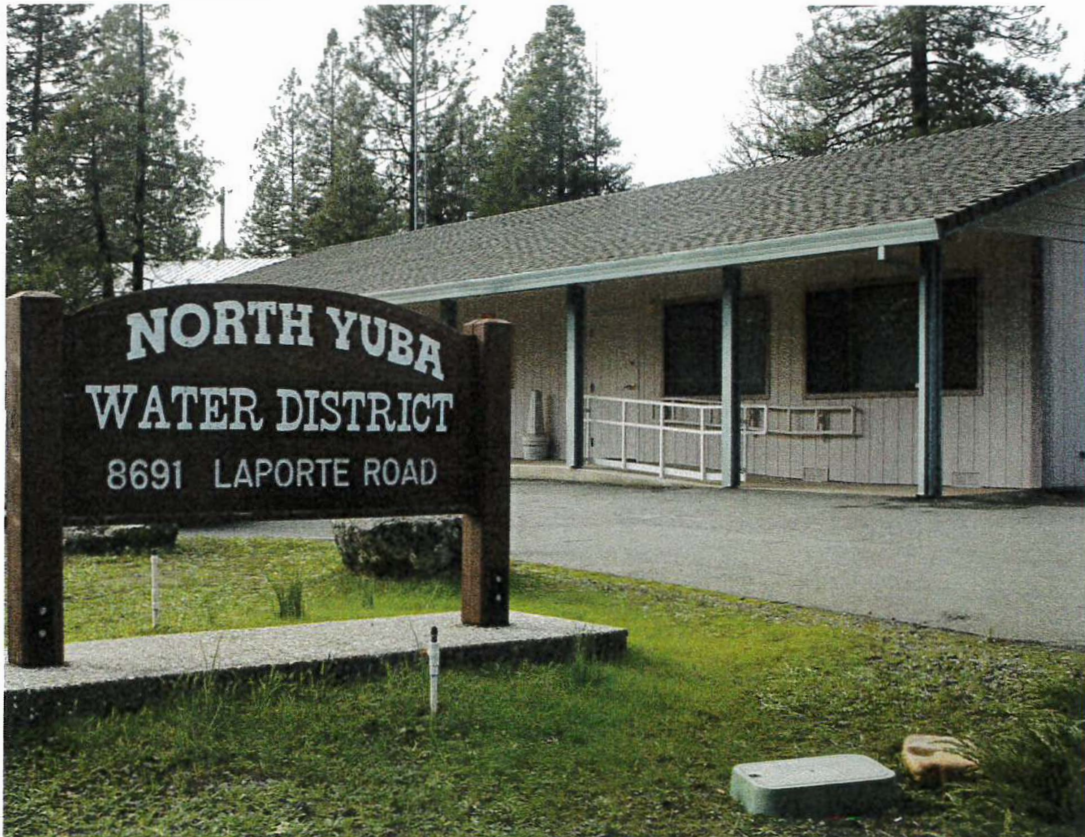


NORTH YUBA WATER DISTRICT

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

June 30, 2022 and 2021



NORTH YUBA WATER DISTRICT

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Statement of Net Position	8 9
Statement of Revenues, Expenses, and Changes in Net Position	10
Combined Statement of Cash Flows	
Notes to the Financial Statements	11-20
<u>SUPPLEMENTARY INFORMATION</u>	
Principal Officials	21



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, 2022, and 2021 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, 2022 and 2021, 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 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, 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 19, 2022

NORTH YUBA WATER DISTRICT
Management Discussion and Analysis
June 30, 2022 and 2021

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, 2022 and 2021. 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, 2022 and 2021

Financial Highlights

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.

FY2021 - During the year ended June 30, 2021, the District's net position decreased by \$393,728, or 3.74%. The District's operating revenues decreased by \$34,885 or 2.28%, and operating expenses increased by \$419,424 or 21.59%. Non-operating revenues were \$475,046.

Financial Analysis of the District

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.

FY2021 - the District's net position increased by \$393,728 from \$10,513,604 to \$10,119,876. Net position invested in capital assets, less accumulated depreciation, increased by \$111,404.

STATEMENT OF NET POSITION

	<u>2022</u>	<u>2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current Assets	\$ 2,262,082	\$ 3,351,496	\$ (1,089,414)	-32.51%
Capital Assets-Net	5,409,795	5,521,776	(111,981)	-2.03%
Restricted Assets	1,524,219	1,409,440	114,779	8.14%
 Total Assets	 <u>\$ 9,196,096</u>	 <u>\$ 10,282,712</u>	 <u>\$ (1,086,616)</u>	 <u>-10.57%</u>
 Liabilities	 <u>\$ 219,947</u>	 <u>\$ 162,836</u>	 <u>\$ 57,111</u>	 <u>35.07%</u>
 Total Liabilities	 <u>219,947</u>	 <u>162,836</u>	 <u>57,111</u>	 <u>35.07%</u>
 Invested in Capital Assets, Net of Related Debt	 5,409,795	 5,521,776	 (111,981)	 -2.03%
Restricted	1,524,219	1,409,440	114,779	8.14%
Unrestricted	2,042,135	3,188,660	(1,146,525)	-35.96%
 Total Net Position	 <u>8,976,149</u>	 <u>10,119,876</u>	 <u>(1,143,727)</u>	 <u>-11.30%</u>
 Total Liabilities and Net Position	 <u>\$ 9,196,096</u>	 <u>\$ 10,282,712</u>	 <u>\$ (1,086,616)</u>	 <u>-10.57%</u>

NORTH YUBA WATER DISTRICT
Management Discussion and Analysis
June 30, 2022 and 2021

Financial Analysis of the District (Continued)

Statement of Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenue				
Operating Income	\$ 1,409,019	\$ 1,492,923	\$ (83,904)	-5.62%
Non-Operating Income	475,689	475,046	643	0.14%
 Total Revenue	 <u>1,884,708</u>	 <u>1,967,969</u>	 <u>(83,261)</u>	 <u>-4.23%</u>
Operating Expenses				
Water Supply, Treatment, Distribution	938,792	957,600	(18,808)	-1.96%
Administration Expenses	1,862,062	1,170,011	692,051	59.15%
Depreciation	227,581	234,086	(6,505)	-2.78%
 Total Expenses	 <u>3,028,435</u>	 <u>2,361,697</u>	 <u>666,738</u>	 <u>28.23%</u>
 Changes in Net Position	 <u>(1,143,727)</u>	 <u>(393,728)</u>	 <u>(749,999)</u>	 <u>190.49%</u>
Net Position- Beginning of Year	<u>10,119,876</u>	<u>10,513,604</u>	<u>(393,728)</u>	<u>-3.74%</u>
Net Position- End of Year	<u>\$ 8,976,149</u>	<u>\$ 10,119,876</u>	<u>\$ (1,143,727)</u>	<u>-11.30%</u>

Capital Assets

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 was decreased by \$111,981 due to depreciation expense exceeding capital purchases.

June 30, 2021 - The District invested in capital assets; net of accumulated depreciation was \$5,521,776. The District purchased \$345,488 of capital assets during fiscal year end June 30, 2021. The depreciation expense was \$234,086. Capital assets, net of accumulated depreciation was increased by \$111,404 due to capital purchase exceeding depreciation expense.

Capital Debt

As of and for the fiscal years ended June 30, 2022, and 2021, the District did not have any capital debts.

NORTH YUBA WATER DISTRICT
Management Discussion and Analysis
June 30, 2022 and 2021

Economic Factors

FY2022 - The District incurred operating loss of \$1,619,416 and a total loss of \$1,143,727 during fiscal year 2022. Operating income for fiscal year 2022 decreased primarily from the grants and other revenues. The operating loss of \$1,619,416. was reduced by non-operating income of \$475,689. The total net loss for the fiscal year ended June 30, 2022 was \$1,143,727.

FY2021 - The District incurred a \$868,774 operating loss and a total loss of 393,728, during fiscal year 2021. Operating income for fiscal year 2021 decreased primarily from irrigation revenues. Power revenue varies significantly from year-to-year dependent upon hydrological and other factors. The operating loss of \$868,774 was reduce by non-operating income of \$475,046. Total net loss for fiscal year end June 30, 2021 was \$393,728.

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, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash in Bank	\$ 389,284	\$ 319,550
Cash in County	1,919,243	2,966,453
Accounts Receivable (net allowance of -0-):	30,507	35,452
Inventory	27,402	26,332
Prepaid Expenses	5,348	3,709
Total Current Assets	2,371,784	3,351,496
CAPITAL ASSETS		
Land	207,662	207,662
Property and Equipment	9,787,503	9,757,802
Less Accumulated Depreciation	(5,056,993)	(4,829,412)
Net Property and Equipment	4,938,172	5,136,052
Construction in Progress	95,732	9,833
Land for Future Use	375,891	375,891
Total Capital Assets - Net	5,409,795	5,521,776
Restricted Assets:		
Cash with County	913,256	908,569
Tank Project - Cash	109,150	109,063
Capital Improvement Project	184,277	184,130
Saving Money Market	111,505	111,416
Reserve - Savings	96,329	96,262
Total Restricted Assets	1,414,517	1,409,440
TOTAL ASSETS	\$ 9,196,096	\$ 10,282,712
	LIABILITIES AND NET POSITION	
CURRENT LIABILITIES		
Accounts Payable	\$ 111,757	\$ 70,979
Compensated Absences	54,908	40,254
Customer Deposits	53,282	51,603
Total Current Liabilities	219,947	162,836
Total Liabilities	219,947	162,836
NET POSITION		
Invested in Capital Assets	5,409,795	5,521,776
Restricted	1,414,518	1,409,440
Unrestricted	2,151,836	3,188,660
Total Net Position	8,976,149	10,119,876
TOTAL LIABILITIES AND NET POSITION	\$ 9,196,096	\$ 10,282,712

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, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Irrigation	\$ -	\$ -
Domestic	281,462	275,153
Power Revenue	709,000	709,000
Resale	398,430	392,761
Grants and Other Revenues	20,127	116,009
Total Operating Revenues	1,409,019	1,492,923
OPERATING EXPENSES		
Source of Supply	298,468	382,340
Water Treatment	290,009	220,110
Transmission & Distribution	350,315	355,150
Administrative & General	1,862,062	1,170,011
Depreciation	227,581	234,086
Total Operating Expenses	3,028,435	2,361,697
Net Income (Loss) from Operations	(1,619,416)	(868,774)
NON-OPERATING REVENUES (EXPENSES)		
Tax Revenue	456,806	422,834
Interest Income	18,883	52,212
Total Non-Operating Income	475,689	475,046
Changes in Net Position	(1,143,727)	(393,728)
Net Position - Beginning of Year	10,119,876	10,513,604
NET POSITION - END OF YEAR	\$ 8,976,149	\$ 10,119,876

See accompanying notes to the financial statements

NORTH YUBA WATER DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from Customers	\$ 1,415,643	\$ 1,492,704
Cash Payments to Suppliers	(938,792)	(917,095)
Cash Payments to Administrative & General	(1,809,339)	(1,169,662)
Net Cash Provided (Used) by Operating Activities	(1,332,488)	(594,053)
CASH FLOWS FROM NON-CAPITAL ACTIVITIES:		
Receipts from Taxes, Assessments, and Nonoperating Revenue Less Other Nonoperating Expenses	456,806	422,834
Net Cash Provided (Used) by Non-Capital Activities	456,806	422,834
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of Capital Assets/Adjustment in Capital Asset	(115,600)	(345,488)
Net Cash Provided (Used) by Capital and Related Financing Activities	(115,600)	(345,488)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income	18,883	52,212
Net Cash Provided (Used) by Investing Activities	18,883	52,212
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(972,399)	(464,495)
CASH - BEGINNING OF YEAR	4,695,443	5,159,938
CASH - END OF YEAR	\$ 3,723,044	\$ 4,695,443
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Operating Income (Loss)	\$ (1,619,416)	\$ (868,774)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	227,581	234,086
Change in Assets and Liabilities:		
Accounts Receivable	4,945	(3,992)
Inventory	(1,070)	5,527
Prepaid Expenses and Other Current Assets	(1,639)	3,530
Accounts Payable	40,778	31,448
Deposits	1,679	3,773
Accrued Expenses and Other Liabilities	14,654	349
Net Cash Provided by (used for) Operating Activities	\$ (1,332,488)	\$ (594,053)

See accompanying notes to the financial statements

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021

3. Cash:

At year-end June 30, 2022, the carrying amount of the District's deposits was \$890,544. 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, 2021 the carrying amount was \$820,421.

At year-end June 30, 2022 cash with a carrying amount of \$2,832,499 was held by Yuba County in the District's name. At year-end June 30, 2021, the amount was \$3,875,022.

	Balance June 30, 2022	Balance June 30, 2021
Petty Cash	\$ 830	\$ 830
Cash in Checking - Unrestricted	278,751	318,720
- Restricted - Tank/CIP	293,428	293,193
-Unrestricted - YC Water	109,701	-
Cash with County - Unrestricted	1,919,243	2,966,453
- Restricted	913,256	908,569
Cash In Savings - Reserve	207,834	207,678
Total	<u>\$ 3,723,043</u>	<u>\$ 4,695,443</u>

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

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>2022</u>	<u>2021</u>
Balance at June, 2022 and 2021 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	\$ 7,474	\$ 7,436
Restricted balances that were created by annexation fees	101	100
Board of Directors designated reserve for capital improvement	900,122	895,502
Board of Directors designated reserve for office equipment replacement	5,559	5,531
	<u>\$ 913,256</u>	<u>\$ 908,569</u>

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

5. Accounts Receivable:

Trade accounts receivable consists of the following on June 30:

	2022		2021	
	Total Accounts	Amount	Total Accounts	Amount
0 - 30	557	\$ 17,428	506	\$ 15,846
30 - 60	84	3,537	98	4,016
60 - 90	53	1,883	62	2,917
Over 90 Days	46	7,659	59	12,673
	<u>740</u>	<u>\$ 30,507</u>	<u>725</u>	<u>\$ 35,452</u>

6. Capital Assets:

Changes in capital assets for the years ended June 30, 2022 and 2021 are as follows:

	Balance, July 1, 2020	2021 Additions	Balance, June 30, 2021	2022 Additions	Balance, June 30, 2022
Organizational Costs	\$ 4,510	\$ -	4,510	\$ -	4,510
Water Rights	138,841	-	138,841	-	138,841
Land	142,037	65,625	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	2,361,305	170	2,361,475	9,679	2,371,154
Transportation and Distribution System	4,562,426	835,429	5,397,855	2,466	5,400,321
General Plant Equipment	1,674,578	43,212	1,717,790	17,556	1,735,346
Construction in Progress	608,782	(598,949)	9,833	85,899	95,732
Total Capital Assets	<u>\$ 10,005,701</u>	<u>\$ 345,487</u>	<u>\$ 10,351,188</u>	<u>\$ 115,600</u>	<u>\$ 10,466,788</u>

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

7. Accounts Payable:

Accounts payable for the fiscal years ended June 30, 2022, and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Accounts Payable	\$ 111,757	\$ 70,979
Total Accounts Payable	<u>\$ 111,757</u>	<u>\$ 70,979</u>

8. Compensated Absences:

Compensated absences for the fiscal years ended June 30, 2022, and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Compensated Absences	\$ 54,908	\$ 40,254
Total Compensated Absences	<u>\$ 54,908</u>	<u>\$ 40,254</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, 2022 and 2021

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, 2022 and 2021

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 2022 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

NORTH YUBA WATER DISTRICT

Notes to Financial Statements

June 30, 2022 and 2021

12. Net Position:

Net Position at June 30, Consist of:

	<u>2022</u>	<u>2021</u>
Investment in Capital Assets	<u>\$ 5,409,795</u>	<u>\$ 5,521,776</u>
Restricted Reserves:		
County Accounts	913,256	908,569
Capital Improvements	293,428	293,193
Money Market-Savings	111,505	111,416
Reserve-Savings	<u>96,329</u>	<u>96,262</u>
Total Restricted Reserves	<u>1,414,518</u>	<u>1,409,440</u>
Unrestricted	<u>2,151,836</u>	<u>3,188,660</u>
Total Net Position	<u>\$ 8,976,149</u>	<u>\$ 10,119,876</u>

13. Subsequent Events:

Management has evaluated subsequent events through January 17, 2023, the date these June 30, 2022, financial statements were available to be issued.

NORTH YUBA WATER DISTRICT

PRINCIPAL OFFICIALS

Board of Directors:

Gary Hawthorne

President

Doug Neilson

Vice President

Chris Cross

Ginger Hughes

Donald Ferguson

Staff:

Jeffrey Maupin

Manager/Secretary
to the Board

Heidi Naether

Finance Manager