

Presentation of the Financial Statement Audit



Year Ended December 31, 2024

Presented to the Board of Directors

July 18, 2025

By Scott A German, CPA

Required Communications

Information we are required to communicate



What is an audit

A Financial Statement audit is an independent examination of the organization's financial statements and disclosures by independent auditors with the goal of providing a **materially** true and fair view of the organization's financial performance.



Our responsibility as your auditor

- We are responsible for forming and expressing an **opinion** about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with **Generally Accepted Accounting Principles**.
- Our **engagement** as auditors and the performance of the audit of the financial statements **does not relieve management** or those charged with governance of their **responsibilities**.

An audit only provides reasonable assurance NOT absolute assurance on the accuracy of the financial statements



Single audit considerations

Our Responsibilities – Single Audit

- Forming and expressing an opinion of the Agency's Federal program **compliance** in accordance with the applicable standards and Uniform Guidance
- Meet all professional standards required for yellow book examinations



Your responsibilities

Management and the Board are responsible for fair and accurate financial reporting and establishing the systems and policies necessary to achieve that goal.

- Specifically:
 - Selection of accounting policies
 - Financial statement presentation and accuracy
 - Implementation of a system of internal controls
 - Complying with the requirements of funding sources



Overview of the Financial Statements and Schedule of Expenditures of Federal Awards (SEFA)

The SEFA is key to your compliance with the Federal Awards



Scope of Work

- Financial Statement Audit - December 31, 2024
 - Follows Yellow Book Standards
- Single Audit
 - Compliance with federal award requirements



Our Reports

Financial Statements and Required Supplementary Information

- **Clean** Opinion on Financial Statements
- **No** opinion on Required Supplementary Information
 - Managements Discussion and Analysis (MD&A)
 - Budgetary Information



Our Reports

- Schedule of Expenditure of Federal Awards (SEFA)
 - Fairly stated in relation to the financial statements as a whole
- Other reports
 - Report on Internal Control over Federal Awards
 - Report on Compliance with Federal Awards
- No findings for 2024
- 2023 finding was fully resolved



Balance Sheet Highlights

	2024	2023	2022
Assets			
Cash and investments	\$ 31,679,560	\$ 26,432,571	\$24,276,372
Grants Receivable	374,326	4,664,143	9,016,756
Other Assets	27,150	28,272	24,961
Deposits	174,000	-	-
Land purchased	1,623,127	-	-

Cash as a percentage of assets 94%

85%

73%



Balance Sheet Highlights

	2024	2023	2022
Current Payable	\$ 2,035,719	\$ 3,039,725	\$ 1,226,334
Deferred Revenues	3,645,000	-	-
Participant reimbursement policy	9,039,559	9,039,559	9,039,715



Balance Sheet Highlights

Net Assets (Equity)

	2024	2023	2022
Invested in capital assets	\$ 1,623,127	\$ -	\$ -
Unrestricted	17,534,758	18,948,234	21,238,805
<i>% of net assets held in cash</i>	<i>165.4%</i>	<i>139.5%</i>	<i>114.3%</i>



Statement of Activities Highlights

Revenue and Support

	2024	2023	2022
Revenues			
Membership/Authority	\$ 413,333	\$ 455,000	\$ 505,000
Membership water	25,640,480	16,450,300	17,850,300
Grants	1,895,361	22,692,297	14,799,296
Interest and other	1,701,350	660,342	131,608
Total	\$ 29,650,524	\$ 40,257,939	\$ 33,286,204



Statement of Activities Highlights

	2024	2023	2022
Total expenditures	\$ 29,440,873	\$ 42,548,510	\$ 24,934,105
Professional fees	29,110,690	42,221,382	24,475,217
% spent on project costs	99%	99%	98%



Footnotes

Provides additional explanation and highlights approved policies methods of estimating etc.



Supplementary Information

Required as a result of expenditure of federal funds in excess of \$750,000

- Unmodified opinion on Controls
- Unmodified opinion on compliance
- Prior year finding was fully resolved



Thank you

We are proud to have worked with the Sites Authority for these past years and wish you luck with construction of this important and much needed California Infrastructure

