

Colusa Basin Drainage District

Willows, California

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORTS**

June 30, 2022 and 2023

Colusa Basin Drainage District

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Colusa Basin Drainage District
Willows, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of Colusa Basin Drainage District (the District), as of and for the years ended June 30, 2022 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and the state regulations governing special districts.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS); the California State Controller's *Minimum Audit Requirements for California Special Districts*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter—Effect of Adopting New Accounting Standard

As discussed in note 1 to the basic financial statements, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the fiscal year ended June 30, 2022. Our opinion is not modified with respect to this matter.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Continued)

Responsibilities of Management for the Financial Statements

The District's 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, the California State Controller's *Minimum Audit Requirements for California Special Districts*, and the standards applicable to financial audits contained in *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the California State Controller's *Minimum Audit Requirements for California Special Districts*, and the standards applicable to financial audits contained in *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.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Continued)

- 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 audits, significant audit findings, and certain internal control–related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the budgetary comparison schedules 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying District's Organization Structure is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DATE

Chico, California

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FINANCIAL SECTION

Required Supplementary Information

Colusa Basin Drainage District

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of Colusa Basin Drainage District (the District), we are pleased to offer the readers of the financial statements this narrative overview of the financial activities of the District in the format of management's discussion and analysis. The intent of this piece of the financial statements is to provide an overall review of the District's financial activities for the fiscal years ended June 30, 2022 and 2023, and to explain the reasons behind the numbers. To provide a complete understanding of the District's financial performance, please read it in conjunction with the independent auditors' reports and the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's assets exceed liabilities by \$5,816,925 and \$5,906,674 as of June 30, 2022 and 2023, respectively.
- The District's revenues exceeded expenditures by \$79,562 and \$89,749 for the years ended June 30, 2022 and 2023, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (this section), the government-wide financial statements, fund financial statements, and notes to the financial statements. This portion of the financial statements is organized so the reader can have a comprehensive understanding of the District, as a financial operating entity. The financial statements then proceed to provide an increasingly detailed look at specific financial activities. The notes provide additional information on particular areas to the District.

Components of the Financial Section

The first two financial statements are government-wide financial statements: the statement of net position and statement of activities. These financial statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these financial statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's more significant funds. A comparison of the District's General Fund budget is included.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of footnotes that further explains and supports the financial statements.

Colusa Basin Drainage District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and the Statement of Activities

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. There are two financial statements in this section, the statement of net position and the statement of activities. The statement of net position includes all of the District's assets, and liabilities, and net position. The district-wide statements use the accrual basis of accounting. This basis of accounting records all of the current year's revenues and expenses regardless of when cash is received or paid. These financial statements report information on the District as a whole and its activities in a way that helps answer the question, "How did we do financially during the years?"

These two statements report the District's net position and changes in them. You can think of the District's net position - the difference between assets and liabilities - as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in federal and state regulations.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Governmental Funds

All of the District's activities are reported in governmental funds. The major governmental fund of the District is the General Fund. It is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Colusa Basin Drainage District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceed liabilities by \$5,816,925 and \$5,906,674 the years ended June 30, 2022 and 2023, respectively.

Table 1: Statements of Net Position

June 30	Governmental Activities 2021	Governmental Activities 2022	Increase (Decrease) 2021-22	Governmental Activities 2023	Increase (Decrease) 2022-23
ASSETS					
Cash and investments	\$ 333,104	\$ 365,601	\$ 32,497	\$ 415,732	\$ 50,131
Receivables	149,158 *	112,157	(37,001)	52,820	(59,337)
Capital assets - net of accumulated depreciation	5,780,656	5,770,890	(9,766)	5,761,448	(9,442)
Prepaid expenses	-	180	180	150	(30)
TOTAL ASSETS	\$ 6,262,918 *	\$ 6,248,828	\$ (14,090)	\$ 6,230,150	\$ (18,678)
LIABILITIES					
Accounts payable	\$ 9,016	\$ 16,839	\$ 7,823	18,736	\$ 1,897
Long-term liabilities	369,484	319,137	(50,347)	258,093	(61,044)
TOTAL LIABILITIES	\$ 378,500	\$ 335,976	\$ (42,524)	\$ 276,829	\$ (59,147)
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 147,055 *	\$ 95,927	\$ (51,128)	\$ 46,647	\$ (49,280)
NET POSITION					
Net investment in capital assets	\$ 5,411,172	\$ 5,451,753	\$ 40,581	\$ 5,503,355	\$ 51,602
Unrestricted	326,191	365,172	38,981	403,319	38,147
TOTAL NET POSITION	\$ 5,737,363	\$ 5,816,925	\$ 79,562	\$ 5,906,674	\$ 89,749

*As restated for implementation of GASB Statement No. 87.

The net position balance reflects the District's investment in capital assets (e.g. land, buildings, vehicles, and equipment) less any debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of

Colusa Basin Drainage District
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The statement of activities shows how the District's position changed during the fiscal years. In the case of the District, net position increased by \$79,626 and \$89,854 for the years ended June 30, 2022 and 2023, respectively.

Table 2: Statements of Activities

Years Ended June 30	Governmental		Increase	Governmental	
	Activities	Activities	(Decrease)	Activities	Increase
	2021	2022	2021-22	2023	2022-23
Revenues					
Taxes and assessments	\$ 136,380	\$ 137,679	\$ 1,299	\$ 137,939	\$ 260
Use of money and property	74,538	61,189	(13,349)	73,182	11,993
Total Revenues	210,918	198,868	(12,050)	211,121	12,253
Expenses					
Accounting services	16,475	16,361	(114)	19,285	2,924
Administration/manager	24,000	21,464	(2,536)	24,842	3,378
Assessment fees	13,675	13,821	146	13,887	66
Audit	2,300	9,200	6,900	-	(9,200)
Communications	631	641	10	566	(75)
Consulting	8,317	2,795	(5,522)	2,568	(227)
Insurance	1,926	1,970	44	1,997	27
Legal	7,745	7,165	(580)	16,042	8,877
Office expense	2,950	210	(2,740)	5,604	5,394
Project repairs	3,409	3,216	(193)	-	(3,216)
Property taxes	11,072	11,404	332	11,534	130
Publications and legal notices	230	72	(158)	370	298
Rent and utilities	4,309	3,237	(1,072)	2,278	(959)
Transportation	71	333	262	-	(333)
Debt service - interest	19,435	17,652	(1,783)	12,957	(4,695)
Depreciation	9,767	9,765	(2)	9,442	(323)
Total Expenses	126,312	119,306	(7,006)	121,372	2,066
Change in Net Position	\$ 84,606	\$ 79,562	\$ (5,044)	\$ 89,749	\$ 10,187

Colusa Basin Drainage District
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (Continued)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND

Governmental Fund

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide financial statements. The District's fund financial statements provide information on inflows and outflows and balances of spendable resources. The District's governmental fund reported a fund balance of \$365,172 and \$403,319 at June 30, 2022 and 2023, respectively; which was an increase of \$38,981 and \$38,147 as of June 30, 2022 and 2023, respectively.

Table 3: Fund Balance

June 30	Fund Balance 2021	Fund Balance 2022	Increase/ (Decrease) 2021-22	Fund Balance 2023	Increase/ (Decrease) 2022-23
General Fund	\$ 326,191	\$ 365,172	\$ 38,981	\$ 403,319	\$ 38,147

The increase in the General Fund ending fund balance is a result of the District receiving increases in use of money and property revenue, while expenditures were kept comparable to or lower than the previous years.

General Fund Budgetary Highlights

Prior to the beginning of each year, the District creates the annual operating budget. The budget to actual is monitored by the board and District management on a regular basis. Changes in the annual budget occur for a variety of reasons including:

- More or less grazing rent revenue than was originally budgeted.
- The cost to maintain equipment varies from year to year depending on repairs, and extra projects for each year were kept to a minimum.

For the 2021-22 and 2022-23 fiscal years, the District budgeted to break even. Actual results were an operating surplus of \$38,981 and \$38,147 for the years ended June 30, 2022 and 2023, respectively, due primarily to conservative spending.

Colusa Basin Drainage District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

As of June 30, 2022 and 2023, the District has invested \$6,035,273 in capital assets including land, buildings and improvements, and equipment. The decreases were due to depreciation expense. No capital assets were acquired during the years ended June 30, 2022 and 2023. There were no dispositions.

Table 4: Comparative Schedule of Capital Assets

June 30	Governmental Activities 2021	Governmental Activities 2022	Increase/ (Decrease) 2021-22	Governmental Activities 2023	Increase/ (Decrease) 2022-23
GOVERNMENTAL ACTIVITIES					
Nondepreciated Capital Assets					
Land	\$ 5,544,814	\$ 5,544,814	\$ -	\$ 5,544,814	\$ -
Depreciated Capital Assets					
Buildings and improvements	473,513	473,513	-	473,513	-
Furniture and equipment	16,946	16,946	-	16,946	-
Total Depreciated Capital Assets	490,459	490,459	-	490,459	-
Less: Accumulated Depreciation	254,617	264,383	9,766	273,825	9,442
Total Depreciated Assets - Net	235,842	226,076	(9,766)	216,634	(9,442)
GOVERNMENTAL ACTIVITIES - CAPITAL ASSETS - NET	\$ 5,780,656	\$ 5,770,890	\$ (9,766)	\$ 5,761,448	\$ (9,442)

Colusa Basin Drainage District

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Long-Term Debt

The table below displays the District's long-term debt. At June 30, 2022 and 2023, the District had \$319,137 and \$258,093, respectively, of long term debt outstanding. The decreases were due to regularly scheduled debt payments. The District has no plans to incur any additional debt during 2023-24.

Table 5: Comparative Schedule of Long-Term Debt

June 30	Governmental Activities 2021	Governmental Activities 2022	Increase/ (Decrease) 2021-22	Governmental Activities 2023	Increase/ (Decrease) 2022-23
Direct borrowing note payable	\$ 369,484	\$ 319,137	\$ (50,347)	\$ 258,093	\$ (61,044)

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District has a healthy reserve and remains committed to maintaining a conservative approach for operating expenditures for future years. The District is building its budget based on the prior year for the operating expenditures and revenues.

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our funding sources, customers, stakeholders, and other interested parties with a general overview of the District's finances and to show the District's accountability for the money it receives. For questions about this report or additional financial information, please contact:

Merrilee Vanderwaal, District Manager
Colusa Basin Drainage District
P.O. Box 390
Willows, CA 95988
530.934.7794

Basic Financial Statements

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Colusa Basin Drainage District
STATEMENTS OF NET POSITION

June 30	Governmental Activities	
	2022	2023
ASSETS		
Cash and investments	\$ 365,601	\$ 415,732
Accounts receivable	16,230	6,173
Prepaid expenses	180	150
Lease receivable	95,927	46,647
Capital assets:		
Nondepreciated	5,544,814	5,544,814
Depreciated - net	226,076	216,634
TOTAL ASSETS	6,248,828	6,230,150
LIABILITIES		
Accounts payable	16,839	18,736
Long-term liabilities:		
Due within one year	61,044	62,094
Due in more than one year	258,093	195,999
TOTAL LIABILITIES	335,976	276,829
DEFERRED INFLOWS OF RESOURCES FOR LEASES	95,927	46,647
NET POSITION		
Net investment in capital assets	5,451,753	5,503,355
Unrestricted	365,172	403,319
TOTAL NET POSITION	\$ 5,816,925	\$ 5,906,674

The accompanying notes are an integral part of these financial statements.

Colusa Basin Drainage District

STATEMENTS OF ACTIVITIES

Years Ended June 30	Governmental Activities	
	2022	2023
Governmental Activities - Flood Control		
Expenses		
Accounting services	\$ 16,361	\$ 19,285
Administration/manager	21,464	24,842
Assessment fees	13,821	13,887
Audit	9,200	-
Communications	641	566
Consulting	2,795	2,568
Insurance	1,970	1,997
Legal	7,165	16,042
Office expense	210	5,604
Project repairs	3,216	-
Property taxes	11,404	11,534
Publications and legal notices	71	370
Rent and utilities	3,237	2,278
Transportation	333	-
Debt service - interest	17,652	12,957
Depreciation	9,766	9,442
Total Expenses	119,306	121,372
General Revenues		
Taxes and assessments	137,679	137,939
Use of money and property	61,189	73,182
Total General Revenues	198,868	211,121
Change in Net Position	79,562	89,749
Net Position - Beginning of Year	5,737,363	5,816,925
Net Position - End of Year	\$ 5,816,925	\$ 5,906,674

Colusa Basin Drainage District
BALANCE SHEETS – GOVERNMENTAL FUND

June 30	General Fund	
	2022	2023
ASSETS		
Cash and investments	\$ 365,601	\$ 415,732
Accounts receivable	16,230	6,173
Prepaid expenses	180	150
Lease receivable	95,927	46,647
TOTAL ASSETS	\$ 477,938	\$ 468,702
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 16,839	\$ 18,736
Deferred Inflows of Resources for Leases	95,927	46,647
Fund Balance		
Unassigned	365,172	403,319
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 477,938	\$ 468,702

The accompanying notes are an integral part of these financial statements.

Colusa Basin Drainage District

RECONCILIATIONS OF GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION

June 30	2022	2023
Total Fund Balance - Governmental Fund	\$ 365,172	\$ 403,319
<p>Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in the governmental fund because:</p>		
Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.	5,770,890	5,761,448
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
Direct borrowing note payable	(319,137)	(258,093)
Total Net Position - Governmental Activities	\$ 5,816,925	\$ 5,906,674

The accompanying notes are an integral part of these financial statements.

Colusa Basin Drainage District

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES— GOVERNMENTAL FUND

Years Ended June 30	2022		2023	
Revenues				
Taxes and assessments	\$	137,679	\$	137,939
Use of money and property		61,189		73,182
Total Revenues		198,868		211,121
Expenditures				
Accounting services		16,361		19,285
Administration/manager		21,464		24,842
Assessment fees		13,821		13,887
Audit		9,200		-
Communications		641		566
Consulting		2,795		2,568
Insurance		1,970		1,997
Legal		7,165		16,042
Office expense		210		5,604
Project repairs		3,216		-
Property taxes		11,404		11,534
Publications and legal notices		71		370
Rent and utilities		3,237		2,278
Transportation		333		-
Debt service - principal		50,347		61,044
Debt service - interest		17,652		12,957
Total Expenditures		159,887		172,974
Net Change in Fund Balance		38,981		38,147
Fund Balance - Beginning of Year		326,191		365,172
Fund Balance - End of Year	\$	365,172	\$	403,319

The accompanying notes are an integral part of these financial statements.

Colusa Basin Drainage District

RECONCILIATIONS OF NET CHANGE IN FUND BALANCE TO CHANGE IN NET POSITION

Years Ended June 30	2022		2023	
Total Net Change in Fund Balance - Governmental Fund	\$	38,981	\$	38,147
<p>Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental fund because:</p>				
<p>Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:</p>				
		(9,766)		(9,442)
<p>Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:</p>				
		50,347		61,044
Change in Net Position of Governmental Activities	\$	79,562	\$	89,749

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity Colusa Basin Drainage District (the District) is a special district governed by a nine member Board of Directors and was developed for the purpose of flood control. The District is located in Yolo, Glenn, and Colusa Counties and lies between the Sacramento River and the Coast Range within the confines of Glenn, Colusa, and Yolo Counties. The District is funded primarily by property taxes and assessments.

Implementation of New Accounting Standards

The District adopted the provisions of GASB Statement No. 87, *Leases*, as of July 1, 2021. This statement improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement has been applied as of the beginning of the period of implementation. The implementation did not affect fund balance or net position, and has resulted in the following changes as of July 1, 2021: initial lease receivable and deferred inflows of resources for leases of \$147,055.

The District adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, as of July 1, 2022. This statement improves financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet this definition. This statement establishes that a SBITA results in a right-to-use asset—an intangible asset—and a corresponding subscription liability. It provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*. This statement has been applied as of the beginning of the period of implementation. Upon analysis of the District's existing agreements, it was determined that there are no subscription agreements. As a result, the District has not recognized any initial right-to-use subscription assets or subscription liabilities during the current period.

Basis of Presentation

Government-Wide Financial Statements The statement of net position and statement of activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods or services.

Colusa Basin Drainage District

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function; and, therefore, are clearly identifiable to a particular function. Program revenues include: (a) fees, fines, and charges paid by recipients of goods or services offered by the major programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and unrestricted grants and contributions, are presented as general revenues.

Fund Financial Statements Fund financial statements are organized by funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The fund of the District is described below.

Major Governmental Fund

The District only reports one fund, the General Fund, which is used to account for all revenues and expenditures necessary to carry out the basic activities of the District. The General Fund is always considered a major fund of the District.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus On the government-wide statement of net position and the statement of activities, both governmental and business-like activities are presented using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

In the fund financial statements, governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting In the government-wide statement of net position and statement of activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within one year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The District’s Board of Directors must approve a tentative budget and adopt a final budget. Until the adoption of this financial budget, operations are governed by the adopted proposed budget approved by the Board of Directors. The District’s Governing Board satisfied these requirements.

These budgets are revised by the District’s Board of Directors during the year to give consideration to unanticipated income and expenditures. The original and final budgets are presented for the General Fund as required supplementary information.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures legally cannot exceed appropriations by major natural classification.

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Cash and Investments

The District considers cash on hand, demand deposits and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The District maintains substantially all of its cash in the Colusa County Treasury (the County) as part of the common investment pool. The County is restricted by *California Government Code*, Section 53635 pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The fair value of the District's investment in the pool is based on the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The pool has deposits and investments with a weighted-average maturity of more than one year as of June 30, 2022 and 2023. As of June 30, 2022 and 2023, the fair value of the County pool was 96.29% and 96.44%, respectively, of the carrying value and is deemed to represent a material difference. Information regarding the amount of dollars invested in derivatives with the County was not available. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by *California Government Code*, Section 27130. The District is considered to be an involuntary participant in the external investment pool.

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net decrease in the fair value of investments during the years ended June 30, 2022 and 2023, respectively, was \$14,066 and \$1,248. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at June 30, 2022 and 2023, respectively, was \$14,066 and \$15,314.

Accounts Receivable

Accounts receivable consist of interest, property taxes, and miscellaneous items such as refunds the District has earned or been allocated, but has not received, as of June 30, 2022 and 2023. The District has determined that all amounts are collectible and therefore, no allowance for doubtful accounts was deemed necessary at June 30, 2022 and 2023.

Leases

Lessor At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Lease receivables and deferred inflows of resources are reported in the governmental funds balance sheet and the government-wide statement of net position.

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Key estimates and judgments include how the District determines the discount rate it uses to discount the expected lease receipts to present value, the lease term, and lease receipts. The District uses the following key estimates and assumptions:

- The District uses its incremental borrowing rate as the discount rate for leases.
- The term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Fixed Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The District's policy is to capitalize all capital assets with costs exceeding a minimum of \$1,000 and useful lives of more than one year. Normal maintenance and repairs are charged to operations as incurred.

Capital assets are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably over the estimated useful lives of these assets. Depreciation is provided using the straight line method. The District has assigned the estimated useful lives listed below to capital assets.

Buildings	25-50 Years
Structures and improvements	10-30 Years
Equipment	5-25 Years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest are reported as expenditures.

Equity Classifications

Government-Wide Statements Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets: This amount consists of capital assets, including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, leases, notes, or other borrowings that are attributable to the acquisition, constructions, or improvement of those assets.

Restricted Net Position: This amount consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This amount consists of the net position that does not meet the definition of “restricted net position” or “net investment in capital assets”.

Fund Statements Governmental fund equity is classified as fund balance. Fund balance is further classified and displayed in five components:

Nonspendable Fund Balance: This classification includes amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance: This classification includes amounts that can be spent only for specific purposes due to the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Directors, the District’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes the specified use by taking some type of formal action imposing the commitment.

Assigned Fund Balance: This classification includes amounts constrained by the District’s own “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Directors and designee of the Board of Directors have the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance: This classification is the residual classification for the General Fund and contains all amounts not reported in other classifications.

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

In governmental funds, when an expenditure is incurred and can be paid using either restricted or unrestricted resources, the policy of the District is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications: committed, assigned, and unassigned, in order as needed.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to pay liabilities of the current fiscal year. For the District, “available” means collectible within the period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes and property assessments. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Taxes and Assessment Revenue

An assessment of \$0.10 per acre (with a five dollar minimum assessment) is levied upon each separately assessed parcel of land within the District. The amount levied is collected by Colusa, Glenn, and Yolo Counties (the Counties), along with property taxes. Property tax is recorded in the fiscal year for which the tax is levied. Revenue is recognized when measurable and available. The Counties levy, bill, and collect property taxes for the District. Property taxes paid to the District by the Counties within 60 days of the end of the fiscal year are “available” and are, therefore, recognized as revenue. Secured and unsecured property taxes are levied based on the assessed values as of January 1st of the preceding fiscal year. Secured property taxes are due in two installments on November 1st, and February 1st, and are delinquent after December 10th and April 10th, respectively. Property taxes on the unsecured roll are due on July 31st and become delinquent if unpaid by August 31st.

Expenditures and Expenses

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

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.

Colusa Basin Drainage District
 NOTES TO THE FINANCIAL STATEMENTS
 (Continued)

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The following is a summary of cash and investments:

June 30	2022	2023
Investments That Are Not Securities (1)		
Maturities of county treasurer's investment pool	2.21 years	2.05 years
County treasurer's investment pool	\$ 365,601	\$ 415,732
Total Cash and Investments per Statements of Net Position	\$ 365,601	\$ 415,732

(1) *Investments That Are Not Securities* A “security” is a transferable financial instrument that evidences ownership or creditorship, whether in physical or book-entry form. Investments that are not securities do not have custodial credit risk because they do not involve a transferable financial instrument. Thus, they are not categorized into custodial credit risk categories.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2022 and 2023:

- County treasurer's investment pool of \$365,601 and \$415,732, respectively, are valued using quoted prices for similar instruments in active markets and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Credit Risk – Investments

California Government Code, Section 53601, limits investments in commercial paper to “prime” quality of the highest ranking or of the highest letter and numerical rating as provided by nationally recognized statistical rating organizations (NRSRO), and limits investments in medium-term notes to a rating of A or better. The District has no investment policy that would further limit its investment choices. The District’s investment in the County investment pool is unrated.

Concentration of Credit Risk – Investments

California Government Code, Section 53635, places the following concentration limits on the County investment pool:

No more than 40% may be invested in eligible commercial paper and no more than 10% may be invested in the outstanding commercial paper of any single issuer.

California Government Code, Section 53601, places the following concentration limits on the District’s investments:

No more than 10% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises and where otherwise noted; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 40% may be invested in bankers’ acceptances and no more than 30% may be invested in bankers’ acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% may be invested in reverse repurchase agreements; no more than 30% may be invested in medium-term notes; no more than 20% may be invested in mortgage passthrough and related securities; and no more than 30% may be invested in certain unsecured, unsubordinated obligations.

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

June 30, 2022	General Fund
Interest	\$ 570
Assessments	1,407
Other	14,253
Total	\$ 16,230

June 30, 2023	General Fund
Interest	\$ 4,700
Assessments	1,473
Total	\$ 6,173

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. CAPITAL ASSETS

Capital asset activity is as follows:

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
GOVERNMENTAL ACTIVITIES							
Nondepreciated Capital Assets							
Land	\$ 5,544,814	\$ -	\$ -	\$ 5,544,814	\$ -	\$ -	\$ 5,544,814
Depreciated Capital Assets							
Buildings and improvements	473,513	-	-	473,513	-	-	473,513
Furniture and equipment	16,946	-	-	16,946	-	-	16,946
Total Depreciated Capital Assets	490,459	-	-	490,459	-	-	490,459
Totals at Historical Cost	6,035,273	-	-	6,035,273	-	-	6,035,273
Less: Accumulated Depreciation							
Buildings and improvements	240,448	8,765	-	249,213	8,766	-	257,979
Furniture and equipment	14,169	1,001	-	15,170	676	-	15,846
Total Accumulated Depreciation	254,617	9,766	-	264,383	9,442	-	273,825
Total Depreciated Assets - Net	235,842	(9,766)	-	226,076	(9,442)	-	216,634
GOVERNMENTAL ACTIVITIES - CAPITAL ASSETS - NET	\$ 5,780,656	\$ (9,766)	\$ -	\$ 5,770,890	\$ (9,442)	\$ -	\$ 5,761,448

Depreciation expense for the years ended June 30, 2022 and 2023 was \$9,766 and \$9,442, respectively, and was charged to flood control in the governmental activities.

Colusa Basin Drainage District
 NOTES TO THE FINANCIAL STATEMENTS
 (Continued)

5. ACCOUNTS PAYABLE

Accounts payable consisted of the following:

June 30, 2022	General Fund
Vendors	\$ 16,839

June 30, 2023	General Fund
Vendors	\$ 18,736

6. CHANGES IN LONG-TERM DEBT

Following is a summary of the changes in long-term debt:

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Direct borrowing note payable	\$ 369,484	\$ -	\$ 50,347	\$ 319,137	\$ 61,044

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Direct borrowing note payable	\$ 319,137	\$ -	\$ 61,044	\$ 258,093	\$ 62,094

7. DIRECT BORROWING NOTE PAYABLE

On July 10, 2004, the District signed a note payable with a private party for the purpose of acquiring real estate. Modifications to the note were made in 2008, 2013, and 2017. The note called for quarterly payments of principal and interest totaling \$12,500, with any remaining principal and interest balance due in September 2030. The note bears interest at 5.0% per annum. The amount of interest cost incurred during the years ended June 30, 2022 and 2023, was \$17,652 and \$12,957, respectively, all of which was charged to expenses.

On December 15, 2023, the District and the note holder agreed to an addendum of the note payable following the Board's expressed desire to accelerate payment of the note. Beginning January 10, 2022, the note addendum called for quarterly payments of principal and interest totaling \$18,500, with any remaining principal and interest balance due in June 2027. The note still bears interest at 5.0% per annum.

Colusa Basin Drainage District
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

The principal and interest payments on the note payable are as follows:

Year Ending June 30	Principal		Interest		Total
2024	\$	62,094	\$	11,906	\$ 74,000
2025		65,256		8,744	74,000
2026		68,580		5,420	74,000
2027		62,163		1,928	64,091
Total	\$	258,093	\$	27,998	\$ 286,091

8. RISK MANAGEMENT

The District is exposed to various risks, including loss or damage to property and general liability. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. No significant reductions in insurance coverage from the prior year have been made.

The District participates in joint ventures under a joint powers agreement with a joint powers authority (JPA): Golden State Risk Management Authority. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The JPA arranges for and provides property, liability, and excess liability coverage for the District. The JPA is governed by a board consisting of representatives from the members. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. Separately issued financial statements can be requested from the JPA.

9. LEASE RECEIVABLE

In August 2024, the District (lessor) entered into an agreement with a third party (lessee), to lease land. The lease agreement was for a term of five years, after which time the parties could agree to continue the agreement for an additional five years. During 2019, the District continued the agreement for an additional five years.

The agreement calls for annual payments of \$54,000. In addition, the agreement contains a contingent rental based on animal units produced, which is not included in the measurement of the lease, and amounted to \$2,582 and \$13,728 for the years ended June 30, 2022 and 2023, respectively. For the years ended June 30, 2022 and 2023, respectively, the District recognized \$51,429 and \$48,980 in lease revenue and \$2,571 and \$5,020 in interest revenue.

At June 30, 2022 and 2023, respectively, the District holds a lease receivable and deferred inflows of resources for leases of \$95,927 and \$46,647 related to this lease.

Required Supplementary Information

Colusa Basin Drainage District

BUDGETARY COMPARISON SCHEDULES – GENERAL FUND

Year Ended June 30, 2022	Budgeted Amounts		Actual Amounts GAAP Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 137,150	\$ 137,885	\$ 137,679	\$ (206)
Use of money and property	63,800	63,800	61,189	(2,611)
Total Revenues	200,950	201,685	198,868	(2,817)
Expenditures				
Accounting services	20,150	20,150	16,361	3,789
Administration/manager	24,350	24,100	21,464	2,636
Assessment fees	13,800	13,842	13,821	21
Audit	9,200	4,400	9,200	(4,800)
Communications	650	662	641	21
Consulting	38,000	38,000	2,795	35,205
Insurance	2,278	2,278	1,970	308
Legal	11,000	11,000	7,165	3,835
Licenses and fees	125	125	-	125
Office expense	700	520	210	310
Project repairs	25,000	25,000	3,216	21,784
Property taxes	11,350	11,405	11,404	1
Publications and legal notices	250	100	71	29
Rent and utilities	2,925	3,450	3,237	213
Transportation	500	500	333	167
Travel	250	195	-	195
Debt service - principal	-	-	50,347	(50,347)
Debt service - interest	17,878	17,878	17,652	226
Other expenses	22,544	28,080	-	28,080
Total Expenditures	200,950	201,685	159,887	41,798
Net Change in Fund Balance	-	-	38,981	(44,615)
Fund Balance - Beginning of Year	326,191	326,191	326,191	-
Fund Balance - End of Year	\$ 326,191	\$ 326,191	\$ 365,172	\$ (44,615)

See the accompanying notes to this budgetary comparison schedule.

Colusa Basin Drainage District

BUDGETARY COMPARISON SCHEDULES – GENERAL FUND

(Continued)

Year Ended June 30, 2023	Budgeted Amounts		Actual Amounts GAAP Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 137,900	\$ 137,900	\$ 137,939	\$ 39
Use of money and property	63,800	63,800	73,182	9,382
Total Revenues	201,700	201,700	211,121	9,421
Expenditures				
Accounting services	20,150	20,150	19,285	865
Administration/manager	26,750	26,750	24,842	1,908
Assessment fees	14,050	14,050	13,887	163
Audit	4,600	4,600	-	4,600
Communications	650	650	566	84
Consulting	3,500	3,500	2,568	932
Insurance	2,278	2,278	1,997	281
Legal	11,000	11,000	16,042	(5,042)
Licenses and fees	125	125	-	125
Office expense	1,600	1,600	5,604	(4,004)
Project repairs	75,000	75,000	-	75,000
Property taxes	11,350	11,350	11,534	(184)
Publications and legal notices	250	250	370	(120)
Rent and utilities	2,925	2,925	2,278	647
Transportation	250	250	-	250
Travel	500	500	-	500
Debt service - principal	-	-	61,044	(61,044)
Debt service - interest	17,878	17,878	12,957	4,921
Other expenses	8,844	8,844	-	8,844
Total Expenditures	201,700	201,700	172,974	28,726
Net Change in Fund Balance	-	-	38,147	38,147
Fund Balance - Beginning of Year	365,172	365,172	365,172	-
Fund Balance - End of Year	\$ 365,172	\$ 365,172	\$ 403,319	\$ 38,147

See the accompanying notes to this budgetary comparison schedule.

Colusa Basin Drainage District
NOTES TO THE BUDGETARY COMPARISON SCHEDULES

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's Board of Directors annually adopts a budget for the General Fund of the District. The budget is presented on the modified accrual basis of accounting. Accordingly, the accompanying budgetary comparison schedules of the General Fund present actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budget, as amended. Unexpended appropriations on the annual budget lapse at the end of each fiscal year.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations by the following amounts:

June 30, 2022	General Fund
Audit	\$ 4,800
Debt service - principal	\$ 50,347

June 30, 2023	General Fund
Legal	\$ 5,042
Office expense	\$ 4,004
Property taxes	\$ 184
Publications and legal notices	\$ 120
Debt service - principal	\$ 61,044

The excess expenditures were offset by unexpended appropriations in other categories.

OTHER SUPPLEMENTARY INFORMATION SECTION

Colusa Basin Drainage District
DISTRICT'S ORGANIZATION STRUCTURE
June 30, 2022 and 2023

Colusa Basin Drainage District (the District) was established in 1988, is located in Yolo, Glenn, and Colusa Counties, and comprises over 1,000,000 acres of valley floor and foothills lands in the southwest part of the Sacramento Valley and except for wildlife areas, practically all is farmland. The District was developed for flood control purposes and is governed by a nine-member Board of Directors.

GOVERNING BOARD

Name	Office	District
Lynnel Pollock	Chair	District 3
George Tibbitts	Vice Chair	District 3
Donald Perez	Secretary	District 1
Tom Arnold	Treasurer	District 1
Lance Boyd	Member	District 1
Gary Evans	Member	District 2
Mary Fahey	Member	District 2
Peter Knight	Member	District 2
Todd Miller	Member	District 3

OTHER REPORT SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Colusa Basin Drainage District
Willows, California

We have audited, 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, the financial statements of the governmental activities and the General Fund of Colusa Basin Drainage District (the District), as of and for the years ended June 30, 2022 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated DATE.

Internal Control Over Financial Reporting

In planning and performing our audits 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 opinions 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

(Continued)

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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audits 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.

DATE

Chico, California

FINDINGS AND RECOMMENDATIONS SECTION

None.

draft

Colusa Basin Drainage District
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2022 and 2023

None.

draft