

*WATER RESOURCES ASSOCIATION  
OF YOLO COUNTY*

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Report on Audits  
Years Ended June 30, 2019 and 2018

*WATER RESOURCES ASSOCIATION OF YOLO COUNTY*

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**June 30, 2019 and 2018**

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## Independent Auditor's Report

To the Board of Directors  
Water Resources Association of Yolo County  
Woodland, California

We have audited the accompanying statements of net position and governmental fund balance sheets of Water Resources Association of Yolo County (WRA) as of June 30, 2019 and 2018, and the related statements of activities and governmental fund revenues, expenditures and changes in fund balance for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of WRA as of June 30, 2019 and 2018, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Perry, Bunch & Johnston, Inc.*

Woodland, California  
December 3, 2019

**WATER RESOURCES ASSOCIATION OF YOLO COUNTY**  
**34274 State Highway 16**  
**Woodland, CA 95695**  
**(530) 666-2733**

**Management's Discussion and Analysis:**

Management of Water Resources Association of Yolo County (the Association) provides this Management's Discussion and Analysis of its financial performance for the readers of the Association's financial statements. This narrative provides an overview of the Association's financial activity for the years ended June 30, 2019 and 2018. To provide an objective analysis of the Association's financial activities, the information presented herein should be read in conjunction with the accompanying financial statements and notes to the financial statements.

**Using This Annual Report:**

Revenue of the Association is generated primarily through membership dues and project funds. Accordingly, the Association is considered to be involved only in governmental activities for purposes of GASB Statement No. 34. It is therefore required to present only the government-wide financial statements and the fund financial statements for governmental funds. Additionally, the Association is considered to be a special-purpose entity engaged in a single governmental program. Therefore, the Association combines the government-wide and fund financial statements using a columnar format that reconciles fund data to government-wide data. The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, provide information about the activities of the Association as a whole and present a longer-term view of the Association's finances. Fund financial statements for governmental activities provide information about short-term financing as well as funds that remain available for future spending.

**Statement of Net Position and Statement of Activities:**

The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Association's net position and changes in net position. The Association's net position, the difference between assets and liabilities, present a way to measure the Association's financial position. Over time, increases or decreases in net position are one indicator of whether financial health is improving or deteriorating.

<b>Water Resources Association of Yolo County</b>		
<b>Statements of Net Position</b>		
<b>As of June 30,</b>	<b>2019</b>	<b>2018</b>
Cash	\$ 58,181	\$ 52,788
Accounts receivable	388	425
Other	<u>219</u>	<u>159</u>
<b>Total Assets</b>	<b><u>58,788</u></b>	<b><u>53,372</u></b>
Accounts payable	1,437	593
Payroll liabilities	1,953	1,841
Compensated absences	<u>8,586</u>	<u>9,021</u>
<b>Total Liabilities</b>	<b><u>11,976</u></b>	<b><u>11,455</u></b>
Deferred inflows	7,790	6,015
<b>Total Deferred Inflow of Resource</b>	<b><u>7,790</u></b>	<b><u>6,015</u></b>
<b>Net Position</b>	<b><u>\$ 39,022</u></b>	<b><u>\$ 35,902</u></b>

## Statements of Net Position and Statements of Activities: (Continued)

The following statements of activities present information on revenue and expenses to show how the Association's net position changed during the fiscal year. All revenues and expenses are reported as soon as the underlying event occurs, even though the related cash flows may not take place until future fiscal periods.

<b>Water Resources Association of Yolo County</b>		
<b>Statements of Activities</b>		
<b>For the Fiscal Years Ended June 30,</b>	<b>2019</b>	<b>2018</b>
<b>Revenues:</b>		
Charge for services	\$ 108,900	\$ 94,964
Membership dues	700	600
Calendar contributions	2,300	1,795
Investment earnings	829	710
Grant income	200	1,325
Other revenue	-	5,000
<b>Total Revenues</b>	<b>112,929</b>	<b>104,394</b>
<b>Expenses:</b>		
Salaries and benefits	80,239	88,962
Services and supplies	29,570	42,634
<b>Total Expenditures/Expenses</b>	<b>109,809</b>	<b>131,596</b>
<b>Change in net position</b>	<b>3,120</b>	<b>(27,202)</b>
<b>Net Position:</b>		
<b>Beginning of Year</b>	<b>35,902</b>	<b>63,104</b>
<b>End of Year</b>	<b>\$ 39,022</b>	<b>\$ 35,902</b>

### Financial Position:

The Association had an increase in net position of \$3,120 compared to a prior year decrease of \$27,202. The Association had an increase in revenue of \$7,766 and expenses decreased \$22,556. The result was an overall increase in the financial position of the Authority.

### Fund Balances and Transactions:

Total fund balance increased from \$50,779 the prior year to \$55,949 in the current year. The excess of income over expenses is primarily due to other income.

### Operational Highlights:

#### Highlights – Fiscal Year July 1, 2018 to June 30, 2019

The following items are, in the opinion of Association management, among the most significant in assessing the Association's overall activities during the year ended June 30, 2018.

- The WRA Board of Directors adopted a fiscal year 2018–2019 budget on June 18, 2018 and adopted an amended budget on September 17, 2019. The WRA continued the same operating procedures as described in fiscal year 2017–2018 to contract with the YSGA for operating funds to provide administrative support services. The YSGA administrative budget contract amount was \$120,000.

## Operational Highlights: (Continued)

- The WRA continued its commitment to the multi-county partnership for the Westside-Sacramento IRWM Plan. In fiscal year 2018-2019 this cost share is included in the WRA's \$120,000 operating budget.
- Annually the Board elects Board officers and assigns appointed positions. The Board elected 2019 officers and approved appointed positions at the January 14, 2019 Board meeting.

## Highlights – Fiscal Year July 1, 2017 to June 30, 2018

The following items are, in the opinion of Association management, among the most significant in assessing the Association's overall activities during the year ended June 30, 2017.

- The WRA Board of Directors adopted a fiscal year 2017-2018 operating budget on June 19, 2017.
- After a transparent collaborative two-year process, the Yolo Subbasin Groundwater Agency (YSGA) Joint Powers Authority (JPA) was officially formed on June 19, 2017 as mandated by the Sustainable Groundwater Management Act (SGMA) legislation of 2014. The YSGA is comprised of a membership of twenty-four local water management agencies and affiliated parties in Yolo County. The WRA Board proposed that the 2017-2018 operating budget structure be changed for the next two years to accommodate the formation of the YSGA JPA. The WRA's member agencies did not wish to pay dues to both the WRA and the YSGA given there is an overlap of groundwater-related tasks and activities. Therefore, all the WRA member agencies will become participants in the YSGA and pay all membership dues directly to that agency for the next two years. The YSGA's fiscal year 2017-2018 budget was adopted on June 19, 2017 that allocated \$110,000 for their administrative services and expenses. The YSGA agreed to contract with the WRA to provide administrative support for both the WRA and the YSGA for amount of \$110,000 for fiscal year 2017-2018. As of July 1, 2017, an agreement was executed between the WRA and the YSGA for administrative support services. This is the planned basis of operations for the two years. After that time the WRA and YSGA's dues structure and operations will be re-visited.
- The Project Fund budget was suspended with the adoption of the fiscal year 2017-2018 budget with the exception of the Westside-Sacramento IRWM cost share. The WRA will continue its commitment to the multi-county partnership for the Westside-Sacramento IRWM Plan. In fiscal year 2017-2018 this cost share will be paid from existing WRA funds in the Retained Earnings account.
- Annually the Board elects Board officers and assigns appointed positions. The Board elected 2017 officers and approved appointed positions at the November 13, 2017 Board meeting. The same slate of officers continued their term for 2018 as agreed upon at the June 19, 2017 Board meeting with the formation of the YSGA JPA.
- The Annual WRA newsletter The Year in Review: 2017 was published in June 2018 that highlighted the past year's activities of the WRA Board of Directors, Technical Committee and WRA member agencies. A fiscal year July 2016 to June 2017 financial summary chart was included.

## Requests for Information:

This financial report is designed to provide citizens, taxpayers, creditors and government regulators with a general overview of the Association's finances and to demonstrate the Association's accountability for the money it receives. Below is the contact address for questions about this report or requests for additional financial information:

Water Resources Association of Yolo County  
34274 State Highway 16  
Woodland, CA 95695

**WATER RESOURCES ASSOCIATION OF YOLO COUNTY**

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

**June 30, 2019**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 58,181	\$ -	\$ 58,181
Accounts receivable	388	-	388
Interest receivable	-	219	219
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<u>\$ 58,569</u>	<u>\$ 219</u>	<u>\$ 58,788</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 1,437	\$ -	\$ 1,437
Payroll liabilities	1,953	-	1,953
Accrued salary and vacation	-	8,586	8,586
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities</b>	<u>3,390</u>	<u>8,586</u>	<u>11,976</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows of resources related to deferred revenue	-	7,790	7,790
	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCE:</b>			
Unassigned	<u>55,179</u>	<u>(55,179)</u>	<u>-</u>
<b>Total Fund Balance</b>	<u>55,179</u>	<u>(55,179)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 58,569</u>		
<b>NET POSITION:</b>			
Unrestricted		<u>39,022</u>	<u>39,022</u>
<b>Total Net Position</b>		<u>39,022</u>	<u>39,022</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>		<u>\$ 219</u>	<u>\$ 58,788</u>

**WATER RESOURCES ASSOCIATION OF YOLO COUNTY**

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

**June 30, 2018**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 52,788	\$ -	\$ 52,788
Accounts receivable	425	-	425
Interest receivable	-	159	159
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<u>\$ 53,213</u>	<u>\$ 159</u>	<u>\$ 53,372</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 593	\$ -	\$ 593
Payroll liabilities	1,841	-	1,841
Accrued salary and vacation	-	9,021	9,021
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities</b>	<u>2,434</u>	<u>9,021</u>	<u>11,455</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows of resources related to deferred revenue	-	6,015	6,015
	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCE:</b>			
Unassigned	<u>50,779</u>	<u>(50,779)</u>	<u>-</u>
<b>Total Fund Balance</b>	<u>50,779</u>	<u>(50,779)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 53,213</u>		
<b>NET POSITION:</b>			
Unrestricted		<u>35,902</u>	<u>35,902</u>
<b>Total Net Position</b>		<u>35,902</u>	<u>35,902</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>		<u>\$ 159</u>	<u>\$ 53,372</u>

**WATER RESOURCES ASSOCIATION OF YOLO COUNTY**

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

**Year Ended June 30, 2019**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>REVENUES:</b>			
Charge for services	\$ 110,676	\$ (1,776)	\$ 108,900
Membership dues	700	-	700
Calendar contributions	2,300	-	2,300
Investment earnings	769	60	829
Grant income	200	-	200
<b>Total Revenues</b>	<b>114,645</b>	<b>(1,716)</b>	<b>112,929</b>
<b>EXPENDITURES/EXPENSES:</b>			
Salaries and benefits	80,675	(436)	80,239
Services and supplies	29,570	-	29,570
<b>Total Expenditures/Expenses</b>	<b>110,245</b>	<b>(436)</b>	<b>109,809</b>
<b>Change in Fund Balance/Net Position</b>	<b>4,400</b>	<b>(1,280)</b>	<b>3,120</b>
Fund Balance/Net Position, Beginning of Year	50,779	(14,877)	35,902
<b>Fund Balance/Net Position, End of Year</b>	<b>\$ 55,179</b>	<b>\$ (16,157)</b>	<b>\$ 39,022</b>

**Year Ended June 30, 2018**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>REVENUES:</b>			
Charge for services	\$ 100,979	\$ (6,015)	\$ 94,964
Membership dues	600	-	600
Calendar contributions	1,795	-	1,795
Investment earnings	905	(195)	710
Grant income	1,325	-	1,325
Other revenue	5,000	-	5,000
<b>Total Revenues</b>	<b>110,604</b>	<b>(6,210)</b>	<b>104,394</b>
<b>EXPENDITURES/EXPENSES:</b>			
Salaries and benefits	88,920	42	88,962
Services and supplies	42,634	-	42,634
<b>Total Expenditures/Expenses</b>	<b>131,554</b>	<b>42</b>	<b>131,596</b>
<b>Change in Fund Balance/Net Position</b>	<b>(20,950)</b>	<b>(6,252)</b>	<b>(27,202)</b>
Fund Balance/Net Position, Beginning of Year	71,729	(8,625)	63,104
<b>Fund Balance/Net Position, End of Year</b>	<b>\$ 50,779</b>	<b>\$ (14,877)</b>	<b>\$ 35,902</b>

NOTES TO THE FINANCIAL STATEMENTS

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Years Ended June 30, 2019 and 2018

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**NOTE 1 – NATURE OF OPERATIONS:**

**FINANCIAL REPORTING ENTITY:**

Water Resources Association of Yolo County (WRA) was founded in May 1993 for the following purposes:

- To support the efforts of its members to obtain, protect and maintain a high quality water supply adequate for the present and future needs of Yolo County.
- To educate its members, governmental authorities and the public regarding aspects of water use.
- To provide a forum for the exchange of information between water purveyors.

WRA is comprised of ten member entities in 2019 and 2018, each of which has one individual serving on WRA's Board of Directors. Each member entity is allowed one vote when the Board of Directors makes decisions regarding WRA business.

The member entities are:

- City of Davis
- City of West Sacramento
- City of Winters
- City of Woodland
- Dunnigan Water District
- Reclamation District 108
- Reclamation District 2035
- University of California, Davis
- Yolo County
- Yolo County Flood Control & Water Conservation District

In addition to the member entities, WRA invites other individuals and organizations to join as associate non-voting members. The associate members pay a nominal fee, which is used to defray printing and postage costs.

Dues and project funds received from the WRA members comprise the majority of WRA's revenues. The amount of the membership dues for each year is determined based upon WRA's annual budget and planned special projects.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

***Fund Financial Statements:***

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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Years Ended June 30, 2019 and 2018

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

WRA's program revenues consist of dues, charges for services, project funds and calendar contributions. WRA considers investment earnings and other revenue to be general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

**NET POSITION/FUND BALANCE:**

The governmental fund balance sheet utilizes a fund balance presentation. Under GASB 54, fund balance is segregated and classified as follows: Nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. At June 30, 2019 and 2018, fund balance of WRA was entirely classified as unassigned, which represents residual fund balance after it is classified to the other categories.

**BUDGETS:**

Budgets are adopted on a basis consistent with generally accepted accounting principles. All budgetary changes during the fiscal year require the approval of the association's Board of Directors. WRA's budgetary period is from July 1st to June 30th.

**USE OF ESTIMATES:**

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

**DEFERRED OUTFLOW/DEFERRED INFLOW OF RESOURCES:**

In the year ending June 30, 2018, the District implemented GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

In addition to assets, the financial statements report separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows represent a consumption of net assets that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until that time.

**NOTE 3 – CASH AND CASH EQUIVALENTS:**

**CUSTODIAL CREDIT RISK:**

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

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

NOTE 3 – CASH AND CASH EQUIVALENTS: (Continued)

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

The WRA 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 WRA’s investment in this pool is reported in the accompanying financial statements at cost versus amounts based upon the WRA’s pro-rata share of the fair value provided by 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. The difference between cost and fair value is minimal.

WRA’s cash is maintained on deposit at June 30 as follows:

	<u>2019</u>	<u>2018</u>
Checking	\$ 3,957	\$ 2,789
Savings	19,901	16,436
Local Agency Investment Fund	<u>34,323</u>	<u>33,563</u>
<b>Total Cash and Cash Equivalents</b>	<b><u>\$ 58,181</u></b>	<b><u>\$ 52,788</u></b>

NOTE 4 – ACCOUNTS RECEIVABLE:

WRA contracted with the Yolo County Flood Control and Water Conservation District (YCFCWCD) to provide personnel services. These services were completed prior to WRA’s fiscal year-end and were paid in full the next fiscal year.

NOTE 5 – CAPITAL ASSETS:

WRA’s capital asset policy requires the capitalization of all assets with a cost in excess of \$1,500. WRA’s capital assets are fully depreciated. No assets requiring capitalization were acquired during the fiscal years ended June 30, 2019 and 2018. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Equipment	5 to 7 years

**WATER RESOURCES ASSOCIATION OF YOLO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2019 and 2018**

**NOTE 6 – RECONCILIATION TO GOVERNMENT-WIDE STATEMENTS:**

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

	<u>2019</u>	<u>2018</u>
<b>Total Fund Balance – General Fund</b>	\$ 55,179	\$ 50,779
Interest receivable – Interest revenue earned during the current period but not recorded until received.	219	159
Compensated absences – Payments for vacation and accrued wages are expensed entirely in the period paid for governmental funds. In the statements of net position, payments for vacation and accrued wages are recorded as a liability and expensed in the current period.	(8,586)	(9,021)
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position		
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	<u>(7,790)</u>	<u>(6,015)</u>
<b>Net Position Of Governmental Activities</b>	<u>\$ 39,022</u>	<u>\$ 35,902</u>

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

<b>Net Change In Fund Balance – General Fund</b>	\$ 4,400	\$ (20,950)
Revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Charges for services	(1,776)	(6,015)
Investment earnings – Interest earned during current period not recorded until received.	60	(195)
Salaries and benefits – Vacation and salaries earned in current period but not paid.	<u>436</u>	<u>(42)</u>
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 3,120</u>	<u>\$ (27,202)</u>

**NOTE 7 – DEFINED CONTRIBUTION PLAN:**

In fiscal year 2004, WRA adopted a resolution to establish a SIMPLE IRA retirement plan for their employee through the American Funds Company (Company). The Company invests the contributions of the SIMPLE IRA in shares of a mutual fund designated by the employee. The contributions made by WRA are matched dollar-for-dollar up to 3 percent of the employee’s gross salary. The total contributions to the plan for fiscal years ended June 30, 2019 and 2018 were \$1,866 and \$7,856, respectively.

**NOTE 8 – COMPENSATED ABSENCES:**

WRA’s policy permits its employee to accumulate earned but unused vacation and sick pay benefits. Vested or accumulated vacation leave that was liquidated with expendable available financial resources is reported as an expenditure of WRA. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an adjustment to the statements of net assets and governmental fund balance sheets. In accordance with the provisions of GASB 10, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**NOTES TO THE FINANCIAL STATEMENTS**

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**Years Ended June 30, 2019 and 2018**

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**NOTE 9 – RISK MANAGEMENT:**

WRA is exposed to various risks of loss related to theft, damage and/or destruction of assets, errors and omissions and general liability. WRA has a workers compensation insurance policy and a general liability insurance policy. The members of WRA's Board of Directors are covered by the general liability and errors and omissions insurance of the entities they represent. There are no known claims against WRA or its Directors at this time. If any such claims were to arise, they would be paid by the insurance carriers or from WRA cash reserves.

**NOTE 10 – INCOME TAX:**

WRA is exempt from federal and state income taxes.

**NOTE 11 – RELATED PARTY TRANSACTIONS:**

WRA entered into a lease agreement with the YCFCWCD for rental of office space. The term of the lease was for one year commencing on July 1, 2002, and a month-to-month tenancy thereafter. The \$5,000 annual rent payments for the year ended June 30, 2018 were non-cash transactions offsetting a portion of the membership dues owed by the YCFCWCD. There were no rent payments of this kind for the year ended June 30, 2019.

WRA also contracted with the YCFCWCD to provide personnel services for YCFCWCD projects. YCFCWCD was charged \$676 for these services during the year ended June 30, 2019 and \$978 for the year ended June 30, 2018.

Yolo Subbasin Ground Agency (YSGA) contracted with WRA to provide administrative services. YSGA reimbursed WRA in fiscal years ended June 30, 2019 and 2018 for \$90,000 and \$100,000, respectively. YSGA's reimbursements for fiscal years ended June 30, 2019 and 2018 include \$8,560 and \$6,015 of deferred inflows of resources for the Westside-Sacramento Integrated Regional Water Management Plan. YSGA provides office space free of charge to the WRA staff performing accounting services for the Agency. The WRA provides computer technology to YSGA under the agreement.

**NOTE 12 – SUBSEQUENT EVENTS:**

Management has considered subsequent events for disclosure in the financial statements through December 3, 2019, which represents the date the financial statements were available to be issued.

*WATER RESOURCES ASSOCIATION OF YOLO COUNTY*

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Required Supplementary Information  
Years Ended June 30, 2019 and 2018

**WATER RESOURCES ASSOCIATION OF YOLO COUNTY**

**BUDGETARY COMPARISON SCHEDULE**

**Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance Favorable (Unfavorable)
	Original	Final		
Budgetary fund balances, July 1, 2018	\$ 50,779	\$ 50,779	\$ 50,779	\$ -
<b>REVENUES:</b>				
Charge for services	121,700	121,700	110,676	(11,024)
Membership dues	600	600	700	100
Calendar contributions	3,200	3,200	2,300	(900)
Investment earnings	600	600	769	169
Grant income	-	-	200	200
<b>Amounts Available for Appropriation</b>	<u>176,879</u>	<u>176,879</u>	<u>165,424</u>	<u>(11,455)</u>
<b>EXPENDITURES:</b>				
Salaries and benefits	83,200	83,200	80,675	2,525
Services and supplies	38,300	38,300	29,570	8,730
<b>Total Charges to Appropriations</b>	<u>121,500</u>	<u>121,500</u>	<u>110,245</u>	<u>11,255</u>
Budgetary fund balances, June 30, 2019	<u>\$ 55,379</u>	<u>\$ 55,379</u>	<u>\$ 55,179</u>	<u>\$ 200</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:**

**Sources/Inflows of Resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule. \$ 165,424

Differences - Budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes. (50,779)

Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. \$ 114,645

**Uses/Outflows of Resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 110,245

Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. \$ 110,245

**WATER RESOURCES ASSOCIATION OF YOLO COUNTY**

**BUDGETARY COMPARISON SCHEDULE**

**Year Ended June 30, 2018**

	Budgeted Amounts		Actual Budgetary Basis	Variance Favorable (Unfavorable)
	Original	Final		
Budgetary fund balances, July 1, 2017	\$ 71,729	\$ 71,729	\$ 71,729	\$ -
<b>REVENUES:</b>				
Charge for services	111,900	121,900	100,979	(20,921)
Membership dues	800	800	600	(200)
Calendar contributions	3,200	3,200	1,795	(1,405)
Investment earnings	700	700	905	205
Grant income	-	-	1,325	1,325
Other revenue	5,000	5,000	5,000	-
<b>Amounts Available for Appropriation</b>	<u>193,329</u>	<u>203,329</u>	<u>182,333</u>	<u>(20,996)</u>
<b>EXPENDITURES:</b>				
Salaries and benefits	72,450	87,700	88,920	(1,220)
Services and supplies	30,625	29,890	42,634	(12,744)
Project fund	35,000	35,000	-	35,000
<b>Total Charges to Appropriations</b>	<u>138,075</u>	<u>152,590</u>	<u>131,554</u>	<u>21,036</u>
Budgetary fund balances, June 30, 2018	<u>\$ 55,254</u>	<u>\$ 50,739</u>	<u>\$ 50,779</u>	<u>\$ 40</u>

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:**

**Sources/Inflows of Resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule. \$ 182,333

Differences - Budget to GAAP:  
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes. (71,729)

Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. \$ 110,604

**Uses/Outflows of Resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 131,554

Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. \$ 131,554