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**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION  
FOR THE YEARS ENDED  
APRIL 30, 2025 AND 2024  
AND  
INDEPENDENT AUDITOR'S REPORT**

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**MUN CPAs, LLP  
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**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, 2025 and 2024, 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, 2025 and 2024, 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.

#### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2024, the District adopted new accounting guidance, GASB Statement, No 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### ***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 audits 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 30, 2025, 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.

MIN CPAs, LLP

Sacramento, California  
September 30, 2025

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2025**

**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, 2025, 2024, and 2023. 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>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 11,705,124	\$ 9,095,153	\$ 5,984,142
Capital assets, net of accumulated depreciation	<u>31,933,746</u>	<u>30,167,698</u>	<u>30,733,247</u>
<b>Total Assets</b>	<u>43,638,870</u>	<u>39,262,851</u>	<u>36,717,389</u>
Current liabilities	1,537,886	1,454,074	1,803,396
Long-term liabilities	<u>4,926,669</u>	<u>5,148,880</u>	<u>5,398,788</u>
<b>Total Liabilities</b>	<u>6,464,555</u>	<u>6,602,954</u>	<u>7,202,184</u>
Net investment in capital assets	26,819,242	24,800,006	25,117,993
Restricted net position	377,822	377,361	374,173
Unrestricted net position	<u>9,977,251</u>	<u>7,482,530</u>	<u>4,023,039</u>
<b>Total Net Position</b>	<u>\$ 37,174,315</u>	<u>\$ 32,659,897</u>	<u>\$ 29,515,205</u>

**Current Assets:** includes cash and equivalents, accounts receivable, prepaid expenses and inventory. There was an increase of \$2,609,971 in 2025 compared to 2024 due to increased water sales during a full irrigation season. Additionally, Indian Valley Dam Hydro revenues were higher due to winter water releases, and the District received grant reimbursements for completed capital projects.

**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 \$1,766,048 in 2025 was due to major capital projects that were completed throughout the system, most notably the replacement of the bladder at the Capay Diversion Dam.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE YEAR ENDED APRIL 30, 2025**

**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 \$83,812 in 2025. Accounts payable increased due to vendor invoices received at the end of the fiscal year.

**Long-term Liabilities:** includes a 2021 loan for transmission and distribution plant improvements. The decrease in 2025 of \$222,211 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 \$2,019,236 in 2025 and a decrease of \$317,987 in 2024. 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 an increase of \$4,514,418 in 2025 and an increase of \$3,144,692 in 2024. The changes in 2025 and 2024 were due to the availability of full reservoirs and a normal irrigation season with unrestricted agricultural water sales.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE YEAR ENDED APRIL 30, 2025**

**Statement of Revenues, Expenses, and Changes in Net Position**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues:			
Water sales	\$ 7,058,871	\$ 6,106,670	\$ 325,334
Hydroelectric power sales	468,054	283,109	-
Recreation fees	<u>11,343</u>	<u>6,290</u>	<u>-</u>
Total Operating Revenues	<u>7,538,268</u>	<u>6,396,069</u>	<u>325,334</u>
Non-Operating Revenues:			
Property taxes	2,919,238	2,720,707	1,753,937
Federal and State grants	628,422	671,121	75,000
Miscellaneous non-operating revenues	<u>1,156,679</u>	<u>884,010</u>	<u>862,534</u>
Total Non-Operating Revenues	<u>4,704,339</u>	<u>4,275,838</u>	<u>2,691,471</u>
Capital Contributions	<u>85,618</u>	<u>37,261</u>	<u>10,556</u>
Total Revenues	<u>12,328,225</u>	<u>10,709,168</u>	<u>3,027,361</u>
Operating Expenses			
Sources of supply	608,367	608,093	541,718
Transmission and distribution	1,513,770	2,207,307	850,284
Environmental resources	5,623	6,223	4,910
Hydroelectric	48,861	59,500	24,625
General and administrative	2,207,565	1,713,393	1,654,853
Maintenance - general plant	423,147	351,098	326,943
Water resources / studies	448,049	350,316	246,778
Yolo Subbasin Groundwater Agency	567,178	336,462	219,184
Flood SAFE Yolo	-	-	3,121
Madison-Esparto Regional County Service Area	8,510	11,070	12,118
Drought mitigation	-	24,466	116,158
Depreciation	1,169,116	1,166,857	1,165,946
Property taxes	<u>286,339</u>	<u>280,644</u>	<u>257,078</u>
Total Operating Expenses	<u>7,286,525</u>	<u>7,115,429</u>	<u>5,423,716</u>
Non-Operating Expenses	<u>527,282</u>	<u>449,047</u>	<u>526,350</u>
Total Expenses	<u>7,813,807</u>	<u>7,564,476</u>	<u>5,950,066</u>
Change in Net Position	<u>4,514,418</u>	<u>3,144,692</u>	<u>(2,922,705)</u>
Net Position - Beginning of Year	<u>32,659,897</u>	<u>29,515,205</u>	<u>32,437,910</u>
Net Position - End of Year	<u>\$ 37,174,315</u>	<u>\$ 32,659,897</u>	<u>\$ 29,515,205</u>



**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE YEAR ENDED APRIL 30, 2025**

**REVENUES**

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

**Fiscal Year 2024 - 2025 Revenues:**

Total revenues were \$12,328,225. Total revenues increased \$1,619,057 from the prior year.

2024-2025 agricultural water sales totaled \$6,720,507 and non-agricultural water sales totaled \$338,364. This represents a \$952,201 total increase in water sales from 2023-2024 water sales. Total agricultural water delivered was 120,029 acre feet and total non-agricultural water delivered was 9,728 acre feet (this includes littoral and prescriptive water).

The District maintained the adopted five-year water rate of \$55.90 per acre foot. Non-agricultural water sales remained at \$69.24 per acre foot.

Hydroelectric Power Sales increased in 2025-2024 by \$184,945. Hydroelectric Power Sales increased in 2023-2024 by \$283,109.

The District received \$2,919,238 in property taxes compared to \$2,720,707 in 2022-2024 and \$1,753,937 in 2022-2023.

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

The District recorded grant funds of \$628,422 related to the Sustainable Groundwater Management Act (SGMA) and other miscellaneous grants. In 2024-2023, the District recorded grant funds of \$671,121 from FEMA storm repair reimbursement

**Fiscal Year 2023 - 2024 Revenues:**

Total revenues were \$10,709,168. Total revenues increased \$7,681,807 from the prior year.

2023-2024 agricultural water sales totaled \$5,809,231 and non-agricultural water sales totaled \$297,439. This represents a \$5,781,336 total increase in water sales from 2022-2023 water sales. Total agricultural water delivered was 104,072 acre feet and total non-agricultural water delivered was 7,154 acre feet (this includes littoral and prescriptive water).

In previous years, the District used a sliding scale to calculate water rates, which calculated the cost of water based upon the amount of water available in storage on April 1st of each year. The 2022-2023 sliding scale of water rates ranged from \$24 to \$44 per acre foot. On May 2, 2023, the District Directors adopted an agricultural water rate in the amount of \$55.90 per acre foot. This board action was for the five-year period of May 2023 to May 2027 or through the end of the 2027 irrigation season. The new agricultural water rate includes a component for building drought reserves and a component for reimbursing the District for use of short-term capital funds during the drought years. As the target minimums of the drought and short-term capital reserve balances are met, the drought and short-term capital expense components will be removed, lowering the agricultural water rate. Non-agricultural water rates remained at \$69.24 per acre foot.

Hydroelectric Power Sales increased in 2023-2024 by \$283,109. Given the drought in 2022-2023, there was no hydroelectric power sales.

The District received \$2,720,707 in property taxes compared to \$1,753,937 in 2022-2023 and \$1,628,692 in 2021-2022.

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

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE YEAR ENDED APRIL 30, 2025**

The District recorded grant funds of \$671,121 from FEMA storm repair reimbursements and \$75,000 from a USBR Water Smart Grant in 2022-2023.

Fiscal Year 2022 - 2023 Revenues:

Total revenues were \$3,027,361. Total revenues increased \$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 \$1,637,593 in 2020-2021 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.

**EXPENSES**

Fiscal Year 2024 - 2025 Expenses:

Total expenses for the fiscal year were \$7,813,807, which was an increase of \$249,331 from the previous year.

Operating expenses were \$7,286,525, which was a \$171,096 increase from 2023-2024. This includes \$1,169,116 in depreciation expense.

The increase in expenses was due to a normal operating year in an unallocated (regular) irrigation season and increasing inflation rates.

Non-operating expenses totaled \$527,282 compared to \$449,047 in 2023-2024 fiscal year.

Fiscal Year 2023 - 2024 Expenses:

Total expenses for the fiscal year were \$7,564,476, which was a decrease of \$1,614,410 from the previous year.

Operating expenses were \$7,115,429, which was a \$1,691,713 increase from 2022-2023. This includes \$1,166,857 in depreciation expense.

The increase in expenses was due to a normal operating year in a regular irrigation season and a result of the extensive storm repairs to the canals and sloughs during the January 2023 major storm events.

Non-operating expenses totaled \$449,047 compared to \$526,350 in 2022-2023 fiscal year.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE YEAR ENDED APRIL 30, 2025**

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.

**CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land and land rights	\$ 2,765,137	\$ 2,765,137	\$ 2,765,137
Construction in progress	422,967	407,118	911,252
Sources of supply	24,066,357	23,980,077	23,980,077
Transmission and distribution plant	23,113,702	21,912,223	21,088,987
General plant	5,292,246	5,249,172	4,985,428
Less: accumulated depreciation	<u>(23,726,663)</u>	<u>(24,146,029)</u>	<u>(22,997,634)</u>
Total Capital Assets, net	<u>\$ 31,933,746</u>	<u>\$ 30,167,698</u>	<u>\$ 30,733,247</u>

Major capital asset events during 2025 included various canal structure improvements, installation of automatic gates, and the replacement of the bladder at the Capay Diversion dam.

**OUTSTANDING FINANCING DEBT**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Zion's Bancorp Loan	\$ <u>5,114,504</u>	\$ <u>5,367,692</u>	\$ <u>5,615,254</u>
Total Long-Term Liabilities	<u>\$ 5,114,504</u>	<u>\$ 5,367,692</u>	<u>\$ 5,615,254</u>

The Zion's Bancorporation loan was issued in May 2021 in the amount of \$5,974,358 to assist in financing for the Indian Valley Hydroelectric Rehabilitation and Moore Siphon Replacement projects and to pay of the District's previous State Water Resources Control Board loan.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
FOR THE YEAR ENDED APRIL 30, 2025**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The District's Board approved an operating budget at its regular May 2025 meeting along with updated agricultural water rates to ensure fiscal sustainability during dry years. The approved expense budget for the fiscal year 2025-2026 is \$8,819,330. With projected revenues of \$12,026,913. The District is projecting a net income of \$3,207,583. From the agricultural water sales revenue, approximately \$1,705,000 is projected to be transferred to a Drought Reserve Fund and approximately \$154,000 is projected to be transferred to the short-term Capital Recovery Fund. Approximately \$945,000 will be collected from a Special Tax Assessment and reserved 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 2025-2026 revenue budget includes \$6,779,173 in water sales.

The revenue from property taxes included in the budget is \$1,776,200 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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 10,015,304	\$ 7,710,290
Restricted cash and cash equivalents (Note 2)	377,822	377,361
Receivables:		
Accounts receivable (net of allowance of \$36,693 and \$17,278, respectively)	315,840	67,840
Intergovernmental	743,637	678,880
Prepaid expenses	135,267	133,986
Inventory	<u>117,254</u>	<u>126,796</u>
Total Current Assets	<u>11,705,124</u>	<u>9,095,153</u>
Non-Current Assets		
Capital assets:		
Non-depreciable capital assets (Note 3)	3,188,104	3,172,255
Depreciable capital assets (Note 3)	<u>28,745,642</u>	<u>26,995,443</u>
Total Capital Assets	<u>31,933,746</u>	<u>30,167,698</u>
Total Non-Current Assets	<u>31,933,746</u>	<u>30,167,698</u>
<b>TOTAL ASSETS</b>	<u>43,638,870</u>	<u>39,262,851</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	615,732	528,129
Salaries and benefits payable	53,929	14,480
Interest payable	50,784	55,600
Unearned revenues	29,577	29,577
Customer deposits	310,519	447,722
Compensated absences, current portion (Note 4)	218,403	125,378
Loan payable, current portion (Note )	<u>258,942</u>	<u>253,188</u>
Total Current Liabilities	<u>1,537,886</u>	<u>1,454,074</u>
Non-Current Liabilities		
Compensated absences, net of current (Note 4)	71,107	34,376
Loan payable, net of current (Note )	<u>4,855,562</u>	<u>5,114,504</u>
Total Non-Current Liabilities	<u>4,926,669</u>	<u>5,148,880</u>
<b>TOTAL LIABILITIES</b>	<u>6,464,555</u>	<u>6,602,954</u>
<b>NET POSITION</b>		
Net investment in capital assets	26,819,242	24,800,006
Restricted for debt service	377,822	377,361
Unrestricted (Note 6)	<u>9,977,251</u>	<u>7,482,530</u>
<b>TOTAL NET POSITION</b>	<u>\$ 37,174,315</u>	<u>\$ 32,659,897</u>

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Water sales	\$ 7,058,871	\$ 6,106,670
Hydroelectric power sales	468,054	283,109
Recreation fees	<u>11,343</u>	<u>6,290</u>
Total Operating Revenues	<u>7,538,268</u>	<u>6,396,069</u>
<b>OPERATING EXPENSES</b>		
Source of supply	608,367	608,093
Transmission and distribution	1,513,770	2,207,307
Environmental resources	5,623	6,223
Hydroelectric	48,861	59,500
General and administrative	2,207,565	1,713,393
Maintenance - general plant	423,147	351,098
Water studies	448,049	350,316
Yolo Subbasin Groundwater Agency	567,178	336,462
Madison-Esparto Regional County Service Area (MERCSA)	8,510	11,070
Drought mitigation	-	24,466
Depreciation	1,169,116	1,166,857
Property taxes	<u>286,339</u>	<u>280,644</u>
Total Operating Expenses	<u>7,286,525</u>	<u>7,115,429</u>
<b>OPERATING INCOME/(LOSS)</b>	<u>251,743</u>	<u>(719,360)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Property taxes	2,919,238	2,720,707
Federal and State grants	628,422	671,121
Shared service revenues	349,219	368,046
Interest income	412,849	240,613
FloodSAFE Yolo revenues	-	2,291
Yolo Subbasin Groundwater Agency reimbursements	382,688	251,536
Gain on disposal of capital assets	11,524	1,500
Interest expense	(115,071)	(122,976)
Other non-operating revenues	11,923	21,524
Other non-operating expenses	<u>(423,735)</u>	<u>(327,571)</u>
Total Non-Operating Income	<u>4,177,057</u>	<u>3,826,791</u>
Gain Before Capital Contributions	<u>4,428,800</u>	<u>3,107,431</u>
Capital Contributions	<u>85,618</u>	<u>37,261</u>
<b>CHANGE IN NET POSITION</b>	<u>4,514,418</u>	<u>3,144,692</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>32,659,897</u>	<u>29,515,205</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 37,174,315</u>	<u>\$ 32,659,897</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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from customers	\$ 7,088,308	\$ 5,872,838
Cash paid to suppliers	(2,497,127)	(3,298,014)
Cash paid to employees	<u>(3,355,213)</u>	<u>(2,984,878)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>1,235,968</u>	<u>(410,054)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
Property taxes	2,919,238	2,720,707
Federal and state grants	628,422	671,121
Flood SAFE Yolo revenues	-	2,291
Yolo Subbasin Groundwater Agency reimbursements	382,688	251,536
Shared service revenues	349,219	368,046
Other non-operating revenues	11,923	21,524
Other non-operating expenses	<u>(405,736)</u>	<u>(327,571)</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>3,885,754</u>	<u>3,707,654</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Acquisition and construction of capital assets	(2,944,988)	(601,533)
Gain from disposal of capital assets	11,254	1,500
Contributed capital	85,618	37,261
Principal paid on long-term liabilities	(253,188)	(247,562)
Interest paid on long-term liabilities	<u>(127,792)</u>	<u>(125,496)</u>
<b>Net Cash Used for Capital and Related Financing Activities</b>	<u>(3,229,096)</u>	<u>(935,830)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest income	<u>412,849</u>	<u>240,613</u>
<b>Net Cash Provided by Investing Activities</b>	<u>412,849</u>	<u>240,613</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,305,475	2,602,383
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>8,087,651</u>	<u>5,485,268</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 10,393,126</u>	<u>\$ 8,087,651</u>
<b><u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u></b>		
Cash and cash equivalents	\$ 10,015,304	\$ 7,710,290
Restricted cash and cash equivalents	<u>377,822</u>	<u>377,361</u>
<b>Total Cash and Cash Equivalents</b>	<u>\$ 10,393,126</u>	<u>\$ 8,087,651</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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income/(loss)	\$ 251,743	\$ (719,360)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Flows provided by/(used for) Operating Activities:		
Depreciation	1,169,116	1,166,857
Changes in assets and liabilities:		
Increase in accounts receivable	(312,757)	(476,447)
Increase in prepaid expenses	(1,281)	(4,001)
(Increase) Decrease in inventory	9,542	(28,000)
Increase (Decrease) in accounts payable	87,603	(248,824)
Increase (Decrease) in salaries and benefits payable	39,449	(69,435)
Decrease in customer deposits	(137,203)	(46,784)
Increase in compensated absences	<u>129,756</u>	<u>15,940</u>
<b>Net Cash Provided by/(Used for) Operating Activities</b>	<b>\$ <u>1,235,968</u></b>	<b>\$ <u>(410,054)</u></b>

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, 2025 AND 2024**

**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, 2025 AND 2024**

**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, 2025 AND 2024**

**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, 2025 and 2024, the allowance for uncollectible receivables totaled \$36,693 and \$17,278, 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, 2025 AND 2024**

**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**

In accordance with GASB Statement No. 101, Compensated Absences, compensated absences include leave for which employees may receive cash payments or other forms of settlement, either during employment or upon termination. These include, but are not limited to, vacation leave, sick leave, paid time off (PTO), holidays, parental leave, bereavement leave, and certain types of sabbatical leave. Under GASB 101, a liability is recognized for: (1) leave that has been earned but not yet used, and (2) leave that has been used but not yet paid or settled. The liability is measured based on the amount of leave that is more likely than not to be paid or settled. This includes applicable salary-related payments, if those contributions are directly associated with the payment of compensated absences.

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, 2025 AND 2024**

**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, 2024, the District implemented the following accounting and financial reporting standards:

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. There was no impact to the District's financial position as a result of adoption.

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.

Government Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. 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, 2025 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. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the District's fiscal year ending April 30, 2026.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government Accounting Standards Board Statement No. 104

In September 2024, GASB issued Statement No, 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the District's fiscal year ending April 30, 2026.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of April 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Cash		
Cash on hand	\$ 350	\$ 350
Restricted cash - debt service	377,822	377,361
Deposits with financial institutions	<u>3,852,728</u>	<u>3,783,477</u>
Total Cash	<u>4,230,900</u>	<u>4,161,188</u>
Investments		
Yolo County investment pool	1,251,220	1,166,682
Local Agency Investment Fund	<u>4,911,006</u>	<u>2,759,781</u>
Total Investments	<u>6,162,226</u>	<u>3,926,463</u>
Total Cash and Cash Equivalents	<u>\$ 10,393,126</u>	<u>\$ 8,087,651</u>

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024**

**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:

<u>Type</u>	<u>Limit as a Percentage of Total Portfolio</u>	<u>Maximum Term</u>
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:

<u>Investment Type</u>	<u>Interest Rates</u>	<u>2025</u>	
		<u>12 months or less</u>	<u>13 to 24 months</u>
Yolo County investment pool	Variable	\$ 1,251,220	\$ -
Local Agency Investment Fund (LAIF)	Variable	<u>4,911,006</u>	<u>-</u>
Total Investments		<u>\$ 6,162,226</u>	<u>\$ -</u>

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

<u>Investment Type</u>	<u>Interest Rates</u>	<u>2024</u>	
		<u>12 months or less</u>	<u>13 to 24 months</u>
Yolo County investment pool	Variable	\$ 1,166,682	\$ -
Local Agency Investment Fund (LAIF)	Variable	<u>2,759,781</u>	<u>-</u>
Total Investments		<u>\$ 3,926,463</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, 2025 and 2024, the carrying amount of the District's deposits were \$3,852,728 and \$3,783,477, and the bank balance of deposits totaled \$3,874,514 and \$3,845,982, respectively. Of the balances in financial institutions, \$250,000 at April 30, 2025 and 2024 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, 2025 AND 2024**

**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, 2025:

	<u>May 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>April 30, 2025</u>
<b>Capital assets not being depreciated</b>					
Land and land rights	\$ 2,765,137	\$ -	\$ -	\$ -	\$ 2,765,137
Construction in progress	<u>407,118</u>	<u>634,019</u>	<u>(8,123)</u>	<u>(610,047)</u>	<u>422,967</u>
Total Capital Assets not Being Depreciated	<u>3,172,255</u>	<u>634,019</u>	<u>(8,123)</u>	<u>(610,047)</u>	<u>3,188,104</u>
<b>Capital assets being depreciated</b>					
Source of Supply	23,980,077	86,280	-	-	24,066,357
Transmission and Distribution Plant	21,912,223	1,897,685	(1,306,253)	610,047	23,113,702
General Plant	<u>5,249,172</u>	<u>330,103</u>	<u>(287,029)</u>	<u>-</u>	<u>5,292,246</u>
Total Capital Assets Being Depreciated	<u>51,141,472</u>	<u>2,314,068</u>	<u>(1,593,282)</u>	<u>610,047</u>	<u>52,472,305</u>
Total Capital Assets	<u>54,313,727</u>	<u>2,948,087</u>	<u>(1,601,405)</u>	<u>-</u>	<u>55,660,409</u>
<b>Less: Accumulated depreciation</b>					
Source of Supply	(11,627,721)	(388,386)	-	-	(12,016,107)
Transmission and Distribution Plant	(8,199,926)	(602,891)	1,301,453	-	(7,501,364)
General Plant	<u>(4,318,382)</u>	<u>(177,839)</u>	<u>287,029</u>	<u>-</u>	<u>(4,209,192)</u>
Total Accumulated Depreciation	<u>(24,146,029)</u>	<u>(1,169,116)</u>	<u>1,588,482</u>	<u>-</u>	<u>(23,726,663)</u>
Total Capital Assets, net	<u>\$ 30,167,698</u>	<u>\$ 1,778,971</u>	<u>\$ (12,923)</u>	<u>\$ -</u>	<u>\$ 31,933,746</u>

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED APRIL 30, 2025 AND 2024**

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

Capital asset activity consisted of the following for the year ended April 30, 2024:

	<u>May 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>April 30, 2024</u>
<b>Capital assets not being depreciated</b>					
Land and land rights	\$ 2,765,137	\$ -	\$ -	\$ -	\$ 2,765,137
Construction in progress	<u>911,252</u>	<u>1,347,571</u>	<u>(1,028,469)</u>	<u>(823,236)</u>	<u>407,118</u>
Total Capital Assets not Being Depreciated	<u>3,676,389</u>	<u>1,347,571</u>	<u>(1,028,469)</u>	<u>(823,236)</u>	<u>3,172,255</u>
<b>Capital assets being depreciated</b>					
Source of Supply	23,980,077	-	-	-	23,980,077
Transmission and Distribution Plant	21,088,987	-	-	823,236	21,912,223
General Plant	<u>4,985,428</u>	<u>282,207</u>	<u>(18,463)</u>	<u>-</u>	<u>5,249,172</u>
Total Capital Assets Being Depreciated	<u>50,054,492</u>	<u>282,207</u>	<u>(18,463)</u>	<u>823,236</u>	<u>51,141,472</u>
Total Capital Assets	<u>53,730,881</u>	<u>1,629,778</u>	<u>(1,046,932)</u>	<u>-</u>	<u>54,313,727</u>
<b>Less: Accumulated depreciation</b>					
Source of Supply	(11,238,515)	(389,206)	-	-	(11,627,721)
Transmission and Distribution Plant	(7,588,021)	(611,905)	-	-	(8,199,926)
General Plant	<u>(4,171,098)</u>	<u>(165,746)</u>	<u>18,462</u>	<u>-</u>	<u>(4,318,382)</u>
Total Accumulated Depreciation	<u>(22,997,634)</u>	<u>(1,166,857)</u>	<u>18,462</u>	<u>-</u>	<u>(24,146,029)</u>
Total Capital Assets, net	<u>\$ 30,733,247</u>	<u>\$ 462,921</u>	<u>\$ (1,028,470)</u>	<u>\$ -</u>	<u>\$ 30,167,698</u>

Depreciation expense totaled \$1,169,116 and \$1,166,857 for the years ended April 30, 2025 and 2024, respectively.

**NOTE 4 - COMPENSATED ABSENCES**

Summary changes to compensated absences balances for the year ended April 30, 2025, were as follows:

	<u>Balance at May 1, 2024</u>	<u>Net Change</u>	<u>Balance at April 30, 2025</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Compensated Absences	\$ <u>159,754</u>	\$ <u>129,756</u>	\$ <u>289,510</u>	\$ <u>218,403</u>	\$ <u>71,107</u>

Summary changes to compensated absences balances for the year ended April 30, 2024, were as follows:

	<u>Balance at May 1, 2023</u>	<u>Net Change</u>	<u>Balance at April 30, 2024</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Compensated Absences	\$ <u>143,814</u>	\$ <u>15,940</u>	\$ <u>159,754</u>	\$ <u>125,378</u>	\$ <u>34,376</u>

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024**

**NOTE 5 - LOAN PAYABLE**

The following is a summary of changes in the loan payable for the years ended April 30:

	<u>May 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>April 30, 2025</u>	<u>Due Within One Year</u>
Zion's Bancorp Loan	\$ 5,367,692	\$ -	\$ (253,188)	\$ 5,114,504	\$ 258,942
Total Loans Payable	<u>\$ 5,367,692</u>	<u>\$ -</u>	<u>\$ (253,188)</u>	<u>\$ 5,114,504</u>	<u>\$ 258,942</u>

	<u>May 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>April 30, 2024</u>	<u>Due Within One Year</u>
Zion's Bancorp Loan	\$ 5,615,254	\$ -	\$ (247,562)	\$ 5,367,692	\$ 253,188
Total Loans Payable	<u>\$ 5,615,254</u>	<u>\$ -</u>	<u>\$ (247,562)</u>	<u>\$ 5,367,692</u>	<u>\$ 253,188</u>

A description of the loan payable of the District at April 30, 2025 and 2024 is as follows:

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, 2036 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>
2026	\$ 258,942	\$ 114,133	\$ 373,075
2027	264,828	108,248	373,076
2028	270,847	102,229	373,076
2029	277,002	96,073	373,075
2030	283,298	89,778	373,075
2031 - 2035	1,516,047	349,330	1,865,377
2036 - 2040*	1,696,340	92,961	1,789,301
2041 - 2042*	547,200	-	547,200
Total	<u>\$ 5,114,504</u>	<u>\$ 952,752</u>	<u>\$ 6,067,255</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, 2025 AND 2024**

**NOTE 6 - 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. In addition to a drought reserve and funds designated for COVID-19 relief, the District designates funds for the following purposes:

*Capital Recovery Funds:* Fund that holds a short-term recovery charge approved in May 2023. This fund has a target of \$762,780 and will cease the temporary charge once the fund meets the target amount.

*Capital Improvement Funds:* Fund that was initiated out of the District's Installment Purchase Bond to reimburse the District for prior capital expenditures and to repay the District's 2010 State Revolving Fund Loan. This fund includes the 2023 Special Assessment funds collected on the property tax roll.

Unrestricted net position designated by the Board were as follows at April 30, 2025 and 2024:

<b>Unrestricted Net Position</b>	<b>2025</b>	<b>2024</b>
Designated:		
Drought Reserve Funds	\$ 3,540,724	\$ 1,608,452
Capital Recovery Funds	319,632	145,033
Capital Improvement Funds	3,319,238	3,112,247
COVID-19 Relief	<u>598,309</u>	<u>573,072</u>
Total Designated	<u>7,777,903</u>	<u>5,438,804</u>
Total Undesignated	<u>2,199,348</u>	<u>2,043,726</u>
Total Unrestricted Net Position	<u>\$ 9,977,251</u>	<u>\$ 7,482,530</u>

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024**

**NOTE 7 - 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, 2025 and 2024, the District's fixed contributions to the Plan were \$162,501 and \$141,821, 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, 2025 and 2024, 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, 2025 and 2024, the District contributed \$60,469 and \$49,046 to the Plan, respectively.

**NOTE 8 - 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:

<b>Coverage</b>	<b>ACWA/JPIA</b>	<b>Commercial Insurance</b>	<b>Deductible</b>
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 - \$100,000
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.

**YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024**

**NOTE 9 - 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 10 - SUBSEQUENT EVENT**

Management has evaluated events subsequent to April 30, 2025 through September 30, 2025, 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**

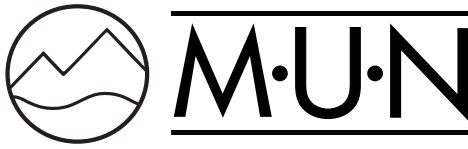
**OTHER INFORMATION  
STATEMENTS OF FIDUCIARY NET POSITION - RETIREMENT PLAN  
AS OF APRIL 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Investments		
Target date funds	\$ 4,515,307	\$ 3,918,760
Stock mutual funds	825,477	875,470
Stable value	<u>320,535</u>	<u>320,946</u>
Total Investments	<u>5,661,319</u>	<u>5,115,176</u>
<b>Total Assets</b>	\$ <u>5,661,319</u>	\$ <u>5,115,176</u>
<b>Total Net Position Restricted for Retirement Benefits</b>	\$ <u>5,661,319</u>	\$ <u>5,115,176</u>

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - RETIREMENT PLAN  
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ADDITIONS</b>		
Contributions - employer	\$ 222,970	\$ 190,823
Increase in investments	<u>443,825</u>	<u>480,207</u>
Total Additions	<u>666,795</u>	<u>671,030</u>
<b>DEDUCTIONS</b>		
Distributions	120,152	170,607
Administrative expenses	<u>500</u>	<u>-</u>
Total Deductions	<u>120,652</u>	<u>170,607</u>
<b>Net Increase in Net Position</b>	<u>546,143</u>	<u>500,423</u>
<b>Net Position Restricted for Retirement Benefits - Beginning</b>	<u>5,115,176</u>	<u>4,614,753</u>
<b>Net Position Restricted for Retirement Benefits - Ending</b>	\$ <u>5,661,319</u>	\$ <u>5,115,176</u>
<b>Number of Participants in Retirement Plan:</b>		
Active	28	25
Retiree	4	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 year ended April 30, 2025, 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 30, 2025.

**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.

*MUN CPAs, LLP*

Sacramento, California  
September 30, 2025