

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**



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**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
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**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
LIST OF DIRECTORS  
YEAR ENDED JUNE 30, 2024**

<b>NAME</b>	<b>AGENCY</b>	<b>POSITION</b>
Grant Carmon	County of Glenn	Director
Bruce Roundy	City of Orland	Director
Gary Hansen	City of Willows	Director
Matt Deadmond	Glide Water District	Director
John Amaro	Glenn-Colusa Irrigation District	Director
Charles Schnonauer	Orland-Artois Water District	Director
Randy Hansen	Kanawha Water District	Director
Mark Lohse	Monroeville Water District	Director
Gary Enos	Princeton-Codora-Glenn Irrigation District/Provident Irrigation District	Director
Thomas Arnold	County of Glenn	Alternate
Pete Carr	City of Orland	Alternate
Tavis Beynon	City of Willows	Alternate
Vince Laufer	Glide Water District	Alternate
Vacant	Glenn-Colusa Irrigation District	Alternate
Justin Dahl	Orland-Artois Water District	Alternate
Wade Danley	Kanawha Water District	Alternate
Seth Fiack	Monroeville Water District	Alternate
Jered Shipley	Princeton-Codora-Glenn Irrigation District/Provident Irrigation District	Alternate



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Glenn Groundwater Authority  
Groundwater Sustainability Agency  
Willows, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund, of the Glenn Groundwater Authority Groundwater Sustainability Agency (the Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 governmental activities and the major fund of the Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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***

As discussed in Note 1, the financial statements of the Glenn Groundwater Authority are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Glenn that is attributable to the transactions of the Glenn Groundwater Authority. They do not purport to, and do not, present fairly the financial position of County of Glenn as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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.

***Auditors' 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 auditors' report that includes our opinions. 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 GAAS 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 GAAS 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 Authority'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.

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 and budgetary comparison schedule 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises of the list of directors but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2025 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Pasadena, California  
July 29, 2025

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

This section of Glenn Groundwater Authority Groundwater Sustainability Agency's (the Authority), annual financial report provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2024. This section should be read in conjunction with the Authority's financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year include the following:

- The assets of the Authority exceeded its liabilities at June 30, 2024 by \$1,560,650.
- The Authority's total liabilities increased by \$31,470.

### **AUTHORITY HIGHLIGHTS**

- Continued work on short and long-term groundwater recharge planning, with consultant support. The Authority completed multiple groundwater recharge pilot projects in coordination with partner agencies and landowners. A press event showcasing one site was held in October, 2023. A long-term options report is being developed.
- Partnered with Glenn County Resource Conservation District (RCD) on a Glenn County Recharge Development Plan, funded through a grant managed by the RCD (ongoing).
- Continued the fee project to develop and implement a new fee structure to fund activities related to GSA administration and SGMA compliance and implementation. The process originally expected to be complete in August 2023 was postponed and is expected to be complete by August 2024. The existing fee structure developed in 2019 was used to calculate fees which were placed on tax bills or directly billed (tax-exempt entities).
- Coordination with Department of Water Resources on potential sites for the continuous subsidence monitoring program.
- Select consultant team to provide Groundwater Sustainability Plan (GSP) implementation support, in partnership with the Colusa Groundwater Authority.
- Supported projects applying for USBR WaterSMART grants.
- In October 2023, The Colusa Subbasin Groundwater Sustainability Plan received an "incomplete determination" from Department of Water Resources, initiating a 180-day period to submit a revised plan, by April 23, 2024. With consultant support, there was a significant effort to revise the Colusa Subbasin Groundwater Sustainability Plan to address deficiencies identified by Department of Water Resources. A public hearing was held April 19, 2024, following which, the revised Plan was adopted. The revised Plan was submitted by the April 23, 2024 deadline. Among other changes, the revisions include updates to the groundwater level and subsidence sustainable management criteria, a commitment to develop a well mitigation program by January 1, 2026, and a commitment to develop a demand management program by January 1, 2027. The Authorities began implementing the revised Plan following submittal.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**AUTHORITY HIGHLIGHTS (CONTINUED)**

- Selected consultant, in partnership with Colusa Groundwater Authority, to prepare a revised Groundwater Sustainability Plan addressing deficiencies identified by Department of Water Resources.
- Was notified that the Sustainable Groundwater Management (SGM) Round 2 grant application was unsuccessful.
- Submitted Water Year 2023 Annual Report by April 1, 2024.
- Continued obligations for Authority business and public participation (Authority meetings, public outreach, coordination with neighboring agencies and basins, etc.)

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

**REQUIRED FINANCIAL STATEMENTS**

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of Authority finances, in a manner similar to a private-sector business.

The *Statement of Net Position* include information on the Authority's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**REQUIRED FINANCIAL STATEMENTS (CONTINUED)**

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the Authority that are principally supported by intergovernmental revenues (governmental activities). The governmental activities of the Authority are Groundwater Sustainability Agency activities in compliance with the Sustainable Groundwater Management Act and related groundwater sustainability activities. There are no business-type activities.

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and to demonstrate finance-related legal compliance. The Authority's fund is a *governmental fund*.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as of balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Authority's budgetary comparative information for the general fund.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The *Statement of Net Position* provides information about the financial position of the Authority as a whole, including all assets and liabilities on the full accrual basis. Over time, increases or decreases in the Authority's net position may serve as one useful indicator of the Authority's overall financial position. In the case of the Authority, total assets exceeded liabilities by \$1,560,650 as of the close of the fiscal year. This amount is the total net position as of June 30, 2024.

**AUTHORITY'S NET POSITION**

	2024	2023	Amount Change	Percentage Change
<b>ASSETS</b>				
Current Assets	\$ 1,670,154	\$ 1,498,752	\$ 171,402	11.44 %
Total Assets	<u>1,670,154</u>	<u>1,498,752</u>	<u>171,402</u>	11.44
<b>LIABILITIES</b>				
Current Liabilities	109,504	78,034	31,470	40.33
Total Liabilities	<u>109,504</u>	<u>78,034</u>	<u>31,470</u>	40.33
<b>NET POSITION</b>				
Unrestricted	1,560,650	1,420,718	139,932	9.85
Total Net Position	<u>\$ 1,560,650</u>	<u>\$ 1,420,718</u>	<u>\$ 139,932</u>	9.85

The Authority's net position increased by \$139,932, primarily from a decrease in program expenses. Generally, the Colusa Groundwater Authority administers the professional services agreements with the consultant responsible for shared GSP implementation and GSP revision expenses in the Colusa Subbasin.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**AUTHORITY'S CHANGES IN NET POSITION**

	<u>2024</u>	<u>2023</u>	<u>Amount Change</u>	<u>Percentage Change</u>
<b>REVENUES</b>				
Program Revenues:				
Intergovernmental Revenues	\$ -	\$ 52,191	\$ (52,191)	(100.00)
Total Program Revenues	-	52,191	(52,191)	(100.00)
General Revenues:				
Investment Return	51,079	23,050	28,029	121.60
Special Assessment	409,653	408,907	746	-
A-87 Cost Allocation Rebate	7,949	-	7,949	-
Taxes	1,345	505	840	-
Total General Revenues	<u>470,026</u>	<u>432,462</u>	<u>37,564</u>	8.69
Total Revenues	470,026	484,653	(14,627)	(3.02)
<b>PROGRAM EXPENSES</b>	<u>330,094</u>	<u>419,330</u>	<u>(89,236)</u>	(21.28)
<b>CHANGE IN NET POSITION</b>	139,932	65,323	74,609	114.22
Net Position - Beginning of Year	1,420,718	1,355,395	65,323	4.82
Prior Period Adjustment	-	-	-	100.00
Net Position - Beginning, Restated	1,420,718	1,355,395	65,323	4.82
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,560,650</u>	<u>\$ 1,420,718</u>	<u>\$ 139,932</u>	9.85

Generally, the Colusa Groundwater Authority administers the professional services agreements with the consultant responsible for shared GSP implementation and GSP revision expenses in the Colusa Subbasin. The Colusa Groundwater Authority is responsible for invoicing the Authority for its share of program expenses. The decrease in intergovernmental revenue is related to the closeout of a grant in which reimbursements for expenses were received from the Colusa Groundwater Authority, who managed the grant.

Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and on the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**BUDGETARY HIGHLIGHTS**

Total expenditures were \$450,931 under budget. Special department expenses and professional services were underspent. The variance noted in the professional services is generally attributable to the GSP implementation and GSP revision consultant services relating to the shared cost arrangement described in the section above.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

A five-year estimated budget was developed during the Fee setting process in 2019 which has been used to guide setting the annual budget. The Authority is exploring a new fee structure to conclude by August 2024 for future budget planning. Factors include administration costs, insurance, legal fees, professional services, SGMA compliance and implementation costs (examples: GSP updates, technical support, public outreach, studies, annual report preparation and submittal), and other related tasks.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview for those who are interested in the Authority's financial position. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Program Manager, Glenn Groundwater Authority, 225 North Tehama Street, Willows, California 95988.

## **BASIC FINANCIAL STATEMENTS**

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

**ASSETS**

Cash and Investments	\$ 1,648,167
Due from Other Governments	11,487
Interest Receivable	<u>10,500</u>

Total Assets 1,670,154

**LIABILITIES**

Accounts Payable	70,924
Due to Other Governments	<u>38,580</u>

Total Liabilities 109,504

**NET POSITION**

Unrestricted	<u>1,560,650</u>
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Total Net Position \$ 1,560,650

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

**EXPENSES**

Professional Services	\$ 321,445
Administrative Expense	1,917
Special Department Expense	4,998
Insurance	1,734
Total Expenses	330,094

**PROGRAM REVENUES**

Intergovernmental Revenue	-
Net Program Revenues (Expenses)	(330,094)

**GENERAL REVENUES**

Special Assessment	409,653
A-87 Cost Allocation Rebate	7,949
Taxes	1,345
Investment Return	51,079
Total General Revenues	470,026

**CHANGE IN NET POSITION**

139,932

Net Position - Beginning of the Year

1,420,718

**NET POSITION - END OF YEAR**

\$ 1,560,650

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
BALANCE SHEET – GOVERNMENTAL FUND  
JUNE 30, 2024**

**ASSETS**

Cash and Investments	\$ 1,648,167
Due from Other Governments	11,487
Interest Receivable	<u>10,500</u>
Total Assets	<u><u>\$ 1,670,154</u></u>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts Payable	\$ 70,924
Due to Other Governments	38,580
Total Liabilities	<u>109,504</u>

**FUND BALANCE**

Unassigned	<u>1,560,650</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,670,154</u></u>

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024**

Fund Balance - Total Governmental Fund	<u>\$ 1,560,650</u>
Net Position of Governmental Activities	<u><u>\$ 1,560,650</u></u>

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUND  
YEAR ENDED JUNE 30, 2024**

**REVENUES**

Special Assessment	\$ 409,653
A-87 Cost Allocation Rebate	7,949
Taxes	1,345
Investment Return	51,079
Total Revenues	470,026

**EXPENDITURES**

Professional Services	321,445
Administrative Expense	1,917
Special Department Expense	4,998
Insurance	1,734
Total Expenditures	330,094

**CHANGE IN FUND BALANCE**

139,932

Fund Balance - Beginning of the Year

1,420,718

**FUND BALANCE - END OF YEAR**

\$ 1,560,650

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUND TO THE GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balance - Governmental Fund	\$ 139,932
Change in Net Position of Governmental Activities	<u>\$ 139,932</u>

*See accompanying Notes to Basic Financial Statements.*

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Glenn Groundwater Authority Groundwater Sustainability Agency (the Authority) was created by forming a Joint Exercise of Powers Agreement, signed by nine local agencies, with the purpose of being a Groundwater Sustainability Agency for the Glenn County portion of the Colusa Subbasin, which is part of the Sacramento Valley Groundwater Basin. In 2019, the Monroeville Water District joined the Authority, bringing the total membership to 10 local agencies.

The state of California under the Sustainable Groundwater Management Act (SGMA) law requires all lands within a high or medium priority designated groundwater basin to be covered by a Groundwater Sustainability Plan developed by Groundwater Sustainability Agencies were completed and submitted by January 31, 2022, re-submitted in April 2024 and is currently being implemented. These plans will require steps to achieve and maintain sustainability of groundwater conditions for all parts of the basins throughout California and will potentially require data collection and management actions such as requiring meters, reporting of groundwater use, and a plan to recharge depleted aquifers.

Glenn Groundwater Authority Member Agencies include:

- City of Orland
- City of Willows
- County of Glenn
- Glenn-Colusa Irrigation District
- Glide Water District
- Kanawha Water District
- Monroeville Water District
- Orland-Artois Water District
- Princeton-Codora-Glenn Irrigation District
- Provident Irrigation District

The basic financial statements present information on the financial activities of the Authority. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation and Accounting**

Government-Wide Statements

The statement of net position and statement of activities display information about the primary government (the Authority). These statements include the financial activities of the overall Authority.

The statement of activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include intergovernmental revenue that are restricted to reimbursements meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented instead as 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 incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include intergovernmental revenues. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements

The Authority is engaged in a single-governmental activity and has only a general fund. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (susceptible to accrual). Revenues are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

**C. Use of Estimates**

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

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Fund Balances – Governmental Fund Financial Statements**

The following fund balance describes the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.
- Restricted fund balance – amounts with constraints placed on their use by those external to the Authority, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the Authority’s highest level of decision-making authority (the Authority) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the Authority’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designed for that purpose.
- Unassigned fund balance – the residual classification that includes amounts not contained in the other classifications.

The Authority’s governing board establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution. When restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, followed by unrestricted committed, assigned, and unassigned resources as they are needed.

**E. Net Position**

The government-wide financial statement utilizes a net position presentation. All the net position for the agency is considered unrestricted.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments at June 30, 2024 consisted of the following:

Cash in County Treasury	<u>\$ 1,648,167</u>
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The Authority maintains all of its cash and investments with the County of Glenn in an investment pool. On a quarterly basis, the Department of Finance allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Glenn's financial statements may be obtained by contacting the County Glenn Department of Finance office at 516 W. Sycamore Street Willows, California 95988.

GASB Statement No. 40 requires additional disclosures about a government's deposits and investment risks that include credit risk, custodial risk, concentration risk, and interest rate risk. The Authority has no deposit or investment policy that addresses a specific type of risk.

Required disclosures for the Authority's deposit and investment risks at June 30, 2024 were as follows:

Credit Risk	Not Rated
Custodial Risk	Not Applicable
Concentration of Credit Risk	Not Applicable

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value.

**NOTE 3 RELATED PARTY TRANSACTIONS**

The Authority's staff is under contract by Glenn County. During the fiscal year ended June 30, 2024, the Authority paid these departments \$122,519 for administrative services.

**NOTE 4 RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions and natural disasters. The Authority is covered from risk of loss by Golden State Risk Management Authority. In the past three years no settlements have exceeded the insurance coverage.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance With Final Budget</u>
<b>REVENUES</b>				
Special Assessment	\$ 575,372	\$ 575,372	\$ 409,653	\$ (165,719)
A-87 Cost Allocation Rebate	-	-	7,949	7,949
Taxes	-	-	1,345	1,345
Investment Return	5,000	5,000	51,079	46,079
Total Revenues	<u>580,372</u>	<u>580,372</u>	<u>470,026</u>	<u>(110,346)</u>
<b>EXPENDITURES</b>				
Professional Services	678,125	678,125	321,445	356,680
Administrative Expense	5,000	5,000	1,917	3,083
A-87 Cost Allocation	2,500	2,500	-	2,500
Insurance	2,000	2,000	1,734	266
Special Department Expenses	26,000	26,000	4,998	21,002
Office Expense	2,000	2,000	-	2,000
Contingency	65,400	65,400	-	65,400
Total Expenditures	<u>781,025</u>	<u>781,025</u>	<u>330,094</u>	<u>450,931</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>\$ (200,653)</u>	<u>\$ (200,653)</u>	139,932	<u>\$ 340,585</u>
Fund Balance - Beginning of the Year			<u>1,420,718</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,560,650</u>	

See accompanying Notes to Required Supplementary Information.

**GLENN GROUNDWATER AUTHORITY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2024**

**NOTE 1 BUDGET AND BUDGETARY REPORTING**

The Authority prepares and legally adopts a final budget on or before June 30 of each fiscal year. The Authority operation, commencing July 1, is governed by the proposed budget, adopted by the board of directors in June of the prior year.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Authority resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Authority.

An operating budget is adopted each fiscal year on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year-end are completed or purchased commitments satisfied. Such year-end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year-end.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level. Object category levels of expenditures are as follows: Professional Services, Insurance, Special Department Expenses, and Office Expense.

## OTHER REPORT



**INDEPENDENT AUDITORS' 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***

Board of Directors  
Glenn Groundwater Authority  
Groundwater Sustainability Agency  
Willows, 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 the governmental activities and the major fund of Glenn Groundwater Authority Groundwater Sustainability Agency (the Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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.

Board of Directors  
Glenn Groundwater Authority  
Groundwater Sustainability Agency

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from 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 entity’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.



**CliftonLarsonAllen LLP**

Pasadena, California  
July 29, 2025



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