

***RECLAMATION DISTRICT NO. 1600***

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Report on Audits  
Years Ended June 30, 2022 and 2021

**RECLAMATION DISTRICT NO. 1600**

**TABLE OF CONTENTS**

---

**June 30, 2022 and 2021**

**Page**

---

Independent Auditor's Report

1

Financial Statements:

Statements of Net Position and Governmental Fund Balance Sheets

4

Statements of Activities and Governmental Fund Revenues,  
Expenditures and Changes in Fund Balance

6

Notes to the Financial Statements

8

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## **Independent Auditor's Report**

To the Board of Trustees  
Reclamation District No. 1600  
Woodland, California

### **Opinions**

We have audited the accompanying financial statements of the governmental activities of Reclamation District No. 1600 as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Reclamation District No. 1600, as of June 30, 2022 and 2021, and the respective changes in financial position for the year 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Reclamation District No. 1600, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

To the Board of Trustees  
Reclamation District No. 1600  
Woodland, California

### **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:

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

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

To the Board of Trustees  
Reclamation District No. 1600  
Woodland, California

**Required Supplementary Information**

Management has omitted management's discussion and analysis and the budgetary comparison schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

*Perry, Bunch & Johnston, Inc.*

Woodland, California  
December 20, 2024

**RECLAMATION DISTRICT NO. 1600**

**STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS**

**June 30, 2022**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash	\$ 147,370	\$ -	\$ 147,370
Assessment receivable	-	531	531
Due from other governmental entities	-	34,981	34,981
Prepaid expenses	-	2,328	2,328
Capital assets, net of accumulated depreciation	-	104,707	104,707
<b>Total Assets</b>	<u>\$ 147,370</u>	<u>\$ 142,547</u>	<u>\$ 289,917</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 57,834	\$ -	\$ 57,834
<b>Total Liabilities</b>	<u>57,834</u>	<u>-</u>	<u>57,834</u>
<b>FUND BALANCE/NET POSITION:</b>			
Fund balance:			
Unreserved	<u>89,536</u>	<u>(89,536)</u>	<u>-</u>
<b>Total Fund Balance</b>	<u>89,536</u>	<u>(89,536)</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 147,370</u>		
Net position:			
Net investment in capital assets		104,707	104,707
Unrestricted		<u>127,376</u>	<u>127,376</u>
<b>Total Net Position</b>		<u>232,083</u>	<u>232,083</u>
<b>Total Liabilities and Net Position</b>		<u>\$ 142,547</u>	<u>\$ 289,917</u>

**RECLAMATION DISTRICT NO. 1600**

**STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS**

**June 30, 2021**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash	\$ 55,798	\$ -	\$ 55,798
Assessment receivable	-	110	110
Other receivable	2,732	-	2,732
Due from other governmental entities	-	188,216	188,216
Prepaid expenses	-	3,801	3,801
Capital assets, net of accumulated depreciation	-	90,685	90,685
<b>Total Assets</b>	<u>\$ 58,530</u>	<u>\$ 282,812</u>	<u>\$ 341,342</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 57,658	\$ -	\$ 57,658
Long-term debt - due within one year	-	50,000	50,000
<b>Total Liabilities</b>	<u>57,658</u>	<u>50,000</u>	<u>107,658</u>
<b>FUND BALANCE/NET POSITION:</b>			
Fund balance:			
Unreserved	<u>872</u>	<u>(872)</u>	<u>-</u>
<b>Total Fund Balance</b>	<u>872</u>	<u>(872)</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 58,530</u>		
Net position:			
Net investment in capital assets		90,685	90,685
Unrestricted		142,999	142,999
<b>Total Net Position</b>		<u>233,684</u>	<u>233,684</u>
<b>Total Liabilities and Net Position</b>		<u>\$ 282,812</u>	<u>\$ 341,342</u>

**RECLAMATION DISTRICT NO. 1600**

**STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>REVENUES:</b>			
Assessments	\$ 260,449	\$ 421	\$ 260,870
Disaster relief revenue	290,632	9,065	299,697
Interest income	(43)	-	(43)
Miscellaneous income	214	-	214
<b>Total Revenues</b>	<u>551,252</u>	<u>9,486</u>	<u>560,738</u>
<b>EXPENDITURES/EXPENSES:</b>			
Depreciation	-	5,178	5,178
Insurance	7,871	1,471	9,342
Memberships	5,930	-	5,930
Miscellaneous	1,229	-	1,229
Payroll - Taxes	2,383	-	2,383
Payroll - Wages	29,320	-	29,320
Professional fees	140,738	-	140,738
Repairs and maintenance	365,242	-	365,242
Utilities	2,977	-	2,977
Debt service:			
Principal	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
<b>Total Expenditures/Expenses</b>	<u>605,690</u>	<u>(43,351)</u>	<u>562,339</u>
<b>Change in Fund Balance/Net Position</b>	(54,438)	<u>\$ 52,837</u>	(1,601)
Fund Balance/Net Position, Beginning of Year	<u>(1,263)</u>		<u>233,684</u>
<b>Fund Balance/Net Position, End of Year</b>	<u>\$ (55,701)</u>		<u>\$ 232,083</u>



**RECLAMATION DISTRICT NO. 1600****STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>REVENUES:</b>			
Assessments	\$ 132,889	\$ 113	\$ 133,002
Disaster relief revenue	553,612	188,216	741,828
Interest income	1,479	-	1,479
Miscellaneous income	5,464	-	5,464
	<u>693,444</u>	<u>188,329</u>	<u>881,773</u>
<b>EXPENDITURES/EXPENSES:</b>			
Depreciation	-	4,292	4,292
Insurance	12,598	(3,613)	8,985
Memberships	5,859	-	5,859
Payroll - Taxes	1,552	-	1,552
Payroll - Wages	28,473	-	28,473
Professional fees	214,102	-	214,102
Repairs and maintenance	472,925	-	472,925
Miscellaneous	1,986	-	1,986
Trustee fees	4,050	-	4,050
Utilities	7,612	-	7,612
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<u>749,157</u>	<u>679</u>	<u>749,836</u>
<b>OTHER FINANCING SOURCES:</b>			
Proceeds from long-term liabilities	50,000	(50,000)	-
	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
<b>Change in Fund Balance/Net Position</b>	(5,713)	<u>137,650</u>	131,937
Fund Balance/Net Position, Beginning of Year	<u>4,450</u>		<u>101,747</u>
<b>Fund Balance/Net Position, End of Year</b>	<u>\$ (1,263)</u>		<u>\$ 233,684</u>

**NOTES TO THE FINANCIAL STATEMENTS**

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**Years Ended June 30, 2022 and 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**FINANCIAL REPORTING ENTITY:**

Reclamation District No. 1600 (District) was formed to provide levee maintenance and drainage services to the area under its jurisdiction. Landowners within the area pay an annual assessment to the District.

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all activities and functions that comprise the District. The District has no component units. Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally dependent upon by the component unit. There are no organizations that fit these criteria. The District is therefore financially accountable solely for its own activities.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION:**

***Fund Financial Statements:***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District uses a single general fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The single general fund utilized by the District is a governmental fund. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance.

***Government-Wide Financial Statements:***

The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all activities of the District. The District is a special purpose entity engaged in a single governmental program. The District has no fiduciary funds or component units that are fiduciary in nature.

Property tax assessments levied upon landowners located within District boundaries are the primary revenue source of the District. All revenue of the District, including assessment revenue, is considered to be general revenues. The District has no program revenue. Direct expenses are those that are clearly identifiable with a specific function. As a single purpose entity, all expenses of the District are considered to be direct expenses.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied.

# RECLAMATION DISTRICT NO. 1600

## NOTES TO THE FINANCIAL STATEMENTS

### Years Ended June 30, 2022 and 2021

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. The District had no restricted resources at year-end for all fiscal years presented.

#### USE OF ESTIMATES:

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

#### CAPITAL ASSETS:

Capital assets are defined by the District as assets with an initial, individual cost of more than \$750. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Structures and improvements	50 years
Pumps	25 years

Depreciation expense for fiscal years ended June 30, 2022 and 2021 was \$5,178 and \$4,292, respectively.

#### ASSESSMENTS:

Property tax assessments are based on the assessed value of parcels of land located within the District's boundaries. Property tax assessments are called in June of each year for collection from landowners on December 1. Assessments are considered delinquent on January 31. It is the policy of the District to place a lien on the property of delinquent landowners upon determining that the assessment will not be timely collected.

#### INCOME TAX:

The District is exempt from federal and state income taxes.

#### NOTE 2 - CASH:

As of June 30, 2022 and 2021, the District's cash consisted of the following:

	<u>2022</u>	<u>2021</u>
Deposits	\$ 145,725	\$ 52,450
County Treasurer's pool	1,645	3,348
<b>Total Cash</b>	<u>\$ 147,370</u>	<u>\$ 55,798</u>

As of June 30, 2022 and 2021, the carrying amount of the District's bank deposits was \$145,725 and \$52,450, respectively and the bank balance was \$218,707 and \$62,159, respectively. The bank balance was fully insured by the Federal Depository Insurance Corporation.

**NOTE 2 - CASH: (Continued)**

**DEPOSIT WITH YOLO COUNTY TREASURER:**

The District deposits its cash in the Yolo County Treasury. Its total deposits with the County at June 30, 2022 and 2021 were \$1,645 and \$3,348, respectively. Funds deposited with the County are part of an investment pool that is managed by the County Treasurer. The District's equity in the County's investment pool is determined by the dollar amount of its deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Accrued interest and realized and unrealized gains, net of expenses, are apportioned to the District each quarter. Income from the County's pooled investments is allocated to the District based on the District's average daily cash balance for each quarter in relationship to the total of the pooled cash and investments.

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6, Section 27131 of the California Government Code. The Board of Supervisors reviews and approves the investment policy annually. The oversight committee reviews investment activity and results quarterly. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual costs, and fair value.

See Yolo County's Comprehensive Annual Financial Report (CAFR) for more details regarding the County's investment pool, including its investment types, investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40.

**CUSTODIAL CREDIT RISK:**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The District maintains cash balances with financial institutions in accordance with California Government Code. The District has not formally adopted its own deposit and investment policies that limit the District's allowable investments or deposits and that address custodial credit risk. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

**RECLAMATION DISTRICT NO. 1600**

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2022 and 2021**

**NOTE 3 - CAPITAL ASSETS:**

	<b>Balance at July 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2022</b>
Structures and improvements	\$ 111,958	\$ 19,200	\$ -	\$ 131,158
Pumps	101,428	-	-	101,428
<b>Total Capital Assets</b>	<b>213,386</b>	<b>19,200</b>	<b>-</b>	<b>232,586</b>
Less accumulated depreciation for:				
Structures and improvements	43,371	3,389	-	46,760
Pumps	79,330	1,789	-	81,119
<b>Total Accumulated Depreciation</b>	<b>122,701</b>	<b>5,178</b>	<b>-</b>	<b>127,879</b>
<b>Total Capital Assets - Net of Depreciation</b>	<b>\$ 90,685</b>			<b>\$ 104,707</b>
	<b>Balance at July 1, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2021</b>
Structures and improvements	\$ 111,958	\$ -	\$ -	\$ 111,958
Pumps	101,428	-	-	101,428
<b>Total Capital Assets</b>	<b>213,386</b>	<b>-</b>	<b>-</b>	<b>213,386</b>
Less accumulated depreciation for:				
Structures and improvements	40,868	2,503	-	43,371
Pumps	77,541	1,789	-	79,330
<b>Total Accumulated Depreciation</b>	<b>118,409</b>	<b>4,292</b>	<b>-</b>	<b>122,701</b>
<b>Total Capital Assets - Net of Depreciation</b>	<b>\$ 94,977</b>			<b>\$ 90,685</b>

**NOTE 4 - LONG-TERM LIABILITIES:**

Long-term liability activity for the fiscal year ended June 30, 2021, is as follows:

	<b>Balance at 7/1/2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance at 6/30/2021</b>	<b>Due Within One Year</b>
Loans payable	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000

In May 2021, the District entered into a line of credit agreement with County of Yolo in reference for bridge financing until receipt of proceeds from the significant Flood Maintenance Assistance Program (FMAP) grant. The loan matures on December 31, 2021, which includes a variable rate, simple interest, based on Yolo County Treasury Pool Quarterly Earnings Rate (1.008% as of 3/31/2021). The loan was paid off during the fiscal year ended June 30, 202.

# RECLAMATION DISTRICT NO. 1600

## NOTES TO THE FINANCIAL STATEMENTS

### Years Ended June 30, 2022 and 2021

#### NOTE 5 - RELATED PARTY TRANSACTIONS:

Beginning in late 2010, the District began employing Kyle Lang, son of District Trustee Kent Lang, to provide maintenance services. His wages were \$29,320 and \$28,473 for 2022 and 2021. Additionally, the District paid \$700 and \$2,800 during fiscal years ended June 30, 2022 and 2021, respectively, for services provided by a law firm in which the District Secretary is a partner. At June 30, 2022 and 2021, amounts due to related parties totaled \$26,900 and \$27,600, respectively.

#### NOTE 6 - RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are provided for through the purchase of commercial insurance including coverage for property, general liability and management liability.

The District has had no significant reduction in insurance coverage from prior years. The District has had no settlements that exceeded insurance coverage for the past five years.

#### NOTE 7 - RECONCILIATION TO GOVERNMENT-WIDE STATEMENTS:

Amounts reported for governmental activities in the statements of net position are different because:

	<u>2022</u>	<u>2021</u>
<b>Total Fund Balance - General Fund</b>	\$ 89,536	\$ 872
Receivables - Receivables were not received within 60 days of year end and reduces revenue until collected for governmental funds. However, in the government-wide statements, receivables are recorded as an asset and revenue.	35,512	188,326
Prepaid expenses - Payments for insurance and memberships are expensed entirely in the period paid for governmental funds. In the statements of net position, payments for insurance and memberships are recorded as an asset and expensed in the period of coverage.	2,328	3,801
Capital assets - Governmental funds report capital outlays as expenditures. However, in the statements of net position, capital assets are capitalized and depreciated over their estimated useful lives.	104,707	90,685
Long-term liabilities - Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. Notes payable	<u>-</u>	<u>(50,000)</u>
<b>Net Position Of Governmental Activities</b>	<u>\$ 232,083</u>	<u>\$ 233,684</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2022 and 2021**

**NOTE 7 - RECONCILIATION TO GOVERNMENT-WIDE STATEMENTS: (Continued)**

Amounts reported for governmental activities in the statements of net position are different because:

	<u>2022</u>	<u>2021</u>
<b>Net Change In Fund Balance - General Fund</b>	<b>\$ (54,438)</b>	<b>\$ (5,713)</b>
Assessments and other revenues - Revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	9,486	188,329
Depreciation - In the statements of activities, depreciation expense is recorded; whereas, in governmental funds, the costs of capital outlay have been expensed as incurred.	(5,178)	(4,292)
Insurance and memberships - Payments for insurance and memberships are expensed entirely in the period paid for governmental funds. In the statement of activities, payments for insurance and memberships are expensed in the period of coverage.	(1,471)	3,613
Debt service - Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statements of activities.	50,000	-
Proceeds from long-term liabilities - Governmental funds report proceeds from long-term liabilities as increases to fund balance. In the statement of activities, proceeds are excluded and recorded as liabilities in the statement of net position.	-	(50,000)
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (1,601)</u></b>	<b><u>\$ 131,937</u></b>

**NOTE 8 - ECONOMIC DEPENDENCY:**

The District receives a significant amount of revenue from three landowners. During the fiscal years ended June 30, 2022 and 2021, three landowners accounted for approximately 77 and 78 percent of total assessments for each year.

**NOTE 9 - JOINT VENTURE:**

The District participates in a joint venture under joint powers agreements with Yolo Subbasin Groundwater Agency (YSGA). The relationship between the District and the JPA are such that the JPA is not a component unit of the District for financial reporting purposes.

In June 2017, the District joined the newly formed Yolo Subbasin Groundwater Agency, which operates in accordance with a Joint Exercise of Power Agreement between the District, 17 other local agencies located in the Yolo Subbasin of the Sacramento Valley Groundwater Basin and a the Yocha Dehe Wintun Nation. The Agency was established to be the Groundwater Sustainability Agency for the Subbasin to coordinate and administer compliance with the State of California Sustainable Groundwater Management Act (SGMA). The JPAs are governed by a board consisting of a representative from each member district. The JPA is audited on an annual basis. Audited financial statements can be obtained by YSGA's website at [www.yologroundwater.org](http://www.yologroundwater.org).

**NOTES TO THE FINANCIAL STATEMENTS**

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**Years Ended June 30, 2022 and 2021**

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**NOTE 10 - SUBSEQUENT EVENTS:**

Management has considered subsequent events for disclosure in the financial statements through December 20, 2024, which represents the date the financial statements were available to be issued.