AMADOR WATER AGENCY
ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024

AMADOR WATER AGENCY
TABLE OF CONTENTS
JUNE 30, 2025 AND 2024

	Page
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 8
Basic Financial Statements:	
Statements of Net Position as of June 30, 2025 and 2024	9 - 10
Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2025 and 2024	11
Statements of Cash Flows for the years ended June 30, 2025 and 2024	12 - 13
Notes to the Basic Financial Statements	14 - 40
Required Supplementary Information:	
Schedule of the Agency's Proportionate Share of the Net Pension Liability	41 - 42
Schedule of Contributions to the Cost Sharing Defined Benefit Pension Plan	43 - 44
Schedule of Changes in the Total OPEB Liability and Related Ratios	45 - 46
Supplementary Information:	
Schedule of Net Position by Fund	46 - 47
Schedule of Revenues, Expenses, and Changes in Net Position by Fund	48
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*	49
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	50 - 51
Schedule of Expenditures of Federal Awards	52
Notes to Schedule of Expenditures of Federal Awards	53
Schedule of Findings and Questioned Costs	54
Schedule of Prior Year Findings and Questioned Costs	55

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Amador Water Agency (the Agency) as of and for the years ended June 30, 2025 and 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, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, during the fiscal year ending June 30, 2025, the Agency adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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.

Supplementary Information

Our audits were 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 combining fund financial statements and the schedule of expenditures of federal awards are 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 16, 2025, 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 16, 2025

AMADOR WATER AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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, 2025 and 2024. 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 $7,463,455 to $79,578,426 for the year ended June 30, 2025, and increased by $6,448,133 for the year ended June 30, 2024 to $72,114,971.

Total revenues increased from $22,687,464 to $25,605,914 from the year ended June 30, 2024 to the year ended June 30, 2025 primarily due to an increase in operating revenue as a result of approved rate increases. During the year ended June 30, 2024 revenues had increased by $132,127 primarily due to an increase in operating revenue from approved rate increases.

Total expenses increased from $16,239,331 to $18,457,836 for the year ended June 30, 2025 primarily due to rising costs for general and administrative expenses as well as maintenance expenses. During the year ended June 30, 2024, expenses increased by $12,285.

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 deferred outflows and liabilities and deferred inflows 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, 2025, 2024, and 2023:

	2025	2024	2023
Other Assets and Capital Assets			
Current Assets	$ 17,285,086	$ 11,703,987	$ 8,732,870
Non-Current Assets:			
Restricted assets	23,900,853	5,371,414	3,635,689
Due from the City of Plymouth	2,337,432	2,401,430	2,459,332
Capital assets, net	109,476,580	106,426,392	108,031,871
Total other assets and capital assets	152,999,951	125,903,223	122,859,762
Deferred Outflows of Resources	3,280,239	4,160,391	3,965,185
Liabilities			
Current liabilities	25,758,949	3,778,052	4,145,064
Non-current liabilities	46,512,596	48,072,639	49,756,546
Total liabilities	72,271,545	51,850,691	53,901,610
Deferred Inflows of Resources	4,430,219	6,097,952	7,073,790
Net Position			
Net investment in capital assets	70,343,660	70,716,728	69,467,956
Restricted	23,619,372	6,390,863	5,193,747
Unrestricted	(14,384,606)	(4,992,620)	(8,812,156)
Total net position	$ 79,578,426	$ 72,114,971	$ 65,849,547

Net position increased by $7,463,455 from fiscal year 2024 to 2025 primarily due to an increase in operating revenues. Net investment in capital assets decreased from $70,716,728 to $70,343,660 primarily due to depreciation. Restricted net position increased by $17,228,509 primarily due to the issuance of bonds during 2024 and unspent proceeds as well as 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 $9,391,986 primarily due to an increase in liabilities to the 2024 debt issuance.

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, 2025, 2024, and 2023:

	2025	2024	2023
Revenues			
Operating revenues	$ 20,689,521	$ 19,219,545	$ 17,775,870
Non-operating revenues	2,094,852	1,197,949	934,878
Total revenues	22,784,373	20,417,494	18,710,748
Expenses			
Operating expenses	12,279,992	10,879,675	10,910,981
Depreciation	4,394,617	4,277,536	4,173,486
Non-operating expenses	1,783,227	1,082,120	1,149,941
Total expenses	18,457,836	16,239,331	16,234,408
Changes in net position before capital contributions	4,326,537	4,178,163	2,476,340
Capital grant revenue	2,350,190	1,218,079	1,401,601
Capacity fees and other capital revenues	786,728	1,051,891	2,442,988
Change in net position	7,463,455	6,448,133	6,320,929
Net Position			
Beginning of year	72,114,971	65,849,547	59,528,618
Prior period adjustment	-	(182,709)	-
End of year	$ 79,578,426	$ 72,114,971	$ 65,849,547

The Agency's operating revenues increased by $1,469,976 in fiscal year 2025 primarily due to substantial water rate increases implemented throughout fiscal years 2021 through 2025. Grant revenue increased by $1,132,111 due to ongoing grant funded projects. Capacity fees and other capital revenues decreased by $265,163 primarily due to lower connections to the Agency system during 2025.

Operating expenses increased by $1,400,317 in fiscal year 2025 primarily due to an increase in operating expenses for general and administrative, maintenance, and water treatment categories. Depreciation expenses increased with the addition of major infrastructure assets that were placed into service during the fiscal year. Non-operating expenses increased by $701,107 due to an increase in interest expense and the 2024 cost of issuance expenses.

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 decreased by $183,522 due to the completion of grant funded projects in fiscal year 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 $31,306 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 into 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, 2025, 2024, and 2023:

	2025	2024	2023
Capital assets not being depreciated			
Land	$ 3,908,540	$ 3,908,540	$ 3,908,540
Construction in progress	7,802,245	1,002,123	7,982,194
Total capital assets, not being depreciated	11,710,785	4,910,663	11,890,734
Capital assets being depreciated			
Utility plant	10,782,503	10,782,503	10,782,503
Source of supply	2,790,102	2,790,102	2,790,102
Pumping plant	1,175,721	1,120,124	774,916
Treatment plant	33,468,108	33,303,279	25,281,807
Transmission and distribution	111,277,075	111,237,301	111,265,076
General plant	20,964,014	20,686,886	19,985,064
Right-to-use asset	12,955	12,955	455,991
Subscription agreements	67,182	67,182	53,763
Total capital assets being depreciated	180,537,660	180,000,332	171,389,222
Less: Accumulated depreciation	(82,806,474)	(78,484,603)	(75,248,085)
Total capital assets being depreciated, net	97,731,186	101,515,729	96,141,137
Net capital assets	$ 109,441,971	$ 106,426,392	$ 108,031,871

Capital assets, net of accumulated depreciation increased by $3,015,579 for the year ended June 30, 2025, due to the increase in construction in progress. 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, 2025, 2024, and 2023:

	2025	2024	2023
Bonds payable	$ 41,665,917	$ 22,032,509	$ 23,096,809
Notes payable	14,101,702	14,713,680	15,319,754
Net pension liability	6,756,644	6,805,853	6,306,737
Total OPEB liability	6,282,379	6,277,619	6,489,343
Compensated absences	578,913	556,543	317,561
Lease liability	1,064	3,561	51,443
Subscription liability	-	5,822	11,474
Total liabilities	69,386,619	50,395,587	51,593,121
Less: current portion	(22,874,023)	(2,322,948)	(1,836,576)
Total long-term debt	$ 46,512,596	$ 48,072,639	$ 49,756,545

Long-term liabilities increased $18,991,032 primarily due to the issuance of the 2024 Certificates of Participation, offset by regularly scheduled debt service payments. See Note 6 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 2025/2026 Budget with total revenue of $23,762,950 and total expense and transfers out of $23,051,010. The Agency has implemented increased user charges for both Water and Wastewater customers during fiscal years 2021 through 2025 to build reserves and maintain the various utility systems in proper operating condition. The Agency issued $20,445,000 in Water Revenue Certificates of Participation to address old and failing infrastructure in an inflationary economy and continues to work towards building cash reserves.

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, 2025 AND 2024

	2025	(Restated) 2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents (Note 2)	$ 12,470,242	$ 8,301,202
Accounts receivable, net	2,640,934	2,257,964
Grants receivable	1,345,026	421,501
Taxes receivable	21,178	31,343
Interest receivable	10,307	10,143
Other receivables	222,863	171,189
Lease receivable, current portion (Note 5)	7,465	-
Due from the City of Plymouth, current portion (Note 3)	63,998	57,903
Inventory	353,974	315,514
Prepaid expenses	149,099	137,228
Total Current Assets	17,285,086	11,703,987
Non-Current Assets		
Restricted cash and cash equivalents (Note 2)	23,900,853	5,371,414
Due from the City of Plymouth, net of current portion (Note 3)	2,337,432	2,401,430
Lease receivable, net of current portion	34,609	-
Capital assets		
Non-depreciable	11,710,785	4,910,663
Depreciable, net of accumulated depreciation and amortization	97,731,186	101,515,729
Total capital assets (Note 4)	109,441,971	106,426,392
Total Non-Current Assets	135,714,865	114,199,236
TOTAL ASSETS	152,999,951	125,903,223
Deferred Outflows of Resources		
Related to net pension liability (Note 8)	2,148,672	2,757,026
Related to OPEB liability (Note 9)	1,131,567	1,403,365
Total Deferred Outflows of Resources	3,280,239	4,160,391
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 156,280,190	$ 130,063,614

See accompanying notes to the basic financial statements.

AMADOR WATER AGENCY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2025 AND 2024

	2025	(Restated) 2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current Liabilities		
Accounts payable	$ 1,581,243	$ 467,397
Accrued expenses and other liabilities	376,534	314,736
Accrued interest payable	281,481	211,684
Deposits payable	645,668	461,287
Notes payable, current portion (Note 6)	624,395	611,978
Bonds payable, current portion (Note 6)	21,565,000	1,070,000
Lease liability, current portion (Note 6)	958	2,500
Subscription liability, current portion (Note 6)	-	5,822
Compensated absences, current portion (Note 6)	401,731	391,732
Total OPEB liability, current portion (Note 9)	281,939	240,916
Total Current Liabilities	25,758,949	3,778,052
Long-Term Liabilities		
Notes payable, net of current portion (Note 6)	13,477,307	14,101,702
Bonds payable, net of current portion (Note 6)	20,100,917	20,962,509
Lease liability, net of current portion (Note 6)	106	1,061
Compensated absences, net of current portion (Note 6)	177,182	164,811
Net pension liability (Note 8)	6,756,644	6,805,853
Total OPEB liability, net of current portion (Note 9)	6,000,440	6,036,703
Total Long-Term Liabilities	46,512,596	48,072,639
TOTAL LIABILITIES	72,271,545	51,850,691
Deferred Inflow of Resources		
Lease receivable (Note 5)	40,258	-
Deferred amount on refunding (Note 6)	38,822	61,628
Related to the net pension liability (Note 8)	238,569	318,050
Related to the total OPEB liability (Note 9)	4,112,570	5,718,274
Total Deferred Inflows of Resources	4,430,219	6,097,952
NET POSITION		
Net Investment in capital assets	70,343,660	70,716,728
Restricted (Note 10)	23,619,372	6,390,863
Unrestricted	(14,384,606)	(4,992,620)
TOTAL NET POSITION	79,578,426	72,114,971
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 156,280,190	$ 130,063,614

See accompanying notes to the basic financial statements.

AMADOR WATER AGENCY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	(Restated) 2024
OPERATING REVENUES		
Current services	$ 19,855,226	$ 17,914,011
Other operating revenues	834,295	1,305,534
Total Operating Revenues	20,689,521	19,219,545
OPERATING EXPENSES		
General and administrative	7,661,160	6,821,215
Transmission and distribution	2,388,941	2,404,921
Maintenance	1,454,731	1,083,477
Water treatment	775,160	570,062
Depreciation and amortization	4,394,617	4,277,536
Total Operating Expenses	16,674,609	15,157,211
Net Operating Income	4,014,912	4,062,334
NON-OPERATING REVENUES (EXPENSES)		
Taxes and assessments	678,852	671,917
Interest income	1,416,000	516,330
Other non-operating revenue (expense)	(315,377)	9,702
Interest expense	(1,467,850)	(1,082,120)
Total Non-Operating Revenues (Expenses)	311,625	115,829
INCOME BEFORE CAPITAL CONTRIBUTIONS	4,326,537	4,178,163
CAPITAL CONTRIBUTIONS		
Grant revenue	2,350,190	1,218,079
Capacity fees and other capital revenues	786,728	1,051,891
Total Capital Contributions	3,136,918	2,269,970
CHANGE IN NET POSITION	7,463,455	6,448,133
TOTAL NET POSITION, BEGINNING OF YEAR	72,114,971	65,849,547
PRIOR PERIOD ADJUSTMENT (Note 16)	-	(182,709)
TOTAL NET POSITION, BEGINNING OF YEAR (RESTATED)	72,114,971	65,666,838
TOTAL NET POSITION, END OF YEAR	$ 79,578,426	$ 72,114,971

See accompanying notes to the basic financial statements.

AMADOR WATER AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	(Restated) 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 20,439,259	$ 19,086,203
Cash paid to suppliers	(4,801,185)	(4,444,325)
Cash paid to employees and for benefits and payroll taxes	(7,180,606)	(8,213,728)
Net Cash Provided by Operating Activities	8,457,468	6,428,150
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from taxes, assessments and other non-operating revenues	363,207	682,094
Net Cash Provided by Noncapital Financing Activities	363,207	682,094
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(7,410,196)	(2,672,057)
Repayment of debt	(1,937,968)	(1,679,608)
Proceeds from issuance of debt	20,995,379	-
Interest paid on long-term debt	(1,420,860)	(1,114,381)
Payments received from the City of Plymouth	57,903	54,854
Payments received lease receivable	10,251	9,235
Capacity fees collected	786,728	1,051,891
Capital grants received	1,426,665	1,836,756
Net Cash Provided by (Used for) Capital and Related Financing Activities	12,507,902	(2,513,310)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	1,369,902	468,684
Net Cash Provided by Investing Activities	1,369,902	468,684
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,698,479	5,065,618
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,672,616	8,606,998
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 36,371,095	$ 13,672,616
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Unrestricted cash and cash equivalents	$ 12,470,242	$ 8,301,202
Restricted cash and cash equivalents	23,900,853	5,371,414
TOTAL CASH AND CASH EQUIVALENTS	$ 36,371,095	$ 13,672,616

See accompanying notes to the basic financial statements.

AMADOR WATER AGENCY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 4,014,912	$ 4,062,334
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,394,617	4,277,536
Net change in deferred outflows and inflows related to pension and OPEB	(805,033)	(1,148,238)
(Increase) decrease in:		
Accounts receivable	(382,970)	(197,697)
Other receivables	(51,674)	(1,555)
Inventory	(38,460)	(18,872)
Prepaid expense	(11,871)	(45,093)
Increase (decrease) in:		
Accounts payable	1,113,846	(1,045,389)
Accrued expenses and other liabilities	61,798	135,549
Deposits	184,381	65,910
Compensated absences	22,371	56,273
Net pension liability	(49,209)	499,116
Total OPEB liability	4,760	(211,724)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 8,457,468	$ 6,428,150
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Amortization of bond premium	$ 291,971	$ 44,300
Deferred amount on refunding	22,806	22,806
Subscription assets and related liability	-	13,419
Amortization of lease receivable	7,468	7,468

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 Agency 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 deferred outflows and all liabilities and deferred inflows associated with the operation of this fund are included on the statement of net position. Net position is segregated into net investment in capital assets, restricted and unrestricted amounts. 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 $103,108 and $110,372 at June 30, 2025 and 2024, 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 statement of net position. 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 and sick pay benefits. The liability for unpaid vacation is recorded in the financial statements when the liability is incurred and is reported as the current portion of such compensated absences. Regular employees will accrue paid sick leave at a rate of 8 hours per month. A provision for sick leave is included in the compensated absences balance that is equal to the amount that have been earned and is more likely than not to be either cashed out retirement or used in the future by the employee. The liability for compensated absences is recorded as a long-term liability in the financial statements, with the current portion of the liability recorded based on historical trends.

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. Other Postemployment Benefits (OPEB)

The Agency does not have a trust that meets the criteria of paragraph 4 of GASB Statement No. 74 and therefore reports a total OPEB liability. The total OPEB liability is measured using actuarial assumptions that are in line with GASB Statement No. 74. Benefit payments are recorded when currently due and payable with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

M. 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.

N. 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 non-exchange transactions or ancillary activities. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. 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 statement of net position because their use is limited by applicable debt covenants. The Agency also had unspent impact fees classified as restricted cash and cash equivalents.

Q. 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Leases

Lessor

The Agency is a lessor for a noncancellable lease for a cell tower site. The Agency recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Agency initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The Agency uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Agency monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee

The Agency is a lessee for a non-cancellable 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 non-cancellable 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 liabilities on the statement of net position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. 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 liabilities on the statement of net position.

T. Reclassifications

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

U. Implementation of Government Accounting Standards Board Statements

In fiscal year 2025, the Agency implemented the following accounting and financial reporting standards:

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 Agency adopted this accounting guidance for its June 30, 2025 year-end. See notes 6 and 16.

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 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 Agency adopted this accounting guidance for its June 30, 2025 year-end. There was no material impact to the financial statements.

V. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2025 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. 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:

	2025	2024
Cash and cash equivalents:		
Unrestricted:		
Cash on hand	$ 700	$ 700
Unrestricted deposits in financial institutions	3,754,555	2,997,953
Deposits in Local Agency Investment Fund (LAIF)	940,755	898,882
Deposits in California Asset Management Program (CAMP)	7,774,232	4,403,667
Total unrestricted cash and cash equivalents	12,470,242	8,301,202
Restricted:		
Deposits in CAMP	20,691,319	3,761,894
Restricted deposits in financial institutions	2,140,473	1,609,481
Deposits in LAIF	40	39
Restricted deposits in money market mutual funds	1,069,021	-
Total restricted cash and cash equivalents	23,900,853	5,371,414
Total cash and cash equivalents	$ 36,371,095	$ 13,672,616

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Investments Authorized by the California Government Code and the Agency'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%	5%
Commercial paper	270 days	25%	5%
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 248 days as of June 30, 2025 and 217 days as of June 30, 2024.

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, 2025, the carrying amount of the Agency's cash and deposits was $5,895,028 and the balance in financial institutions was $5,892,006. Of the balance in financial institutions, $458,503 was covered by federal depository insurance and $5,433,503 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, 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, $365,972 was covered by federal depository insurance and $4,277,704 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. LAIF is not registered with the Securities and Exchange Commission (SEC) and is not rated.

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 41 days as of June 30, 2025 and 38 days as of June 30, 2024.

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, 2024	Additions	Repayments	Balance at June 30, 2025	Current Portion
Due from the City of Plymouth	$ 2,459,333	$ -	$ (57,903)	$ 2,401,430	$ 63,998

	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

NOTE 4: CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2025 and 2024 were as follows:

	July 1, 2024	Additions	Retirements	Transfers	June 30, 2025
Capital assets not being depreciated					
Land and easement	$ 3,908,540	$ -	$ -	$ -	$ 3,908,540
Construction in progress	1,002,123	7,410,196	-	(610,074)	7,802,245
Total capital assets not being depreciated	4,910,663	7,410,196	-	(610,074)	11,710,785
Capital assets being depreciated and amortized					
Utility plant	10,782,503	-	-	-	10,782,503
Source of supply	2,790,102	-	-	-	2,790,102
Pumping plant	1,120,124	-	-	55,597	1,175,721
Treatment plant	33,303,279	-	-	164,829	33,468,108
Transmission and distribution	111,237,301	-	-	39,774	111,277,075
General plant	20,686,886	-	(72,746)	349,874	20,964,014
Right-to-use asset	12,955	-	-	-	12,955
Subscription asset	67,182	-	-	-	67,182
Total capital assets being depreciated and amortized	180,000,332	-	(72,746)	610,074	180,537,660
Less accumulated depreciation and amortization					
Utility plant	(8,562,586)	(215,717)	-	-	(8,778,303)
Source of supply	(1,259,813)	(71,719)	-	-	(1,331,532)
Pumping plant	(412,047)	(30,643)	-	-	(442,690)
Treatment plant	(14,621,262)	(838,724)	-	-	(15,459,986)
Transmission and distribution	(44,462,664)	(2,469,497)	-	-	(46,932,161)
General plant	(9,103,986)	(753,195)	72,746	-	(9,784,435)
Right-to-use asset	(9,567)	(2,392)	-	-	(11,959)
Subscription asset	(52,678)	(12,730)	-	-	(65,408)
Total accumulated depreciation and amortization	(78,484,603)	(4,394,617)	72,746	-	(82,806,474)
Total capital assets, net of accumulated depreciation and amortization	$ 106,426,392	$ 3,015,579	$ -	$ -	$ 109,441,971

NOTE 4: CAPITAL ASSETS (CONTINUED)

	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 and amortized					
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
Right-to-use asset	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)
Right-to-use asset	(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, net of accumulated depreciation and amortization	$ 108,031,871	$ (1,605,479)	$ -	$ -	$ 106,426,392

Depreciation and amortization expense totaled $4,394,617 and $4,277,536 for the years ended June 30, 2025 and 2024, respectively.

NOTE 5: LEASE RECEIVABLE

The Agency is reporting a lease receivable of $42,074 (split between current amount $7,465 and noncurrent amount of $34,609) at June 30, 2025. The Agency also reports a balance of $40,258 as a deferred inflow of resources related to the lease receivable on the statement of net position. For 2025, the Agency reported lease revenue of $7,286 and interest revenue of $1,114 related to lease payments received. The lease is summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
New Cingular Wireless PCS, LLC	$ 42,074	$ 7,286	$ 1,114

New Cingular Wireless *PCS, LLC* - On October 19, 2005, the Agency entered into an initial five year lease agreement with New Cingular Wireless PCS, LLC. for the lease of a certain portion of property owned by Pine Grove CSD, for which the Agency has an easement on. Based on this agreement, the Agency is receiving monthly payments through 2031. There were four extension options of five years each. The lessee renewed the lease for the final extension.

NOTE 6: LONG-TERM LIABILITIES

During the years ended June 30, 2025 and 2024, the following changes occurred in long-term liabilities:

	July 1, 2024	Additions	Reductions	June 30, 2025	Current Portion
Revenue bonds, Public Offering					
2016 Water Revenue Refunding	$ 20,925,000	$ -	$ (1,070,000)	$ 19,855,000	$ 1,120,000
Plus: Unamortized premium	1,107,509	-	(44,300)	1,063,209	-
2024 Revenue Certificates of Participation	-	20,445,000	-	20,445,000	20,445,000
Plus: Unamortized premium	-	550,379	(247,671)	302,708	-
	22,032,509	20,995,379	(1,361,971)	41,665,917	21,565,000
Direct borrowing notes payable					
U.S. Department of Agriculture - GSL	7,150,000	-	(145,000)	7,005,000	150,000
County of Amador - Tanner Hydro	923,721	-	(74,641)	849,080	75,706
California Energy Commission	1,341,893	-	(149,787)	1,192,106	151,288
Department of Water Resources	450,427	-	(107,599)	342,828	110,858
County of Amador - Env Review	97,639	-	(31,951)	65,688	32,543
U.S. Department of Agriculture - Pioneer Water Rehab Ph 3 Loan $3M	2,893,000	-	(62,000)	2,831,000	63,000
U.S. Department of Agriculture - Pioneer Water Rehab Ph 3 Loan $1M	1,857,000	-	(41,000)	1,816,000	41,000
	14,713,680	-	(611,978)	14,101,702	624,395
Lease liability	3,561	-	(2,497)	1,064	958
Subscription (SBITA) liability	5,822	-	(5,822)	-	-
Compensated absences*	556,543	22,370	-	578,913	401,731
Total	$ 37,312,115	$ 21,017,749	$ (1,982,268)	$ 56,347,596	$ 22,592,084

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

	July 1, 2023 (Restated)	Additions	Reductions	June 30, 2024 (Restated)	Current Portion
Revenue bonds, Public Offering					
2016 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*	500,270	56,273	-	556,543	391,732
Total	$ 38,979,750	$ 56,273	$ (1,723,908)	$ 37,312,115	$ 2,082,032

* Reported at net amounts.

A description of the long-term liabilities at June 30, 2025 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, 2025 and 2024, and is included in interest expense. The deferred amount on refunding was $38,822 and $61,628 at June 30, 2025 and 2024, respectively.

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

2024 Revenue Certificates of Participation

In October 2024, the Agency issued $20,445,000 Amador Agency Water Revenue Certificates of Participation, Series 2024A, (2024 Certificates). The 2024 Certificates were issued to (i) provide interim financing for the acquisition of certain capital improvements for the Agency's water system, (ii) fund capitalized interest with respect to the 2024 Certificates through their maturity, and (iii) pay costs of execution and delivery of the 2024 Certificates. The 2024 Certificates mature June 1, 2026. Principal is due in full in on the date of maturity. The 2024 Certificates bear interest at a rate of 5.00% per annum. Interest payments are due semi-annually.

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 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.

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. Semiannual 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 $97,646 during the years ended June 30, 2025 and 2024, respectively. Debt service reserve and short-lived asset reserve are required to be maintained.

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

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. Semiannual 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 $61,175 during the years ended June 30, 2025 and 2024, 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 $996 and $3,388 at June 30, 2025 and 2024, respectively, net of accumulated amortization of $11,959 and $9,567, respectively. The intangible right-to-use asset is being amortized over 1 to 2 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 $1,774 and $14,504 at June 30, 2025 and 2024, respectively, net of accumulated amortization of $65,408 and $52,678, 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 one year, the remaining term of the agreement.

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

Years ending June 30,	Notes Payable		Bonds Payable		Lease Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 624,395	$ 286,817	$ 21,565,000	$ 1,756,506	$ 958	$ 7
2027	639,320	274,116	1,180,000	678,256	106	1
2028	618,012	261,414	1,240,000	619,256	-	-
2029	510,729	249,402	1,305,000	557,256	-	-
2030	520,199	240,024	1,365,000	492,006	-	-
2031 - 2035	2,385,047	1,054,860	7,485,000	1,805,475	-	-
2036 - 2040	1,726,000	842,696	3,205,000	757,438	-	-
2041 - 2045	1,937,000	638,915	2,055,000	361,013	-	-
2046 - 2050	2,163,000	407,947	900,000	79,450	-	-
2051 - 2055	2,058,000	152,203	-	-	-	-
2056 - 2060	762,000	32,683	-	-	-	-
2061 - 2063	158,000	957	-	-	-	-
	$ 14,101,702	$ 4,442,034	$ 40,300,000	$ 7,106,656	$ 1,064	$ 8

Pledged Revenues

2016 Bonds

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 $25,939,406 and $29,455,480 at June 30, 2025 and 2024, respectively. Total principal and interest paid was $1,857,756 and the total water system net revenues were $8,329,222 for the year ended June 30, 2025. 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. At June 30, 2025, the Agency's net revenues were 448% of debt service payments. At June 30, 2024, the Agency's net revenues were 317% of debt service payments.

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

2024 Certificates

The Agency pledged future water system revenues, net of specified expenses, to repay the 2024 Certificates in the original amount of $20,445,000. The Certificates are payable solely from water customer net revenues and are scheduled to mature on June 1, 2026. Total principal and interest remaining to be paid on the Certificates was $21,467,250 at June 30, 2025. Total interest paid was $636,067 and the total water system net revenues were $8,329,222 for the year ended June 30, 2025. At June 30, 2025, the Agency's net revenues were 1,309% of debt service payments on the 2024 Certificates.

NOTE 7: 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 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.

NOTE 8: 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 Agency 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 8: PENSION PLAN (CONTINUED)

The rate plan's provisions and benefits in effect at June 30, 2025 and 2024, 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	7.00%		7.75%	
	2025	**2024**	**2025**	**2024**
Required Employer Contribution Rates	11.880%	11.840%	7.870%	7.680%
Required UAL Contribution	$ 511,229	$ 412,044	$ 7,832	$ -

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, 2025 and 2024 were $905,616 and $792,221, respectively.

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

As of June 30, 2025 and 2024, the Agency reported a net pension liability of $6,756,644 and $6,805,853 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, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2025 and 2024 was follows:

Proportion - June 30, 2024	0.13611 %
Proportion - June 30, 2025	0.13970 %
Change - increase	0.00359 %
Proportion - June 30, 2023	0.13478 %
Proportion - June 30, 2024	0.13611 %
Change - decrease	(0.00133)%

NOTE 8: PENSION PLAN (CONTINUED)

For the years ended June 30, 2025 and 2024, the Agency recognized pension expense of $1,386,795 and $1,311,857. The Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	$ 905,616	$ -	$ 792,221	$ -
Change in employer's proportion	96,251	-	104,296	-
Difference between actual and expected experience	584,174	22,794	347,680	53,933
Changes in assumptions	173,660	-	410,900	-
Difference between employer contributions and the employer's proportionate share of the risk pool's contributions	-	215,775	-	264,117
Net difference between projected and actual earning on plan investments	388,971	-	1,101,929	-
Total	$ 2,148,672	$ 238,569	$ 2,757,026	$ 318,050

The $905,616 and $792,221 at June 30, 2025 and 2024, 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,	
2026	$ 318,254
2027	823,504
2028	(3,975)
2029	(133,296)

NOTE 8: PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 and June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	June 30, 2025	June 30, 2024
Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
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 8: 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 Agency's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Agency'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:

2025

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	$10,927,162	$6,756,644	$3,323,694

2024

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	$10,771,684	$6,805,853	$3,591,019

NOTE 8: 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 9: 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, are 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, are 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 January 7, 2018, will be eligible to 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 January 8, 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 9: 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:

	2025	2024
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, 2025 and 2024 was measured as of June 30, 2024 and 2023, respectively, and was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions

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

	2025	2024
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2023
Actuarial Assumptions:		
Discount Rate	4.09%	3.86%
Inflation	2.30%	2.30%
Salary Increases	2.80% annually	2.80% annually
Healthcare Trend	• Non-Medicare - 6.8% for 2024, decreasing to an ultimate rate of 4.14% in 2076 • Medicare - 4.17% for 2024, decreasing to an ultimate rate of 4.14% in 2076	• 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
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 increased from 3.86% for June 30, 2024 to 4.09% for June 30, 2025. 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.

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in Assumptions

Changes in assumptions as of June 30, 2024 and 2023 measurement dates 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.

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Increase (Decrease) Total OPEB Liability
Balance at July 1, 2024	$ 6,277,619
Changes during the year:	
Service cost	191,552
Interest	245,061
Actual vs. expected experience	(8,437)
Assumption changes	(182,500)
Benefit payments	(171,934)
Implicit subsidy credit	(68,982)
Net changes	4,760
Balance at June 30, 2025	$ 6,282,379

	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)
Administrative expenses	(46,141)
Net changes	(211,724)
Balance at June 30, 2024	$ 6,277,619

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

For the year ended June 30, 2025 and 2024, the Agency recognized OPEB income of $(1,070,529) and $(1,168,322), respectively. At June 30, 2025 and 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	$ 281,939	$ -	$ 240,916	$ -
Difference between actual and expected experience	383,959	2,222,480	485,002	3,368,882
Changes in assumptions	465,669	1,890,090	677,447	2,349,392
Total	$ 1,131,567	$ 4,112,570	$ 1,403,365	$ 5,718,274

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,	
2026	$ (1,427,820)
2027	(1,054,198)
2028	(661,241)
2029	(93,351)
2030	(26,332)

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:

	2025		
	Discount Rate - 1% 3.09%	Current Discount Rate 4.09%	Discount Rate + 1% 5.09%
Total OPEB liability	$7,134,734	$-	$5,569,891

	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

NOTE 9: 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:

	2025		
	Rate - 1%	Current Healthcare Cost Trend Rate 6.8%	Rate + 1%
Total OPEB liability	$5,382,750	$-	$7,404,176

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

NOTE 10: 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:

	2025	2024
Capacity fees restricted for capital improvement and replacement	$ 4,936,033	$ 5,120,490
Taxes and assessments restricted for debt service	341,627	445,894
Debt service reserve required by debt agreement	1,621,268	824,479
Unexpended bond proceeds for capital projects	16,720,444	-
Total Restricted Net Position	$ 23,619,372	$ 6,390,863

NOTE 11: 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 was 9.5% before expiring on April 10, 2024. There was no outstanding balance as of June 30, 2025.

NOTE 12: 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 14. 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 13: COMMITMENTS AND 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 Agency.

NOTE 14: 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, 2024 (the most recent information available):

Total assets	$ 308,144,466
Total deferred outflows of resources	3,099,110
Total liabilities	177,706,110
Total deferred inflows of resources	4,357,741
Net assets	129,179,725
Total income	261,895,930
Total expense	253,429,117

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.

The following is a summary of the most current audited financial information for the CAMP portfolio as of December 31, 2024 (the most recent information available):

Total assets	$ 21,123,295,157
Total liabilities	19,043,410
Net assets	21,104,251,747
Total income	1,033,430,248
Total expenses	17,771,736
Net increase in net assets resulting from operations	1,015,658,512

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 15: SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2025 through December 16, 2025, the date on which the financial statements were available to be issued. Management has determined no other subsequent events requiring disclosure have occurred.

NOTE 16: CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT

The implementation of GASB No. 101 requires retroactive application which resulted in the following restatement to June 30, 2023 beginning net position balance.

Net Position July 1, 2023	$ 65,849,547
Adjustments:	
Compensated absences adjustment	(182,709)
Restated Net Position July 1, 2023	$ 65,666,838

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, 2025
LAST 10 YEARS

	Measurement Period				
	2024	**2023**	**2022**	**2021**	**2020**
Proportion of the net pension liability	0.13970 %	0.13611 %	0.13478 %	0.13859 %	0.12695 %
Proportionate share of the net pension liability	$ 6,756,644	$ 6,805,853	$ 6,306,737	$ 2,631,573	$ 5,354,854
Covered payroll	$ 3,806,471	$ 3,949,245	$ 3,359,724	$ 3,241,637	$ 3,458,365
Proportionate share of the net pension liability as a percentage of covered payroll	177.50 %	172.33 %	187.72 %	81.18 %	154.84 %
Plan fiduciary net position as a percentage of the total pension liability	78.08 %	76.21 %	53.27 %	123.18 %	75.10 %

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, 2025
LAST 10 YEARS

	Measurement Period				
	2019	**2018**	**2017**	**2016**	**2015**
Proportion of the net pension liability	0.04832 %	0.04730 %	0.04761 %	0.04707 %	0.04580 %
Proportionate share of the net pension liability	$ 4,951,343	$ 4,558,042	$ 4,721,415	$ 4,073,067	$ 3,143,683
Covered payroll	$ 3,286,241	$ 2,975,301	$ 2,891,092	$ 2,738,454	$ 2,520,123
Proportionate share of the net pension liability as a percentage of covered payroll	150.67 %	153.20 %	163.31 %	148.74 %	124.74 %
Plan fiduciary net position as a percentage of the total pension liability	75.26 %	75.26 %	73.31 %	74.06 %	78.40 %

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, 2025
LAST 10 YEARS

	Fiscal Year-End				
	2025	**2024**	**2023**	**2022**	**2021**
Contractually required contribution (actuarially determined)	$ 905,616	$ 792,221	$ 781,602	$ 791,089	$ 725,027
Contributions in relation to the actuarially determined contributions	905,616	792,221	781,602	791,089	725,027
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,294,892	$ 3,806,471	$ 3,949,245	$ 3,359,724	$ 3,241,637
Contributions as a percentage of covered payroll	21.09 %	20.81 %	19.79 %	23.55 %	22.37 %

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)
AS OF JUNE 30, 2025
LAST 10 YEARS

	Fiscal Year-End				
	2020	**2019**	**2018**	**2017**	**2016**
Contractually required contribution (actuarially determined)	$ 672,055	$ 580,886	$ 494,480	$ 456,825	$ 398,264
Contributions in relation to the actuarially determined contributions	672,055	580,886	494,480	456,825	398,264
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,458,365	$ 3,286,241	$ 2,975,301	$ 2,891,092	$ 2,738,454
Contributions as a percentage of covered payroll	19.43 %	17.68 %	16.62 %	15.80 %	14.54 %

AMADOR WATER AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2025
LAST 10 YEARS*

	Fiscal Year-End			
	2025	**2024**	**2023**	**2022**
Service cost	$ 191,552	$ 190,122	$ 323,767	$ 390,000
Interest	245,061	256,210	193,623	270,041
Change in benefit terms	-	-	-	-
Differences between expected and actual earnings	(8,437)	586,045	(739,395)	(2,613,644)
Assumption changes	(182,500)	(1,024,145)	(2,060,625)	457,703
Benefit payments	(171,934)	(173,815)	(247,473)	(232,077)
Implicit subsidy credit	(68,982)	(46,141)	-	-
Net change in total OPEB liability	4,760	(211,724)	(2,530,103)	(1,727,977)
Total OPEB liability - beginning	6,277,619	6,489,343	9,019,446	10,747,423
Total OPEB liability - ending	$ 6,282,379	$ 6,277,619	$ 6,489,343	$ 9,019,446
Covered payroll	$ 2,289,382	$ 2,167,336	$ 1,991,305	$ 2,162,628
Total OPEB liability as percentage of covered payroll	274.41 %	289.65 %	325.88 %	417.06 %

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, 2025	4.09 %
June 30, 2024	3.86 %
June 30, 2023	3.90 %
June 30, 2022	2.10 %
June 30, 2021	2.45 %
June 29, 2020	3.15 %
June 30, 2019	3.50 %
June 30, 2018	3.40 %

In 2025, the non-medicare and medicare healthcare trend rate were updated from 7.4% to 6.8% and 4.2% to 4.17%, respectively.

***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, 2025
LAST 10 YEARS*

	Fiscal Year-End			
	2021	**2020**	**2019**	**2018**
Service cost	$ 411,091	$ 379,301	$ 495,583	$ 609,000
Interest	368,820	370,096	455,484	403,000
Change in benefit terms	-	-	(26,861)	-
Differences between expected and actual earnings	(1,624,289)	-	(3,084,661)	-
Assumption changes	434,173	634,765	(278,001)	(1,393,000)
Benefit payments	(279,697)	(283,381)	(252,000)	(237,000)
Implicit subsidy credit	-	-	-	-
Net change in total OPEB liability	(689,902)	1,100,781	(2,690,456)	(618,000)
Total OPEB liability - beginning	11,437,325	10,336,544	13,027,000	13,645,000
Total OPEB liability - ending	$ 10,747,423	$ 11,437,325	$ 10,336,544	$ 13,027,000
Covered payroll	$ 2,573,150	$ 2,564,017	$ 2,939,386	$ 2,891,092
Total OPEB liability as percentage of covered payroll	417.68 %	446.07 %	351.66 %	450.59 %

SUPPLEMENTARY INFORMATION

AMADOR WATER AGENCY
SCHEDULE OF NET POSITION BY FUND
JUNE 30, 2025

	Water	Wastewater	Eliminations	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets				
Cash and cash equivalents	$ 11,173,494	$ 1,296,748	$ -	$ 12,470,242
Accounts receivable	2,320,859	320,075	-	2,640,934
Grants receivable	1,345,026	-	-	1,345,026
Taxes receivable	19,258	1,920	-	21,178
Interest receivable	10,255	52	-	10,307
Other receivables	148,288	74,575	-	222,863
Lease receivable, current portion	7,465	-	-	7,465
Due from the City of Plymouth, current portion	63,998	-	-	63,998
Inventory	353,974	-	-	353,974
Prepaid expenses	135,888	13,211	-	149,099
Total Current Assets	15,578,505	1,706,581	-	17,285,086
Non-Current Assets				
Restricted cash and cash equivalents	22,612,598	1,288,255	-	23,900,853
Interfund loans receivable	464,209	378,792	(843,001)	-
Due from City of Plymouth, net of current portion	2,337,432	-	-	2,337,432
Capital assets, net of accumulated depreciation and amortization	102,594,536	6,847,435	-	109,441,971
Lease receivable, net of current portion	34,609	-	-	34,609
Total Non-Current Assets	128,043,384	8,514,482	(843,001)	135,714,865
TOTAL ASSETS	143,621,889	10,221,063	(843,001)	152,999,951
Deferred Outflows of Resources				
Changes in net pension liability	1,796,290	352,382	-	2,148,672
Changes in total OPEB liability	950,515	181,052	-	1,131,567
Total Deferred Outflows of Resources	2,746,805	533,434	-	3,280,239
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 146,368,694	$ 10,754,497	$ (843,001)	$ 156,280,190

AMADOR WATER AGENCY
SCHEDULE OF NET POSITION BY FUND (CONTINUED)
JUNE 30, 2025

	Water	Wastewater	Eliminations	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Current Liabilities				
Accounts payable	$ 1,551,874	$ 29,369	$ -	$ 1,581,243
Accrued expenses and other liabilities	318,679	57,855	-	376,534
Accrued interest payable	281,481	-	-	281,481
Deposits payable	595,648	50,020	-	645,668
Notes payable, current portion	624,395	-	-	624,395
Bonds payable, current portion	21,565,000	-	-	21,565,000
Lease liability, current portion	958	-	-	958
Compensated absences, current portion	318,271	83,460	-	401,731
Total OPEB liability, current portion	236,829	45,110	-	281,939
Total Current Liabilities	25,493,135	265,814	-	25,758,949
Non-Current Liabilities				
Notes payable, net of current portion	13,477,308	-	-	13,477,308
Bonds payable, net of current portion	20,100,917	-	-	20,100,917
Lease liability, net of current portion	-	106	-	106
Compensated absences, net of current portion	142,611	34,570	-	177,181
Interfund loans payable	-	843,001	(843,001)	-
Net pension liability	5,648,554	1,108,090	-	6,756,644
Total OPEB liability, net of current portion	5,040,369	960,071	-	6,000,440
Total Non-Current Liabilities	44,409,759	2,945,838	(843,001)	46,512,596
TOTAL LIABILITIES	69,902,894	3,211,652	(843,001)	72,271,545
Deferred Inflows of Resources				
Lease receivable	40,258	-	-	40,258
Deferred amount on refunding	38,822	-	-	38,822
Changes in the net pension liability	199,444	39,125	-	238,569
Changes in the total OPEB liability	3,454,558	658,012	-	4,112,570
Total Deferred Inflows of Resources	3,733,082	697,137	-	4,430,219
NET POSITION				
Net Investment in capital assets	63,496,005	6,847,655	-	70,343,660
Restricted	22,331,117	1,288,255	-	23,619,372
Unrestricted	(13,094,404)	(1,290,202)	-	(14,384,606)
Total Net Position	72,732,718	6,845,708	-	79,578,426
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 146,368,694	$ 10,754,497	$ -	$ 156,280,190

AMADOR WATER AGENCY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Water	Wastewater	Eliminations	Total
OPERATING REVENUES				
Current services	$ 17,256,991	$ 2,598,235	$ -	$ 19,855,226
Other operating revenue	606,782	227,513	-	834,295
Total Operating Revenues	17,863,773	2,825,748	-	20,689,521
OPERATING EXPENSES				
General and administrative	7,071,352	589,808	-	7,661,160
Transmission and distribution	1,638,002	750,939	-	2,388,941
Maintenance	711,745	742,986	-	1,454,731
Water treatment	703,896	71,264	-	775,160
Depreciation	4,002,334	392,283	-	4,394,617
Total Operating Expenses	14,127,329	2,547,280	-	16,674,609
Net Operating Income	3,736,444	278,468	-	4,014,912
NON-OPERATING REVENUES (EXPENSES)				
Taxes and assessments	640,376	38,476	-	678,852
Investment income	1,320,437	95,563	-	1,416,000
Other non-operating revenue (expense)	(317,358)	1,981	-	(315,377)
Interest expense	(1,467,837)	(13)	-	(1,467,850)
Total Non-Operating Revenue (Expenses)	175,618	136,007	-	311,625
CAPITAL CONTRIBUTIONS				
Grant revenue	2,350,190	-	-	2,350,190
Capacity fees and other capital revenues	536,167	250,561	-	786,728
Total Capital Contributions	2,886,357	250,561	-	3,136,918
INCOME BEFORE TRANSFERS	6,798,419	665,036	-	7,463,455
TRANSFERS				
Transfers in	739,879	20,632	(760,511)	-
Transfers out	(677,020)	(83,491)	760,511	-
Total transfers	62,859	(62,859)	-	-
CHANGE IN NET POSITION	6,861,278	602,177	-	7,463,455
NET POSITION, BEGINNING OF YEAR	65,871,440	6,243,531	-	72,114,971
NET POSITION, END OF YEAR	$ 72,732,718	$ 6,845,708	$ -	$ 79,578,426

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, 2025, 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 16, 2025.

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 16, 2025

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, 2025. 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, 2025.

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 16, 2025

AMADOR WATER AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Program Title	Federal AL Number	Contract/ Pass-through Number	Expenditures
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	$ 1,673,455
Total U.S. Department of Homeland Security			1,673,455
U.S. Department of the Treasury			
Pass-Through Amador County:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		46,671
Total U.S. Department of the Treasury			46,671
Total Expenditures of Federal Awards			$ 1,720,126

AMADOR WATER AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025. 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 minimis 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, 2025.

AMADOR WATER AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

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
97.039	Hazard Mitigation Grant Program

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, 2025

None