

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2023 AND 2022**



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SUSTAINABILITY AGENCY  
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**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
LIST OF DIRECTORS  
YEAR ENDED JUNE 30, 2023**

<b>NAME</b>	<b>AGENCY</b>	<b>POSITION</b>
Tod Kimmelshue	Butte County	Director
Kasey Reynolds	City of Chico	Director
Raymond Cooper	Durham Irrigation District	Director
Jeffrey Rowher	Agricultural Well Use Stakeholder	Director
Evan Tuchinsky	Non-Agricultural Domestic Well User Stakeholder	Director
Tami Ritter	Butte County	Alternate
Addison Winslow	City of Chico	Alternate
Matt Doyle	Durham Irrigation District	Alternate
Steven Koehen	Agricultural Well User Stakeholder	Alternate
Steve Kampfen	Non-Agricultural Domestic Well User Stakeholder	Alternate



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Vina Groundwater Sustainability Agency  
Oroville, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Vina Groundwater Sustainability Agency, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Vina Groundwater Sustainability Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Vina Groundwater Sustainability Agency, as of June 30, 2023 and 2022, 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.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Vina Groundwater Sustainability Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Vina Groundwater Sustainability Agency'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vina Groundwater Sustainability Agency'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 Vina Groundwater Sustainability Agency'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 budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinion on the basic financial statements is not affected by this missing information.

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024 on our consideration of the Vina Groundwater Sustainability Agency'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 Vina Groundwater Sustainability Agency'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 Vina Groundwater Sustainability Agency's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Roseville, California  
June 26, 2024

## **BASIC FINANCIAL STATEMENTS**

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
STATEMENTS OF NET POSITION  
JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Investments	\$ 20,119	\$ 2,176
Due From Other Governments	-	12,000
Total Assets	\$ 20,119	\$ 14,176
<b>LIABILITIES</b>		
Accounts Payable	\$ 2,105	\$ 22,568
Total Liabilities	2,105	22,568
<b>NET POSITION</b>		
Unrestricted	18,014	(8,392)
Total Net Position	18,014	(8,392)
Total Liabilities and Net Position	\$ 20,119	\$ 14,176

See accompanying Notes to Basic Financial Statements.



**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>EXPENSES</b>		
Operating Expense	\$ 29,393	\$ 38,435
Total Expenses	29,393	38,435
<b>PROGRAM REVENUES</b>		
Agency Contributions	55,500	22,000
Net Program Revenues (Expenses)	26,107	(16,435)
<b>GENERAL REVENUES</b>		
Interest Income	299	3
Total General Revenues	299	3
<b>CHANGE IN NET POSITION</b>	26,406	(16,432)
Net Position - Beginning of the Year	(8,392)	8,040
<b>NET POSITION - END OF YEAR</b>	\$ 18,014	\$ (8,392)

See accompanying Notes to Basic Financial Statements.

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
BALANCE SHEETS  
GOVERNMENTAL FUND  
JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Investments	20,119	2,176
Due From Other Governments	-	12,000
	-	12,000
Total Assets	\$ 20,119	\$ 14,176
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts Payable	\$ 2,105	\$ 22,568
Total Liabilities	2,105	22,568
Fund Balance:		
Unassigned	18,014	(8,392)
Total Liabilities and Fund Balance	\$ 20,119	\$ 14,176

See accompanying Notes to Basic Financial Statements.

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>REVENUES</b>		
Agency Contributions	\$ 55,500	\$ 22,000
Interest Income	299	3
Total Revenues	55,799	22,003
<b>EXPENDITURES</b>		
Current:		
Insurance	1,762	1,787
Office Expense	240	-
Professional & Specialized Services	27,391	36,648
Total Expenditures	29,393	38,435
<b>CHANGE IN FUND BALANCE</b>	26,406	(16,432)
Fund Balance - Beginning of the Year	(8,392)	8,040
<b>FUND BALANCE - END OF YEAR</b>	\$ 18,014	\$ (8,392)

See accompanying Notes to Basic Financial Statements.

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Vina Groundwater Sustainability Agency was created in 2017 in response to the Sustainable Groundwater Management Act. Its responsibilities include sustainably managing groundwater resources in a portion of the Vina Subbasin, a portion of the larger Sacramento Valley Groundwater Basin covering approximately 184,917 acres. The subbasin is located entirely within Butte County and is generally bounded by Tehama County to the north, the alluvial basin to the east (as defined by Bulletin 118), the border of the Western Canal Water District to the south, and the Sacramento River to the west.

The Sustainable Groundwater Management Act (SGMA), passed in the fall of 2014, establishes a new structure for managing groundwater resources in California. Groundwater basins and subbasins are defined in the Department of Water Resources (DWR) Bulletin 118 document. SGMA requires Groundwater Sustainability Agencies (GSAs) to manage groundwater at the local level through the development and implementation of Groundwater Sustainability Plans (GSPs). The GSPs must ensure sustainable conditions by 2042 while avoiding six distinct undesirable results. The decisions about sustainability will be made locally through public involvement.

A Joint Exercise of Powers Agreement establishes the Vina Groundwater Sustainability Agency for the purpose of forming a Groundwater Sustainability Agency and achieving groundwater sustainability in a portion of the Vina Groundwater Subbasin.

Vina Groundwater Sustainability Agency Member Agencies include:

- City of Chico
- County of Butte
- Durham Irrigation District

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

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**B. Basis of Presentation and Accounting**

Government-Wide Statements

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

The statement of activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include Agency contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include intergovernmental revenues. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements

The Agency is engaged in a single-governmental activity and has only a general fund. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (susceptible to accrual). Revenues are accrued when their receipt occurs within 60 days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred.

**C. Fund Balances — Governmental Fund Financial Statements**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance — amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.
- Restricted fund balance — amounts with constraints placed on their use by those external to the Agency, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**C. Fund Balances — Governmental Fund Financial Statements (Continued)**

- Committed fund balance — amounts that can only be used for specific purposes determined by formal action of the Agency’s highest level of decision-making authority and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance — amounts that are constrained by the Agency’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official delegated that authority.
- Unassigned fund balance — the residual classification that includes amounts not contained in the other classifications.

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

**D. Use of Estimates**

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

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Cash in County Treasury	\$ 20,119	\$ 2,176

The Agency maintains all of its cash and investments in the County of Butte’s pooled cash and investments. On a quarterly basis, the County of Butte allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County of Butte’s financial statements. The County of Butte’s financial statements may be obtained by contacting the County of Butte’s Auditor-Controller’s Office at 25 County Center Drive, Suite 120, Oroville, CA 95965.

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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

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

**NOTE 3 RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions and natural disasters. The Agency purchases commercial liability insurance. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

**NOTE 4 CONTINGENCIES**

The Agency is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Agency's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the agency.

**NOTE 5 SUBSEQUENT EVENT**

On July 27, 2023, The Agency approved a resolution to allow for the placement of special assessments on the Butte County secured property tax roll for fiscal year 2023/24 to achieve compliance with the Sustainability Groundwater Management Act of 2014. The Agency established an operating budget projecting \$256 thousand of revenue from special assessments and \$7 thousand of revenue from fee agreements for fiscal year 2023/24.

**REQUIRED SUPPLEMENTARY INFORMATION**



**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Agency Contributions	\$ 15,000	\$ 67,500	\$ 55,500	\$ (12,000)
Interest	127	127	299	172
Total Revenues	<u>15,127</u>	<u>67,627</u>	<u>55,799</u>	<u>(11,828)</u>
<b>EXPENDITURES</b>				
Insurance	1,787	1,762	1,762	-
Office Expense	240	240	240	-
Professional and Specialized Services	12,500	65,000	27,391	37,609
Contingency	600	2,796	-	2,796
Total Expenditures	<u>15,127</u>	<u>69,798</u>	<u>29,393</u>	<u>40,405</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ (2,171)</u>	26,406	<u>\$ 28,577</u>
Fund Balance - Beginning of the Year			<u>(8,392)</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 18,014</u>	

See accompanying Notes to Required Supplementary Information — Budget and Budgetary Reporting.

**VINA GROUNDWATER  
SUSTAINABILITY AGENCY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Agency Contributions	\$ 15,000	\$ 15,000	\$ 22,000	\$ 7,000
Interest	127	127	3	(124)
Total Revenues	<u>15,127</u>	<u>15,127</u>	<u>22,003</u>	<u>6,876</u>
<b>EXPENDITURES</b>				
Insurance	1,787	1,787	1,787	-
Office Expense	240	240	-	240
Professional and Specialized Services	12,500	12,500	36,648	(24,148)
Contingency	600	600	-	600
Total Expenditures	<u>15,127</u>	<u>15,127</u>	<u>38,435</u>	<u>(23,308)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	(16,432)	<u>\$ (16,432)</u>
Fund Balance - Beginning of the Year			<u>8,040</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ (8,392)</u>	

See accompanying Notes to Required Supplementary Information — Budget and Budgetary Reporting.

**VINA GROUNDWATER AGENCY  
GROUNDWATER SUSTAINABILITY AGENCY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2023 AND 2022**

**NOTE 1 BUDGET AND BUDGETARY REPORTING**

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

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

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

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level. Object category levels of expenditures are as follows: salaries and benefits, services and supplies, and other charges.

**Excess of Expenditures Over Appropriations**

For the year ended June 30, 2022, expenditures for professional and specialized services exceeded appropriations by \$24,148, primarily due to professional fees.

## **OTHER REPORT**



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

Board of Directors  
Vina Groundwater Sustainability Agency  
Oroville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Vina Groundwater Sustainability Agency (Agency) of the County of Butte (County) for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2024.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Vina Groundwater Sustainability Agency’s Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Vina Groundwater Sustainability Agency’s response to the findings identified in our audit and described in the accompanying schedule of findings. Vina Groundwater Sustainability Agency’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 Agency’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Roseville, California  
June 26, 2024

**VINA GROUNDWATER AGENCY  
GROUNDWATER SUSTAINABILITY AGENCY  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2023 AND 2022**

**2023-001 Expense Cutoff**

Type of Finding: Material Weakness in Internal Control over Financial Reporting.

**Condition:** The Agency did not properly accrue for payments made for professional services which were performed prior to June 30, 2023 and 2022.

**Criteria or specific requirement:** Under generally accepted accounting principles, expenditures for goods and services should be recorded to the correct period regardless of when the payment is made.

**Effect:** An audit adjustment of \$1,020 increasing accounts payable and professional services expenses was made for fiscal year ended June 30, 2023.

An audit adjustment of \$22,288 increasing accounts payable and professional services expenses was made for fiscal year ended June 30, 2022.

**Cause:** The Agency did not consider payments to vendors subsequent to year-end when reviewing cut-off for the year-end close. For fiscal year 2023, the Agency split an invoice into two payments over two fiscal years without accruing for the payment on June 30 made in the subsequent fiscal year.

**Repeat Finding:** This is a repeat finding.

**Recommendation:** We recommend the Agency implement additional closing procedures to identify expenditures recorded in the wrong accounting period, such as reviewing payments made after the year-end cut-off for proper reporting.

**Views of responsible officials and planned corrective actions:** The Agency agrees with the finding and the proposed adjusting journal entries. In future years, the Agency will implement new accounting procedures to identify expenditures recorded in the wrong accounting period.



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