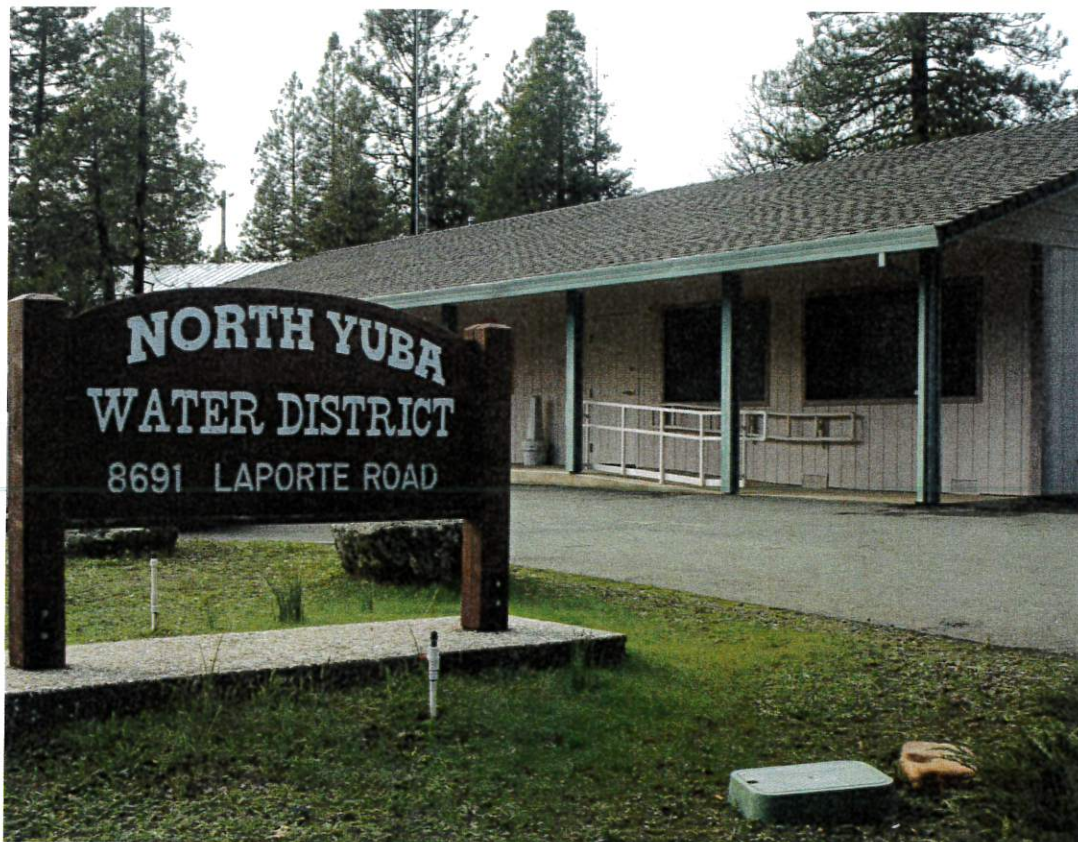


**NORTH YUBA WATER DISTRICT**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**

**June 30, 2020 and 2019**



**NORTH YUBA WATER DISTRICT**

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**NORTH YUBA WATER DISTRICT**  
Management Discussion and Analysis  
June 30, 2020 and 2019

Our discussion and analysis of the North Yuba Water District's financial performance provides an overview of the District's financial activities for the years ended June 30, 2020 and 2019. Please, read it in conjunction with the District's basic financial statements, which begin on page 7.

**Basic Financial Statements**

The District's basic financial statements include four components:

- Statement of Net Position
- Statement of Revenues, Expenses, Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

The balance sheet includes all of the District's assets and liabilities, with the difference between the two reported as net position.

The balance sheet provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statement of revenues, expenses and changes in net position presents information which shows how the District's net position changed during each year. All of the year's revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of revenues, expenses, and changes in net position measures the success of the District's operations during the year and determine whether the District has recovered its costs through user fees and other charges.

The statement of cash flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Noncapital Financing
- Capital Financing and Related Financing
- Investing

The statement of cash flows differentiates from the statement of revenues, expenses and changes in net position by accounting for transactions that result in cash receipts and cash disbursements. The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

**NORTH YUBA WATER DISTRICT**  
**Management Discussion and Analysis**  
**June 30, 2020 and 2019**

**Financial Highlights**

**FY2020** - During the year ended June 30, 2020, the District's net position increased by \$79,617 or 0.76%. The District's operating revenues decreased by \$1,381,980 or 47.49%, and operating expenses increased by \$125,241 6.89%. Non-operating revenues were \$494,082.

**FY2019** - During the year ended June 30, 2019, the District's net position increased by \$1,556,291 or 18%. The District's operating revenues decreased by \$1,359,166 or 32%, and operating expenses increased by \$171,094 10.39%. Non-operating revenues were \$463,535.

**Financial Analysis of the District**

**FY2020** - the District's net position increased by \$79,617 from \$10,433,987 to \$10,513,604. Net position invested in capital assets, less accumulated depreciation, decreased by \$28,340.

**FY2019** - the District's net position increased by \$1,556,291, from \$8,877,696 to \$10,433,987. Net position invested in capital assets, less accumulated depreciation, increased by \$305,528.

**BALANCE SHEET**

	<u>2020</u>	<u>2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current Assets	\$ 3,772,520	\$ 3,658,522	\$ 113,998	3.12%
Capital Assets-Net	5,410,372	5,438,712	(28,340)	-0.52%
Restricted Assets	1,457,978	1,488,059	(30,081)	-2.02%
<b>Total Assets</b>	<b>\$ 10,640,870</b>	<b>\$ 10,585,293</b>	<b>\$ 55,577</b>	<b>0.53%</b>
Liabilities	\$ 127,266	\$ 151,306	\$ (24,040)	-15.89%
<b>Total Liabilities</b>	<b>127,266</b>	<b>151,306</b>	<b>(24,040)</b>	<b>-15.89%</b>
Invested in Capital Assets, Net of Related Debt	5,410,372	5,438,712	(28,340)	-0.52%
Restricted	1,457,978	1,488,059	(30,081)	-2.02%
Unrestricted	3,645,254	3,507,216	138,038	3.94%
<b>Total Net Position</b>	<b>10,513,604</b>	<b>10,433,987</b>	<b>79,617</b>	<b>0.76%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 10,640,870</b>	<b>\$ 10,585,293</b>	<b>\$ 55,577</b>	<b>0.53%</b>

**NORTH YUBA WATER DISTRICT**  
**Management Discussion and Analysis**  
**June 30, 2020 and 2019**

**Financial Analysis of the District (Continued)**

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

	<u>2020</u>	<u>2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenue				
Operating Income	\$ 1,527,808	\$ 2,909,788	\$ (1,381,980)	-47.49%
Non-Operating Income	494,082	463,535	30,547	6.59%
<b>Total Revenue</b>	<u>2,021,890</u>	<u>3,373,323</u>	<u>(1,351,433)</u>	<u>-40.06%</u>
Operating Expenses				
Water Supply, Treatment, Distribution	888,745	843,606	45,139	5.35%
Administration Expenses	813,585	756,389	57,196	7.56%
Depreciation	239,943	217,037	22,906	10.55%
<b>Total Expenses</b>	<u>1,942,273</u>	<u>1,817,032</u>	<u>125,241</u>	<u>6.89%</u>
<b>Changes in Net Position</b>	<u>79,617</u>	<u>1,556,291</u>	<u>(1,476,674)</u>	<u>-94.88%</u>
Net Position- Beginning of Year	<u>10,433,987</u>	<u>8,877,696</u>	<u>1,556,291</u>	<u>17.53%</u>
Net Position- End of Year	<u>\$ 10,513,604</u>	<u>\$ 10,433,987</u>	<u>\$ 79,617</u>	<u>0.76%</u>

**Capital Assets**

As of June 30, 2020, District invested in capital assets, net of accumulated depreciation was \$5,410,372. The District purchased \$211,605 of capital assets during fiscal year end June 30, 2020. The depreciation expense was \$239,943. Capital assets, net of accumulated depreciation was decreased by \$28,340 due to depreciation exceeding capital purchase.

As of June 30, 2019, District invested in capital assets, net of accumulated depreciation was \$5,438,712. The District purchased \$522,565 of capital assets during fiscal year end June 30, 2019. For the year ended June 30, 2019, depreciation expense was \$217,037. Capital assets, net of accumulated depreciation was increased by \$305,528.

**Capital Debt**

As of and for the fiscal years ending June 30, 2020, and 2019, the District did not have any capital debts.

**NORTH YUBA WATER DISTRICT**  
Management Discussion and Analysis  
June 30, 2020 and 2019

**Economic Factors**

**FY2020** - The District incurred a \$414,465 operating loss during fiscal year 2020, and a \$1,092,276 operation gain during fiscal year 2019. Operating income for fiscal year 2020 decreased primarily from power revenues. Power revenue varies significantly from year-to-year dependent upon hydrological and other factors. The positive change of net position of \$79,617 for fiscal year 2020 is due to non-operating income of \$494,082.

**FY2019** - The District incurred a \$1,092,276 operating gain during fiscal year 2019, and a \$2,623,016 operation gain during fiscal year 2018. Operating income for fiscal year 2019 decreased primarily from power revenues. Power revenue varies significantly from year to year dependent upon hydrological and other factors. The operating revenues for fiscal year 2019 increased by non-operating income of \$463,535 resulting in an overall increase in net position of \$1,556,291.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have any questions regarding this report or need additional financial information, please contact North Yuba Water District, P.O. Box 299, Brownsville, CA 95919



Blomberg & Griffin Accountancy Corporation  
Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
North Yuba Water District  
Brownsville, CA

### Report on the Financial Statements

We have audited the accompanying financial statements of North Yuba Water District as of and for the years ended June 30, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *State Controller's Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

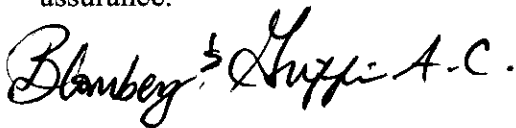
**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the North Yuba Water District, as of June 30, 2020 and 2019 and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 thru 4 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.



Blomberg & Griffin A.C.  
Stockton, CA  
February 09, 2021



**NORTH YUBA WATER DISTRICT**

Statement of Net Position

June 30, 2020 and 2019

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>		
Cash in Bank	\$ 182,127	\$ 184,384
Cash in County	3,519,835	3,412,308
Accounts Receivable (net allowance of -0-):	31,460	27,974
Inventory	31,859	28,734
Prepaid Expenses	<u>7,239</u>	<u>5,122</u>
<b>Total Current Assets</b>	<u>3,772,520</u>	<u>3,658,522</u>
<b>CAPITAL ASSETS AT COST</b>		
Land	142,037	142,037
Property and Equipment	8,878,988	8,852,099
Less Accumulated Depreciation	<u>(4,595,326)</u>	<u>(4,355,383)</u>
Net Property and Equipment	<u>4,425,699</u>	<u>4,638,753</u>
Construction in Progress	608,782	424,068
Land for Future Use	<u>375,891</u>	<u>375,891</u>
<b>Total Capital Assets - Net</b>	<u>5,410,372</u>	<u>5,438,712</u>
Restricted Assets:		
Cash with County	897,512	878,668
Tank Project - Cash	108,991	108,782
Capital Improvement Project	184,008	183,656
Saving Money Market	111,335	111,121
Reserve - Savings	96,211	96,029
YC Water Sales	<u>59,921</u>	<u>109,803</u>
<b>Total Restricted Assets</b>	<u>1,457,978</u>	<u>1,488,059</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,640,870</u>	<u>\$ 10,585,293</u>
	<b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 39,531	\$ 61,916
Compensated Absences	39,905	44,824
Customer Deposits	<u>47,830</u>	<u>44,566</u>
<b>Total Current Liabilities</b>	<u>127,266</u>	<u>151,306</u>
Long-Term Debt, Net of Current Portion	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>127,266</u>	<u>151,306</u>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	5,410,372	5,438,712
Restricted	1,457,978	1,488,059
Unrestricted	<u>3,645,254</u>	<u>3,507,216</u>
<b>Total Net Position</b>	<u>10,513,604</u>	<u>10,433,987</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 10,640,870</u>	<u>\$ 10,585,293</u>

See accompanying notes to the financial statements

**NORTH YUBA WATER DISTRICT**  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES</b>		
Irrigation	\$ 37,466	\$ 22,521
Domestic	241,602	240,346
Power Revenue	709,000	2,102,737
Resale	381,240	364,815
Grants and Other Revenues	<u>158,500</u>	<u>179,369</u>
 Total Operating Revenues	 <u>1,527,808</u>	 <u>2,909,788</u>
<b>OPERATING EXPENSES</b>		
Source of Supply	285,267	258,910
Water Treatment	195,925	183,171
Transmission & Distribution	407,553	401,525
Administrative & General	813,585	756,389
Depreciation	<u>239,943</u>	<u>217,037</u>
 Total Operating Expenses	 <u>1,942,273</u>	 <u>1,817,032</u>
 Net Income (Loss) from Operations	 <u>(414,465)</u>	 <u>1,092,756</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Tax Revenue	404,485	383,621
Interest Income	<u>89,597</u>	<u>79,914</u>
 Total Non-Operating Income	 <u>494,082</u>	 <u>463,535</u>
 Changes in Net Position	 79,617	 1,556,291
 Net Position - Beginning of Year	 <u>10,433,987</u>	 <u>8,877,696</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 10,513,604</u></u>	 <u><u>\$ 10,433,987</u></u>

See accompanying notes to the financial statements

**NORTH YUBA WATER DISTRICT**  
Statement of Cash Flows  
For the Years Ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Receipts from Customers	\$ 1,527,586	\$ 2,920,956
Cash Payments to Suppliers	(916,372)	(854,670)
Cash Payments to Administrative & General	(818,504)	(758,728)
Net Cash Provided (Used) by Operating Activities	(207,290)	1,307,558
<b>CASH FLOWS FROM NON-CAPITAL ACTIVITIES:</b>		
Receipts from Taxes, Assessments, and Nonoperating Revenue Less Other Nonoperating Expenses	404,485	383,621
Net Cash Provided (Used) by Non-Capital Activities	404,485	383,621
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of Capital Assets/Adjustment in Capital Asset	(211,605)	(522,565)
Net Cash Provided (Used) by Capital and Related Financing Activities	(211,605)	(522,565)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Income	89,597	79,914
Net Cash Provided (Used) by Investing Activities	89,597	79,914
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	75,187	1,248,528
<b>CASH - BEGINNING OF YEAR</b>	5,084,751	3,836,223
<b>CASH - END OF YEAR</b>	\$ 5,159,938	\$ 5,084,751
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Net Operating Income (Loss)	\$ (414,465)	\$ 1,092,756
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</b>		
Depreciation	239,943	217,037
<b>Change in Assets and Liabilities:</b>		
Accounts Receivable	(3,486)	8,787
Inventory	(3,125)	(3,819)
Prepaid Expenses and Other Current Assets	(2,117)	35,743
Accounts Payable	(22,385)	(42,988)
Deposits	3,264	2,381
Accrued Expenses and Other Liabilities	(4,919)	(2,339)
Net Cash Provided by (used for) Operating Activities	\$ (207,290)	\$ 1,307,558

See accompanying notes to the financial statements

# NORTH YUBA WATER DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

### 1. Organization:

The North Yuba Water District (the "District") was formed on July 22, 1952 under California law for the purpose of providing domestic (treated) and irrigation (untreated) water service within the District boundaries. The earlier years of the District's existence were spent resolving water rights disputes against the Oroville-Wyandotte Irrigation District. A lengthy series of hearings resulted in State Decisions D-838 and D-907 and culminated with the March 8, 1958 and December 9, 1959 Agreements with OWID. The 1959 agreement was amended in 1965 and then superseded in 2005 by the NYWD/SFWPA agreement discussed in item 9 below.

There are five improvement Districts within the North Yuba Water District. Improvement District #1 was formed on March 25, 1964 for the irrigation service area. Improvement District #2 was formed on September 10, 1966 for the domestic service area. Improvement District #3 was formed on April 30, 1968 for the Forbestown water distribution system. Improvement District #5 was formed on July 19, 1974 for the New York House Road water distribution system. Improvement District #6 was formed on February 3, 1979 for the Rackerby water distribution system. At this time, the District serves domestic water to approximately 770 active services in or near the communities of Brownsville, Challenge, Forbestown, and Rackerby, and serves irrigation water to 110 active services in the Dobbins-Oregon House area.

The North Yuba Water District is governed by a five-member Board of Directors, elected by division, who set District policy. Subject to the Board's direction, the overall operation and administration of the District is conducted under the authority of the General Manager/Secretary.

### 2. Summary of Significant Accounting Policies:

The accounting policies of North Yuba Water District conform to generally accepted accounting principles applicable to enterprise funds. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### Fund Accounting

The District is an enterprise fund. All operations are accounted as an enterprise fund.

Enterprise Fund - The enterprise fund is used to account for water operations that are financed and operated in a manner similar to private business enterprises. The intent of the District is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

## NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2020 and 2019

### 2. Summary of Significant Accounting Policies (continued):

#### Basis of Accounting

The basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The District's books and accounts are based upon the Uniform System of Accounts for Public Utilities as prescribed by the Division of Local Government Fiscal Affairs of the State of California. The records are maintained, and the accompanying financial statements are presented on the accrual basis of accounting.

Operating revenues and expenses, such as water sales along with water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income, and interest expense, result from non-exchange transactions, in which, the District gives (receives) value without directly receiving (giving) value in exchange.

#### Inventories

Inventories have been valued at the lower of cost (first in, first out) or market.

#### Depreciation

Utility, plant, and equipment are recorded on the basis of purchase cost. Assets acquired by contributions are recorded at estimated cost or fair market value at the date of acquisition.

Depreciation is calculated by the straight-line method over the estimated useful lives of 3 to 50 years.

#### Interest Capitalization

Interest costs are charged to construction projects during the period of construction.

#### Statement of Cash Flows

All highly liquid investments with a maturity of three months or less when purchased, are considered to be cash equivalents.

**NORTH YUBA WATER DISTRICT**

Notes to Financial Statements

June 30, 2020 and 2019

**2. Summary of Significant Accounting Policies (continued):**

Compensated Absences

Vested or accumulated vacation leave, comp. time, and sick pay that is expected to be liquidated with expendable available financial resources is reported as a current liability.

Budget and Budgetary Accounting

The Board of Directors annually adopts an operating budget. The operating budget is prepared on the accrual basis to match the operating statements.

Tax Revenue

Property tax revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Cash

The District holds its cash in the County of Yuba Treasury. The County maintains a cash and investment pool and allocates interest to the various funds based upon the average monthly cash balances. The funds held by the County can be withdrawn on demand. Information regarding categorization of investments can be found in the County of Yuba statements. The District also maintains an interest-bearing account with a local bank.

Use of Estimates

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

**NORTH YUBA WATER DISTRICT**

Notes to Financial Statements

June 30, 2020 and 2019

**3. Cash:**

At year-end June 30, 2020 the carrying amount of the District's deposits was \$742,593. All of the bank balances were covered by Federal Depository Insurance and collateral held in the pledging bank's trust department. At year-end June 30, 2019 the carrying amount was \$793,776.

At year-end June 30, 2020 cash with a carrying amount of \$4,417,347 was held by Yuba County in the District's name. At year-end June 30, 2019 the amount was \$4,290,975.

	Balance June 30, 2020	Balance June 30, 2019
Petty Cash	\$ 830	\$ 830
Cash in Checking - Unrestricted	181,297	183,555
- Restricted - Tank	292,999	292,438
- Restricted - YC Water	59,921	109,803
Cash with County - Unrestricted	3,519,835	3,412,307
- Restricted	897,512	878,668
Cash In Savings - Reserve	207,546	207,150
Total	<u>\$ 5,159,940</u>	<u>\$ 5,084,751</u>

**NORTH YUBA WATER DISTRICT**

Notes to Financial Statements

June 30, 2020 and 2019

**4. Restricted County Cash:**

Cash held in reserve with the County of Yuba at June 30, pursuant to the requirements of the District's loan and bond indebtedness agreements is:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Safe Drinking Water Contract	\$ 2,730	\$ 2,673
Rackerby Improvement Loan	<u>11,359</u>	<u>11,121</u>
	14,089	13,794
 Balance at June 30, 2020 and 2019 in reserve accounts which were established by the Board of Directors for facility fees associated with the upgrade and expansion of the domestic and irrigation systems	 7,345	 7,191
 Restricted balances that were created by annexation fees	 99	 97
 Board of Directors designated reserve for capital improvement.	 870,514	 852,237
 Board of Directors designated reserve for office equipment replacement	 <u>5,463</u>	 <u>5,349</u>
	<u>\$ 897,510</u>	<u>\$ 878,668</u>

**5. Aged Accounts Receivable:**

Trade accounts receivable consists of the following on June 30:

	<u>2020</u>		<u>2019</u>	
	<u>Total</u>		<u>Total</u>	
	<u>Accounts</u>	<u>Amount</u>	<u>Accounts</u>	<u>Amount</u>
0 - 30	496	\$ 18,213	507	\$ 18,149
30 - 60	74	3,606	85	4,389
60 - 90	40	1,767	37	1,624
Over 90 Days	<u>41</u>	<u>7,874</u>	<u>45</u>	<u>3,812</u>
	<u>651</u>	<u>\$ 31,460</u>	<u>674</u>	<u>\$ 27,974</u>



**NORTH YUBA WATER DISTRICT**

Notes to Financial Statements

June 30, 2020 and 2019

**6. Capital Assets:**

Changes in capital assets for the years ended June 30, 2020 and 2019 are as follows:

	<u>Balance, July 1, 2018</u>	<u>2019 Additions</u>	<u>Balance June 30, 2019</u>	<u>2020 Additions</u>	<u>Balance, June 30, 2020</u>
Organizational Costs	\$ 4,510	\$ -	\$ 4,510	\$ -	\$ 4,510
Water Rights	138,841	-	138,841	-	138,841
Land	142,037	-	142,037	-	142,037
Source of Supply plant	73,805	-	73,805	-	73,805
Pumping Plant	63,526	-	63,526	-	63,526
Water Treatment Plant	2,325,226	9,187	2,334,413	26,892	2,361,305
Transportation and Distribution System	4,326,869	235,557	4,562,426	-	4,562,426
General Plant and Equipment	1,536,128	138,450	1,674,578	-	1,674,578
Construction in Progress	284,697	139,371	424,068	184,714	608,782
<b>Total Capital Assets</b>	<b>\$ 8,895,639</b>	<b>\$ 522,565</b>	<b>\$ 9,418,204</b>	<b>\$ 211,606</b>	<b>\$ 9,629,810</b>

**7. Accounts Payable:**

Accounts payable for the fiscal years ended June 30, 2020, and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Accounts Payable	\$ 39,531	\$ 61,916
<b>Total Accounts Payable</b>	<b>\$ 39,531</b>	<b>\$ 61,916</b>

**8. Retirement Plan:**

On July 1, 1995 the District entered into a pension plan with Laborers' International Union of North America, National Pension Fund. The District pays \$1.60 for every regular hour worked (173.5 average per month) for all full-time permanent employees into the fund.

The District has a deferred compensation plan which is in compliance with Internal Revenue Code Section 457. The District contributes the difference of 10% (which includes applicable payroll taxes) of the employee's base wages minus the amount paid into the pension plan for each employee. Contributions are made on a voluntary basis by the plan participants. No employee may contribute over 25% of yearly base salary or \$7,500 per year, whichever is the lesser amount (this includes the amount that the District contributes). The maximum amount is increased to \$15,000 for the last three years before the participant attains normal retirement age.

## NORTH YUBA WATER DISTRICT

### Notes to Financial Statements

June 30, 2020 and 2019

#### **9. South Feather Power Project (SFPP):**

On May 27, 2005 the District (NYWD) entered into a new agreement with South Feather Water and Power Agency (SFWPA), which superseded the 1959 agreement with OWID that is discussed in item 1 above. The 2005 agreement was amended in 2010 and 2013.

Details of the 2005 agreement, as amended include the following:

- A. NYWD may continue to receive 3,700 af/yr. from the SFPP at SF-14 at no cost.
- B. After June 30, 2010, NYWD also may receive up to 4,500 acre-feet per year of water at SF-14. NYWD will pay the SFPP Joint Facilities Operating Account for the value of any lost generation at the Woodleaf and Forbestown Powerhouses associated with this water.
- C. After June 30, 2010, NYWD also may receive up to 15,500 af/yr. of additional water at SF- 14. NYWD will pay the SFPP Joint Facilities Operating Account for the value of any lost generation at the Woodleaf, Forbestown and Kelly Ridge Powerhouses associated with such water.
- D. If curtailments in deliveries of water from the SFPP to SFWPA and NYWD for consumptive uses ever are necessary, then such curtailments will be made to SFWPA and NYWD in equal percentages of the demands of SFWPA and NYWD for water for consumptive uses.

Disposition of net SFPP power revenues after 2010

- A. SFPP net power revenues will be divided and paid on or before April 15 of each year, one half to SFWPA's general account and the other half to NYWD's general account.
- B. SFWPA's costs of obtaining the new FERC license will be post-2010 SFPP Joint Facilities costs that will be paid from the SFPP Joint Facilities Operating Account before net power revenues are calculated. Such repayment will be made by uniform payments spread over the first 5 year after 2010.
- C. A SFPP Contingent Reserve Account of \$15,000,000 was established in 2011. At least \$709,000 of net power revenues will be distributed to SFWPA and \$709,000 will be distributed to NYWD each year, except in very dry years when there are no net power revenues.

**NORTH YUBA WATER DISTRICT**

Notes to Financial Statements

June 30, 2020 and 2019

**9. South Feather Power Project (SFPP) (continued):**

New SFPP Facilities

- A. If SFWPA decides to construct any new power-generation facilities as part of the SFPP, and if NYWD decides to participate in such new facilities, then the costs of such facilities will be financed or paid through the SFPP Joint Facilities Operating Account, and all power revenues from, or associated with such facilities will be paid into the SFPP Joint Facilities Operating Account.
- B. SFWPA will own the Sly Creek Powerhouse as a separate facility and SFWPA will be solely responsible for the powerhouse's operation, maintenance, repairs and replacements, unless NYWD decides to "buy in" to this facility.

Forbestown Pipeline and Forbestown Ditch

- A. SFWPA transferred to NYWD, on January 1, 2011, all of SFWPA's interests in the Upper Forbestown Ditch (including all of SFWPA's water rights in Oroleve Creek). This transfer did not include any part of the Forbestown Ditch below Gauge WD-6, and NYWD did not have any obligation to serve any of SFWPA's Forbestown Ditch customers. After this transfer, NYWD is obligated to convey up to 11 cfs and 3,720 af/yr. of water from SF-14 through the Upper Forbestown Ditch to SFWPA at WD-6, for SFWPA then to convey rest of the Forbestown Ditch to its customers. SFWPA is not being responsible for any Upper Forbestown Ditch conveyance losses, and all Upper Forbestown Ditch conveyance losses will be subtracted from NYWD's water. NYWD may construct a pipeline or pipelines to replace some or all reaches of the Upper Forbestown Ditch

**10. Risk of Loss:**

North Yuba Water District is exposed to various risks of loss related to theft of, damage to, and destruction of assets, and injuries to employees. During the 2020 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

**NORTH YUBA WATER DISTRICT**

Notes to Financial Statements

June 30, 2020 and 2019

**11. Net Position:**

Net Position at June 30, Consist of:

	<u>2020</u>	<u>2019</u>
Investment in Capital Assets	\$ 5,410,372	\$ 5,438,712
Restricted Reserves:		
WPT Loan	108,991	108,782
County Accounts	897,512	878,668
Capital Improvements	184,008	183,656
Money Market-Savings	111,335	111,121
Reserve-Savings	96,211	96,029
YC Water Sales	59,921	109,803
Total Restricted Reserves	<u>1,457,978</u>	<u>1,488,059</u>
Unrestricted	<u>3,645,254</u>	<u>3,507,216</u>
Total Net Position	<u>\$ 10,513,604</u>	<u>\$ 10,433,987</u>

**12. Subsequent Events:**

Management has evaluated subsequent events through February 09, 2021, the date these June 30, 2020 financial statements were available to be issued.

**NORTH YUBA WATER DISTRICT**

**PRINCIPAL OFFICIALS**

Board of Directors:

Gary Hawthorne

President

Doug Neilson

Vice President

Gretchen Flohr

Ginger Hughes

Fred Mitchell

Staff:

Jeffrey Maupin

Manager/Secretary  
to the Board

Heidi Naether

Finance Manager