AMADOR WATER AGENCY

ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024 AND 2023

MUN CPAs, LLP
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AMADOR WATER AGENCY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Amador Water Agency
Sutter Creek, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Amador Water Agency (the Agency) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency'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 Agency, as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Agency, 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.

Prior Period Financial Statements

The financial statements of the Agency as of and for the year ended June 30, 2023, were audited by other auditors. Their report dated December 7, 2023, expressed an unmodified opinion on those financial statements.

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 Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension related schedules and OPEB related schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying combining fund financial statements and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

MUN CPAs, LLP

Sacramento, California
December 20, 2024

AMADOR WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

The following Management's Discussion and Analysis (MD&A) of financial performance of Amador Water Agency (the "Agency") provides an overview of the Agency's financial activities for the years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

FINANCIAL HIGHLIGHTS

Net position increased by $6,440,771 to $72,290,318 for the year ended June 30, 2024, and increased by $6,320,929 for the year ended June 30, 2023 to $65,849,547.

Total revenues increased from $22,555,337 to $22,687,464 from the year ended June 30, 2023 to the year ended June 30, 2024 primarily due to an increase in operating revenue as a result of increased rates. During the year ended June 30, 2023 revenues had increased by $5,712,685 primarily due to an increase in operating revenue and increase in grant revenue.

Total expenses increased from $16,234,408 to $16,246,693 for the year ended June 30, 2024 primarily due to rising costs for general and administrative expenses. During the year ended June 30, 2023, expenses increased by $1,139,511 due to rising general and administrative and water treatment costs.

FINANCIAL STATEMENT OVERVIEW

This section provides an introduction and a brief description of the Agency's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The Agency's financial statements include four components:

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

The statements of net position include all Agency assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net difference reported as net position. Net position is displayed in three categories:

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The statements of net position provide the basis for computing rate of return, evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency.

The statement of revenues, expenses and changes in net position presents information which shows how the Agency's net position changed during the year. All 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 Agency's operations over the past year and determines whether the Agency has recovered its costs through the user fees and other charges.

The statements of cash flows provide information regarding the Agency's cash receipts and cash disbursements during the year. This statement may report cash activity in four categories:

- Operations
- Capital and related financing
- Noncapital financing
- Investing

This statement differs from the statement of revenues, expenses, and changes in net position as the statement of cash flows only accounts for transactions that result in cash receipts or cash disbursements.

Lastly, 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.

FINANCIAL ANALYSIS

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The statement of net position and the statement of revenues, expenses, and changes in net position report information about the Agency in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar, to accounting methods used by most private sector companies. All current year revenues and expenses are recognized regardless of when the cash is received or paid. Together, these two statements report the Agency's net position and the associated change during the reporting year. The Agency's net position – the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources – is a useful way to measure the Agency's financial health, or financial position. Over time, changes in the Agency's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors should also be considered such as changes in economic conditions, population, zoning, natural disasters, and government legislation, such as changes in Federal and State water quality standards.

STATEMENT OF NET POSITION (CONDENSED)

The following presents a condensed statement of net position for the Agency as of June 30, 2024, 2023, and 2022:

	2024	2023	2022
Other Assets and Capital Assets			
Current Assets	$ 11,678,676	$ 8,732,870	$ 4,561,592
Non-Current Assets:			
Restricted assets	5,396,725	3,635,689	3,491,626
Due from the City of Plymouth	2,401,430	2,459,332	2,514,187
Capital assets, net	106,426,392	108,031,871	106,197,331
Total other assets and capital assets	125,903,223	122,859,762	116,764,736
Deferred Outflows of Resources	4,160,391	3,965,185	2,568,638
Liabilities			
Current liabilities	3,576,917	4,145,064	3,354,045
Long-term liabilities	48,098,427	49,756,546	48,335,073
Total liabilities	51,675,344	53,901,610	51,689,118
Deferred Inflows of Resources	6,097,952	7,073,790	8,115,638
Net Position			
Net investment in capital assets	70,716,728	69,467,956	67,903,066
Restricted	6,390,863	5,193,747	5,148,423
Unrestricted	(4,817,273)	(8,812,156)	(13,522,871)
Total net position	$ 72,290,318	$ 65,849,547	$ 59,528,618

Net position increased by $6,440,771 from fiscal year 2023 to 2024 primarily due to an increase in operating revenues. Net investment in capital assets increased from $69,467,956 to $70,716,728. Restricted net position increased by $1,197,116 primarily due to an increase in capacity fee receipts, special assessment receipts and debt reserves restricted for future use on capital infrastructure and debt service requirements. Unrestricted net position increased by $3,994,883 primarily due to an increase in operating revenues.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONDENSED)

The following presents a condensed statement of revenues, expenses, and changes in net position for the years ended June 30, 2024, 2023, and 2022:

	2024	2023	2022
Revenues			
Operating revenues	$ 19,219,545	$ 17,775,870	$ 14,698,823
Non-operating revenues	1,197,949	934,878	1,011,529
Total revenues	20,417,494	18,710,748	15,710,352
Expenses			
Operating expenses	10,887,037	10,910,981	9,604,579
Depreciation	4,277,536	4,173,486	4,136,392
Non-operating expenses	1,082,120	1,149,941	1,353,926
Total expenses	16,246,693	16,234,408	15,094,897
Changes in net position before capital contributions	4,170,801	2,476,340	615,455
Capital grant revenue	1,218,079	1,401,601	3,210
Capacity fees and other capital revenues	1,051,891	2,442,988	1,129,090
Change in net position	6,440,771	6,320,929	1,747,755
Net Position			
Beginning of year	65,849,547	59,528,618	57,780,863
End of year	$ 72,290,318	$ 65,849,547	$ 59,528,618

The Agency's operating revenues increased by $1,443,675 in fiscal year 2024 primarily due to substantial water rate increases implemented throughout fiscal years 2021 through 2024. Grant revenue increased by $183,522 due to the completion of grant funded projects in fiscal years 2023 and 2024. Capacity fees and other capital revenues decreased by $1,391,097 primarily due to decreased capacity fees from new or altered connections to the Agency system during 2024.

Operating expenses decreased by $23,944 in fiscal year 2024 primarily due to a decrease in operating expenses. Depreciation expenses increased with the addition of major infrastructure assets that were placed in service during the fiscal year. Non-operating expenses decreased by $67,821 due to a decrease in interest expense.

CAPITAL ASSETS

The following presents the capital assets of the Agency as of June 30, 2024, 2023, and 2022:

	2024	2023	2022
Capital assets not being depreciated			
Land	$ 3,908,540	$ 3,908,540	$ 3,908,540
Construction in progress	1,002,123	7,982,194	4,210,155
Total capital assets, not being depreciated	4,910,663	11,890,734	8,118,695
Capital assets being depreciated			
Utility plant	10,782,503	10,782,503	10,777,189
Source of supply	2,790,102	2,790,102	2,790,102
Pumping plant	1,120,124	774,916	696,234
Treatment plant	33,303,279	25,281,807	24,961,366
Transmission and distribution	111,237,301	111,265,076	109,934,454
General plant	20,686,886	19,985,064	19,537,899
Leased equipment	12,955	455,991	455,991
Subscription agreements	67,182	53,763	-
Total capital assets being depreciated	180,000,332	171,389,222	169,153,235
Less: Accumulated depreciation	(78,484,603)	(75,248,085)	(71,074,599)
Total capital assets being depreciated, net	101,515,729	96,141,137	98,078,636
Net capital assets	$ 106,426,392	$ 108,031,871	$ 106,197,331

Capital assets, net of accumulated depreciation decreased by $1,605,479 for the year ended June 30, 2024, due to the increase in accumulated depreciation. See Note 4 for more information.

LONG-TERM LIABILITIES

The following presents a summary of long-term liabilities of the Agency as of June 30, 2024, 2023, and 2022:

	2024	2023	2022
Bonds payable	$ 22,032,509	$ 23,096,809	$ 24,131,109
Notes payable	14,713,680	15,319,754	13,873,108
Total OPEB liability	6,805,853	6,306,737	9,019,446
Net pension liability	6,036,703	6,489,343	2,631,573
Compensated absences	381,196	317,561	337,068
Lease liability	3,561	51,443	182,808
Subscription liability	5,822	11,474	-
Total liabilities	49,979,324	51,593,121	50,175,112
Less: current portion	(1,880,897)	(1,836,576)	(1,840,038)
Total long-term debt	$ 48,098,427	$ 49,756,545	$ 48,335,074

Long-term liabilities decreased $1,658,118 primarily due to decreases in bonds and notes payable. See Note 5 for more information.

ECONOMIC FACTORS AND BUDGET

The Agency's Board of Directors and management consider various factors when setting the fiscal budget. The Agency has adopted its Fiscal Year 2024/2025 Budget with total revenue of $21,535,220 and total expense and transfers out of $20,859,870. The Agency has implemented increased user charges for both Water and Wastewater customers during fiscal years 2021 through 2024 to build reserves and maintain the various utility systems in proper operating condition. The Agency is working to address the issues of building cash reserves and addressing an aging infrastructure in an inflationary economy.

CONTACTING THE AGENCY

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Amador Water Agency at (209) 223-3018.

AMADOR WATER AGENCY
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	$ 8,275,891	$ 4,971,309
Receivables:		
Accounts, net	2,257,964	2,060,267
Grants	421,501	1,040,178
Taxes	31,343	41,053
Interest	10,143	6,797
Other	171,189	169,634
Due from the City of Plymouth, current portion (Note 3)	57,903	54,855
Inventory	315,513	296,641
Prepaid expenses	137,229	92,136
Total current assets	11,678,676	8,732,870
Noncurrent assets		
Restricted assets:		
Cash and cash equivalents (Note 2)	5,396,725	3,635,689
Due from the City of Plymouth, net of current portion (Note 3)	2,401,430	2,459,332
Capital assets		
Non-depreciable	4,910,663	11,890,734
Depreciable, net	101,515,729	96,141,137
Total Capital Assets (Note 4)	106,426,392	108,031,871
Total noncurrent assets	114,224,547	114,126,892
Total Assets	125,903,223	122,859,762
DEFERRED OUTFLOW OF RESOURCES		
Pension plan (Note 7)	2,757,026	2,856,004
Other postemployment benefits (OPEB) plan (Note 8)	1,403,365	1,109,181
Total Deferred Outflows of Resources	$ 4,160,391	$ 3,965,185

See accompanying notes to the basic financial statements.

AMADOR WATER AGENCY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2024 AND 2023

	2024	2023
LIABILITIES		
Current liabilities		
Accounts payable	$ 467,397	$ 1,512,786
Accrued expenses and other liabilities	314,736	179,187
Accrued interest payable	211,684	221,138
Deposits payable	461,287	395,377
Notes payable, current portion (Note 5)	611,978	606,074
Bonds payable, current portion (Note 5)	1,070,000	1,020,000
Lease liability, current portion (Note 5)	2,500	46,069
Subscription liability, current portion (Note 5)	5,822	5,652
Compensated absences, current portion (Note 5)	190,597	158,781
Total other postemployment benefits (OPEB) liability (Note 8)	240,916	-
Total current liabilities	3,576,917	4,145,064
Noncurrent liabilities		
Notes payable, net of current portion (Note 5)	14,101,702	14,713,680
Bonds payable, net of current portion (Note 5)	20,962,509	22,076,809
Lease liability, net of current portion (Note 5)	1,061	5,374
Subscription liability, net of current portion (Note 5)	-	5,823
Compensated absences, net of current portion (Note 5)	190,599	158,780
Net pension liability (Note 7)	6,805,853	6,306,737
Total other postemployment benefits (OPEB) liability (Note 8)	6,036,703	6,489,343
Total long-term liabilities	48,098,427	49,756,546
Total Liabilities	51,675,344	53,901,610
DEFERRED INFLOWS OF RESOURCES		
Deferred amount on refunding (Note 5)	61,628	84,434
Pension plan (Note 7)	318,050	396,507
Net other postemployment benefits (OPEB) plan (Note 8)	5,718,274	6,592,849
Total Deferred Inflows of Resources	6,097,952	7,073,790
NET POSITION		
Net Investment in capital assets	70,716,728	69,467,956
Restricted	6,390,863	5,193,747
Unrestricted	(4,817,273)	(8,812,156)
Total Net Position	$ 72,290,318	$ 65,849,547

See accompanying notes to the basic financial statements.

AMADOR WATER AGENCY
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUE		
Current services	$ 17,914,011	$ 16,586,112
Other operating revenues	1,305,534	1,189,758
Total operating revenues	19,219,545	17,775,870
OPERATING EXPENSES		
General and administrative	6,828,577	4,524,409
Transmission and distribution	2,404,921	3,731,655
Maintenance	1,083,477	1,487,852
Water treatment	570,062	1,167,065
Depreciation and amortization	4,277,536	4,173,486
Total operating expenses	15,164,573	15,084,467
OPERATING INCOME	4,054,972	2,691,403
NON-OPERATING REVENUE (EXPENSE)		
Taxes and assessments	671,917	658,493
Investment income	516,330	263,595
Other non-operating revenue	9,702	12,790
Interest expense	(1,082,120)	(1,149,941)
Total non-operating revenue, net	115,829	(215,063)
INCOME BEFORE CAPITAL CONTRIBUTIONS	4,170,801	2,476,340
CAPITAL CONTRIBUTIONS		
Grant revenue	1,218,079	1,401,601
Capacity fees and other capital revenues	1,051,891	2,442,988
Total capital contributions	2,269,970	3,844,589
CHANGE IN NET POSITION	6,440,771	6,320,929
TOTAL NET POSITION, BEGINNING OF YEAR	65,849,547	59,528,618
TOTAL NET POSITION, END OF YEAR	$ 72,290,318	$ 65,849,547

See accompanying notes to the basic financial statements.

AMADOR WATER AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 19,086,203	$ 17,540,727
Payments to suppliers	(4,444,325)	(4,352,592)
Payments to employees	(8,213,728)	(7,609,726)
Rents and leases	9,235	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	6,437,385	5,578,409
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from taxes, assessments and other non-operating revenues	682,094	559,585
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	682,094	559,585
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(2,672,057)	(4,073,891)
Repayment of debt	(1,679,608)	(1,753,792)
Proceeds from issuance of debt	-	2,036,785
Interest paid on long-term debt	(1,114,381)	(1,221,385)
Payments received from the City of Plymouth	54,854	54,855
Capacity fees collected	1,051,891	1,183,869
Capital grants received	1,836,756	765,854
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(2,522,545)	(3,007,705)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	468,684	259,938
NET CASH PROVIDED BY INVESTING ACTIVITIES	468,684	259,938
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,065,618	3,390,227
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,606,998	5,216,771
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 13,672,616	$ 8,606,998
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	$ 8,275,891	$ 4,971,309
Restricted cash and cash equivalents	5,396,725	3,635,689
TOTAL CASH AND CASH EQUIVALENTS	$ 13,672,616	$ 8,606,998

See accompanying notes to the basic financial statements.

AMADOR WATER AGENCY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 4,054,972	$ 2,691,403
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,277,536	4,173,486
Net change in deferred outflows and inflows	(1,148,238)	(2,415,589)
Rent and lease receipts	9,235	-
(Increase) decrease in:		
Receivables, current services	(199,252)	(235,143)
Inventory	(18,872)	(21,577)
Prepaid expense	(45,093)	82,708
Increase (decrease) in:		
Accounts payable	(1,045,389)	62,798
Accrued expenses and other liabilities	135,549	60,715
Deposits	65,910	54,053
Compensated absences	63,635	(19,506)
Net pension liability	499,116	3,675,164
Net OPEB liability	(211,724)	(2,530,103)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 6,437,385	$ 5,578,409
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Amortization of bond premium	$ 44,300	$ -
Deferred amount on refunding	22,806	-
Change in accounts payable and accrued expenses related to capital asset additions	-	621,253
Contributed assets	-	1,259,119
Subscription assets and related liability	13,419	53,763

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Amador Water Agency (the "Agency") was formed under an act of the Legislature of the State of California, Chapter 2137, Assembly Bill No. 2629, approved by the governor on July 18, 1959. The Agency's territory of authority consists of Amador County. The Agency provides water and wastewater services to approximately 10,000 customers in Amador County. The Agency is governed by a Board of Directors consisting of five directors elected by eligible voting members of Amador County. The accompanying basic financial statements present the Agency and its component unit. The component unit discussed below is included in the Agency's reporting entity because of the significance of its operations and financial relationship with the Agency.

Blended Component Unit

The Agency has created the Amador Water Agency Financing Corporation (the Corporation) to provide assistance to the Agency in the issuance of debt. Although legally separate from the Agency, the Corporation is reported as if it were part of the primary government because it shares a common Board of Directors with the Agency and its sole purpose is to provide financing to the County under the debt issuance documents of the Agency. Debt issued by the Corporation is reflected as debt of the Agency in these financial statements. The Corporation has no other transactions and does not issue separate financial statements.

B. Measurement Focus, Basis of Accounting and Presentation

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Basis of Presentation

The Agency's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

The Agency uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received, they are recorded as unearned revenues until earned. Earned but unbilled water services are accrued as revenue.

Water lines are constructed by private developers and then dedicated to the Agency, which is then responsible for their future maintenance. These lines are recorded as capital contributions when they pass inspection by the Agency and the estimated costs are capitalized as transmission and distribution.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budget

The Agency develops and adopts an annual budget; however, this budget is a management tool and is not a legal requirement.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Agency's cash and cash equivalents held include bank deposits and restricted and unrestricted investments in money market mutual funds and LAIF.

E. Accounts Receivable

Accounts receivable represent service charges and other revenues billed and uncollected at year-end, along with amounts accrued for items billed after year-end for service periods before year-end. Each year the Agency records liens for delinquent charges and collects through the property tax bill for active accounts, and pursues full-collection for closed accounts with unpaid balances.

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. The allowance for doubtful accounts receivable totaled $110,372 and $109,599 at June 30, 2024 and 2023, respectively.

F. Inventory

Inventory consists primarily of materials used in the construction and maintenance of capital assets and is valued first-in first-out (FIFO).

G. Capital Assets

Capital assets are recorded at historical cost. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Self-constructed assets are recorded based on the amount of direct labor and materials charged to the asset construction. Depreciation is calculated using the straight-line method over the following estimated useful lives:

	Years
Utility plant	40 - 50
Source of supply	3 - 40
Pumping plant	40
Treatment plant	5 - 40
Transmission and distribution	5 - 85
General plant	3 - 40

Maintenance and repairs are charged to operations when incurred. It is the Agency's policy to capitalize all capital assets with a cost of $10,000 and an estimated useful life of more than two years. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

H. Bond Premiums, Bond Discounts, and Bond Issuance Costs

Bond premiums and discounts are deferred and amortized over the lives of the bonds. Bonds payable are reported net of the applicable bond premiums and discounts. Bond issuance costs are recognized as an expense in the period incurred.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Amount from Refunding Debt

The difference between the reacquisition price of refunded debt and the net carrying amount of the previously outstanding debt is deferred and reported as either a deferred outflow or deferred inflow on the balance sheet. These amounts are amortized over the shorter of the term of the old debt or the new debt.

J. Compensated Absences

It is the Agency's policy to permit employees to accumulate earned but unused vacation, which will be paid to employees upon separation from the Agency's service. The cost of vacation is recorded in the period accrued.

K. Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans (Plans), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

L. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

M. Operating and Non-Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Agency. Operating revenues consist primarily of charges for water and wastewater services and other fees. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

N. Property taxes

The Agency receives property taxes from the County of Amador. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of March 1 of the preceding fiscal year. They become a lien on January 1. Secured property tax is levied on July 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property tax is levied on July 1 and due on July 31 and becomes delinquent on August 31.

The Agency elected to receive the property taxes from the County under the Teeter Bill. Under this program the Agency receives 100% of the levied property taxes in periodic payments with the County assuming responsibility for delinquencies.

O. Restricted Resources

The Agency's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Certain proceeds of the Agency's long-term debt are classified as restricted investments on the balance sheet because their use is limited by applicable debt covenants. The Agency also had unspent impact fees classified as restricted cash and cash equivalents.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Q. Leases

Lessee

The Agency is a lessee for a noncancellable lease of equipment. The Agency recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements.

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Agency is reasonably certain to exercise.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

R. Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The Agency uses various SBITA assets, such as software as a service and platform as a service. The related obligations are presented in amounts equal to the present value of subscription payments, payable during the remaining SBITA term. SBITA assets are reported with capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Reclassifications

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

T. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2023, the Agency implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. There was no financial impact to the Agency as a result of implementation.

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. There was no financial impact to the Agency as a result of implementation.

U. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2024 or later and may be applicable for the Agency. However, the Agency has not determined what impact, if any, these pronouncements will have on the financial statements.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this Statement are effective for the Agency's fiscal year ending June 30, 2025.

Governmental Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No, 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A *concentration* is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this Statement are effective for the Agency's fiscal year ending June 30, 2025.

Governmental Accounting Standards Board Statement No. 103

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 104

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

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30 consisted of the following:

	2024	2023
Cash and cash equivalents:		
Unrestricted:		
Cash on hand	$ 700	$ 700
Unrestricted deposits in financial institutions	2,972,642	726,304
Deposits in Local Agency Investment Fund (LAIF)	898,882	865,867
Deposits in California Asset Management Program (CAMP)	4,403,667	3,378,438
Total unrestricted cash and cash equivalents	8,275,891	4,971,309
Restricted:		
Deposits in CAMP	3,761,933	2,771,114
Restricted deposits in financial institutions	1,634,792	864,575
Total restricted cash and cash equivalents	5,396,725	3,635,689
Total cash and cash equivalents	$ 13,672,616	$ 8,606,998

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury obligations	5 Years	100%	None
Federal agencies and government sponsored	5 Years	100%	None
Municipal obligations	5 Years	100%	None
Bankers' acceptances	180 days	40%	10%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 Years	30%	5%
Repurchase agreements	1 Year	50%	None
Medium term corporate notes	5 Years	30%	5%
Money market mutual funds	N/A	20%	10%
Local government investment pools	N/A	100%	None
Supranationals	5 Years	30%	10%
Mortgage backed and asset backed obligation	5 Years	20%	5%
Pooled investment funds			
LAIF	N/A	None	None
CAMP	N/A	None	None
Time deposits	1 Year	50%	None

*Excluding amounts held by the bond trustee that are not subject to California Government Code restrictions.

Investments Authorized to Debt Agreements

Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The average maturity of the investment in LAIF is 217 days as of June 30, 2024 and 260 days as of June 30, 2023.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's investment in a single issuer. To limit this risk, the Agency places a limit on the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 5% of investments, with the exception of U.S. Treasury obligation bonds, U.S. Agency securities, municipal bonds, and pooled investment funds.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency's investment in LAIF is not rated.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the depositor will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Agency's Investment Policy requires the financial institution to either collateralize the deposits or cover them with Federal deposit insurance. At June 30, 2024, the carrying amount of the Agency's cash and deposits was $4,607,434 and the balance in financial institutions was $4,736,207. Of the balance in financial institutions, $250,000 was covered by federal depository insurance and $4,486,207 was covered by the pledging financial institution with assets held in a common pool for the Agency and other governmental agencies, but not in the name of the Agency. At June 30, 2023, the carrying amount of the Agency's cash and deposits was $1,590,879 and the balance in financial institutions was $1,821,742. Of the balance in financial institutions, $250,000 was covered by federal depository insurance and $1,571,742 was covered by the pledging financial institution with assets held in a common pool for the Agency and other governmental agencies, but not in the name of the Agency.

Investment in Local Agency Investment Fund (LAIF)

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by the LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF which are recorded on an amortized cost basis.

Investment in California Asset Management Program (CAMP)

California Asset Management Program (CAMP) was created under the provisions of the California Joint Exercise of Powers Act to provide professional investment management services and allows the participants to combine the use of a money market portfolio with an individually management portfolio. CAMP is governed by a board of seven trustees, all of whom are officials or employees of public agencies. The money market portfolio offers daily liquidity and is rated AAAm by Standard and Poor. The portfolio's weighted average maturity was 38 days as of June 30, 2024 and 26 days as of June 30, 2023.

NOTE 3: DUE FROM CITY OF PLYMOUTH

The Agency and the City of Plymouth (Plymouth) entered into an agreement to share the costs of constructing an 8-mile water transmission pipeline and related water facilities from the Agency's Tanner Water Treatment Plant to the City of Plymouth. The original agreement required the City of Plymouth to pay 65.82% of the costs of the project. This percentage was subsequently reduced to 60.95% of the costs of the project.

The remaining amounts owed by the City of Plymouth were to be paid as requested by the Agency to meet its debt service requirements on two loans that the Agency obtained from the United States Department of Agriculture (USDA) totaling $5,000,000. During the year ended June 30, 2017, the two loans from the United States Department of Agriculture were refinanced with proceeds from the Amador Water Agency Revenue Refunding Bonds, Series 2016. According to the 2016 revenue bond debt service, the City of Plymouth's share was determined to be $2,864,650. Changes in the amount due from the City of Plymouth consisted of the following at June 30:

	Balance at June 30, 2023	Additions	Repayments	Balance at June 30, 2024	Current Portion
Due from the City of Plymouth	$ 2,514,187	$ -	$ (54,854)	$ 2,459,333	$ 57,903

	Balance at June 30, 2022	Additions	Repayments	Balance at June 30, 2023	Current Portion
Due from the City of Plymouth	$ 2,569,042	$ -	$ (54,855)	$ 2,514,187	$ 54,855

NOTE 4: CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2024 and 2023 were as follows:

	July 1, 2023	Additions	Retirements	Transfers	June 30, 2024
Capital assets not being depreciated					
Land and easement	$ 3,908,540	$ -	$ -	$ -	$ 3,908,540
Construction in progress	7,982,194	2,658,638	-	(9,638,709)	1,002,123
Total capital assets not being depreciated	11,890,734	2,658,638	-	(9,638,709)	4,910,663
Capital assets being depreciated					
Utility plant	10,782,503	-	-	-	10,782,503
Source of supply	2,790,102	-	-	-	2,790,102
Pumping plant	774,916	-	-	345,208	1,120,124
Treatment plant	25,281,807	-	(18,769)	8,040,241	33,303,279
Transmission and distribution	111,265,076	-	(27,775)	-	111,237,301
General plant	19,985,064	-	(551,438)	1,253,260	20,686,886
Leased equipment	455,991	-	(443,036)	-	12,955
Subscription asset	53,763	13,419	-	-	67,182
Total capital assets being depreciated and amortized	171,389,222	13,419	(1,041,018)	9,638,709	180,000,332
Less accumulated depreciation and amortization					
Utility plant	(8,346,381)	(216,205)	-	-	(8,562,586)
Source of supply	(1,188,094)	(71,719)	-	-	(1,259,813)
Pumping plant	(387,920)	(24,127)	-	-	(412,047)
Treatment plant	(13,933,835)	(706,196)	18,769	-	(14,621,262)
Transmission and distribution	(42,020,168)	(2,470,271)	27,775	-	(44,462,664)
General plant	(8,973,072)	(682,352)	551,438	-	(9,103,986)
Leased equipment	(375,102)	(77,501)	443,036	-	(9,567)
Subscription asset	(23,513)	(29,165)	-	-	(52,678)
Total accumulated depreciation and amortization	(75,248,085)	(4,277,536)	1,041,018	-	(78,484,603)
Total capital assets being depreciated, net	96,141,137	(4,264,117)	-	9,638,709	101,515,729
Capital assets, net	$ 108,031,871	$ (1,605,479)	$ -	$ -	$ 106,426,392

NOTE 4: CAPITAL ASSETS (CONTINUED)

	July 1, 2022	Additions	Retirements	Transfers	June 30, 2023
Capital assets not being depreciated					
Land and easement	$ 3,908,540	$ -	$ -	$ -	$ 3,908,540
Construction in progress	4,210,155	5,954,263	-	(2,182,224)	7,982,194
Total capital assets not being depreciated	8,118,695	5,954,263	-	(2,182,224)	11,890,734
Capital assets being depreciated					
Utility plant	10,777,189	-	-	5,314	10,782,503
Source of supply	2,790,102	-	-	-	2,790,102
Pumping plant	696,234	-	-	78,682	774,916
Treatment plant	24,961,366	-	-	320,441	25,281,807
Transmission and distribution	109,934,454	-	-	1,330,622	111,265,076
General plant	19,537,899	-	-	447,165	19,985,064
Leased equipment	455,991	-	-	-	455,991
Subscription asset	-	53,763	-	-	53,763
Total capital assets being depreciated and amortized	169,153,235	53,763	-	2,182,224	171,389,222
Less accumulated depreciation and amortization					
Utility plant	(8,130,507)	(215,874)	-	-	(8,346,381)
Source of supply	(1,116,129)	(71,965)	-	-	(1,188,094)
Pumping plant	(367,658)	(20,262)	-	-	(387,920)
Treatment plant	(13,292,592)	(641,243)	-	-	(13,933,835)
Transmission and distribution	(39,560,476)	(2,459,692)	-	-	(42,020,168)
General plant	(8,357,476)	(615,596)	-	-	(8,973,072)
Leased equipment	(249,761)	(125,341)	-	-	(375,102)
Subscription asset	-	(23,513)	-	-	(23,513)
Total accumulated depreciation and amortization	(71,074,599)	(4,173,486)	-	-	(75,248,085)
Total capital assets being depreciated, net	98,078,636	(4,119,723)	-	2,182,224	96,141,137
Capital assets, net	$ 106,197,331	$ 1,834,540	$ -	$ -	$ 108,031,871

Depreciation and amortization expense totaled $4,277,536 and $4,173,486 for the years ended June 30, 2024 and 2023, respectively.

NOTE 5: LONG-TERM LIABILITIES

During the years ended June 30, 2024 and 2023, the following changes occurred in long-term liabilities:

	July 1, 2023	Additions	Reductions	June 30, 2024	Current Portion
Revenue bonds, Public Offering					
2016 Water Revenue Refunding	$ 21,945,000	$ -	$ (1,020,000)	$ 20,925,000	$ 1,070,000
Plus: Unamortized premium	1,151,809	-	(44,300)	1,107,509	-
	23,096,809	-	(1,064,300)	22,032,509	1,070,000
Direct borrowing notes payable					
U.S. Department of Agriculture - GSL	7,290,000	-	(140,000)	7,150,000	145,000
County of Amador - Tanner Hydro	1,004,812	-	(81,091)	923,721	74,641
California Energy Commission	1,490,154	-	(148,261)	1,341,893	149,787
Department of Water Resources	554,780	-	(104,353)	450,427	107,599
County of Amador - Env Review	129,008	-	(31,369)	97,639	31,951
U.S. Department of Agriculture - Pioneer Water Rehab Ph 3 Loan $3M	2,954,000	-	(61,000)	2,893,000	62,000
U.S. Department of Agriculture - Pioneer Water Rehab Ph 3 Loan $1M	1,897,000	-	(40,000)	1,857,000	41,000
	15,319,754	-	(606,074)	14,713,680	611,978
Lease Liability	51,443	-	(47,882)	3,561	2,500
Subscription (SBITA) liability	11,474	-	(5,652)	5,822	5,822
Compensated absences	317,561	421,290	(357,655)	381,196	190,597
Total	$ 38,797,041	$ 421,290	$ (2,081,563)	$ 37,136,768	$ 1,880,897

	July 1, 2022	Additions	Reductions	June 30, 2023	Current Portion
Revenue bonds, Public Offering					
2016 Revenue Refunding	$ 22,935,000	$ -	$ (990,000)	$ 21,945,000	$ 1,020,000
Plus: Unamortized premium	1,196,109	-	(44,300)	1,151,809	-
	24,131,109	-	(1,034,300)	23,096,809	1,020,000
Direct borrowing notes payable					
U.S. Department of Agriculture - GSL	7,425,000	-	(135,000)	7,290,000	140,000
County of Amador - Tanner Hydro	1,081,034	-	(76,222)	1,004,812	81,091
California Energy Commission	1,636,982	-	(146,828)	1,490,154	148,261
Department of Water Resources	656,070	-	(101,290)	554,780	104,353
County of Amador - Env Review	159,807	-	(30,799)	129,008	31,369
U.S. Department of Agriculture - Pioneer Water Rehab Ph 3 Loan $3M	2,914,215	99,785	(60,000)	2,954,000	61,000
U.S. Department of Agriculture - Pioneer Water Rehab Ph 3 Loan $1M	-	1,937,000	(40,000)	1,897,000	40,000
	13,873,108	2,036,785	(590,139)	15,319,754	606,074
Lease Liability	182,808	-	(131,365)	51,443	46,069
Subscription (SBITA) liability	-	53,762	(42,288)	11,474	5,652
Compensated absences	337,068	322,744	(342,251)	317,561	158,781
Total	$ 38,524,093	$ 2,413,291	$ (2,140,343)	$ 38,797,041	$ 1,836,576

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

A description of the long-term liabilities at June 30, 2024 follows:

2016 Water Revenue Refunding Bonds

In November 2016, the Amador Water Agency issued $28,475,000 Amador Agency Water Revenue Refunding Bonds Series 2016 A, (2016 Bonds). The 2016 Bonds were issued to (i) refund the Amador Water System Revenue Certificates of Participation 2006 Series A, (ii) to prepay the outstanding installment payments due under the 2003 Installment Purchase Agreement and the 2004 Supplemental Installment Purchase Agreement, (iii) to prepay the outstanding installment payments due under the 2008 Installment Purchase Agreement, (iv) to prepay the outstanding amount of the 2006 USDA Loan, (v) to purchase a municipal bond insurance policy to guarantee payment of principal of and interest on certain maturities of the 2016 Bonds, (vi) to purchase a municipal bond debt service reserve insurance policy for deposit in the reserve fund, and (vii) to pay costs of issuance of the 2016 Bonds. The 2016 Bonds are payable in semiannual installments including interest ranging from 2% to 5% and mature in June 2049. Interest payments range from $4,025 to $478,378 semi-annually. Principal payments range from $220,000 to $1,635,000 annually.

The refunding resulted in deferred amount on refunding of $228,064, which is being amortized over the remaining life of the refunded debt. Amortization expense totaled $22,806 and $22,806 for the years ended June 30, 2024 and 2023, and is included in interest expense. The deferred amount on refunding was $61,628 and $84,434 at June 30, 2024 and 2023, respectively.

U.S. Department of Agriculture - GSL

The 2013 Installment Purchase Agreement is secured by the Gravity Supply Line Project. The original amount was $8,330,000. Semiannual payments of interest only at 2.75% are due each March and interest plus varying principal amounts are due each September. Annual principal and interest payments range from $331,981 to $359,100. The purchase agreement matures September 2053. The purchase agreement requires a deposit equal to 1/10th of the annual installment payment to be made to a reserve fund each year until such balance reaches the average annual installment payment. In the event of default, the interest rate increases to 5%.

County of Amador - Tanner Hydro

The note is secured by all revenues and all amounts on deposit at Amador Water Agency. The original amount of the note was $1,450,000. The funds are for the Tanner Hydro facility. Quarterly payments of $4,375 principal plus interest at 0.75% are due for the first 5 years (until October 2021) and a variable rate thereafter, as defined by the note, not to exceed 2.5%. The note matures October 1, 2036.

California Energy Commission

The note is secured by the assets of the Agency. The original amount of the note is up to $1,472,000. The funds are for the Ione Hydro project. Payments of $63,083, including interest of 1% per annum on unpaid principal, are due semiannually. The note matures December 2031.

Department of Water Resources

The note is secured by the Ridge System Project. The original amount of of the note was $2,359,032. Semiannual payments of $60,210, including interest at 3.0315%, are due each April and October. The note matures April 2028. The note requires that semiannual payments to a reserve fund be accumulated during the first ten-year period, then maintained at such level thereafter.

County of Amador - Environmental Review

The note is secured by all revenues and all amounts on deposit at Amador Water Agency. The original amount of the note is up to $300,000 for environmental review. Payments of $8,382, including interest at 1.84%, are due quarterly. The note matures April 2027.

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

U.S. Department of Agriculture - Pioneer Water Rehab Ph 3 Loan $3M

The note is secured by revenue bond fully registered in the name of the United States for the Pioneer Water Rehabilitation Project. Semi-annual payments of principal and interest at 1.25% are due each May 1 and November 1. The note matures in November 2060. The USDA required principal and interest payments totaling $97,778 and $97,303 during the years ended June 30, 2024 and 2023, respectively. Debt service reserve and short-lived asset reserve are required to be maintained.

U.S. Department of Agriculture - Pioneer Water Rehab Ph 3 Loan $1M

The note is secured by revenue bond fully registered in the name of the United States for the Pioneer Water Rehabilitation Project. Semi-annual payments of principal and interest at 1.25% are due each May 1 and November 1. The note matures in November 2060. The USDA required principal and interest payments totaling $61,662 and $61,568 during the years ended June 30, 2024 and 2023, respectively. Debt service reserve and short-lived asset reserve are required to be maintained.

Lease Liability

The Agency leases office equipment with terms expiring through 2026. The rate used to discount future payments on these leases is 3%. The Agency records a right-to-use asset, which is included in capital assets in Note 4, which totaled $3,388 and $80,889 at June 30, 2024 and 2023, respectively, net of accumulated amortization of $9,567 and $375,102, respectively. The intangible right-of-use asset is being amortized over 2 to 3 years, the remaining term of the current leases.

Subscription (SBITA) Liability

The Agency contracts for various software through October 31, 2025. The Agency records a subscription asset, which is included in capital assets in Note 4, totaling $14,504 and $30,250 at June 30, 2024 and 2023, respectively, net of accumulated amortization of $52,678 and $23,513, respectively. For purposes of discounting future payments of the SBITA, the Agency used a discount rate of 3%. The intangible subscription assets are being amortized over two years, the remaining term of the agreement.

Principal and interest maturities of long-term debt are as follows:

Years ending June 30,	Notes Payable		Bonds Payable		Lease Liability		Subscription Liability	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 611,978	$ 299,235	$ 1,070,000	$ 1,423,823	$ 2,500	$ 73	$ 5,822	$ 58
2026	625,072	286,817	1,120,000	1,756,506	1,061	8	-	-
2027	639,320	274,116	1,180,000	678,256	-	-	-	-
2028	618,012	261,414	1,240,000	619,256	-	-	-	-
2029	510,729	249,402	1,305,000	557,256	-	-	-	-
2030 - 2034	2,489,731	1,102,855	7,255,000	2,032,594	-	-	-	-
2035 - 2039	1,777,838	881,590	4,385,000	905,431	-	-	-	-
2040 - 2044	1,895,000	681,890	2,220,000	437,657	-	-	-	-
2045 - 2049	2,115,000	456,407	1,150,000	119,701	-	-	-	-
2050 - 2054	2,364,000	201,957	-	-	-	-	-	-
2055 - 2059	753,000	41,779	-	-	-	-	-	-
2060 - 2063	314,000	3,806	-	-	-	-	-	-
	$ 14,713,680	$ 4,741,268	$ 20,925,000	$ 8,530,480	$ 3,561	$ 81	$ 5,822	$ 58

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Pledged Revenues

The Agency pledged future water system revenues, net of specified expenses, to repay the 2016 Bonds in the original amount of $28,475,000. The Bonds are payable solely from water customer net revenues and are payable through June 2049. Total principal and interest remaining to be paid on the Bond was $29,455,480 and $29,655,918 at June 30, 2024 and 2023, respectively. Total principal and interest paid was $1,858,756 and the total water system net revenues were $5,896,287 for the year ended June 30, 2024. Total principal and interest paid was $2,549,178 and the total water system net revenues were $6,604,902 for the year ended June 30, 2023. At June 30, 2024, the Agency's net revenues were 317% of debt service payments. At June 30, 2023, the Agency's net revenues were 259% of debt service payments.

NOTE 6: ARBITRAGE REBATE LIABILITY

Section 148 (f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all "Non-purpose Investments" allocable to "Gross Proceeds" of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must make rebate payments at least once every five years and upon final retirement or redemption of the bonds. There was no arbitrage liability at June 30, 2024 and 2023.

NOTE 7: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified employees are eligible to participate in the Agency's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a safety risk pool and a miscellaneous risk pool which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the Agency. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety and miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety or miscellaneous pools. The Agency's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service.

NOTE 7: PENSION PLAN (CONTINUED)

The rate plan's provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

	Miscellaneous Plan	
	Hired prior to January 1, 2013	Hired on or after January 1, 2013
Benefit Formula	2.0% at 55	2.0% at 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a % of Eligible Compensation	1.462% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rate	6.92%	7.75%

	2024	2023	2024	2023
Required Employer Contribution Rates	11.840%	10.350%	7.680%	7.470%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Agency's contributions to the Plan for the years ended June 30, 2024 and 2023 were $792,221 and $781,602, respectively.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024 and 2023, the Agency reported a net pension liability of $6,805,853 and $6,306,737 for its proportionate share of the net pension liability of the Plan.

The Agency's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability of the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Agency's proportionate share of the net pension liability of the Plan as of June 30, 2024 and 2023 was follows:

Proportion - June 30, 2023	0.13478 %
Proportion - June 30, 2024	0.13611 %
Change - increase	0.00133 %

Proportion - June 30, 2022	0.13859 %
Proportion - June 30, 2023	0.13478 %
Change - increase	0.00381 %

NOTE 7: PENSION PLAN (CONTINUED)

For the year ended June 30, 2024 and 2023, the Agency recognized pension expense of $1,311,857 and $724,017. The Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 792,221	$ -	$ 781,602	$ -
Change in employer's proportion	104,296	-	146,267	-
Difference between actual and expected experience	347,680	53,933	126,652	84,826
Changes in assumptions	410,900	-	646,257	-
Difference between employer contributions and the employer's proportionate share of the risk pool's contributions	-	264,117	-	311,681
Net difference between projected and actual earning on plan investments	1,101,929	-	1,155,226	-
Total	$ 2,757,026	$ 318,050	$ 2,856,004	$ 396,507

The $792,221 and $781,602 at June 30, 2024 and 2023, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	
2025	$ 480,875
2026	320,506
2027	813,755
2028	31,619

NOTE 7: PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 and June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-age Normal Cost Method	Entry-age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	6.90% net of pension plan investment expenses, includes inflation	6.90% net of pension plan investment expenses, includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies	Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies

(1): The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report that can be found on the CalPERS website.

Changes in Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 7: PENSION PLAN (CONTINUED)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical and forecasted information for all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset class	Assumed asset allocation	Real return years 1-10 (1) (2)
Global Equity - Cap weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%

(1) An expected inflation of 2.30% used for this period.
(2) Figures are based on the 2021-2022 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

2024

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	$10,711,684	$6,805,853	$3,591,019

2023

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	$10,021,396	$6,306,737	$3,250,493

NOTE 7: PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. The annual financial report can be obtained at calpers.ca.gov.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The Agency's defined benefits OPEB plan (the Plan) provides OPEB benefit for all permanent full time employees of the Agency. Benefits are set by the Memoranda of Understandings with the applicable employee bargaining units and may be amended by agreement between the Agency and the bargaining units. The Plan is a single employer defined benefit OPEB plan administered by the Agency. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. No prefunding contributions are being made to the Plan.

Benefits Provided

The Agency provides post-employment health care benefits established by Agency resolution to all qualifying employees. Eligibility for retiree health benefits is as follows:

For employees hired by the Agency on or before November 1, 2004, upon retirement from Agency service, regular full-time or eligible part-time employees who have reached age fifty (50), have served a minimum of five (5) years of accumulated CalPERS service, may be eligible for continued medical insurance coverage. Such insurance shall include the employee and their eligible dependents at the time of retirement. At such time the employee and/or his/her dependents become eligible for Medicare coverage, the Agency's policy will provide only supplemental or secondary coverage to Medicare. Retired employees will be required to contribute toward the cost of such insurance as provided in the prevailing memorandum of understanding, subject to a vesting schedule.

For employees hired by the Agency after November 1, 2004, upon retirement from Agency service, regular full-time or eligible part-time employees who have reached age fifty (50), have served a minimum of ten (10) years of continuous service with the Agency immediately preceding retirement and who have the required credited years of service with CalPERS, set forth below, may be eligible for continued medical insurance coverage. Such insurance shall include the employee and their eligible dependents at the time of retirement. At such time the employee and/or his/her dependents become eligible for Medicare coverage, the Agency's policy will provide only supplemental or secondary coverage to Medicare. Retired employees contribute to the plan at a gradually decreasing rate with ten to twenty years of service.

For employees hired between July 24, 2014 and March 2018, eligible employees will receive medical insurance upon retirement up to the employee's eligibility for Medicare. Coverage will terminate upon employee Medicare eligibility for the employee and dependents. Retired employees contribute to the plan at a gradually decreasing rate with ten to twenty years of service.

For employees hired on or after March 1, 2018, the Agency will contribute $100 per month to a retiree medical savings account, with an additional matching contribution of the participating employee's contributions up to $100 per month. This plan is in lieu of participating in the Agency's retiree medical plan upon retirement. All current employees have an option to enroll in this plan, but then they are no longer eligible for the retiree medical benefits discussed in the prior paragraphs.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Employees Covered

As of the June 30 measurement date, the following current and former employees were covered by the benefit terms for the Plan:

	2024	2023
Inactive employees or beneficiaries currently receiving benefits	21	20
Active employees	24	26
Total	45	46

Total OPEB Liability

The Agency's total OPEB liability for the years ended June 30, 2024 and 2023 was measured as of June 30, 2023 and 2022, respectively, and was determined by an actuarial valuation as of June 30, 2023 and 2022, respectively.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2024	2023
Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2021
Actuarial Assumptions:		
Discount Rate	3.86%	3.90%
Inflation	2.30%	2.30%
Salary Increases	2.80% annually	2.80% annually
Healthcare Trend	• Non-Medicare - 7.4% for 2024, decreasing to an ultimate rate of 4.14% in 2076 • Medicare - 4.20% for 2024, decreasing to an ultimate rate of 4.14% in 2076	• Non-Medicare - 5.5% for 2023, decreasing to an ultimate rate of 5.30% in 2075 • Medicare - 5.30% for 2023, decreasing to an ultimate rate of 4.04% in 2075
Mortality Rate	CalPERS 2000 - 2019 Experience Study	CalPERS 2000 - 2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020	Mortality projected fully generational with Scale MP-2020

The discount rate used to measure the total OPEB liability was decreased from 3.90% for June 30, 2023 to 3.86% for June 30, 2024. The discount rate was based on the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

Retirement mortality information was derived from data during 1997 to 2015 CalPERS experience study dated November 2021. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

Changes in Assumptions

Changes in assumptions as of June 30, 2023 measurement date include changes to the discount rate and healthcare trend rate. Changes in assumptions in 2022 include changes to the inflation rate, discount rate and healthcare trend rate, payroll growth, mortality termination, disability and retirement rates updated to the 2017 CalPERS Experience Study.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Increase (Decrease) Total OPEB Liability
Balance at July 1, 2022	$ 9,019,446
Changes during the year:	
Service cost	323,767
Interest	193,623
Actual vs. expected experience	(739,395)
Assumption changes	(2,060,625)
Benefit payments	(247,473)
Net changes	(2,530,103)
Balance at June 30, 2023	$ 6,489,343

	Increase (Decrease) Total OPEB Liability
Balance at July 1, 2023	$ 6,489,343
Changes during the year:	
Service cost	190,122
Interest	256,210
Actual vs. expected experience	586,045
Assumption changes	(1,024,145)
Benefit payments	(173,815)
Implicit subsidy credit	(46,141)
Net changes	(211,724)
Balance at June 30, 2024	$ 6,277,619

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

For the year ended June 30, 2024 and 2023, the Agency recognized OPEB expense (income) of $(1,168,322) and $(1,000,741), respectively. At June 30, 2024 and 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	$ 240,916	$ -	$ 219,956	$ -
Difference between actual and expected experience	485,002	3,368,882	-	4,522,266
Changes in assumptions	677,447	2,349,392	889,225	2,070,583
Total	$ 1,403,365	$ 5,718,274	$ 1,109,181	$ 6,592,849

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the total OPEB liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ended June 30,	
2025	$ (1,450,899)
2026	(1,394,899)
2027	(1,021,277)
2028	(628,320)
2029	(60,430)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Agency's total OPEB liability, calculated using the discount rates for the Plan, as well as what the Agency's total OPEB liability would be if it were calculated using discount rates that are 1-percentage point lower or 1-percentage point higher than the current rates:

2024			
	Discount Rate - 1% 2.86%	Current Discount Rate 3.86%	Discount Rate + 1% 4.86%
Total OPEB liability	$7,153,714	$6,277,619	$5,548,436

2023			
	Discount Rate - 1% 2.86%	Current Discount Rate 3.90%	Discount Rate + 1% 4.86%
Total OPEB liability	$7,534,379	$6,489,343	$5,640,989

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Agency's total OPEB liability, calculated using the healthcare cost trend rates for the Plan, as well as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current rates:

	2024		
	Rate - 1%	Current Healthcare Cost Trend Rate 7.4%	Rate + 1%
Total OPEB liability	$5,406,154	$6,277,619	$7,365,926

	2023		
	Rate - 1%	Current Healthcare Cost Trend Rate 5.5%	Rate + 1%
Total OPEB liability	$5,452,708	$6,489,343	$7,813,209

NOTE 9: NET POSITION

Restricted net position consists of constraints placed on net asset use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net position consisted of the following at June 30:

	2024	2023
Capacity fees restricted for capital improvement and replacement	$ 5,120,490	$ 4,210,866
Taxes and assessments restricted for debt service	445,894	466,421
Debt service reserve required by debt agreement	824,479	516,460
Total Restricted Net Position	6,390,863	5,193,747
Less: Interfund loans	994,138	1,558,058
Total Restricted Cash	$ 5,396,725	$ 3,635,689

The Agency's restricted cash and net position are reduced by loans made to various funds to cover project costs.

NOTE 10: LINE OF CREDIT

On September 1, 2020, the Agency obtained a $2 million line of credit, secured by inventory, chattel paper, accounts receivable and equipment at an interest rate of the lender's base lending rate plus 1.5%. The rate at June 30, 2023 was 4.75%. The rate was 9.5% before expiring on April 10, 2024.

NOTE 11: RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. To protect the Agency from these risks, it is a member of a risk management program as discussed in Note 13. The Agency carries commercial insurance to protect against the risk of errors and omissions. For each of the three most recent years, settlement of claims has not exceeded insurance coverage.

NOTE 12: COMMITMENTS AND CONTINGENCIES

A. Contractual Obligations

In July 2020, the Agency entered into a contract with a general contractor on the Pioneer Phase 3 project for $5,496,613 of which $668,339 remained unspent at June 30, 2023. The project is funded by a combination of USDA loans and grants. The project was completed during the fiscal year ended June 30, 2024.

B. Contingencies

The Agency has received federal and state grants for specific purposes that are subject to review and audit by the federal and state government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be material.

The Agency is also subject to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the financial position or results of operations of the District.

NOTE 13: JOINT POWERS AUTHORITY

The Agency is a member of a joint powers authority, Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA), for the operation of a common risk management and insurance program. The program covers workers' compensation, property and liability insurance. The membership includes public water agencies within California. ACWA JPIA is governed by a Board of Directors consisting of representatives from member agencies, which controls the operations of the ACWA JPIA, including selection of management and approval of operating budgets.

The following is a summary of the most current audited financial information for ACWA JPIA as of September 30, 2023 (the most recent information available):

Total assets	$ 288,462,503
Total deferred outflows of resources	4,654,911
Total liabilities	167,203,667
Total deferred inflows of resources	5,200,835
Net assets	120,712,912
Total income	248,013,664
Total expense	240,084,673

If the Agency's deposits are not adequate to meet costs of claims and expenses, a retrospective adjustment to make up the difference, subject to minimum and maximum amounts, can take place. Coverage under this program has not changed and settled claims resulting from these risks have not exceeded coverage in any of the past three years.

The Agency is also a member of a joint powers authority, California Asset Management Program (CAMP), which provides professional investment services to California public agencies. Members of CAMP can participate in the Cash Reserve Portfolio. CAMP is governed by a Board of Trustees, which is made up of experienced local government finance directors, treasurers, and school business officials. Trustees control the operation of CAMP, including formation and implementation of its investment and operating policies.

NOTE 13: JOINT POWERS AUTHORITY (CONTINUED)

The following is a summary of the most current audited financial information for the CAMP portfolio as of December 31, 2023 (the most recent information available):

Total assets	$ 18,414,254,191
Total liabilities	1,847,744
Net assets	18,412,406,447
Total income	6,475,270,524
Total expenses	14,179,355
Net increase in net assets resulting from operations	6,461,091,169

Complete financial statements for CAMP can be obtained from the PFM Asset Management, LLC at 50 California Street, Suite 2300, San Francisco, California 94111.

The relationships between Amador Water Agency and the joint powers authorities are such that ACWA JPIA and CAMP are not component units of the Agency for financial reporting purposes.

NOTE 14: SUBSEQUENT EVENTS

On October 16, 2024, the Agency issued $21,467,250 in short-term municipal bonds, receiving $19,000,000 in proceeds. The revenue bonds are planned to pay for improvements to the Ione Water Treatment Plant, the Tanner Water Treatment Plant, and replacement of a storage tank in the Upcountry CAWP water system, with the goal of improving water supply and reliable service to existing customers and meeting the demand for projects that the cities and county are planning.

Management has evaluated events subsequent to June 30, 2024 through December 20, 2024, the date on which the financial statements were available to be issued. Management has determined no other subsequent events requiring disclosure have occurred.

REQUIRED SUPPLEMENTARY INFORMATION

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2024
LAST 10 YEARS

	Measurement Period				
	2023	**2022**	**2021**	**2020**	**2019**
Proportion of the net pension liability	0.13611 %	0.13478 %	0.13859 %	0.12695 %	0.04832 %
Proportionate share of the net pension liability	$ 6,805,853	$ 6,306,737	$ 2,631,573	$ 5,354,854	$ 4,951,343
Covered payroll	$ 3,949,245	$ 3,359,724	$ 3,241,637	$ 3,458,365	$ 3,286,241
Proportionate share of the net pension liability as a percentage of covered payroll	172.33 %	187.72 %	81.18 %	154.84 %	150.67 %
Plan fiduciary net position as a percentage of the total pension liability	76.21 %	53.27 %	123.18 %	75.10 %	75.26 %

Notes to Schedule:

Benefit changes: In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions: In November 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For PERF C, these changes were implemented in the June 30, 2021, actuarial valuations for funding purposes. Included in these changes were assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.3 percent, the administrative expense assumption was reduced from 0.15 percent to 0.10 percent, and the discount rate was reduced from 7.00 percent to 6.80 percent. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15 percent to 6.90 percent in Fiscal Year 2021-22. In 2021, 2020 and 2019, there were no changes. In 2018, the demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	Measurement Period				
	2018	**2017**	**2016**	**2015**	**2014**
Proportion of the net pension liability	0.04730 %	0.04761 %	0.04707 %	0.04580 %	0.04931 %
Proportionate share of the net pension liability	$ 4,558,042	$ 4,721,415	$ 4,073,067	$ 3,143,683	$ 3,068,160
Covered payroll	$ 2,975,301	$ 2,891,092	$ 2,738,454	$ 2,520,123	$ 2,040,605
Proportionate share of the net pension liability as a percentage of covered payroll	153.20 %	163.31 %	148.74 %	124.74 %	150.36 %
Plan fiduciary net position as a percentage of the total pension liability	75.26 %	73.31 %	74.06 %	78.40 %	79.82 %

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, 2024
LAST 10 YEARS

	Fiscal Year-End				
	2024	**2023**	**2022**	**2021**	**2020**
Contractually required contribution (actuarially determined)	$ 792,221	$ 781,602	$ 791,089	$ 725,027	$ 672,055
Contributions in relation to the actuarially determined contributions	792,221	781,602	791,089	725,027	672,055
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,806,471	$ 3,949,245	$ 3,359,724	$ 3,241,637	$ 3,458,365
Contributions as a percentage of covered payroll	20.81 %	19.79 %	23.55 %	22.37 %	19.43 %

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS

	Fiscal Year-End				
	2019	**2018**	**2017**	**2016**	**2015**
Contractually required contribution (actuarially determined)	$ 580,886	$ 494,480	$ 456,825	$ 398,264	$ 340,922
Contributions in relation to the actuarially determined contributions	580,886	494,480	456,825	398,264	340,922
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,286,241	$ 2,975,301	$ 2,891,092	$ 2,738,454	$ 2,520,123
Contributions as a percentage of covered payroll	17.68 %	16.62 %	15.80 %	14.54 %	13.53 %

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2024
LAST 10 YEARS*

	Fiscal Year-End			
	2024	**2023**	**2022**	**2021**
Service cost	$ 190,122	$ 323,767	$ 390,000	$ 411,091
Interest	256,210	193,623	270,041	368,820
Change in benefit terms	-	-	-	-
Differences between expected and actual earnings	586,045	(739,395)	(2,613,644)	(1,624,289)
Assumption changes	(1,024,145)	(2,060,625)	457,703	434,173
Benefit payments	(173,815)	(247,473)	(232,077)	(279,697)
Implicit subsidy credit	(46,141)	-	-	-
Net change in total OPEB liability	(211,724)	(2,530,103)	(1,727,977)	(689,902)
Total OPEB liability - beginning	6,489,343	9,019,446	10,747,423	11,437,325
Total OPEB liability - ending	$ 6,277,619	$ 6,489,343	$ 9,019,446	$ 10,747,423
Covered payroll	$ 2,167,336	$ 1,991,305	$ 2,162,628	$ 2,573,150
Total OPEB liability as percentage of covered payroll	289.65 %	325.88 %	417.06 %	417.68 %

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes: None since June 30, 2018.

Changes in assumptions: Changes in the discount rate were as follows:

June 30, 2024	3.86 %
June 30, 2023	3.90 %
June 30, 2022	2.10 %
June 30, 2021	2.45 %
June 30, 2020	3.15 %
June 30, 2019	3.50 %
June 30, 2018	3.40 %

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS*

	Fiscal Year-End		
	2020	**2019**	**2018**
Service cost	$ 379,301	$ 495,583	$ 609,000
Interest	370,096	455,484	403,000
Change in benefit terms	-	(26,861)	-
Differences between expected and actual earnings	-	(3,084,661)	-
Assumption changes	634,765	(278,001)	(1,393,000)
Benefit payments	(283,381)	(252,000)	(237,000)
Implicit subsidy credit	-	-	-
Net change in total OPEB liability	1,100,781	(2,690,456)	(618,000)
Total OPEB liability - beginning	10,336,544	13,027,000	13,645,000
Total OPEB liability - ending	$ 11,437,325	$ 10,336,544	$ 13,027,000
Covered payroll	$ 2,564,017	$ 2,939,386	$ 2,891,092
Total OPEB liability as percentage of covered payroll	446.07 %	351.66 %	450.59 %

OTHER INFORMATION

AMADOR WATER AGENCY
SCHEDULE OF NET POSITION BY FUND
JUNE 30, 2024

	Water	Wastewater	Eliminations	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 7,306,393	$ 969,498	$ -	$ 8,275,891
Receivables:				
Accounts, net	1,964,894	293,070	-	2,257,964
Grants	421,501	-	-	421,501
Taxes	29,511	1,832	-	31,343
Interest	10,091	52	-	10,143
Other	111,718	59,471	-	171,189
Due from the City of Plymouth, current portion	57,903	-	-	57,903
Inventory	315,513	-	-	315,513
Prepaid expenses	125,303	11,926	-	137,229
Total current assets	10,342,827	1,335,849	-	11,678,676
Noncurrent assets				
Restricted assets:				
Cash and cash equivalents	4,382,991	1,013,734	-	5,396,725
Interfund loans receivable	494,781	499,356	(994,137)	-
Due from City of Plymouth, net of current portion	2,401,430	-	-	2,401,430
Capital assets, net of accumulated depreciation	99,386,631	7,039,761	-	106,426,392
Total noncurrent assets	106,665,833	8,552,851	(994,137)	114,224,547
Total Assets	117,008,660	9,888,700	(994,137)	125,903,223
DEFERRED OUTFLOW OF RESOURCES				
Pension plan	2,318,659	438,367	-	2,757,026
Other postemployment benefits (OPEB) plan	1,178,826	224,539	-	1,403,365
Total Deferred Outflows of Resources	$ 3,497,485	$ 662,906	$ -	$ 4,160,391

AMADOR WATER AGENCY
SCHEDULE OF NET POSITION BY FUND (CONTINUED)
JUNE 30, 2024

	Water	Wastewater	Eliminations	Total
LIABILITIES				
Current liabilities				
Accounts payable	$ 406,593	$ 60,804	$ -	$ 467,397
Accrued expenses and other liabilities	271,993	42,743	-	314,736
Accrued interest payable	211,672	12	-	211,684
Deposits payable	409,779	51,508	-	461,287
Notes payable, current portion	611,977	-	-	611,977
Bonds payable, current portion	1,070,000	-	-	1,070,000
Lease liability, current portion	2,250	250	-	2,500
Subscription liability, current portion	5,240	582	-	5,822
Compensated absences, current portion	155,530	35,068	-	190,598
Total current liabilities	3,145,034	190,967	-	3,336,001
Noncurrent liabilities				
Notes payable, net of current portion	14,101,701	-	-	14,101,701
Bonds payable, net of current portion	20,962,509	-	-	20,962,509
Lease liability, net of current portion	957	106	-	1,063
Compensated absences, net of current portion	155,530	35,068	-	190,598
Interfund loans payable	-	994,137	(994,137)	-
Net pension liability	5,723,722	1,082,131	-	6,805,853
Net other postemployment benefits (OPEB) liability	5,273,200	1,004,419	-	6,277,619
Total long-term liabilities	46,217,619	3,115,861	(994,137)	48,339,343
Total Liabilities	49,362,653	3,306,828	(994,137)	51,675,344
DEFERRED INFLOWS OF RESOURCES				
Deferred amount on refunding	61,628	-	-	61,628
Pension plan	267,480	50,570	-	318,050
Net other postemployment benefits (OPEB) plan	4,803,350	914,924	-	5,718,274
Total Deferred Inflows of Resources	5,132,458	965,494	-	6,097,952
NET POSITION				
Net Investment in capital assets	63,677,900	7,038,828	-	70,716,728
Restricted	4,877,773	1,513,090	-	6,390,863
Unrestricted	(2,544,639)	(2,272,634)	-	(4,817,273)
Total Net Position	$ 66,011,034	$ 6,279,284	$ -	$ 72,290,318

AMADOR WATER AGENCY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Water	Wastewater	Eliminations	Total
OPERATING REVENUES				
Current services	$ 15,369,123	$ 2,544,888	$ -	$ 17,914,011
Other operating revenue	1,031,883	273,651	-	1,305,534
Total operating revenues	16,401,006	2,818,539	-	19,219,545
OPERATING EXPENSES				
General and administrative	6,035,444	793,133	-	6,828,577
Transmission and distribution	1,681,438	723,483	-	2,404,921
Maintenance	639,137	444,340	-	1,083,477
Water treatment	498,322	71,740	-	570,062
Depreciation	3,890,428	387,108	-	4,277,536
Total operating expenses	12,744,769	2,419,804	-	15,164,573
NET INCOME FROM OPERATIONS	3,656,237	398,735	-	4,054,972
NON-OPERATING REVENUES (EXPENSES)				
Taxes and assessments	635,089	36,828	-	671,917
Investment income	428,805	87,525	-	516,330
Other non-operating revenue	9,235	467	-	9,702
Interest expense	(1,081,945)	(175)	-	(1,082,120)
Total non-operating revenue (expenses)	(8,816)	124,645	-	115,829
CAPITAL CONTRIBUTIONS				
Grant revenue	1,218,079	-	-	1,218,079
Capacity fees and other capital revenues	1,015,189	36,702	-	1,051,891
Total capital contributions	2,233,268	36,702	-	2,269,970
INCOME BEFORE TRANSFERS	5,880,689	560,082	-	6,440,771
TRANSFERS				
Transfers in	1,322,960	74,370	(1,397,330)	-
Transfers out	(1,271,853)	(125,477)	1,397,330	-
Total transfers	51,107	(51,107)	-	-
CHANGE IN NET POSITION	5,931,796	508,975	-	6,440,771
NET POSITION, BEGINNING OF YEAR	60,079,238	5,770,309	-	65,849,547
NET POSITION, END OF YEAR	$ 66,011,034	$ 6,279,284	$ -	$ 72,290,318

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Amador Water Agency
Sutter Creek, California

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Amador Water Agency (the "Agency") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MUN CPAs, LLP

Sacramento, California
December 20, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Amador Water Agency
Sutter Creek, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Amador Water Agency's (the "Agency") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2024. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MUN CPAs, LLP

Sacramento, California
December 20, 2024

AMADOR WATER AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Program Title	Federal AL Number	Contract/ Pass-through Number	Expenditures
U.S. Department of Agriculture			
Direct Program:			
Water and Waste Disposal Systems of Rural Communities	10.760		$ 782,085
Total U.S. Department of Agriculture			782,085
U.S. Department of Homeland Security			
Pass-Through State of California Governor's Office of Emergency Services:			
Hazard Mitigation Grant Program	97.039	FEMA 4382-DR-CA	175,312
Total U.S. Department of Homeland Security			175,312
U.S. Department of the Treasury			
Pass-Through Amador County:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		163,189
Total U.S. Department of the Treasury			163,189
Total Expenditures of Federal Awards			$ 1,120,586

AMADOR WATER AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: SCOPE OF AUDIT PURSUANT TO UNIFORM GUIDANCE

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance provided to Amador Water Agency under programs of the Federal Government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2: REPORTING ENTITY

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Agency. The Agency's reporting entity is defined in Note 1 of the Agency's financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity.

NOTE 3: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant and contract revenues are recorded for financial reporting purposes when the Agency has met the qualifications for the respective grants and contracts.

NOTE 4: CLAIMS

The Agency has received federal grants for specific purposes that are subject to review and audit by the Federal Government. Although such audits could result in expenditure disallowances under the grant terms, any required reimbursements are not expected to be material.

NOTE 5: INDIRECT COSTS

The Agency elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance for the Hazard and Mitigation Grant Program AL number 97.039 during the year ended June 30, 2024.

NOTE 6: LOAN PROGRAMS

Loan programs with outstanding loan balances at June 30, 2024 included the Water and Waste Disposal Systems for Rural Communities Program AL number 10.760, which had an outstanding balance of $4,750,000.

AMADOR WATER AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on basic financial statements	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance?	No

Major programs are as follows:

AL Number	Name of Federal Program
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

No current year findings relating to the financial statements which are required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No current year findings and questioned costs for federal awards as defined in section 200.516 of the Uniform Guidance.

AMADOR WATER AGENCY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

None