

GLENN-COLUSA IRRIGATION DISTRICT

**AUDITED FINANCIAL STATEMENTS
AND COMPLIANCE REPORTS**

September 30, 2024 and 2023

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GLENN-COLUSA IRRIGATION DISTRICT

AUDITED FINANCIAL STATEMENTS
AND COMPLIANCE REPORTS

September 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Glenn-Colusa Irrigation District
Willows, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Glenn-Colusa Irrigation District (the District), as of and for the years ended September 30, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the District'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 District as of September 30, 2024, and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 District 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.

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 District'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and

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Glenn-Colusa Irrigation District

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 District'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 District'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, the schedule of changes in the net OPEB liability and related ratios and schedule of contributions to the OPEB plan, 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.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the schedule of pension plan net assets, the summary of pension plan income and

To the Board of Directors
Glenn-Colusa Irrigation District

expenses, the fair value of the pension plan invested assets, and the pension plan contributions and plan participation information but does not include the basic financial statements and our auditor's report thereon. Our opinion 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 February 28, 2025, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Richardson & Company, LLP

February 28, 2025

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

Overview

The following discussion and analysis provided by the management of the Glenn-Colusa Irrigation District (GCID or District) provides an overview of the financial activities and transactions for fiscal years 2024 and 2023 in the context of the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended. This discussion and analysis should be read in conjunction with the District's audited financial statements and accompanying notes.

Financial Reporting

The District's accounting records are maintained in accordance with Generally Accepted Accounting Principles as prescribed by GASB. The financial activities of GCID are accounted for in a single enterprise fund and GCID is financed and operated in a manner similar to that of a private business enterprise. GCID uses the economic resources measurement focus and the accrual basis of accounting. Under this method, all economic assets available are measured, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

Description of Basic Financial Statements

Glenn-Colusa Irrigation District operates as a utility enterprise. The basic financial statements include statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows. The statements of net position include all of GCID's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. The statements of revenues, expenses and changes in net position report all of GCID's revenues and expenses during the periods indicated. The statements of cash flows show the amount of cash received and paid out for operating activities, as well as cash received from taxes and investment income, annexation fees, grant funding, cash used for construction projects, as well as cash received and paid out pursuant to various third-party water sales.

- **Statements of Net Position**

The Statements of Net Position provide information about assets, liabilities, deferred inflows and outflows of resources, and net position of the District at a specific point in time. Assets are economic resources the District owns that have value and can either be sold or used by the District to produce products or services that can be sold. Assets include pumping plants, fish screens, vehicles, equipment, inventory, cash and investments, and customer accounts receivable.

Liabilities are amounts of money that the District owes to others. This includes money owed to suppliers for materials, payments due to landowners participating in water transfers, deposits from other agencies and amounts due to the District's pension plan.

A deferred outflow (inflow) is a consumption (acquisition) of net assets that is applicable to a future reporting period.

Net Position represents the difference between the elements included in the Statements of Net Position: assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position.

- **Statements of Revenues, Expenses and Changes in Net Position**

The Statements of Revenues, Expenses and Changes in Net Position (also known as the Income Statement) provide information regarding the District's operations including income earned and

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

expenses incurred over a one-year period. The bottom line of the statement shows the District's end of year net position.

- **Statements of Cash Flows**

The Statements of Cash Flows report the District's inflows and outflows of cash. This report provides management with information regarding cash on hand and the ability to pay expenses and purchase assets.

A cash flow statement reflects changes over time rather than absolute dollar amounts at a particular point in time. Cash flow statements are divided into four activities: (1) operating activities; (2) noncapital financing activities; (3) capital financing activities; and (4) investing activities.

1. **Operating Activities** – analyzes the cash flow from operational activities (operating revenues and expenses). This section of the cash flow statement reconciles the operating revenues to the actual cash GCID received from or used in its operating activities.
2. **Noncapital Financing Activities** – reflects the cash flows from non-operating activities such as third-party water sales, annexations, and grant activity.
3. **Capital Financing Activities** – shows the cash flows from all financing activities. Typical cash flows from financing activities include funds received from borrowing, debt service payments, and the purchase and/or sale of capital assets.
4. **Investing Activities** – reflects the cash flow from all investment activities including investment income and purchases or sales of investment securities.

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

CONDENSED STATEMENT OF NET POSITION

	September 30,		
	2024	2023	2022
Assets and Deferred Outflows of Resources:			
Current Assets	\$ 43,217,059	\$ 45,473,313	\$ 33,529,990
Capital Assets Net of Depreciation	\$ 47,042,828	\$ 45,368,630	\$ 42,979,236
Deferred Outflows of Resources	\$ 4,656,932	\$ 5,155,407	\$ 5,835,805
Total Assets & Deferred Outflows of Resources	\$ 94,916,819	\$ 95,997,350	\$ 82,345,031
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 2,554,583	\$ 2,659,593	\$ 5,789,962
Long-Term Liabilities	\$ 1,738,304	\$ 2,817,563	\$ 6,017,752
Deferred Inflows of Resources (OPEB)	\$ 1,195,694	\$ 1,847,304	\$ 612,519
Total Liabilities and Deferred Inflows of Resources	\$ 5,488,581	\$ 7,324,460	\$ 12,420,233
Net Position:			
Net Position - Investment in Capital Assets	\$ 46,520,537	\$ 45,295,585	\$ 42,926,196
Net Position - Unrestricted	\$ 42,907,701	\$ 43,377,305	\$ 26,998,602
Total Net Position	\$ 89,428,238	\$ 88,672,890	\$ 69,924,798
Total Liabilities, Deferred Inflows and Net Position	\$ 94,916,819	\$ 95,997,350	\$ 82,345,031

Current Assets

Current assets include cash and equivalents, accounts receivable, grants receivable, interest receivable, inventory, and prepaid expenses.

Fiscal Year 2024 Compared to 2023. At September 30, 2024, current assets totaled \$43.2 million, a \$2.3 million dollar decrease from the prior year. The primary driver of the decrease in current assets is that the District's operating activities resulted in a net outflow of cash of \$4.5 million. Additionally, the District expended \$4.1 million on capital assets during the fiscal year. These outflows of cash were partially offset by nonoperating revenue received by the District, most significantly from investment income, property taxes, and third-party water sales.

Fiscal Year 2023 Compared to 2022. At September 30, 2023, current assets totaled \$45.5 million, a \$12.0 million dollar increase from the prior year. The increase was primarily due to three factors. First, in December 2022 the District received a payment in the amount of \$22.5 million from the Sacramento River Settlement Contractors ('SRSC', a nonprofit corporation). During the fiscal year ending September 30, 2022, the United States Bureau of Reclamation (USBR) purchased water that was conserved under severe drought conditions from the SRSC. The SRSC represented entities holding settlement contracts with the USBR during the purchase, including the District (see Note M from the District's financial statements for the fiscal year ending September 30, 2022).

Second, cash outlays for operational expenses exceeded revenues from operations by \$10.2 million. A variety of individual factors contributed to this result. Significantly, landowners deferred payments totaling \$3.3 million related to the supplemental water purchase program during the 2022 irrigation season until January 2023 (see Note A from the District's financial statements for the fiscal year ending September 30,

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

2022). Also, during the Fiscal Year ending September 30, 2023, the District refunded \$1.4 million to landowners related to water that was purchased by landowners during the prior fiscal year but ultimately not delivered (also see Note M from the District's financial statements for the fiscal year ending September 30, 2022).

Third, the District had higher than typical expenditures for capital assets, totaling \$5.6 million for the fiscal year, with about \$2.9 million of these expenditures related to the replacement of a major water control structure in the main canal

Capital Assets Net of Depreciation

Capital assets net of depreciation include construction in progress, plus property, plant and equipment net of all accumulated depreciation.

Fiscal Year 2024 Compared to 2023. At September 30, 2024, net capital assets totaled \$47.0 million, an increase of \$1.6 million from the prior year. During fiscal year 2024, a total of \$3.3 million was added to construction in progress for thirty separate projects. Most of this total was related to the District's ongoing Pump Station Electrical Control Building project (\$1.8 million) and the Sites Reservoir Project (\$800,000). \$349,000 was transferred from construction in progress to capital assets being depreciated and \$1.7 million in capital assets being depreciated were added (including the transfer from construction in progress). Depreciation for fiscal year 2024 totaled \$3.5 million.

Fiscal Year 2023 Compared to 2022. At September 30, 2023, net capital assets totaled \$45.4 million, an increase of \$2.4 million from the prior year. During fiscal year 2023, a total of \$3.7 million was added to construction in progress for twenty-five separate projects, \$5.0 million was transferred from construction in progress to capital assets being depreciated, and \$7.0 million in capital assets being depreciated were added (including the transfer from construction in progress). Depreciation for fiscal year 2023 totaled \$3.2 million.

Deferred Outflows of Resources

Deferred outflows of resources are primarily related to a \$9.2 million payment that GCID made to USBR in 2004 to pay off the operations and maintenance deficit that had accrued during the term of the previous Settlement contract. The total is being amortized using the straight-line method over the life of the new contract (40 years, 2005 through 2045). Beginning in fiscal year 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in additional deferred outflows of resources related to contributions made after the measurement date.

Fiscal Year 2024 Compared to 2023. At September 30, 2024, deferred outflows of resources totaled approximately \$4.7 million, a decrease of roughly \$500,000 from the prior year. The decrease is attributable to the amortization of the operations and maintenance deficit payment to the USBR (\$231,000) and a \$267,000 decrease in deferred outflows of resources related to Other-Post Employment Benefits (OPEB), as explained more fully in Note H to the Financial Statements.

Fiscal Year 2023 Compared to 2022. At September 30, 2023, deferred outflows of resources totaled approximately \$5.2 million, a decrease of roughly \$680,000 from the prior year. The decrease is attributable to the amortization of the operations and maintenance deficit payment to the USBR (\$231,000) and a \$449,000 decrease in deferred outflows of resources related to Other-Post Employment Benefits (OPEB), as explained more fully in Note H to the Financial Statements.

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

Current Liabilities

Current liabilities represent District obligations that are due within one year. They include accounts payable, deposits, and the current portion of long-term liabilities.

Fiscal Year 2024 Compared to 2023. At September 30, 2024, current liabilities totaled \$2.6 million, a decrease of approximately \$100,000 from the prior year. The largest variation was related to accrued payroll and benefits payable, which decreased by \$313,000. Additionally, the District leased additional vehicles through Enterprise Fleet Management, which resulted in an increase in the current lease liability of \$49,000.

Fiscal Year 2023 Compared to 2022. At September 30, 2023, current liabilities totaled \$2.7 million, a decrease of \$3.1 million from the prior year. The primary reason for the decrease was that at the close of the prior fiscal year, the District had a payable of \$3.3 million related to the supplemental water purchase pool program (see discussion below and Note A from the District's financial statements for the fiscal year ending September 30, 2022). The District made all payments related to this liability during Fiscal Year 2023.

Long-Term Liabilities

Long-term liabilities include the long-term portion of vehicle lease payments owed by the District, accrued compensated absences, and the other post-employment benefit (OPEB) liability. Accrued compensated absences are accrued benefits such as annual leave and sick leave that are owed to employees and the OPEB liability relates to the District's obligation to provide post-employment health insurance to certain employees.

Fiscal Year 2024 Compared to 2023. At September 30, 2024, the long-term liability total was \$1.7 million, a decrease of \$1.1 million. This decrease was caused by a significant decrease in the District's OPEB liability (see Note H). Additionally, the District had a decrease in accrued compensated absences of \$65,000 and an increase of lease liability of \$119,000 (stemming from the acquisition of additional leased vehicles).

Fiscal Year 2023 Compared to 2022. At September 30, 2023, the long-term liability total was \$2.8 million, a decrease of \$4.2 million. This decrease was caused by a significant decrease in the District's OPEB liability (see Note H).

Deferred Inflows of Resources

A deferred inflow of resources is defined as an acquisition of net assets by the government that is applicable to a future reporting period.

Fiscal Year 2024 Compared to 2023. At September 30, 2024, deferred inflows of resources totaled approximately \$1.2 million, an decrease of \$600,000 compared to the prior year. The total of deferred inflows of resources as of September 30, 2024, is related to the difference between the expected and actual experience of the OPEB plan and also the net difference between the projected and actual earnings on investments held by the OPEB trust, as described more fully in Note H to the Financial Statements.

Fiscal Year 2023 Compared to 2022. At September 30, 2023, deferred inflows of resources totaled approximately \$1.8 million, an increase of \$1.2 million compared to the prior year. The total of deferred inflows of resources as of September 30, 2023, is related to the difference between the expected and actual experience of the OPEB plan and also the net difference between the projected and actual earnings on investments held by the OPEB trust, as described more fully in Note H to the Financial Statements.

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

Net Position – Investment in Capital Assets

The capital asset portion of the net position represents the historical cost of the District's property, plant, and equipment, net of depreciation, plus construction in progress, less any outstanding debt related to the capital assets, and less amounts payable related to the capital assets. As of September 30, 2024, the District had no capital asset debt but did have a \$241,017 liability related to leased vehicles and \$281,274 in amounts payable related to capital assets. Therefore, the capital asset portion of the net position was equal to the asset category Capital Assets Net of Depreciation at September 30, 2024, less the \$522,291 sum of these liabilities.

Net Position – Unrestricted

Unrestricted net position is a residual measure of equity and is the amount of net position not included in the net investment in capital assets or restricted net position (if any). Unrestricted net position is the District's assets that are usable for any purpose, though the entirety of unrestricted net position may not be in spendable form.

Fiscal Year 2024 Compared to 2023. At September 30, 2024, unrestricted net position was \$42.9 million, a decrease of \$470,000 from the prior year. Many factors contributed to the decrease, most significantly the \$2.3 million decrease in current assets that was driven by the District's operating deficit. This was partially offset by the \$600,000 reduction in deferred inflows of resources related to OPEB.

Fiscal Year 2023 Compared to 2022. At September 30, 2023, unrestricted net position was \$43.4 million, an increase of \$16.4 million from the prior year. The primary factors driving the increase in unrestricted net position were the net impact of 1) the \$22.5 million payment from the SRSC, 2) cash outlays for operations exceeding operational revenues by \$10.2 million, 3) significant capital expenditures (these three items are discussed above in the section on Current Assets), and 4) the \$4.2 million decrease in the long-term OPEB liability (discussed above under Long-Term Liabilities).

Total Net Position

Total net position is a measure of the District's total equity and is defined as total assets plus deferred outflows of resources less liabilities and less deferred inflows of resources. Alternatively, total net position is the sum of net investment in capital assets, restricted net position (if any), and unrestricted net position.

Fiscal Year 2024 Compared to 2023. The total net position at the end of fiscal year 2023 was \$89.4 million, an increase of \$755,000 from the end of the prior year. This increase was the result of the \$1.2 million increase in Net Position – Investment in Capital Assets partially offset by the \$470,000 decrease in Net Position - Unrestricted.

Fiscal Year 2023 Compared to 2022. The total net position at the end of fiscal year 2023 was \$88.7 million, an increase of \$18.8 million from the end of the prior year. This increase was driven by the same factors that led to the increase in unrestricted net position.

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

CONDENSED SCHEDULE OF REVENUES, EXPENSES & CHANGES IN NET POSITION

	September 30,		
	2024	2023	2022
Operating Revenues			
Supplemental water purchase pool	\$ -	\$ -	\$ 3,552,075
Irrigation Charges	\$ 13,134,970	\$ 10,681,727	\$ 1,445,469
Refuge Wheeling Charges	\$ 3,272,421	\$ 2,720,515	\$ 1,686,200
Standby Charges	\$ 921,115	\$ 921,704	\$ 921,269
Total Operating Revenues	\$ 17,328,506	\$ 14,323,946	\$ 7,605,013
Nonoperating Revenues - Third Party Water Sales	\$ 800,919	\$ 1,839,334	\$ 4,841,494
Other Nonoperating Revenues	\$ 5,113,784	\$ 25,841,008	\$ 898,056
Total Revenues	\$ 23,243,209	\$ 42,004,288	\$ 13,344,563
Operating Expenses			
Source of Supply	\$ 5,105,524	\$ 6,764,860	\$ 3,129,493
Pumping Plant	\$ 1,063,972	\$ 1,299,262	\$ 545,650
Transmission & Distribution	\$ 6,416,113	\$ 6,083,147	\$ 4,423,190
Administration & General	\$ 5,607,719	\$ 5,192,119	\$ 5,588,248
Supplemental water purchase pool	\$ -	\$ (656)	\$ 6,123,969
Depreciation	\$ 3,504,732	\$ 3,233,449	\$ 3,364,742
Total Operating Expenses	\$ 21,698,060	\$ 22,572,181	\$ 23,175,292
Nonoperating Expenses - Third Party Water Sales	\$ 2,878	\$ 6,041	\$ 391,719
Nonoperating Expenses - Other	\$ 786,923	\$ 677,974	\$ 125,260
Total Expenses	\$ 22,487,861	\$ 23,256,196	\$ 23,692,271
Change in Net Position	\$ 755,348	\$ 18,748,092	\$ (10,347,708)
Net Position, Beginning of Year	\$ 88,672,890	\$ 69,924,798	\$ 80,272,506
Net Position, End of Year	\$ 89,428,238	\$ 88,672,890	\$ 69,924,798

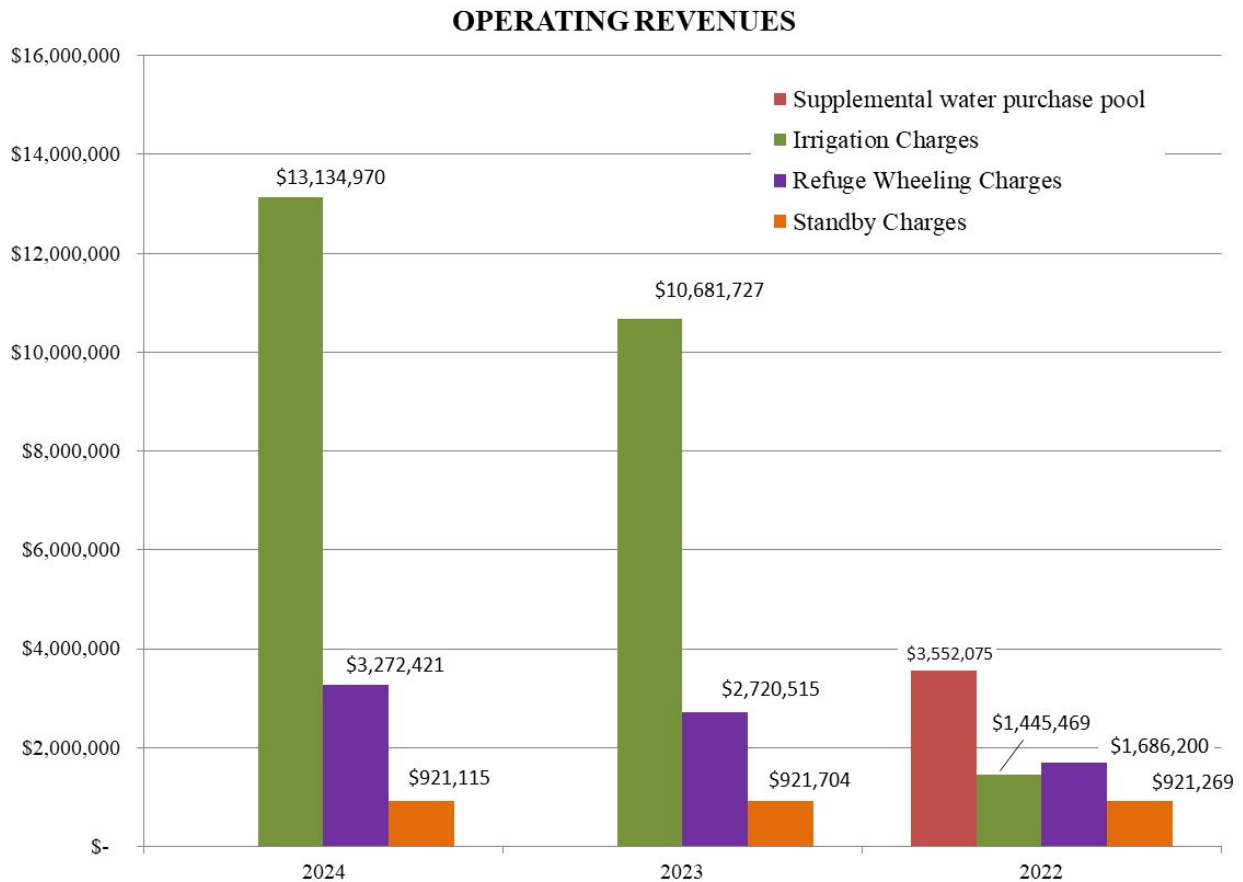
Operating Revenues

Glenn-Colusa Irrigation District's principal source of revenue is from water sales, which typically account for approximately 80 percent of operating revenues. GCID's primary sources of water are pre-1914 senior water rights and Central Valley Project water diverted from the Sacramento River under the District's Sacramento River Settlement Contract with the USBR. Operating revenues also include a land-based standby charge as well as wheeling revenue the District receives to deliver the Federal Government's water supply to three Federal Wildlife Refuges located within the District's boundary.

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023



Fiscal Year 2024 Compared to 2023. Fiscal Year 2024 operating revenues were \$17.3 million, an increase of \$3.0 million compared to the prior year. During the 2024 irrigation season, the District had a 100% water supply under its settlement contract with the USBR, which allowed for normal levels of revenue from water sales. Additionally, the District enacted a 5% increase in water rates, which resulted in an approximately \$600,000 increase in revenue from water sales (compared to keeping water rates the same). The primary reason for the increase over the prior fiscal year was that unlike in fiscal year 2023, the District did not provide a significant refund related to water purchased the prior year but not delivered (see note below).

The District recognized an increase in revenue from wheeling water to the federal wildlife refuges of \$550,000 (from \$2.7 million to \$3.3 million). The volume of water wheeled was slightly above average, but the reason for the increase in revenue is that the contract for wheeling water to the refuges requires USBR to pay for a certain minimum level of wheeling regardless of the quantity actually wheeled. During 2021 and 2022, the District wheeled less than the minimum amount but did not seek payment for the contractual minimum amount. The District became aware of the contract provision and USBR provided an additional payment in the amount of \$700,000 during fiscal year 2024.

Fiscal Year 2023 Compared to 2022. Fiscal Year 2023 operating revenues were \$14.3 million, an increase of \$6.7 million compared to the prior year. During the 2023 irrigation season, the District had a 100% water supply under its settlement contract with the USBR, which allowed for revenue from water sales to increase to normal levels after a severely reduced water supply (and related reduced revenue) during the 2022

GLENN-COLUSA IRRIGATION DISTRICT

Management’s Discussion and Analysis

Years ended September 30, 2024 and 2023

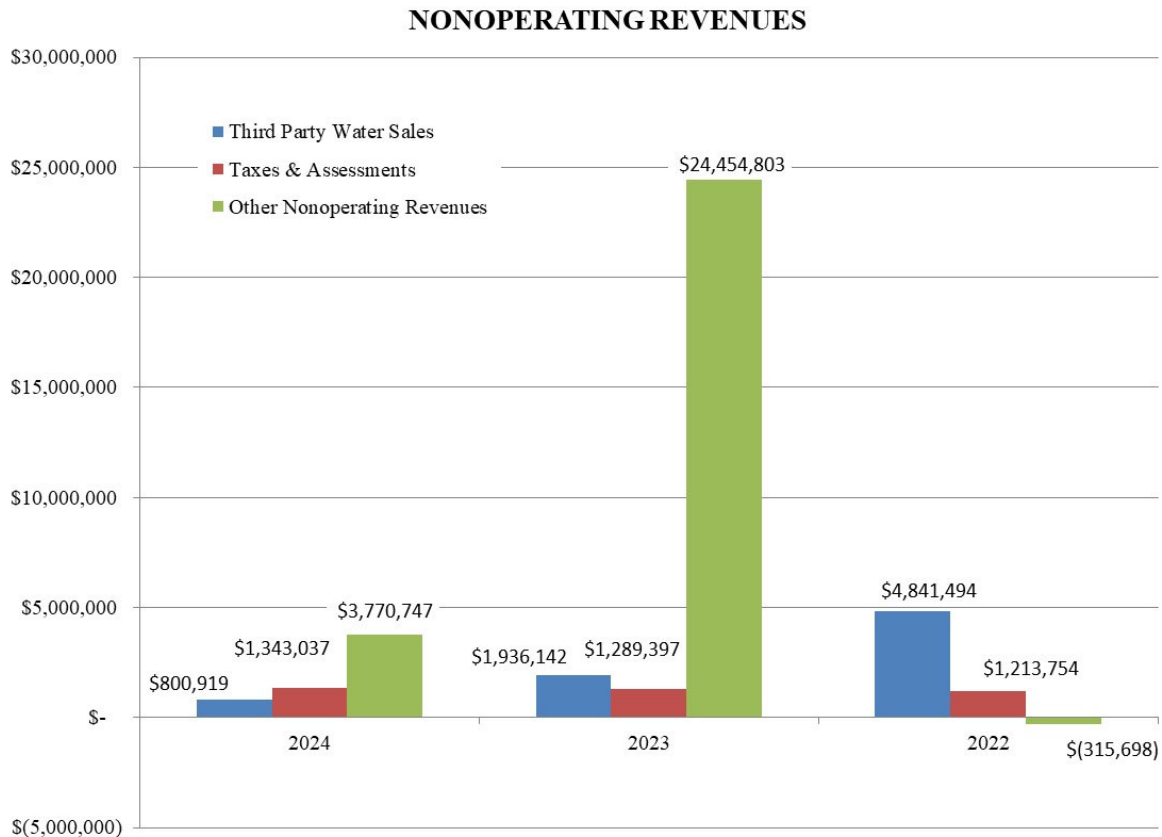
irrigation season. Revenue from irrigation charges totaled \$10.7 million during fiscal year 2023. The total would have been higher, however, the District refunded water users \$1.4 million during fiscal year 2023 related to water that was purchased by landowners during the prior fiscal year but ultimately not delivered (see Note M from the District’s financial statements for the fiscal year ending September 30, 2022).

The District conveyed an above average quantity of water to the three federal wildlife refuges that it serves, resulting in \$2.7 million in revenue from that source (a \$1.0 million increase from the prior fiscal year).

Additionally, the supplemental water purchase pool was a one-time response to the severe drought conditions during the 2022 irrigation season, so there was no revenue related to such a program during fiscal year 2023 (see Note A from the District’s financial statements for the fiscal year ending September 30, 2022).

Non-operating Revenues

The primary sources of non-operating revenue for GCID are county property taxes, assessments and third-party water sales.



Fiscal Year 2024 Compared to 2023. Non-operating revenues for fiscal year 2024 were \$5.9 million, a decrease of \$21.8 million compared to the prior year. The primary reason for the decrease was that during the prior fiscal year, the District received a \$22.5 million payment from the SRSC (see discussion in Current Assets section above). No such payment was received during fiscal year 2024. Revenue from third-party

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

water sales decreased by \$1.1 million from fiscal year 2023 to fiscal year 2024 as the District did not transfer any water to federal wildlife refuges as has occurred the prior fiscal year. The District received \$730,000 in revenue from the transfer with Colusa Drain Mutual Water Company.

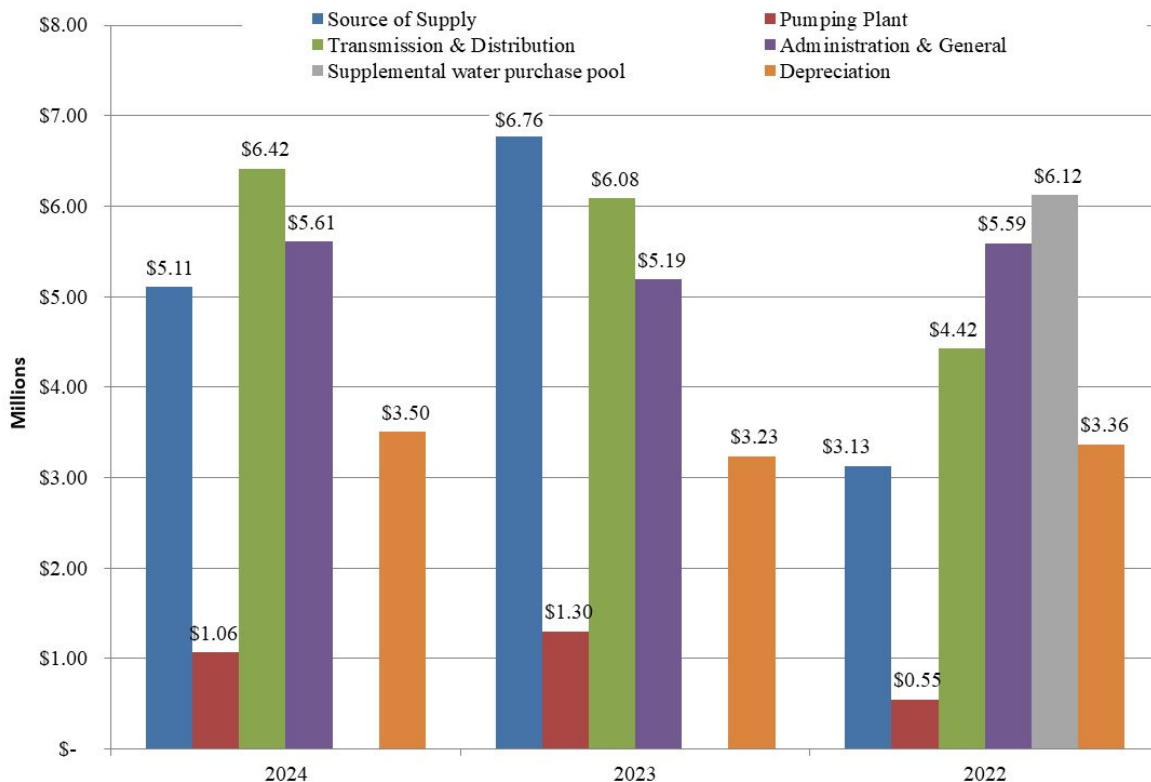
Investment income (a component of Other Nonoperating Revenues) increased by \$1.8 million to a total of \$2.8 million. The increase was due primarily to a \$1.3 million unrealized gain in the District's fixed income holdings.

Fiscal Year 2023 Compared to 2022. Non-operating revenues for fiscal year 2023 were \$27.7 million, an increase of \$22.0 million compared to the prior year. The primary reason for the increase was the receipt of a \$22.5 million payment from the SRSC (see discussion in Current Assets section above). Also, third party water sales revenue decreased by \$3.0 million. During fiscal year 2023, the District received \$943,000 from water transferred to federal wildlife refuges and \$827,000 from a water transfer to the Colusa Drain Mutual Water Company

Operating Expenses

Operating expenses fall into five major cost centers: (1) source of supply, (2) pumping plant, (3) transmission and distribution, (4) administration and general, and (5) depreciation. The supplemental water purchase pool was a one-time response to the severe drought conditions during the 2022 irrigation season (see Note A from the District's financial statements for the fiscal year ending September 30, 2022).

OPERATING EXPENSES



GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

Fiscal Year 2024 Compared to 2023. Total operating expenses were \$21.7 million in fiscal year 2024, a decrease of \$900,000 from the prior year. The primary factors resulting in the decrease include:

- Source of supply—the District's expense for Central Valley Project water under its contract with USBR was \$1.6 million lower than the prior fiscal year, which was due to the cost-of-service rate decreasing from fiscal year 2023 to fiscal year 2024 and also because the District recognized a \$570,000 refund as a result of the 2023 annual accounting analysis (See Note K).
- Pumping plant—expenses for the operation for the District's pumping plant decreased by approximately \$235,000 from fiscal year 2023 to fiscal year 2024 due from lower electricity costs.
- Transmission and Distribution—expenses in this category increased by \$330,000, driven primarily by increased labor costs.
- Administration and General—expenses in this category increased by \$415,000, due chiefly to increases in legal expenses (\$143,000), health insurance (\$157,000), and workers compensation, liability insurance, and property insurance (\$164,000 combined).

Fiscal Year 2023 Compared to 2022. Total operating expenses were \$22.6 million in fiscal year 2023, a decrease of \$600,000 from the prior year. Though the variation in total operating expenses was fairly moderate, there was significant variation within the categories of expenses that comprise the District's operations. First, expenses within the source of supply category increased by \$3.6 million, primarily due to increased costs for Central Valley Project water provided through the District's settlement contract with the USBR. Second, expenses in the pumping plant category increased by \$750,000, almost all of which was due to increased electricity cost related to running the District's pumps (during the prior fiscal year, pumping and electricity usage were at all time lows due to the severe drought conditions). Expenses within the transmission & distribution category increased by \$1.7 million due to increases in electricity usage by the District's recapture pumps, increases in supply and materials costs, and increased labor costs (primarily due to the District increasing water operations staffing levels). Last, expenses related to the supplemental water purchase pool decreased by \$6.1 million as that program was a response to the severe drought and related reduced water supply during the prior fiscal year.

Non-operating Expenses

Non-operating expenses include interest expenses, third party water transfer expenses, cost of sales to landowners and employees and grant expenses.

NON-OPERATING EXPENSES

	September 30,		
	2024	2023	2022
Third Party Water Sales	\$ 2,878	\$ 6,041	\$ 391,719
Other Non-operating Expenses	\$ 786,923	\$ 677,974	\$ 125,260
	\$ 789,801	\$ 684,015	\$ 516,979

Fiscal Year 2024 Compared to 2023. Expenses related to third party water sales were minimal during fiscal year 2023. The most significant expense in the other non-operating expense category was \$758,000 in expenses related to the District's management of a cooperative agreement focused on salmonid habitat

GLENN-COLUSA IRRIGATION DISTRICT

Management's Discussion and Analysis

Years ended September 30, 2024 and 2023

restoration in the Sacramento River. Expenses under this cooperative agreement are 100% reimbursable (revenue is recorded within the other non-operating income category).

Fiscal Year 2023 Compared to 2022. Expenses related to third party water sales were minimal during fiscal year 2023. The most significant expense in the other non-operating expense category was \$570,000 in expenses related to the District's management of a cooperative agreement focused on salmonid habitat restoration in the Sacramento River. Expenses under this cooperative agreement are 100% reimbursable (revenue is recorded within the other non-operating income category).

Currently Known Facts

Issues that are currently known that could have an impact on the financial position of the District include the water supply outlook and maintenance of the Gradient Facility.

Water Supply Outlook

Current projections of the inflow to Shasta Lake for the water year that began October 1, 2024, indicate that it is unlikely that the District will have its water supply reduced under the terms of its contract with the USBR.

Gradient Facility

The Gradient Facility is a group of improvements to the channel of the Sacramento River near the District's pumping facility that are intended to preserve the elevation of the river so as to permit the normal operation of the pumping facility. The District received a settlement in the amount of \$10.5 million from the United States Army Corps of Engineers in 2021 that the District will use for the maintenance and improvement of the Gradient Facility. The District is currently undertaking work for the design and permitting of certain improvements to the gradient facility and intends to construct these improvements during 2026. The expected cost of these improvements has not yet been determined.

Financial Contact

This financial report is intended to provide the District's customers, creditors, investors and other interested parties an overview of the District's financial operations and financial condition. Should the reader have questions regarding information included in this report, or wish to request additional financial information, please contact the Glenn-Colusa Irrigation District Finance Director at P.O. Box 150, Willows, California 95988.

GLENN-COLUSA IRRIGATION DISTRICT

STATEMENTS OF NET POSITION

September 30, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 7,212,092	\$ 12,606,377
Investments	31,599,705	29,377,849
Accounts receivable	454,705	284,508
Due from other governments	2,735,809	2,151,198
Assessments receivable	297,765	280,908
Interest receivable	3,468	124,610
Inventory	680,095	443,954
Prepaid expenses	233,420	203,909
TOTAL CURRENT ASSETS	43,217,059	45,473,313
CAPITAL ASSETS		
Not being depreciated	6,932,666	3,981,483
Being depreciated, net	40,110,162	41,387,147
TOTAL CAPITAL ASSETS, NET	47,042,828	45,368,630
TOTAL ASSETS	90,259,887	90,841,943
DEFERRED OUTFLOW OF RESOURCES		
CVP O&M deficit - contract renewal, net	4,656,932	4,888,127
Related to OPEB		267,280
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,656,932	5,155,407
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	1,525,304	1,338,141
Regional plan participants payable	13,345	14,697
Accrued payroll and benefits payable	278,528	591,965
Due to pension plan	19,880	31,535
Unearned revenue	125,018	204,700
Current portion of lease liability	66,971	18,336
Current portion of accrued compensated absences	525,537	460,219
TOTAL CURRENT LIABILITIES	2,554,583	2,659,593
LONG-TERM LIABILITIES		
Accrued compensated absences	11,355	75,937
Lease liability	174,046	54,709
Net other postemployment benefits (OPEB) liability	1,552,903	2,686,917
TOTAL LONG-TERM LIABILITIES	1,738,304	2,817,563
TOTAL LIABILITIES	4,292,887	5,477,156
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB	1,195,694	1,847,304
NET POSITION		
Net investment in capital assets	46,520,537	45,295,585
Unrestricted	42,907,701	43,377,305
TOTAL NET POSITION	\$ 89,428,238	\$ 88,672,890

The notes to the financial statements are an integral part of this statement.

GLENN-COLUSA IRRIGATION DISTRICT

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the years ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Irrigation charges	\$ 13,134,970	\$ 10,681,727
Refuge wheeling charges	3,272,421	2,720,515
Standby charges	921,115	921,704
TOTAL OPERATING REVENUES	<u>17,328,506</u>	<u>14,323,946</u>
OPERATING EXPENSES		
Source of supply	5,105,524	6,764,860
Pumping plant	1,063,972	1,299,262
Transmission and distribution	6,416,113	6,083,147
Administration and general	5,607,719	5,191,463
Depreciation	3,504,732	3,233,449
TOTAL OPERATING EXPENSES	<u>21,698,060</u>	<u>22,572,181</u>
NET LOSS FROM OPERATIONS	(4,369,554)	(8,248,235)
NON-OPERATING REVENUE (EXPENSES)		
Third-party water sales	800,919	1,839,334
Taxes and assessments	1,343,037	1,289,397
Investment income	2,750,042	993,867
Other non-operating revenue	866,143	23,405,704
In-basin water transfers	100,065	96,808
Third party water purchases	(2,878)	(6,041)
Gain on sales of capital assets	54,497	55,232
Other non-operating expenses	(786,923)	(677,974)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>5,124,902</u>	<u>26,996,327</u>
CHANGE IN NET POSITION	755,348	18,748,092
Net position, beginning of year	<u>88,672,890</u>	<u>69,924,798</u>
NET POSITION AT END OF YEAR	<u><u>\$ 89,428,238</u></u>	<u><u>\$ 88,672,890</u></u>

The notes to the financial statements are an integral part of this statement.

GLENN-COLUSA IRRIGATION DISTRICT

STATEMENTS OF CASH FLOWS

For the years ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 16,366,272	\$ 13,222,931
Cash paid to suppliers for goods and services	(14,304,864)	(18,036,261)
Cash paid to employees for services	(6,590,847)	(5,417,272)
NET CASH USED BY OPERATING ACTIVITIES	<u>(4,529,439)</u>	<u>(10,230,602)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes received	1,326,180	1,250,061
Third-party water sales received	849,761	6,203,061
Third-party water purchases paid	(2,878)	(6,041)
In-basin water transfers revenue received	100,065	96,808
Other nonoperating revenue received	1,024,727	23,405,704
Nonoperating expenses paid	(786,923)	(677,974)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>2,510,932</u>	<u>30,271,619</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(4,092,924)	(5,651,263)
Proceeds from sale of capital assets	67,818	83,652
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(4,025,106)</u>	<u>(5,567,611)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	1,429,249	5,648,947
Investment purchases	(10,936,279)	(28,026,972)
Investment sales/maturities	10,156,358	12,884,133
NET CASH USED BY INVESTING ACTIVITIES	<u>649,328</u>	<u>(9,493,892)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(5,394,285)</u>	<u>4,979,514</u>
Cash and cash equivalents at beginning of year	<u>12,606,377</u>	<u>7,626,863</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,212,092</u>	<u>\$ 12,606,377</u>

(Continued)

GLENN-COLUSA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS (Continued)
For the years ended September 30, 2024 and 2023

	2024	2023
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net loss from operations	\$ (4,369,554)	\$ (8,248,235)
Adjustments to reconcile net loss from operations to net cash (used) provided by operating activities:		
Depreciation and amortization	3,504,732	3,233,449
Amortization	231,195	231,195
Changes in operating assets and liabilities:		
Accounts receivable	(170,197)	162,944
Due from other governments	(792,037)	(1,263,959)
Inventory	(236,141)	303,823
Prepaid expenses	(29,511)	(3,249)
Deferred outflows related to OPEB	267,280	449,203
Accounts payable	(94,110)	152,305
Supplemental water purchase pool payable		(3,251,692)
Regional Plan participants payable	(1,352)	(16,759)
Accrued payroll and benefits payable	(313,437)	329,043
Due to pension plan	(11,655)	(3,349)
Unearned revenue	(79,682)	(375,229)
Net OPEB liability	(1,134,014)	(3,247,083)
Compensated absences	736	9,161
Lease liability	(650,082)	73,045
Deferred inflows related to OPEB	(651,610)	1,234,785
NET CASH USED BY OPERATING ACTIVITIES	\$ (4,529,439)	\$ (10,230,602)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Change in fair value of investments	\$ 1,441,935	\$ 159,454
Change in capital accounts payable	\$ 281,273	\$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Capital assets acquired under leases	\$ 818,054	\$ 337,732

The notes to the financial statements are an integral part of this statement.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2024 and 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Glenn-Colusa Irrigation District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. 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 District's accounting policies are described below.

Reporting Entity: The Glenn-Colusa Irrigation District was organized on March 2, 1920, as a successor to several public and private irrigation projects dating back to 1887. The District is organized and operated under authority of the California Water Code. The District provides water for irrigation purposes to an area of approximately 170,000 gross acres.

Joint Powers Authorities: The District is in three joint ventures under joint powers agreements (JPAs):

- Sites Project Joint Powers Authority (SPJPA), which is described in Note I.
- Power and Water Resources Pooling Authority (PWRPA) manages power assets and loads.
- Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) provides insurance coverage for health, general and auto liability, errors and omissions, property, boiler and machinery, employee dishonesty and workers' compensation.

The JPAs are governed by boards consisting of representatives from member districts. Each board controls the operations of their JPAs, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the Board. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes. In the event of the dissolution of SPJPA or PWRPA, the District will receive a pro-rata share of the assets and liabilities of these organizations. In the event of the dissolution of ACWA/JPIA, the District is only liable for unpaid insurance premiums and is neither entitled to nor obligated for any assets or liabilities of ACWA/JPIA. Annual audited financial information can be obtained by contacting each JPA's management.

During the years ended September 30, 2024 and 2023, the District paid PWRPA \$1,097,338 and \$1,392,584, respectively. These payments are made based on pro-forma budgeted rates, which are reconciled to actual costs.

Basis of Presentation: The District'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 period 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 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, deferred outflows, liabilities, and deferred inflows associated with the operation of the fund are included on the balance sheet. Net position is

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

segregated into the investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

The District uses the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the District may fund certain programs with a combination of cost-reimbursement grants and general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal operations. The principal operating revenues of the District are charges to customers for water sales. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments: For the purposes of the Statement of Cash Flows, the District's cash and cash equivalents include cash on hand or on deposit, and demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables: Receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts, if applicable, and estimated refunds due. The District reports utilities, reimbursements, and interest earnings as major receivables. No allowance was deemed necessary at September 30, 2024 and 2023.

Property Taxes: Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The Counties of Glenn and Colusa levy, bill and collect property taxes for the District. Under the County's "Teeter Plan", the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Property tax revenues are recognized by the District in the fiscal year they are assessed. Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on January 1. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

Inventories and Prepaid Items: Inventories consist primarily of materials and supplies used in the maintenance and improvement of the District's irrigation system. Inventories are valued using an average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Capital Assets: Capital assets are valued 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. Capital assets are currently defined by the District as assets with an initial individual cost of more than \$15,000 and an estimated useful life in excess of one year. Land acquisitions are capitalized regardless of the amount. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is provided over the useful lives of assets using the straight-line method. Estimated useful lives of depreciable assets range from 3 to 50 years.

Compensated Absences: The District policy allows employees to accumulate earned but unused annual leave (up to a maximum of 60 days), which will be paid to employees upon separation from the District's service. The cost of annual leave is recognized in the period earned.

Net Position: The net position amount is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The net investment in capital assets represents capital assets, less accumulated depreciation and any outstanding debt or capital payables related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors or grantors.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the CVP O&M deficit as described in Note C and the District's OPEB plan as described in Note H.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a government that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for years beginning after June 15, 2024.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement will result in changes to the financial reporting model including the Management's Discussion and Analysis, display of inflows and outflows of unusual and infrequent items, and changing the definition of proprietary fund nonoperating revenues and expenses. The provisions of this Statement are effective for years beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

The District is currently analyzing the impact of the required implementation of these new statements.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS

Cash and investments consisted of the following at September 30:

	2024	2023
Cash and cash equivalents	\$ 7,212,092	\$ 12,606,377
Investments	31,599,705	29,377,849
Total cash and investments	<u>\$ 38,811,797</u>	<u>\$ 41,984,226</u>

Cash and investments were classified as follows under GASB Statement No. 40 at September 30:

	2024	2023
Cash on hand	\$ 465	\$ 100
Deposits with financial institutions	243,857	476,234
Total cash	<u>244,322</u>	<u>476,334</u>
Local Agency Investment Fund (LAIF)	477,849	11,907,207
California Asset Management Program (CAMP)	6,382,222	-
Money market mutual fund	107,699	222,836
U.S. Agency securities	8,903,382	10,351,019
U.S. Treasury notes	8,229,142	7,558,304
Corporate notes/bonds	5,272,460	3,453,744
Municipal notes/bonds	3,428,684	3,027,619
Asset-backed securities	2,694,491	3,022,715
Supranational notes	3,071,546	1,964,448
Total investments	<u>38,567,475</u>	<u>41,507,892</u>
Total cash and investments	<u>\$ 38,811,797</u>	<u>\$ 41,984,226</u>

Investment policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

During the year ended September 30, 2024, the District’s permissible investments included in the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum % Holdings	Maximum % per Issuer
Securities of the U.S. Government	5 years	100%	100%
Securities of the U.S. Government Agencies and Instrumentalities	5 years	100%	50%
Registered State Warrants, Treasury Notes or Bonds of the State of California	5 years	25%	10%
Registered Treasury Notes or Bonds of other states in the United States	5 years	25%	10%
Bonds, Notes, Warrants or Other Evidences of Indebtedness of any Local Agency within the State of California	5 years	30%	10%
Commercial Paper	270 days	25%	5%
Corporate or Medium-Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	5%
Bonds of Supranationals	5 years	15%	5%
Negotiable Certificates of Deposit	1 year	20%	5%
Repurchase Agreements	1 year	15%	5%
Bankers' Acceptances	180 days	25%	5%
Local Agency Investment Fund	N/A	100%	50%
Collateralized Bank Deposits	N/A	100%	100%
Asset-Backed Securities	5 years	20%	5%
Joint Powers Authority Local Government Investment Pools	N/A	100%	N/A

The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

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 District’s investment in LAIF had an average maturity of 231 and 256 days as of September 30, 2024 and 2023.

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided in the following table that shows the distribution of the District’s investments by maturity at September 30, 2024:

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

	Total	Remaining Investment Maturities		
		12 Months or Less	1 to 3 Years	3 to 5 Years
Local Agency Investment				
Fund (LAIF)	\$ 477,849	\$ 477,849		
California Asset Management				
Program (CAMP)	6,382,222	\$ 6,382,222		
Money market mutual fund	107,699	107,699		
U.S. Agency securities	8,903,382	1,995,595	\$ 4,059,085	\$ 2,848,702
U.S. Treasury notes	8,229,142	2,445,860	3,551,229	2,232,053
Corporate notes/bonds	5,272,460	505,485	2,642,292	2,124,683
Municipal notes/bonds	3,428,684	616,697	2,069,567	742,420
Asset-backed securities	2,694,491	1,688,579	1,005,912	-
Supranational notes	3,071,546	489,760	965,220	1,616,566
Total	\$ 38,567,475	\$ 14,709,746	\$ 14,293,305	\$ 9,564,424

Credit Risk: 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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type at September 30, 2024.

	Total	Minimum Legal Rating	Minimum Rating					Not Rated
			AAA	AA+	AA	-AA	A+	
Local Agency Investment								
Fund (LAIF)	\$ 477,849	N/A						\$ 477,849
California Asset Management								
Program (CAMP)	6,382,222	N/A	\$ 6,382,222					
Money market mutual fund	107,699	(1)	107,699					
U.S. Agency securities	8,903,382	N/A	8,903,382					
U.S. Treasury notes	8,229,142	N/A	8,229,142					
Corporate bonds	5,272,460	Aa or AA	906,413	\$ 505,485	\$ 1,518,418	\$ 1,824,549	\$ 517,595	
Municipal notes/bonds	3,428,684	Aa or AA	1,196,211	1,191,424	1,041,049			
Asset-backed securities	2,694,491		2,694,491					
Supranational notes	3,071,546	Aa or AA	3,071,546					
Total	\$ 38,567,475		\$ 31,491,106	\$ 1,696,909	\$ 2,559,467	\$ 1,824,549	\$ 517,595	\$ 477,849

(1) must be given the highest rating by 2 of the 3 nationally recognized rating agencies.

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested by any one issuer to those limits specified in the California Government Code. Investments in any one issuer (excluding U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total District investments are as follows as of September 30, 2024.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

Issuer	Investment Type	Amount	%
Federal Farm Credit Bank	U.S. Agency security	\$ 5,682,409	17.92%
Federal Home Loan Bank	U.S. Agency security	3,220,973	10.16%

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 possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure of custodial 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 and 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 be equal to at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At September 30, 2024, the carrying amount of the District's deposits was \$243,857 and the balances in financial institutions was \$242,345 of which the entire amount was covered by federal depository insurance. At September 30, 2023, the carrying amount of the District's deposits was \$476,234 and the balances in financial institutions was \$505,749, of which \$255,749 was not covered by federal depository insurance. In addition, all of the District's investments with the exception of the investment in LAIF were held by the same broker-dealer (counterparty) used to buy the securities.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The District 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 total fair value amount invested by all public agencies in LAIF at September 30, 2024 was \$163,510,307,112. Of that amount, 2.84% was invested in structured notes and asset-backed securities. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District'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.

Fair Value Measurements: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of investments. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. When quoted prices in active markets are not readily available, fair values are based on pricing models or matrices maximizing the use of observable inputs for similar securities. Level 3 inputs are significant unobservable inputs. The District had the following reoccurring fair value measurements as of September 30, 2024.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

	Total	Level		
		1	2	3
Money market mutual fund	\$ 107,699			\$ 107,699
U.S. Agency securities	8,903,382		\$ 8,903,382	
U.S. Treasury notes	8,229,142	\$ 8,229,142		
Corporate bonds	5,272,460		5,272,460	
Municipal notes/bonds	3,428,684		3,428,684	
Asset-backed securities	2,694,491		2,694,491	
Supranational notes	3,071,546		3,071,546	
	<u>31,707,404</u>	<u>\$ 8,229,142</u>	<u>\$ 23,370,563</u>	<u>\$ 107,699</u>
Investments not categorized:				
Local Agency Investment Fund (LAIF)	477,849			
California Asset Management Program (CAMP)	<u>6,382,222</u>			
Total	<u>\$ 38,567,475</u>			

Investments categorized in Level 2 are valued using matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated from observable market data by correlation or other means.

NOTE C – CVP O&M DEFICIT

As part of the District’s 2004 Central Valley Project Sacramento River Settlement Contract renewal with the United States Bureau of Reclamation (Bureau), the District was required to fund its share of the Operations and Maintenance deficit that had accumulated during the term of the previous contract. The District decided to fund this obligation in a lump-sum amount as opposed to making payments over the term of the new contract, with interest charges accumulating on the unpaid balance. The District’s payment of \$9,247,807 is reported as a deferred outflow of resources on the Statement of Net Position and is being amortized using the straight-line method over the life of the new contract under GASB Statement No. 62 paragraphs 476 to 500 on accounting for regulated operations. The new contract, executed on April 1, 2005, will remain in effect until March 31, 2045.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024 was as follows:

	Balance at October 1, 2023	Additions	Write-offs/ Disposals	Transfers	Balance at September 30, 2024
Capital assets, not being depreciated:					
Land and other land rights	\$ 520,410				\$ 520,410
Construction in progress	3,461,073	\$ 3,300,066		\$ (348,883)	6,412,256
Total capital assets, not being depreciated	3,981,483	3,300,066		(348,883)	6,932,666
Capital assets, being depreciated:					
Fish screen and related improvements	40,422,733				40,422,733
Source of supply	2,846,065				2,846,065
Pumping plant	16,165,995	77,143			16,243,138
Transmission and distribution	39,915,977	296,863		298,883	40,511,723
General plant	7,290,127	91,248	\$ (74,916)		7,306,459
Equipment	7,590,697	608,877	(498,100)	50,000	7,751,474
Right of use asset	337,732	818,054			1,155,786
Total capital assets being depreciated	114,569,326	1,892,185	(573,016)	348,883	116,237,378
Less: accumulated depreciation:					
Fish screen and related improvements	(19,564,561)	(1,346,260)			(20,910,821)
Source of supply	(2,474,737)	(76,563)			(2,551,300)
Pumping plant	(12,710,203)	(597,562)			(13,307,765)
Transmission and distribution	(26,703,390)	(817,782)			(27,521,172)
General plant	(6,944,118)	(91,563)	74,916		(6,960,765)
Equipment	(4,765,361)	(468,117)	484,779		(4,748,699)
Right of use asset	(19,809)	(106,885)			(126,694)
Total accumulated depreciation	(73,182,179)	(3,504,732)	559,695		(76,127,216)
Total capital assets being depreciated, net	41,387,147	(1,612,547)	(13,321)	348,883	40,110,162
CAPITAL ASSETS, NET	\$ 45,368,630	\$ 1,687,519	\$ (13,321)	\$ -	\$ 47,042,828

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE D – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance at October 1, 2022	Additions	Deletions	Transfers	Balance at September 30, 2023
Capital assets, not being depreciated:					
Land and other land rights	\$ 520,410				\$ 520,410
Construction in progress	4,813,181	\$ 3,700,254		\$ (5,052,362)	3,461,073
Total capital assets, not being depreciated	5,333,591	3,700,254		(5,052,362)	3,981,483
Capital assets, being depreciated:					
Fish screen and related improvements	40,422,733				40,422,733
Source of supply	2,743,483	102,582			2,846,065
Pumping plant	16,165,995				16,165,995
Transmission and distribution	34,830,222	33,393		5,052,362	39,915,977
General plant	7,225,044	65,083			7,290,127
Equipment	6,485,329	1,412,219	\$ (306,851)		7,590,697
Right of use asset		337,732			337,732
Total capital assets being depreciated	107,872,806	1,951,009	(306,851)	5,052,362	114,569,326
Less: accumulated depreciation:					
Fish screen and related improvements	(18,218,302)	(1,346,259)			(19,564,561)
Source of supply	(2,407,100)	(67,637)			(2,474,737)
Pumping plant	(12,121,640)	(588,563)			(12,710,203)
Transmission and distribution	(26,027,951)	(675,439)			(26,703,390)
General plant	(6,867,432)	(76,686)			(6,944,118)
Equipment	(4,584,736)	(459,056)	278,431		(4,765,361)
Right of use asset		(19,809)			(19,809)
Total accumulated depreciation	(70,227,161)	(3,233,449)	278,431		(73,182,179)
Total capital assets being depreciated, net	37,645,645	(1,282,440)	(28,420)	5,052,362	41,387,147
CAPITAL ASSETS, NET	\$ 42,979,236	\$ 2,417,814	\$ (28,420)	\$ -	\$ 45,368,630

NOTE E – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2024:

	October 1, 2023	Additions	Reductions	September 30, 2024	Due Within One Year
Compensated absences	\$ 536,156	\$ 533,271	\$ (532,535)	\$ 536,892	\$ 525,537
Lease liability	73,045	818,054	(650,082)	241,017	66,971
Other post-employment benefits	2,686,917	100,778	(1,234,792)	1,552,903	
Total Long-Term Liabilities	\$ 3,369,163	\$ 1,452,103	\$ (2,417,409)	\$ 2,403,857	\$ 592,508

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE E – LONG-TERM LIABILITIES (Continued)

The following is a summary of changes in long-term liabilities for the year ended September 30, 2023:

	October 1, 2022	Additions	Reductions	September 30, 2023	Due Within One Year
Compensated absences	\$ 526,995	\$ 505,318	\$ (496,157)	\$ 536,156	\$ 460,219
Other post-employment benefits	5,934,000	214,600	(3,461,683)	2,686,917	
Lease liability		337,732	(264,687)	73,045	18,336
Total Long-Term Liabilities	\$ 6,460,995	\$ 1,057,650	\$ (3,957,840)	\$ 3,296,118	\$ 478,555

Obligation under lease liability: On February 27, 2023, the District entered into a Master Equity Lease agreement with Enterprise Fleet Management for the lease of vehicles from time to time as deemed necessary by the District. The lease terms are 48 months, with monthly payments ranging from \$134 to \$347 and interest rates ranging from 7.26% to 9.72%. The cost of the assets were \$1,155,786 and accumulated amortization was \$126,694 as of September 30, 2024. The cost of the assets were \$337,732 and accumulated amortization was \$19,809 as of September 30, 2023. Should the District default on lease payments or any covenants of the lease agreement, the Lessor can demand full payment of the outstanding lease payments or retake possession of equipment or require the District to return property, with the District being responsible for a loss on resale or re-lease of equipment. By September 30, 2024, the District leased twenty-nine vehicles.

Minimum lease payments over the remaining term of the lease include:

Fiscal year ending September 30,	Principal	Interest
2025	\$ 66,971	\$ 16,953
2026	72,550	11,375
2027	68,772	5,079
2028	32,724	915
	\$ 241,017	\$ 34,322

NOTE F – NET POSITION

Designations: Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. Designations included the following as of September 30:

	2024	2023
Water Supply Protection and Regional Sustainability Reserve	\$ 4,000,000	\$ 4,000,000
USBR Cost Reserve	5,000,000	5,000,000
Vehicle, Equipment, and Capital Replacement Reserve	5,000,000	5,000,000
Gradient Facility Repair	8,766,933	8,839,242
Operations Reserve	20,140,768	20,538,063
Total Unrestricted Net Position	\$ 42,907,701	\$ 43,377,305

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE F – NET POSITION (Continued)

The designations are for the following:

Designated for Water Supply Protection and Regional Sustainability Reserve represents an account established to provide a source of funding for defending the District's Sacramento River Settlement Contract, water transfer monitoring and mitigation, development of groundwater supplies, fishery restoration efforts, and Sites Reservoir development.

Designated for U.S. Bureau of Reclamation Cost Reserve represents an account established to earmark funds to cover the extraordinary costs related to reductions in the District's water supply in a Shasta Critical year. Shasta Critical years result in dramatically increased costs from the District's contract with the Bureau of Reclamation which are unavoidable by the District.

Designated for Vehicle, Equipment, and Capital Replacement and Improvement Reserve represents an account established to earmark funds for the regular repair and replacement of machinery, other rolling stock, a variety of both mechanical and computer equipment, and capital infrastructure.

Designated for Gradient Facility Maintenance and Repair Reserve represents an account established to provide for the regular maintenance and emergency repair of the improvements in and along the Sacramento River that function to preserve the elevation of the river near the District Pumping Plant. Maintaining the elevation of the Sacramento River near the pumping plant is critical for the District's ability to divert water.

Designated for Operations Reserve represents an account established to provide for the cash flow needs of the District, to provide funds as necessary for purposes not contemplated by the other District Reserves, and to finance any loss resulting from District operations.

NOTE G – PENSION PLAN AND DEFERRED COMPENSATION PLANS

Defined Contribution Retirement Plan: The District is the sponsor of an Internal Revenue Code Section 401(a) defined contribution retirement plan that covers all eligible full-time employees of the District with at least one year of credited service. The District is required to contribute 10.0% of the participants' annual base salary to the plan. The nature of a defined contribution retirement plan is not to guarantee a specific retirement benefit but to define an annual contribution to the plan for each employee. Total District contributions to the plan during the years ended September 30, 2024 and 2023 were \$439,470 and \$411,339, respectively.

Employees (participants) may not contribute to the plan. Vesting provisions for employer contributions under the plan are as follows:

<u>Years of Credited Service</u>	<u>Percent Vested</u>
Less than 3	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE G – PENSION PLAN AND DEFERRED COMPENSATION PLANS (Continued)

Plan forfeitures can occur when a participant separates from employment with the District before the participant’s account is fully vested. Forfeitures incurred during a plan year are used to reduce the District’s contributions to the plan for the next following plan year. Forfeitures totaled \$33,058 and \$0 during the years ended September 30, 2024 and 2023, respectively.

Deferred Compensation Plans: The District offers three Section 457 Deferred Compensation plans open to all employees other than probationary, temporary, and part-time employees from their date of hire. Plans include the CalPERS Supplemental Income 457 Plan, Glenn-Colusa Irrigation District Eligible Deferred Compensation Plan, and the 457 Governmental Deferred Compensation Plan and Trust. The plans are considered single employer defined contribution plans.

Benefit terms, including contribution requirements, are established and may be amended by the Board of Directors. The District does not contribute to the plans and employees may contribute to the plans up to the limits established by the Internal Revenue Code. During the years ended September 30, 2024 and 2023, the employees contributed \$194,006 and \$161,865 to the plans, respectively. Employees are immediately fully vested in their contributions to the plans.

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Description of the Plan: The District administers a single-employer defined benefit other postemployment benefits (OPEB) plan providing health plan coverage to eligible retired employees and their eligible dependents. Employees hired by the District prior to March 1, 2005, and Directors whose first term began prior to January 1, 1995, are eligible for the benefits. The District offers retirees the option to obtain coverage under the same medical plans as its active employees if such coverage is offered by the plan, with the eligible participants and the District sharing the cost of the coverage in approximately the same proportions as active employees and the District. Health insurance benefits are payable for the lifetime of the retiree, subject to the retiree making any required monthly contributions. Employees become eligible to retire and receive healthcare benefits after age 65 unless an earlier retirement is approved by the Board, as provided for by the District’s “Policies and Rules” employee manual. The OPEB Plan does not issue a publicly available financial report.

Employees Covered by Benefit Terms: As of the valuation dates, the following current and former employees were covered by the benefit terms:

	<u>2024</u>	<u>2023</u>
Inactive employees or beneficiaries currently receiving benefit payments	35	35
Active employees	<u>25</u>	<u>25</u>
Total	<u><u>60</u></u>	<u><u>60</u></u>

Contributions: The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. The District has a trust with Public Agency Retirement Services (PARS) for the purpose of prefunding obligations for past services. The District’s funding policy, starting with the year ended September 30, 2020, provides for contributions to the trust of at least \$100,000 annually. During the year ended September 30, 2024, employer contributions were \$665,779 including benefit payments outside of the trust of \$278,187, contributions to the trust of \$384,796 and implied

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

subsidy payments of \$2,796. During the year ended September 30, 2023, employer contributions were \$827,879, including benefit payments outside of the trust of \$431,640, contributions to the trust of \$384,700 and implied subsidy payments of \$11,539. There were \$288,079 withdrawals from the PARS trust for benefit payments during the year ended September 30, 2024. There were \$571,637 withdrawals from the PARS trust for benefit payments during the year ended September 30, 2023.

Net OPEB Liability: The District's net OPEB liability was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2023. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions: The total OPEB liability in the September 30, 2024, and 2023 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	2024	2023
Valuation date	September 30, 2023	September 30, 2023
Measurement date	September 30, 2024	September 30, 2023
Actuarial cost method	Entry-age normal cost	Entry-age normal cost
Actuarial assumptions:		
Discount rate	5.75%	5.75%
Salary increases	2.75% per year	2.75% per year
Inflation rate	2.50%	2.50%
Healthcare trend rate	4% for 2022-23	4% for 2022-23

Mortality rates in the September 30, 2024 and 2023, valuations was based on the 2021 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis. Retirement rates in the September 30, 2024 and 2023, valuation was based on the 2021 CalPERS 2.0%@60 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover rate tables in the September 30, 2024, valuation was based on the 2021 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and established tables that are appropriate for each pool.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 5.75%.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability was 5.75% for the years ended September 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability: The changes in the net OPEB liability for the plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at September 30, 2023	\$ 7,753,191	\$ 5,066,274	\$ 2,686,917
Changes in the year:			
Service cost	81,325	-	81,325
Interest	439,458		439,458
Differences between expected and actual experience	(11,322)		(11,322)
Changes in assumptions	-		-
Contributions - employer		384,796	(384,796)
Expected investment income, net of investment expense		1,278,132	(1,278,132)
Administrative expenses		(19,453)	19,453
Benefit payments (including implied subsidy)	(290,875)	(290,875)	
Net changes	<u>218,586</u>	<u>1,352,600</u>	<u>(1,134,014)</u>
Balance at September 30, 2024 (measurement date September 30, 2023)	<u>\$ 7,971,777</u>	<u>\$ 6,418,874</u>	<u>\$ 1,552,903</u>

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at September 30, 2022	\$ 10,669,552	\$ 4,735,552	\$ 5,934,000
Changes in the year:			
Service cost	130,028		130,028
Interest	604,090		604,090
Differences between expected and actual experience	(2,796,329)		(2,796,329)
Changes in assumptions	(282,513)		(282,513)
Contributions - employer		384,700	(384,700)
Expected investment income, net of investment expense		534,925	(534,925)
Administrative expenses		(17,266)	17,266
Benefit payments (including implied subsidy)	(571,637)	(571,637)	
Net changes	<u>(2,916,361)</u>	<u>330,722</u>	<u>(3,247,083)</u>
Balance at September 30, 2023 (measurement date September 30, 2023)	<u>\$ 7,753,191</u>	<u>\$ 5,066,274</u>	<u>\$ 2,686,917</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB 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 discount rate:

	2024			2023		
	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Net OPEB liability	\$ 2,502,512	\$ 1,552,903	\$ 750,118	\$ 3,638,719	\$ 2,686,917	\$ 1,883,320

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net 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 healthcare cost trend rates:

	2024			2023		
	1% Decrease	Current Healthcare Cost Discount Rate	1% Increase	1% Decrease	Current Healthcare Cost Discount Rate	1% Increase
Net OPEB liability	\$ 612,103	\$ 1,552,903	\$ 2,676,833	\$ 1,806,075	\$ 2,686,917	\$ 3,738,888

OPEB Plan Fiduciary Net Position: PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave, Newport Beach, CA 92660.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended September 30, 2024 and 2023, the District recognized OPEB expense (benefit) of (\$1,133,548) and (\$1,178,395,), respectively. At September 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ -	\$ (56,501)	\$ -	\$ (169,507)
Difference between expected and actual experience		(566,058)		(1,677,797)
Net differences between projected and actual earnings on plan investments	-	(573,135)	267,280	
Total	\$ -	\$ (1,195,694)	\$ 267,280	\$ (1,847,304)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended	2024	2023
September 30,		
2024		\$ (1,178,867)
2025	\$ (747,971)	(546,506)
2026	(153)	199,047
2027	(250,634)	(53,698)
2028	(196,936)	
	\$ (1,195,694)	\$ (1,580,024)

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARS�), which was 2.5 years at September 30, 2023 and 2.5 years at September 30, 2024.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE I – SITES PROJECT JOINT POWERS AUTHORITY

The District is a member of the Sites Project Joint Powers Authority (the Authority) which was established in August 2010. Currently, the Authority consists of a total of thirteen (13) Authority member agencies. The Authority was created with the purpose to effectively study, promote, develop, design, finance, acquire, construct, manage, and operate the proposed Sites Reservoir Project (Project) and related facilities. The purposes of pursuing and developing the Project are to: (a) increase surface water storage and enhance water management flexibility in the Sacramento Valley, (b) provide flood control benefits, (c) improve conditions for fish and wildlife in the Sacramento Valley, and (d) improve the operation of the State of California’s water system.

To further the objectives of the Authority, each participating agency is required to provide financial contributions to the Authority. On February 17, 2022, the District Board authorized execution of the third amendment to the 2019 Reservoir Project Agreement with the District’s participation set at 5,000 acre-foot. Executing this document committed GCID to contribute up to \$2,000,000 in three installments to support the Sites Project workplan through approximately December of 2024 on the following schedule:

- Up to \$500,000 by May 1, 2022
- Up to \$700,000 by January 1, 2023
- Up to \$800,000 by January 1, 2024

The Authority took action to defer the collection of a portion of the payment originally due on January 1, 2023, until approximately January 1, 2025. The District has made the following payments to the Authority pursuant to the third amendment to the 2019 Reservoir Project Agreement:

- \$500,000 on April 29, 2022
- \$500,000 on February 2, 2023
- \$800,000 on January 18, 2024
- \$200,000 on January 16, 2025

The payment made to the Authority on January 16, 2025, fulfilled the District’s financial obligation to the Authority from the third amendment to the 2019 Reservoir Project Agreement. The District currently has no additional contractual financial commitment to the Authority. The Authority is endeavoring to continue development of the Project, and the District remains an active participant. The District’s continued participation in the Project will require that the District commit significant additional financial resources to support the Project. However, both the amount of financial resources necessary for the District to commit, and the timing of those commitments, are currently uncertain.

Additionally, the District makes an annual payment to the Authority for administrative expenses in an amount typically between \$45,000 and \$55,000.

Additional information relating to the Authority can be obtained at www.sitesproject.org or the following mailing address: Sites Project JPA, P.O. Box 517, Maxwell, CA 95955.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE J – RISK MANAGEMENT

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public officials’ liability, property damage, fidelity insurance, cyber liability, employer’s liability, and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District’s deductibles and maximum coverage are as follows:

	ACWA JPIA	Commercial Insurance	Deductible/ Retention
General and Auto Liability (includes public officials and auto liability)	\$ 5,000,000	\$ 55,000,000	None
Property (includes boiler and machinery, earthquake and flood)	10,000,000	150,000,000	\$ 500 to 100,000
Crime Program	100,000		1,000
Workers' Compensation Liability	2,000,000	Statutory to 4,000,000 program aggregate	None
Cyber Liability		3,000,000 per claim/ 5,000,000 aggregate	50,000 to 100,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE K – COMMITMENTS AND CONTINGENCIES

Legal Claims: In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition as of September 30, 2024.

USBR Contract: In the District’s water rights settlement contract with the USBR, the District is required to pay for 78,750 acre-feet of water from the Central Valley Project annually at the rates determined by the USBR pursuant to its rate setting process, through March 31, 2045. The rate for 2024 was \$42.07 per acre-foot for a total cost of \$3,313,013.

Additionally, following each contract period, the USBR performs an analysis of the Central Valley Project costs, water deliveries, and contractor payments. The goal of this annual analysis is to ensure that each contractor pays their appropriate share of Central Valley Project costs based on the relevant federal laws and policies. The result of the annual analysis is a calculation that shows the accumulated deficit or surplus for each contractor. In dry years, like 2022, and absent other factors, it is typical for the annual analysis to show that the District has a deficit balance (i.e., is required to make an additional payment to the USBR for previously delivered water), though the size of the deficit balance cannot be reliably estimated. For wet years, like 2023 and 2024, it is typical for the annual analysis to show that the District

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024 and 2023

NOTE K – COMMITMENTS AND CONTINGENCIES (Continued)

has a surplus balance (i.e., is due a refund from USBR). The annual analysis is generally completed by the end of the following August (i.e., for the 2023 contract period, the annual analysis is expected to be complete by the end of August 2024).

For the 2024 contract period the District expects the results of the annual analysis to show that the District has a surplus balance. Because the size of the anticipated deficit balance cannot be reliably estimated, no such refund from the USBR is reflected in the District's financial position as of September 30, 2024.

The annual accounting analysis for the 2023 contract period was provided to the District during August of 2024. The analysis showed that the District had a net surplus balance in the amount of \$571,483 for the 2023 contract period. The District requested a refund from USBR in that amount on September 3, 2024 and received payment in that amount on January 27, 2025. \$571,483 is included on the Statement of Net Position as 'Due from other governments' for the Fiscal Year Ending September 30, 2024.

Additional information about the USBR's rate setting process can be found at: <https://www.usbr.gov/mp/cvpwaterrates/rate-process/overview.html>.

Hamilton City Pumping Plant Electrical Improvement Project: The District entered a contract with Koch and Koch Inc. in May 2023 for the Hamilton City Pumping Plant Electrical Improvements Project for the amount of \$5,501,816, of which \$1,628,154 has been expended as of September 30, 2024, leaving a remaining commitment of \$3,987,799.

NOTE L – SUBSEQUENT EVENTS

The Sacramento River Settlement Contractors organization (SRSC) is a California nonprofit mutual benefit corporation whose primary purpose is to protect and preserve the water rights and water supplies of entities and individuals holding settlement contracts with the United States Bureau of Reclamation (USBR) on the Sacramento River. Glenn-Colusa Irrigation District (the District) is a member of the SRSC. The SRSC and USBR negotiated an agreement that implements a 'Drought Protection Program' (DPP) over the next 20 years that seeks to improve spawning, rearing, and migratory conditions for salmon species in the Upper Sacramento River and provides funding for individual settlement contractors who sign on to the agreement to conduct drought-resiliency projects that address potential water loss and enhance the resilience of the settlement contractors water system. This agreement was executed on January 10, 2025. In executing the agreement, the SRSC acted on behalf of its members and any other settlement contractor that is not a member of the SRSC that receives funding pursuant to the agreement. During certain very dry years, the DPP will result in settlement contractors that approve the DPP agreement receiving substantially reduced water supplies under their settlement contracts than they would absent the DPP agreement. Pursuant to the agreement, the SRSC received \$250,000,000, almost all of which will be distributed to individual settlement contractors who sign on to the agreement. The District has signed on to the agreement and on January 16, 2025, received \$93,814,683 from the SRSC. Per the terms of the agreement, the District must use the majority of the funds received for drought-resiliency projects as defined in the agreement.

REQUIRED SUPPLEMENTARY INFORMATION

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GLENN-COLUSA IRRIGATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

For the years ended September 30

Fiscal Period	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:							
Service cost	\$ 81,325	\$ 130,028	\$ 126,548	\$ 119,395	\$ 115,917	\$ 145,217	\$ 658,294
Interest	439,458	604,090	585,519	658,947	677,616	641,301	582,241
Differences between expected and actual experience	(11,322)	(2,796,329)		(965,286)	(1,860,781)		(1,261,629)
Change of assumption	-	(282,513)		(271,190)	615,750		
Adjustment for change in measurement date					558,803		
Benefit payments	(290,875)	(571,637)	(324,343)	(365,565)	(338,762)	(271,810)	(241,018)
Net change in total OPEB liability	218,586	(2,916,361)	387,724	(823,699)	(231,457)	514,708	(262,112)
Total OPEB liability - beginning	7,753,191	10,669,552	10,281,828	11,105,527	11,336,984	10,822,276	11,084,388
Total OPEB liability - ending (a)	\$ 7,971,777	\$ 7,753,191	\$ 10,669,552	\$ 10,281,828	\$ 11,105,527	\$ 11,336,984	\$ 10,822,276
Plan fiduciary net position:							
Contributions - employer	\$ 384,796	\$ 384,700	\$ 703,543	\$ 468,932	\$ 438,762	\$ 271,810	\$ 241,018
Net investment income	1,278,132	534,925	(947,357)	911,031	317,776	256,090	384,386
Adjustment for change in measurement date	-	-			148,425		
Administrative expenses	(19,453)	(17,266)	(18,005)	(18,006)	(13,481)	(12,052)	(9,197)
Benefit payments	(290,875)	(571,637)	(324,343)	(365,565)	(338,762)	(271,810)	(241,018)
Net change in plan fiduciary net position	1,352,600	330,722	(586,162)	996,392	552,720	244,038	375,189
Plan fiduciary net position - beginning	5,066,274	4,735,552	5,321,714	4,325,322	3,772,602	3,528,564	3,153,375
Plan fiduciary net position - ending (b)	\$ 6,418,874	\$ 5,066,274	\$ 4,735,552	\$ 5,321,714	\$ 4,325,322	\$ 3,772,602	\$ 3,528,564
Net OPEB liability - ending (a)-(b)	\$ 1,552,903	\$ 2,686,917	\$ 5,934,000	\$ 4,960,114	\$ 6,780,205	\$ 7,564,382	\$ 7,293,712
Plan fiduciary net position as a percentage of the total OPEB liability	80.52%	65.34%	44.38%	51.76%	38.95%	33.28%	32.60%
Covered-employee payroll - measurement period	\$ 1,720,526	\$ 1,742,331	\$ 2,097,518	\$ 2,321,694	\$ 2,440,271	\$ 2,420,352	\$ 2,420,352
Net OPEB liability as percentage of covered-employee payroll	90.26%	154.21%	282.91%	213.64%	277.85%	312.53%	301.35%

Notes to schedule:

Valuation date - year ended September 30	2023	2023	2021	2021	2019	2017	2017
Measurement period - year ended September 30	2024	2023	2022	2021	2020	2018	2018

Benefit changes: None.

Changes in assumptions: None.

Omitted years: GASB Statement No. 75 was implemented during the year ended September 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

GLENN-COLUSA IRRIGATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN

For the years ended September 30

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution - employer fiscal year	\$ 278,187	\$ 431,640	\$ 232,683	\$ 308,287	\$ 293,620	\$ 271,810	\$ 241,018
Contributions in relation to the statutorily determined contributions	(665,779)	(827,879)	(614,158)	(308,287)	(293,620)	(271,810)	(241,018)
Contribution deficiency (excess)	\$ (387,592)	\$ (396,239)	\$ (381,475)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll - employer fiscal year	\$ 1,720,526	\$ 1,742,331	\$ 1,800,455	\$ 2,097,518	\$ 2,321,694	\$ 2,440,271	\$ 2,420,352
Contributions as a percentage of covered-employee payroll	38.70%	47.52%	34.11%	14.70%	12.65%	11.14%	9.96%

Notes to Schedule:

Valuation date - year ended September 30	2023	2023	2021	2021	2019	2017	2017
Measurement period - year ended September 30	2024	2023	2022	2021	2020	2018	2018

An actuarially determined contribution rate was not calculated. The required contributions reported represent retiree health insurance premium payments.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-age normal cost method						
Amortization method	Level percentage of payroll						
Amortization period	Approximately 30 years						
Asset valuation method	5-year smoothed market						
Inflation	2.50%	2.50%	2.50%	2.50%	2.25%	3.00%	2.75%
Healthcare cost trend rates:							
Initial rate	4.00%	4.00%	4.00%	4.00%	7.00%	6.00%	6.00%
Trending down to	4.00%	4.00%	4.00%	4.00%	5.00%	5.00%	5.00%
Salary increases, average including inflation	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%
Discount rate	5.75%	5.75%	5.75%	5.75%	6.00%	6.00%	6.00%
Investment rate of return	5.75%	5.75%	5.75%	5.75%	6.00%	6.00%	6.00%
Retirement age	50-67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study						

Omitted years: GASB Statement No. 75 was implemented during the year ended September 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SUPPLEMENTARY INFORMATION

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GLENN-COLUSA IRRIGATION DISTRICT

SUPPLEMENTARY INFORMATION

September 30, 2024 and 2023

Schedule of Pension Plan Net Assets

As of September 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 170,353	\$ 174,257
Receivables:		
Contributions	19,880	16,128
Investments	5,722	4,576
Investments at fair value	7,863,536	6,868,703
TOTAL ASSETS	<u>8,059,491</u>	<u>7,063,664</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 8,059,491</u>	<u>\$ 7,063,664</u>

Summary of Pension Plan Income and Expenses
For the Years Ended September 30, 2024 and 2023

	2024	2023
REVENUES		
Employer contributions	\$ 439,470	\$ 411,339
Pension benefit forfeitures	33,058	
Investment earnings:		
Interest	259,764	226,015
Dividends	398,110	239,180
Net (decrease) increase in the fair value of investments	934,766	657,397
Other revenue	65	
TOTAL REVENUES	<u>2,065,233</u>	<u>1,533,931</u>
EXPENSES		
Pension benefits paid	975,406	881,601
Administrative expenses	88,726	87,472
Realized loss		75,592
Foreign tax expense	5,274	6,026
TOTAL EXPENSES	<u>1,069,406</u>	<u>1,050,691</u>
NET INCOME (LOSS)	<u>\$ 995,827</u>	<u>\$ 483,240</u>

GLENN-COLUSA IRRIGATION DISTRICT

SUPPLEMENTARY INFORMATION (Continued)

September 30, 2024 and 2023

Fair Value of the Pension Plan Invested Assets
As of September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Common stock	\$ 4,354,618	\$ 3,803,008
Exchange traded and closed-end funds	1,153,832	958,589
Mutual funds	1,574,607	1,404,464
Corporate bonds	289,618	262,001
Government securities	490,861	440,641
TOTAL	<u>\$ 7,863,536</u>	<u>\$ 6,868,703</u>

Contribution and Participant Information
For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Total District Payroll	<u>\$ 6,340,961</u>	<u>\$ 5,445,419</u>
Covered Payroll	<u>\$ 5,039,312</u>	<u>\$ 4,093,456</u>
District Contribution - 10%	<u>\$ 472,528</u>	<u>\$ 411,339</u>
Participants:		
Active	61	51
Retiree	0	0

COMPLIANCE REPORT

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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
Glenn-Colusa Irrigation District
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 Glenn-Colusa Irrigation District (the District) as of and for the year ended September 30, 2024, and the related notes of the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 statement. However, providing an opinion on compliance with those provisions was not an

To the Board of Directors
Glenn-Colusa Irrigation District

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

February 28, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM
GUIDANCE

To the Board of Directors
Glenn-Colusa Irrigation District
Willows, California

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

We have audited Glenn-Colusa Irrigation District's (the District) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended September 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

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 the 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 District 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 District 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 District'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 District'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, misrepresentations, 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 District'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 the District'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 District'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 District'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

To the Board of Directors
Glenn-Colusa Irrigation District

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated February 28, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Richardson & Company, LLP

February 28, 2025

GLENN-COLUSA IRRIGATION DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended September 30, 2024

A. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|------------|
| 4. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 5. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| 7. Identification of major programs: | |

Federal Assistance Listing (AL) Number

15.512

Name of Federal Program

Central Valley Improvement Act,
Title XXXIV

- | | |
|---|-----------|
| 8. Dollar Threshold used to distinguish between Type A and Type B programs? | \$750,000 |
| 9. Auditee qualified as a low-risk auditee under 2 CFR Section 200.516(a)? | No |

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

None

GLENN-COLUSA IRRIGATION DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2024

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing (AL) Number	Passed-through to Subrecipients	Expenses
U.S. Department of the Interior Central Valley Improvement Act, Title XXXIV	15.512	\$ 550,065	\$ 763,356
TOTAL FEDERAL AWARDS		<u>\$ 550,065</u>	<u>\$ 763,356</u>

See accompanying notes to schedule of expenditures of federal awards.

GLENN-COLUSA IRRIGATION DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Glenn-Colusa Irrigation District (the District) under programs of the federal government for the year ended September 30, 2024. 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). Because the Schedule presents only a selected portion of the District’s operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenses reported on the Schedule are reported on the accrual basis of accounting. Such expenses are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST ALLOCATION PLAN

The District elected to use the 10 percent de minimus indirect cost rate as covered by 2 CFR § 200.414.

NOTE D – CLUSTERS OF PROGRAMS

There were no clusters of the District’s federal programs during the year ended September 30, 2024.

NOTE E – SUBRECIPIENTS

Of the federal expenditures presented above, the District passed through federal awards to subrecipients as follows:

<u>Subrecipient</u>	<u>CFDA</u>	<u>Amount</u>
Sacramento Valley Ecological Restoration	15.512	\$ 213,948
Resource Conservation District of Tehama County	15.512	276,046
American Rivers	15.512	60,071