Presentation by Richardson & Company, LLP of the Audit, including the following communications required by Generally Accepted Auditing Standards:

We rotated audit partners due California Government Code requirements

Reports issued

Audited Financial Statements with auditors opinion

Internal Control and Compliance Reports

Governance letter

Management letter with recommendations

Independent Auditor’s Report

Unmodified (clean) opinions on enterprise fund and custodial fund statements

Discussion of financial statements

Management discussion and analysis (pages 4 to 6)

Statement of Net Position (page 7)

Unrestricted net position of $834,657, decrease of $13,487. 41% or about 5 months of operating expenses less depreciation

Statement of Revenues and Expenses (page 8)

Increases in revenue of $52K and nonoperating revenue of $17K vs expenses other than depreciation of $246K due to increases in payroll $53K, legal for Sierra Northern Railway issue $28K, and maintenance for flood damage and pump maintenance of $142K.

Net loss of $348K — includes $536K of depreciation

Custodial fund on page 11 & 12 is for the Cache Creek Settling Basin Fund

Designations of net position for reserves (page 20)

More disclosures for insurance due to joining Cal Mutuals JPA (page 21)

Transactions with CPG (page 22)

Report on Internal Control and Compliance (page 23)

No internal control weaknesses

No noncompliance with laws and regulations noted

Governance (Required Communications) letter

Adjustments posted to true-up grant receivable and write-off FEMA retention

No difficulties in performing the audit and no unusual accounting practices

Management letter

No deficiencies in internal control noted. Other items noted

Additional review of grant receivables to accrue revenue for qualifying expenses incurred

Suggest adding additional information to website for transparency

Staff did a good job. Very clean audit