

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

June 30, 2023 and 2022



NORTH YUBA WATER DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Yuba Water District
Brownsville, California

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2023, and 2022 and the related notes to the financial statements, which collectively comprise the North Yuba Water District, 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 North Yuba Water District, as of June 30, 2023 and 2022, 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.

Basis for Opinions

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 District. 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 the North Yuba Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Yuba Water 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 opinions. 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 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 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, we:

- 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 North Yuba Water District 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 North Yuba Water District 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 through 7 to 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.

Blomberg & Griffin A.C.
Stockton, CA

November 08, 2023

NORTH YUBA WATER DISTRICT
Management Discussion and Analysis
June 30, 2023 and 2022

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, 2023 and 2022. Please, read it in conjunction with the District's basic financial statements, which begin on page 8.

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 determines 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, 2023 and 2022

Financial Highlights

FY2023 - During the year ended June 30, 2023, the District's net position increased by \$1,641,391 or 18.29%. The District's operating revenues increased by \$3,289,664 or 233.47%, and operating expenses increased by \$539,437 or 17.81%. Non-operating revenues were \$510,580.

FY2022 - During the year ended June 30, 2022, the District's net position decreased by \$1,143,727 or 11.30%. The District's operating revenues decreased by \$83,904 or 5.62%, and operating expenses increased by \$666,738 or 28.23%. Non-operating revenues were \$475,689.

Financial Analysis of the District

FY2023 - the District's net position increased by \$1,641,391 from \$8,976,149 to \$10,617,540. Net position invested in capital assets, less accumulated depreciation, increased by \$622,975.

FY2022 - the District's net position decreased by \$1,143,727 from \$10,119,876 to \$8,976,149. Net position invested in capital assets, less accumulated depreciation, decreased by \$111,981.

STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current Assets	\$ 3,337,497	\$ 2,371,784	\$ 965,713	40.72%
Capital Assets-Net	6,032,770	5,409,795	622,975	11.52%
Restricted Assets	1,422,266	1,414,517	7,749	0.55%
Total Assets	\$ 10,792,533	\$ 9,196,096	\$ 1,596,437	17.36%
Liabilities	\$ 174,993	\$ 219,947	\$ (44,954)	-20.44%
Total Liabilities	174,993	219,947	(44,954)	-20.44%
Invested in Capital Assets, Net of Related Debt	6,032,770	5,409,795	622,975	11.52%
Restricted	1,422,266	1,414,518	7,748	0.55%
Unrestricted	3,162,504	2,151,836	1,010,668	46.97%
Total Net Position	10,617,540	8,976,149	1,641,391	18.29%
Total Liabilities and Net Position	\$ 10,792,533	\$ 9,196,096	\$ 1,596,437	17.36%

NORTH YUBA WATER DISTRICT
Management Discussion and Analysis
June 30, 2023 and 2022

Financial Analysis of the District (Continued)

Statement of Revenues, Expenses, and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenue				
Operating Income	\$ 4,698,683	\$ 1,409,019	\$ 3,289,664	233.47%
Non-Operating Income	510,580	475,689	34,891	7.33%
	<u>5,209,263</u>	<u>1,884,708</u>	<u>3,324,555</u>	<u>176.40%</u>
Operating Expenses				
Water Supply, Treatment, Distribution	1,034,935	938,792	96,143	10.24%
Administration Expenses	2,304,666	1,862,062	442,604	23.77%
Depreciation	228,271	227,581	690	0.30%
	<u>3,567,872</u>	<u>3,028,435</u>	<u>539,437</u>	<u>17.81%</u>
Changes in Net Position	<u>1,641,391</u>	<u>(1,143,727)</u>	<u>2,785,118</u>	<u>-243.51%</u>
Net Position- Beginning of Year	<u>8,976,149</u>	<u>10,119,876</u>	<u>(1,143,727)</u>	<u>-11.30%</u>
Net Position- End of Year	<u>\$ 10,617,540</u>	<u>\$ 8,976,149</u>	<u>\$ 1,641,391</u>	<u>18.29%</u>

Capital Assets

June 30, 2023 - The District invested in capital assets; net of accumulated depreciation was \$6,032,770. The District purchased \$851,246. of capital assets during fiscal year end June 30, 2022. The depreciation expense was \$228,271. Capital assets, net of accumulated depreciation increased by \$622,975. due to capital purchase exceeding depreciation expenses.

June 30, 2022 - The District invested in capital assets; net of accumulated depreciation was \$5,409,795. The District purchased \$115,600. of capital assets during fiscal year end June 30, 2022. The depreciation expense was \$227,581. Capital assets, net of accumulated depreciation decreased by \$111,981. due to depreciation expenses exceeding capital purchases.

Capital Debt

As of and for the fiscal years ended June 30, 2023, and 2022, the District did not have any capital debts.

NORTH YUBA WATER DISTRICT
Management Discussion and Analysis
June 30, 2023 and 2022

Economic Factors

FY2023 - The District total revenues were \$5,209,263, which included operating income of \$4,698,683 and a non-operating income \$510,580. The total expenses were \$3,567,872, which included \$1,034,935 from water supply, treatment, and distribution, \$2,304,666 from administrative related expenses, and \$228,271 from the depreciation expenses. For the fiscal year ended June 30, 2023, the total revenues exceeded the total expenses by \$1,641,391.

FY2022 - The District total revenues were \$1,884,708, which included operating income of \$1,409,019 and a non-operating income of \$475,689. The total expenses were \$3,028,435, which included \$938,792 from water supply, treatment, and distribution, \$1,862,062 from administrative related expenses, and \$227,581 from the depreciation expenses. For the fiscal year ended June 30, 2022, the total expenses exceeded the total revenues by \$1,143,727.

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

NORTH YUBA WATER DISTRICT

Statement of Net Position

June 30, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash in Bank	\$ 1,070,369	\$ 389,284
Cash in County	2,195,496	1,919,243
Accounts Receivable (net allowance of -0-):	35,899	30,507
Inventory	30,499	27,402
Prepaid Expenses	<u>5,234</u>	<u>5,348</u>
Total Current Assets	<u>3,337,497</u>	<u>2,371,784</u>
CAPITAL ASSETS		
Land	207,662	207,662
Property and Equipment	10,562,878	9,787,503
Less Accumulated Depreciation	<u>(5,285,264)</u>	<u>5,056,993</u>
Net Property and Equipment	<u>5,485,276</u>	<u>4,938,172</u>
Construction in Progress	171,603	95,732
Land for Future Use	<u>375,891</u>	<u>375,891</u>
Total Capital Assets - Net	<u>6,032,770</u>	<u>5,409,795</u>
Restricted Assets:		
Cash with County	915,758	913,256
Tank Project - Cash	110,293	109,150
Capital Improvement Project	186,207	184,277
Saving Money Market	112,673	111,505
Reserve - Savings	<u>97,335</u>	<u>96,329</u>
Total Restricted Assets	<u>1,422,266</u>	<u>1,414,517</u>
TOTAL ASSETS	<u>\$ 10,792,533</u>	<u>\$ 9,196,096</u>
	LIABILITIES AND NET POSITION	
CURRENT LIABILITIES		
Accounts Payable	\$ 70,239	\$ 111,757
Compensated Absences	49,555	54,908
Customer Deposits	<u>55,199</u>	<u>53,282</u>
Total Current Liabilities	<u>174,993</u>	<u>219,947</u>
Total Liabilities	<u>174,993</u>	<u>219,947</u>
NET POSITION		
Invested in Capital Assets	6,032,770	5,409,795
Restricted	1,430,834	1,414,518
Unrestricted	<u>3,153,936</u>	<u>2,151,836</u>
Total Net Position	<u>10,617,540</u>	<u>8,976,149</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 10,792,533</u>	<u>\$ 9,196,096</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, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Irrigation	\$ 16,059	\$ -
Domestic	269,388	281,462
Power Revenue	3,978,900	709,000
Resale	415,305	398,430
Grants and Other Revenues	19,031	20,127
Total Operating Revenues	4,698,683	1,409,019
OPERATING EXPENSES		
Source of Supply	289,576	298,468
Water Treatment	317,385	290,009
Transmission & Distribution	427,974	350,315
Administrative & General	2,304,666	1,862,062
Depreciation	228,271	227,581
Total Operating Expenses	3,567,872	3,028,435
Net Income (Loss) from Operations	1,130,811	(1,619,416)
NON-OPERATING REVENUES (EXPENSES)		
Tax Revenue	463,993	456,806
Interest Income	46,587	18,883
Total Non-Operating Income	510,580	475,689
Changes in Net Position	1,641,391	(1,143,727)
Net Position - Beginning of Year	8,976,149	10,119,876
NET POSITION - END OF YEAR	\$ 10,617,540	\$ 8,976,149

See accompanying notes to the financial statements

NORTH YUBA WATER DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from Customers	\$ 4,695,208	\$ 1,415,643
Cash Payments to Suppliers	(1,079,436)	(938,792)
Cash Payments to Administrative & General	(2,310,019)	(1,809,339)
	1,305,753	(1,332,488)
CASH FLOWS FROM NON-CAPITAL ACTIVITIES:		
Receipts from Taxes, Assessments, and Nonoperating Revenue Less Other Nonoperating Expenses	463,993	456,806
	463,993	456,806
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of Capital Assets/Adjustment in Capital Asset	(851,246)	(115,600)
	(851,246)	(115,600)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income	46,587	18,883
	46,587	18,883
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	965,087	(972,399)
CASH - BEGINNING OF YEAR	3,723,044	4,695,443
CASH - END OF YEAR	\$ 4,688,131	\$ 3,723,044
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Operating Income (Loss)	\$ 1,130,811	\$ (1,619,416)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	228,271	227,581
Change in Assets and Liabilities:		
Accounts Receivable	(5,392)	4,945
Inventory	(3,097)	(1,070)
Prepaid Expenses and Other Current Assets	114	(1,639)
Accounts Payable	(41,518)	40,778
Deposits	1,917	1,679
Accrued Expenses and Other Liabilities	(5,353)	14,654
	(5,353)	14,654
Net Cash Provided by (used for) Operating Activities	\$ 1,305,753	\$ (1,332,488)

See accompanying notes to the financial statements

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

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, 2023 and 2022

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, 2023 and 2022

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, 2023 and 2022

3. Cash:

At year-end June 30, 2023, the carrying amount of the District's deposits was \$1,576,878. 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, 2022, the carrying amount was \$890,544.

At year-end June 30, 2023, cash with a carrying amount of \$3,111,253. was held by Yuba County in the District's name. At year-end June 30, 2022, the amount was \$2,832,499.

	Balance June 30, 2023	Balance June 30, 2022
Petty Cash	\$ 830	\$ 830
Cash in Checking - Unrestricted	539,794	278,751
- Restricted - Tank/CIP	296,500	293,428
-Unrestricted - YC Water	529,746	109,701
Cash with County - Unrestricted	2,195,496	1,919,243
- Restricted	915,758	913,256
Cash In Savings - Reserve	210,008	207,834
Total	<u>\$ 4,688,132</u>	<u>\$ 3,723,043</u>

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

4. Restricted County Cash:

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

	<u>2023</u>	<u>2022</u>
Balance at June, 2023 and 2022 in reserve accounts which were established by the Board of Directors for facility fees associated with the upgrade an expansion of the domestic and irrigation systems	\$ 7,565	\$ 7,474
Restricted balances that were created by annexation fees	103	101
Board of Directors designated reserve for capital improvement	902,464	900,122
Board of Directors designated reserve for office equipment replacement	<u>5,626</u>	<u>5,559</u>
Total	<u>\$ 915,758</u>	<u>\$ 913,256</u>

NORTH YUBA WATER DISTRICT
Notes to Financial Statements
June 30, 2023 and 2022

5. Accounts Receivable:

Trade accounts receivable consists of the following on June 30:

	2023		2022	
	Total Accounts	Amount	Total Accounts	Amount
0 - 30	556	\$ 14,796	557	\$ 17,428
30 - 60	111	4,603	84	3,537
60 - 90	63	2,602	53	1,883
Over 90 Days	73	13,898	46	7,659
	803	\$ 35,899	740	\$ 30,507

6. Capital Assets:

Changes in capital assets for the years ended June 30, 2023 and 2022 are as follows:

	Balance, July 1, 2021	2022 Additions	Balance June 30, 2022	2023 Additions	Balance, June 30, 2023
Organizational Costs	\$ 4,510	\$ -	\$ 4,510	\$ -	\$ 4,510
Water Rights	138,841	-	138,841	-	138,841
Land	207,662	-	207,662	-	207,662
Property held for future use	375,891	-	375,891	-	375,891
Source of Supply plant	73,805	-	73,805	-	73,805
Pumping Plant	63,526	-	63,526	-	63,526
Water Treatment Plant	2,361,475	9,679	2,371,154	335,726	2,706,880
Transportation and Distribution System	5,397,855	2,466	5,400,321	380,127	5,780,448
General Plant and Equipment	1,717,790	17,556	1,735,346	59,522	1,794,868
Construction in Progress	9,833	85,899	95,732	75,871	171,603
	\$ 10,351,188	\$ 115,600	\$ 10,466,788	\$ 851,246	\$ 11,318,034

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

7. Accounts Payable:

Accounts payable for the fiscal years ended June 30, 2023, and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Accounts Payable	\$ 70,239	\$ 111,757
Total Accounts Payable	<u>\$ 70,239</u>	<u>\$ 111,757</u>

8. Compensated Absences:

Compensated absences for the fiscal years ended June 30, 2023, and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Compensated Absences	\$ 49,555	\$ 54,908
Total Compensated Absences	<u>\$ 49,555</u>	<u>\$ 54,908</u>

9. 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, 2023 and 2022

10. 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, 2023 and 2022

10. 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

11. 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 2023 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2023 and 2022

12. Net Position:

Net Position at June 30, Consist of:

	<u>2023</u>	<u>2022</u>
Investment in Capital Assets	\$ 6,032,770	\$ 5,409,795
Restricted Reserves:		
County Accounts	924,326	913,256
Capital Improvements	296,500	293,428
Money Market-Savings	112,673	111,505
Reserve-Savings	97,335	96,329
Total Restricted Reserves	<u>1,430,834</u>	<u>1,414,518</u>
Unrestricted	<u>3,153,936</u>	<u>2,151,836</u>
Total Net Position	<u>\$ 10,617,540</u>	<u>\$ 8,976,149</u>

13. Subsequent Events:

Management has evaluated subsequent events through December 13, 2023, the date these June 30, 2023, financial statements were available to be issued.

NORTH YUBA WATER DISTRICT

PRINCIPAL OFFICIALS

Board of Directors:

Marieke Furnee

President

Ann Plumb

Vice President

Gloria Bozza

Steven Ronneberg

Alton Wright

Staff:

Leona Harris

Interim General Manager

Heidi Naether

Finance Manager