumulated depreciation					
Source of Supply	(10,449,444)	(395,132)	-	-	(10,844,576)
Transmission and Distribution Plant	(6,388,682)	(597,120)	-	-	(6,985,802)
General Plant	<u>(3,887,064)</u>	<u>(177,063)</u>	<u>62,818</u>	<u>-</u>	<u>(4,001,309)</u>
Total Accumulated Depreciation	<u>(20,725,190)</u>	<u>(1,169,315)</u>	<u>62,818</u>	<u>-</u>	<u>(21,831,687)</u>
Total Capital Assets, net	<u>\$ 31,694,020</u>	<u>\$ (898,557)</u>	<u>\$ (102,997)</u>	<u>\$ -</u>	<u>\$ 30,692,466</u>

Depreciation expense totaled \$1,165,946 and \$1,169,315 for the years ended April 30, 2023 and 2022, respectively.

NOTE 4 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the years ended April 30:

	<u>May 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>April 30, 2023</u>	<u>Due Within One Year</u>
Zion's Bancorp Loan	\$ <u>5,857,314</u>	\$ -	\$ (242,060)	\$ 5,615,254	\$ 247,562
Total Loans Payable	<u>5,857,314</u>	<u>-</u>	<u>(242,060)</u>	<u>5,615,254</u>	<u>247,562</u>
Other Liabilities:					
Compensated absences	<u>148,394</u>	<u>134,477</u>	<u>(139,057)</u>	<u>143,814</u>	<u>112,718</u>
Total Long-Term Liabilities	<u>\$ 6,005,708</u>	<u>\$ 134,477</u>	<u>\$ (381,117)</u>	<u>\$ 5,759,068</u>	<u>\$ 360,280</u>

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 4 - LONG-TERM LIABILITIES (CONTINUED)

	<u>May 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>May 1, 2022</u>	<u>Due Within One Year</u>
Loan Payable	\$ 2,262,778	\$ -	\$ (2,262,778)	\$ -	\$ -
Zion's Bancorp Loan	<u>-</u>	<u>5,974,358</u>	<u>(117,044)</u>	<u>5,857,314</u>	<u>242,060</u>
Total Loans and Lease Payable	<u>2,262,778</u>	<u>5,974,358</u>	<u>(2,379,822)</u>	<u>5,857,314</u>	<u>242,060</u>
Other Liabilities:					
Compensated absences	<u>171,427</u>	<u>140,500</u>	<u>(163,533)</u>	<u>148,394</u>	<u>117,927</u>
Total Long-Term Liabilities	<u>\$ 2,434,205</u>	<u>\$ 6,114,858</u>	<u>\$ (2,543,355)</u>	<u>\$ 6,005,708</u>	<u>\$ 359,987</u>

A description of the long-term liabilities of the District at April 30, 2023 and 2022 is as follows:

Loan Payable – Private Placement: A State Water Resources Control Board (SWRCB) Loan was issued March 9, 2011 in the amount of \$4,220,712. The loan carries an interest rate of 2.7% and is due in annual installments of \$261,221 through December 15, 2030. The loan was used to finance improvements to a transmission and distribution plant and is secured by a lien on net revenues. A provision exists in the agreement requiring pledged revenues to exceed 1.2 times the highest year's debt service on the loan and 1.1 times debt service on the loan and all other District debt if additional debt is issued. Upon default, a late penalty equal to costs incurred by the SWRCB may be charged, including lost earnings, staff time and other costs. During fiscal year 2022, the District paid off this loan with the issuance of the Zion's Bancorp Loan.

Zion's Bancorp Loan: In May 2021, the District entered into an installment purchase agreement in the amount of \$5,974,358 to assist with financing for the Indian Valley Hydroelectric Rehabilitation and Moore Siphon Replacement projects and to pay off the State Water Resources Control Board loan. The loan accrues interest at a rate of 2.26% on installment payments through May 15, 2036. Interest due subsequent to May 15, 2026 is variable as noted below. Principal and interest are due each November 15 and May 15 through 2042. The installment payments are secured by a pledge of revenues. The District is required to set rates and charges at the beginning of each budget year which will provide a debt service coverage level of 120%.

Future payments for the loan payable are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 247,562	\$ 125,514	\$ 373,076
2025	253,188	119,887	373,075
2026	258,942	114,133	373,075
2027	264,828	108,248	373,076
2028	270,847	102,229	373,076
2029 - 2033	1,449,415	415,963	1,865,378
2034 - 2038*	1,621,782	211,479	1,833,261
2039 - 2042*	<u>1,248,690</u>	<u>-</u>	<u>1,248,690</u>
Total	<u>\$ 5,615,254</u>	<u>\$ 1,197,453</u>	<u>\$ 3,730,756</u>

* Per the loan agreement, beginning May 16, 2036, and each May 16 thereafter, interest with respect to the installment payments for the period beginning on such May 16 and ending on May 15 the following calendar year, shall accrue at a rate equal to the one-year Federal Home Loan Bank Des Moines Regular Fixed Advance Rate in effect on the applicable May 16 plus 86 basis points and shall be calculated on the basis of a 360 day year composed of twelve 30 day months.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 5 - NET POSITION

The proprietary fund financial statements report net position in the following categories:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District's restricted net position consisted of amounts held for debt service.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets." Although not considered restricted, the District has designated funds for future unforeseen costs of care, operations, maintenance, repairs, betterments, and replacement of the District's assets. Unrestricted net position designated by the Board were as follows at April 30, 2023 and 2022:

<u>Unrestricted Net Position</u>	<u>2023</u>	<u>2022</u>
Designated:		
Indian Valley Dam	\$ -	\$ 845,948
Cache Creek Dam	-	171,777
Capital Improvement Fund	3,175,470	3,760,090
COVID-19 Relief	<u>552,022</u>	<u>542,611</u>
Total Designated	<u>3,727,492</u>	<u>5,320,426</u>
Total Undesignated	<u>295,547</u>	<u>1,909,074</u>
Total Unrestricted Net Position	<u>\$ 4,023,039</u>	<u>\$ 7,229,500</u>

NOTE 6 - RETIREMENT PLANS

Defined Contribution Retirement Plan: The District administers the Yolo County Flood Control & Water Conservation District 401(a) Governmental Profit-Sharing Plan & Trust (the Plan), a single-employer money purchase defined contribution plan, which is funded exclusively through the purchase of annuity contracts. Employees are eligible to participate after one year of service. The District makes a 7% fixed contribution to the Plan. The receiving employee directs how the funds are invested.

Employees are fully vested in the District's fixed contribution after three years of service. Employees do not contribute to the Plan. During the fiscal years ended April 30, 2023 and 2022, the District's fixed contributions to the Plan were \$119,994 and \$134,728, respectively. The District also provides a discretionary match of employee contributions to the Section 457 Plan described below under the provisions of the Plan.

Deferred Compensation Plan: The District administers a deferred compensation plan under Internal Revenue Code Section 457 (457 Plan). Employees may authorize voluntary payroll deductions from \$10 to an annual maximum of \$22,500 and \$20,500 during the years ended April 30, 2023 and 2022, respectively, or 100% of wages, whichever is less. As part of the 401(a) Governmental Profit-Sharing Plan described above, the District matches 50% of the employees deferred compensation contributions up to a maximum of 6% of the employee's compensation and deposits the discretionary contributions into the 401(a) Governmental Profit-Sharing Plan & Trust. Employees individually direct the investment of their funds from an assortment of available investment options within the 457 Plan portfolio. Employees are fully vested as to their contributions when they are made and are fully vested in the District's discretionary matching contributions after three years of service. For the fiscal years ended April 30, 2023 and 2022, the District contributed \$41,988 and \$49,023 to the Plan, respectively.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

NOTE 7 - JOINT POWERS AGREEMENT - INSURANCE

The District participates in the Association of California Water Agencies Joint Power Insurance Authority (ACWA/JPIA), a public entity risk pool of California water agencies, for general and auto liability, public officials liability, cyber liability, property damage, fidelity insurance and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District's deductibles and maximum coverage are as follows:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General and Auto Liability (Includes Public Officials Liability)	\$5,000,000	\$55,000,000	None
Cyber Liability		\$5,000,000	\$25,000
Property Damage	\$100,000	\$500,000,000	\$500 - \$50,000
Crime	\$100,000	\$1,000,000	\$1,000
Workers' Compensation Liability:			
Workers' Compensation	\$2,000,000	Statutory	None
Employers Liability	\$2,000,000	\$2,000,000	None

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

NOTE 8 - CONTINGENCIES

Legal Contingencies: The District is subject to unasserted claims that arise in the normal course of business. The District's management and legal counsel believe such claims, if any, would not have a material adverse impact on the financial position of the District.

Grants: Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial. Various claims have been filed against the District. In the opinion of the District's management and legal counsel, the claims will not have a material impact on the basic financial statements.

NOTE 9 - SUBSEQUENT EVENT

Management has evaluated events subsequent to April 30, 2023 through September 27, 2023, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

OTHER INFORMATION

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

**OTHER INFORMATION
STATEMENTS OF FIDUCIARY NET POSITION - RETIREMENT PLAN
AS OF APRIL 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Contributions receivable - employer	\$ 6,697	\$ 6,633
Investments		
Target date funds	3,360,805	3,325,036
Stock mutual funds	488,429	525,165
Stable value	758,822	255,840
Fixed income	-	-
Bond funds	-	297,370
International stock funds	-	30,526
Real estate fund	-	-
	<u>4,608,056</u>	<u>4,433,937</u>
Total Assets	\$ <u>4,614,753</u>	\$ <u>4,440,570</u>
Total Net Position Restricted for Retirement Benefits	\$ <u>4,614,753</u>	\$ <u>4,440,570</u>

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - RETIREMENT PLAN
FOR THE YEARS ENDED APRIL 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions - employer	\$ 169,110	\$ 187,250
Increase in investments	<u>12,766</u>	<u>-</u>
Total Additions	<u>181,876</u>	<u>187,250</u>
DEDUCTIONS		
Distributions	-	60,597
Forfeitures	7,080	3,631
Decrease in investments	-	236,780
Administrative expenses	<u>613</u>	<u>1,478</u>
Total Deductions	<u>7,693</u>	<u>302,486</u>
Net Increase (Decrease) in Net Position	<u>174,183</u>	<u>(115,236)</u>
Net Position Restricted for Retirement Benefits - Beginning	<u>4,440,570</u>	<u>4,555,806</u>
Net Position Restricted for Retirement Benefits - Ending	\$ <u>4,614,753</u>	\$ <u>4,440,570</u>
Number of Participants in Retirement Plan:		
Active	22	23
Retiree	9	8



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

To the Board of Directors
Yolo County Flood Control & Water Conservation District
Woodland, California

We have audited, in accordance with the 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, the financial statements of the business-type activities of Yolo County Flood Control & Water Conservation District (the District), as of and for the years ended April 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
September 27, 2023