



Oakdale Irrigation District
Annual Financial Report
December 31, 2023 and 2022



Oakdale Irrigation District

Board of Directors as of December 31, 2023

Name	Division	Title
Edward Tobias	1	Director
Herman Doornenbal	2	Director
Tom Orvis	3	President
Linda Santos	4	Director
Brad DeBoer	5	Vice President

Oakdale Irrigation District

Scot Moody, General Manager / Secretary

Sharon Cisneros, CPA, Chief Financial Officer / Treasurer

Oakdale Irrigation District
Annual Financial Report
For the Years Ended December 31, 2023 and 2022

Table of Contents

	<u>Page No.</u>
Table of Contents	i
Financial Section	
Independent Auditor’s Report	1-4
Management’s Discussion and Analysis	5-10
Basic Financial Statements:	
Statements of Net Position	11-12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	14-15
Notes to the Basic Financial Statements	16-45
Required Supplementary Information Section	
Schedules of the District’s Proportionate Share of the Net Pension Liability	46-47
Schedules of Pension Plan Contributions	48
Supplementary Information Section	
Combining Schedule of Net Position	49-50
Combining Schedule of Revenues, Expenses, and Changes in Net Position	51
Combining Schedule of Net Position – Improvement District	52-55
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Improvement District	56-59
Statistical Information Section	
Historic District Water Production	60
Historic District Water Deliveries	61
Ten Largest In-District Water Customers	62
Historic Operating Results	63
Report on Internal Controls and Compliance	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audits of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	64-65

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Financial Section

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Independent Auditor's Report

Board of Directors
Oakdale Irrigation District
Oakdale, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities, of the Oakdale Irrigation District (District), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Independent Auditor's Report, continued

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 and the required supplementary information on pages 46 through 48 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining schedules on pages 49 through 59, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of revenue, expenses, and changes in net position are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical sections on pages 60 through 63 but does not include the basic financial statements and our auditor's 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.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 64 and 65.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
June 4, 2024

Oakdale Irrigation District
Management's Discussion and Analysis
For the Years Ended December 31, 2023 and 2022

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Oakdale Irrigation District (District) provides an introduction to the financial statements of the District for the years ended December 31, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2023, the District's net position increased 8.62% or \$19,905,856. In 2022, the District's net position increased 1.50% or \$3,410,673.
- In 2023, the District's operating revenues decreased 6.22% or \$387,984. In 2022, the District's operating revenues increased 24.85% or \$1,241,640.
- In 2023, the District's non-operating revenues increased 110.23% or \$17,069,859. In 2022, the District's non-operating revenues increased 17.81% or \$2,340,923.
- In 2023, the District's total expenses increased 1.04% or \$190,126. In 2022, the District's total expenses increased 12.08% or \$1,973,882.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), deferred inflows of resources, and net position. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Oakdale Irrigation District
Management's Discussion and Analysis, continued
For the Years Ended December 31, 2023 and 2022

Financial Analysis of the District, continued

These two statements report the District's *net position* and changes in it. You can think of the District's net position – assets and deferred outflows of resources less liabilities and deferred inflows of resources – 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 water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 16 through 45.

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$250,767,091 and \$230,861,235 as of December 31, 2023 and 2022, respectively.

Condensed Statements of Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>2021</u>	<u>Change</u>
Assets:					
Current assets	\$ 62,530,227	61,085,142	1,445,085	62,114,556	(1,029,414)
Non-current assets	100,063,991	85,483,155	14,580,836	84,881,663	601,492
Capital assets, net	<u>122,657,091</u>	<u>115,139,487</u>	<u>7,517,604</u>	<u>111,933,752</u>	<u>3,205,735</u>
Total assets	<u>285,251,309</u>	<u>261,707,784</u>	<u>23,543,525</u>	<u>258,929,971</u>	<u>2,777,813</u>
Deferred outflows of resources	<u>5,512,299</u>	<u>4,992,718</u>	<u>519,581</u>	<u>3,545,213</u>	<u>1,447,505</u>
Liabilities:					
Current liabilities	10,702,814	6,120,474	4,582,340	5,993,328	127,146
Non-current liabilities	<u>29,160,928</u>	<u>29,718,793</u>	<u>(557,865)</u>	<u>27,005,298</u>	<u>2,713,495</u>
Total liabilities	<u>39,863,742</u>	<u>35,839,267</u>	<u>4,024,475</u>	<u>32,998,626</u>	<u>2,840,641</u>
Deferred inflows of resources	<u>132,775</u>	<u>-</u>	<u>132,775</u>	<u>2,025,996</u>	<u>(2,025,996)</u>
Net position:					
Net investment in capital assets	102,403,204	93,756,212	8,646,992	89,537,477	4,218,735
Restricted	1,380,311	1,354,453	25,858	1,342,085	12,368
Unrestricted	<u>146,983,576</u>	<u>135,750,570</u>	<u>11,233,006</u>	<u>136,571,000</u>	<u>(820,430)</u>
Total net position	<u>\$ 250,767,091</u>	<u>230,861,235</u>	<u>19,905,856</u>	<u>227,450,562</u>	<u>3,410,673</u>

Oakdale Irrigation District
Management's Discussion and Analysis, continued
For the Years Ended December 31, 2023 and 2022

Statements of Net Position, continued

A portion of the District's net position, 40.84% and 40.61% as of December 31, 2023 and 2022, respectively, reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

As of December 31, 2023 and 2022, the District showed a positive balance in its unrestricted net position of \$146,983,576 and \$135,750,570, respectively. See note 12 for further discussion.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the year. In the case of the District, net position increased 8.62% or \$19,905,856 from \$230,861,235 to \$250,767,091, as a result of ongoing operations for the year ended December 31, 2023. In 2022, the District's net position increased 1.50% or \$3,410,673 from \$227,450,562 to \$230,861,235, as a result of ongoing operations.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>2021</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 5,849,462	6,237,446	(387,984)	4,995,806	1,241,640
Non-operating revenues	<u>32,555,362</u>	<u>15,485,503</u>	<u>17,069,859</u>	<u>13,144,580</u>	<u>2,340,923</u>
Total revenues	<u>38,404,824</u>	<u>21,722,949</u>	<u>16,681,875</u>	<u>18,140,386</u>	<u>3,582,563</u>
Expenses:					
Operating expenses	14,039,759	13,849,797	189,962	11,881,316	1,968,481
Depreciation expense	3,537,714	3,485,591	52,123	3,445,820	39,771
Non-operating expenses	<u>924,929</u>	<u>976,888</u>	<u>(51,959)</u>	<u>1,011,258</u>	<u>(34,370)</u>
Total expenses	<u>18,502,402</u>	<u>18,312,276</u>	<u>190,126</u>	<u>16,338,394</u>	<u>1,973,882</u>
Net income before capital contributions	19,902,422	3,410,673	16,491,749	1,801,992	1,608,681
Capital contributions	<u>3,434</u>	<u>-</u>	<u>3,434</u>	<u>18,500</u>	<u>(18,500)</u>
Changes in net position	19,905,856	3,410,673	16,495,183	1,820,492	1,590,181
Net position, beginning of the year	<u>230,861,235</u>	<u>227,450,562</u>	<u>3,410,673</u>	<u>225,630,070</u>	<u>1,820,492</u>
Net position, end of year	<u>\$ 250,767,091</u>	<u>230,861,235</u>	<u>19,905,856</u>	<u>227,450,562</u>	<u>3,410,673</u>

A closer examination of the sources of changes in net position reveals that:

In 2023, the District's operating revenues decreased 6.22% or \$387,984, due primarily to decreases of \$235,541 in out of District water sales and \$187,516 in agriculture water service fees and sales; which were offset by an increase of \$51,552 in other water service charges. In 2022, the District's operating revenues increased 24.85% or \$1,241,640, due primarily to an increase of \$978,768 in out of District water sales and \$172,878 in agriculture water service fees and sales.

Oakdale Irrigation District
Management's Discussion and Analysis, continued
For the Years Ended December 31, 2023 and 2022

Statements of Revenues, Expenses, and Changes in Net Position, continued

In 2023, the District's non-operating revenues increased 110.23% or \$17,069,859, due primarily to increases of \$11,331,879 in the change in investment in the Tri-Dam Project, \$2,208,504 in the change in investment in the Tri-Dam Authority, \$3,181,906 in investment earnings, and \$408,633 in property taxes. In 2022, the District's non-operating revenues increased 17.81% or \$2,340,923, due primarily to increases of \$1,442,471 in the change in investment in the Tri-Dam Authority, \$509,551 in the change in investment in the Tri-Dam Project, \$313,164 in investment earnings, and \$224,873 in property taxes.

In 2023, the District's operating expenses increased 1.37% or \$189,962, due primarily to increases of \$812,952 in operation and maintenance, and \$274,812 in water operations; which were offset by a decrease of \$897,802 in general and administrative. In 2022, the District's operating expenses increased 16.57% or \$1,968,481, due primarily to increases of \$1,326,405 in general and administrative and \$532,256 in operation and maintenance. Depreciation expense increased \$52,123 for the year ended December 31, 2023, and decreased \$39,771 for the year ended December 31, 2022.

In 2023, the District's non-operating expenses decreased 5.32% or \$51,959, due primarily to a decrease of \$51,646 in interest expense. In 2022, the District's non-operating expenses decreased 3.40% or \$34,370, due primarily to a decrease of \$34,675 in interest expense.

Capital Asset Administration

As of December 31, 2023 and 2022, the District's capital assets (net of accumulated depreciation) amounted to \$122,657,091 and \$115,139,487, respectively. Capital assets (net of accumulated depreciation) include land, water distribution system, dams and reservoirs, buildings and structures, equipment, vehicles, and construction-in-process. See note 7 for further discussion.

The change in capital asset amounts for 2023 was as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2023</u>
Capital assets:				
Non-depreciable assets	\$ 10,225,868	10,539,228	(4,851,135)	15,913,961
Depreciable assets	160,260,570	5,375,264	(255,913)	165,379,921
Accumulated depreciation	<u>(55,346,951)</u>	<u>(3,537,714)</u>	<u>247,874</u>	<u>(58,636,791)</u>
Total capital assets, net	<u>\$ 115,139,487</u>	<u>12,376,778</u>	<u>(4,859,174)</u>	<u>122,657,091</u>

The change in capital asset amounts for 2022 was as follows:

	<u>As Restated Balance 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2022</u>
Capital assets:				
Non-depreciable assets	\$ 9,269,057	6,565,760	(5,608,949)	10,225,868
Depreciable assets	154,935,268	5,742,017	(416,715)	160,260,570
Accumulated depreciation	<u>(52,270,573)</u>	<u>(3,485,591)</u>	<u>409,213</u>	<u>(55,346,951)</u>
Total capital assets, net	<u>\$ 111,933,752</u>	<u>8,822,186</u>	<u>(5,616,451)</u>	<u>115,139,487</u>

Oakdale Irrigation District
Management's Discussion and Analysis, continued
For the Years Ended December 31, 2023 and 2022

Debt Administration

For the years ended December 31, 2023 and 2022, long-term debt decreased by \$1,293,173 and \$1,176,785, respectively, due primarily to regular principal payment and amortization of premium on the District's outstanding debt. See note 9 for further discussion.

The change in long-term debt amounts for 2023 was as follows:

	<u>Balance</u> <u>2022</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance</u> <u>2023</u>
Long-term debt:				
Certificate of participation	\$ 23,758,955	-	(1,083,372)	22,675,583
Lease obligation	59,885	-	(24,801)	35,084
Loans payable	<u>185,000</u>	<u>-</u>	<u>(185,000)</u>	<u>-</u>
Total long-term debt	24,003,840	<u>-</u>	<u>(1,293,173)</u>	22,710,667
Less: current portion	<u>(972,801)</u>			<u>(967,929)</u>
Non-current portion	<u>\$ 23,031,039</u>			<u>21,742,738</u>

The change in long-term debt amounts for 2022 was as follows:

	<u>As Restated Balance</u> <u>2021</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance</u> <u>2022</u>
Long-term debt:				
Certificate of participation	\$ 24,802,328	-	(1,043,373)	23,758,955
Lease obligation	81,953	-	(22,068)	59,885
Loans payable	<u>296,344</u>	<u>-</u>	<u>(111,344)</u>	<u>185,000</u>
Total long-term debt	25,180,625	<u>-</u>	<u>(1,176,785)</u>	24,003,840
Less: current portion	<u>(911,922)</u>			<u>(972,801)</u>
Non-current portion	<u>\$ 24,268,703</u>			<u>23,031,039</u>

Economic Factors and Other Conditions Affecting Current Financial Position

Regional and statewide water supply issues continue to threaten the District's water rights and ultimately its long-term water supply reliability. Competition for limited water resources is increasing, making for challenging times ahead in managing water supply and financial resources for many California water and irrigation districts. With senior water rites on the Stanislaus river, the District is in an advantageous position when compared to other districts. Californian's State Water Board is seeking 40% of the Unimpaired Flows in the Merced, Tuolumne, and Stanislaus Rivers as part of a Phase I implementation to free up water for fishery purposes. While currently in litigation, the loss of such water would truly change the face of the Central Valley of our State. The District has and will continue to provide the best possible service and manage variable costs to provide financial stability to the District's customers.

Management is unaware of any other conditions which could have a significant impact on the District's current financial position, net position, or operating results.

Oakdale Irrigation District
Management's Discussion and Analysis, continued
For the Years Ended December 31, 2023 and 2022

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager or Chief Financial Officer at 1205 East F Street, Oakdale, California 95361 or by phone (209) 847-0341.

Basic Financial Statements

Oakdale Irrigation District
Statements of Net Position
December 31, 2023 and 2022

	2023	2022
Current assets:		
Cash and cash equivalents (note 2)	\$ 19,170,885	11,971,592
Restricted – cash and cash equivalents (note 2)	1,461,430	1,449,196
Investments (note 2)	35,649,170	41,545,850
Accrued interest receivable	713,243	539,278
Accounts receivable – water sales and services	159,689	735,524
Accounts receivable – other	22,991	20,259
Property tax receivable	2,193,208	1,904,589
Assessment receivable – ID No. 52	116,461	214,933
Due from other government agencies (note 3)	100,959	27,202
Prepaid expenses and other deposits	987,956	823,310
Materials and supplies inventory	957,369	885,577
Long-term assets – due in one year:		
Annexation fees receivable (note 5)	996,866	967,832
Total current assets	62,530,227	61,085,142
Non-current assets:		
Investments (note 2)	21,420,226	15,764,360
Investment in joint-powers authorities (note 6)	69,238,835	59,316,999
Capital assets – not being depreciated (note 7)	15,913,961	10,225,868
Capital assets – being depreciated, net (note 7)	106,743,130	104,913,619
Long-term assets – due after one year:		
Annexation fees receivable (note 5)	9,404,930	10,401,796
Total non-current assets	222,721,082	200,622,642
Total assets	285,251,309	261,707,784
Deferred outflows of resources:		
Deferred pension outflows (note 10)	3,055,519	2,372,153
Deferred loss on defeasance of debt	2,456,780	2,620,565
Total deferred outflows of resources	\$ 5,512,299	4,992,718

Continued on next page

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Statements of Net Position, continued
December 31, 2023 and 2022

	2023	2022
Current liabilities:		
Accounts payable and accrued expenses	\$ 6,022,128	1,829,794
Debt service payment received for the District	-	36,650
Other payables	52,366	75,000
Accrued payroll and employee benefits	331,473	343,479
Accrued interest payable	373,016	392,652
Deposits for work-orders	618,148	90,214
Unearned revenue	1,706,400	1,709,396
Long-term liabilities – due in one year:		
Compensated absences (note 8)	631,354	670,488
Certificate-of-participation (note 9)	940,000	920,000
Lease obligation (note 9)	27,929	24,801
Loans payable (note 9)	-	28,000
	10,702,814	6,120,474
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 8)	319,034	338,809
Certificate-of-participation (note 9)	21,735,583	22,838,955
Lease obligation (note 9)	7,155	35,084
Loans payable (note 9)	-	157,000
Net pension liability (note 10)	7,099,156	6,348,945
	29,160,928	29,718,793
	39,863,742	35,839,267
Deferred inflows of resources:		
Deferred pension inflows (note 10)	132,775	-
	132,775	-
Net position: (note 12)		
Net investment in capital assets	102,403,204	93,756,212
Restricted	1,380,311	1,354,453
Unrestricted	146,983,576	135,750,570
	\$ 250,767,091	230,861,235

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating revenues:		
Agriculture water fees and sales	\$ 3,705,325	3,892,841
Domestic water sales	214,522	231,001
Out of District water sales	1,360,744	1,596,285
Other water service charges	568,871	517,319
Total operating revenues	5,849,462	6,237,446
Operating expenses:		
Operation and maintenance	7,327,096	6,514,144
General and administrative	2,495,905	3,393,707
Water operations	4,216,758	3,941,946
Total operating expenses	14,039,759	13,849,797
Operating loss before depreciation expense	(8,190,297)	(7,612,351)
Depreciation expense	(3,537,714)	(3,485,591)
Operating loss	(11,728,011)	(11,097,942)
Non-operating revenues(expenses):		
Property taxes	4,009,345	3,600,712
Assessment revenue – ID No. 52	98,472	81,159
Investment earnings	3,923,037	741,131
Rental revenue	12,000	12,000
Change in investment in Tri-Dam Project	20,228,358	8,896,479
Change in investment in Tri-Dam Authority	4,263,479	2,054,975
Gain from sale of capital assets	20,671	99,047
Interest expense – long-term debt	(924,929)	(976,575)
Other non-operating expense	-	(313)
Total non-operating revenues, net	31,630,433	14,508,615
Net income before capital contributions	19,902,422	3,410,673
Capital contributions:		
Contributed capital	3,434	-
Total capital contributions	3,434	-
Changes in net position	19,905,856	3,410,673
Net position, beginning of year	230,861,235	227,450,562
Net position, end of year	\$ 250,767,091	230,861,235

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers for water sales and services	\$ 6,873,746	5,511,517
Payments to vendors for materials and services	(2,556,499)	(6,238,142)
Payments to employees for salaries and wages	(7,257,508)	(6,743,167)
Net cash used in operating activities	(2,940,261)	(7,469,792)
Cash flows from non-capital financing activities:		
Proceeds from property taxes	3,720,726	3,481,719
Proceeds from assessment ID No. 52	160,294	143,003
Proceeds from annexation fees	967,832	939,643
Interest on annexation agreement	354,102	378,262
Net cash provided by non-capital financing activities	5,202,954	4,942,627
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(11,063,357)	(6,698,828)
Proceeds from the sale of capital assets	28,710	106,549
Proceeds from capital contributions	3,434	-
Principal paid on long-term debt	(1,293,173)	(1,176,785)
Interest paid on long-term debt	(944,565)	(986,774)
Net cash used in capital and related financing activities	(13,268,951)	(8,755,838)
Cash flows from investing activities:		
Interest and investment earnings	3,394,970	99,116
Rental revenue	12,000	12,000
Rental expense	-	(313)
Purchase of securities	(6,174,379)	(119,160,158)
Proceeds from sale of securities	6,415,192	93,328,163
Tri-Dam Power Authority cash distributions	4,237,440	400,000
Tri-Dam Project cash distribution	10,332,562	9,850,000
Net cash provided by (used in) investing activities	18,217,785	(15,471,192)
Net increase (decrease) in cash and cash equivalents	7,211,527	(26,754,195)
Cash and cash equivalents, beginning of year	13,420,788	40,174,983
Cash and cash equivalents, end of year	\$ 20,632,315	13,420,788
Reconciliation of cash and cash equivalents to the statements of net position:		
	2023	2022
Cash and cash equivalents	\$ 19,170,885	11,971,592
Restricted – cash and cash equivalents	1,461,430	1,449,196
Total cash and cash equivalents	\$ 20,632,315	13,420,788

Continued on next page

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Statements of Cash Flows, continued
For the Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (11,728,011)	(11,097,942)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	3,537,714	3,485,591
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	575,835	(607,638)
Accounts receivable – other	(2,732)	(18,894)
Due from other government agencies	(73,757)	273,167
Prepaid expenses and other deposits	(164,646)	(39,608)
Materials and supplies inventory	(71,792)	(38,551)
(Increase)Decrease in deferred outflows of resources:		
Deferred pension outflows	(683,366)	(1,611,290)
Deferred loss on defeasance of debt	163,785	163,785
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	4,192,334	406,422
Other payables	(22,634)	25,000
Accrued payroll and employee benefits	(12,006)	25,555
Deposits for work-orders	527,934	(13,151)
Unearned revenue	(2,996)	(359,413)
Compensated absences	(58,909)	(64,906)
Net pension liability	750,211	4,028,077
Increase(Decrease) in deferred inflows of resources:		
Deferred pension inflows	132,775	(2,025,996)
Total adjustments	8,787,750	3,628,150
Net cash used in operating activities	\$ (2,940,261)	(7,469,792)
Non-cash investing, capital, and financing transaction:		
Change in fair value of investments	\$ 861,790	(801,613)
Change in undistributed investment in Tri-Dam Project	\$ 9,921,836	701,455

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Oakdale Irrigation District (District) was formed on November 1, 1909, pursuant to the provisions of the California Water Code. Geographically, the District encompasses parts of the San Joaquin and Stanislaus Counties. The District is a special district governed by an elected five-member Board of Directors. As required by accounting principles generally accepted in the United States of America, these financial statements represent the District and its component unit.

The District's distribution system includes the Goodwin Diversion Dam (Goodwin Dam) on the Stanislaus River below the Tulloch Dam, at which water is diverted into the District's main canals, laterals, and pipelines. In addition to such surface water facilities, the District owns and operates deep wells and water reclamation pumps and provides domestic water service. The District provides irrigation water to approximately 3,052 parcels and domestic water to 762 customers (inclusive of Improvement Districts' customers). In addition, the District sells water and hydropower on the wholesale market.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a local election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and; 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The Oakdale Irrigation District Financing Corporation (the Financing Corporation) was organized in 1988 under Nonprofit Public Benefit Corporation Law, commencing with Section 5110 of the California Corporations Code, for aiding the financing of projects for the District. The Financing Corporation is included in the District's reporting entity as a blended component unit because the Board of Directors of the District serves as the Board of Directors of the Financing Corporation, the Financing Corporation is fiscally dependent on the District, and the ability of the District to impose its will on the Financing Corporation. The Financing Corporation does not issue separate financial statements.

The District serves as the administrator for 19 improvement districts (Improvement Districts) organized and operated within the District's boundaries. The Improvement Districts were organized under Provision Part 7, Division 11 of the Water Code of the State of California by two-thirds of the landowners in the Improvement District petitioning the District's Board to establish an improvement district to finance operations, maintenance, and repair work within the improvement districts. The District's Board of Directors establishes an improvement district with a board resolution that is filed with the County Recorder's Office. The District administers the Improvement Districts on behalf of the property owners, including the annual assessment levied upon the property owners, investing surplus cash, and paying all expenses of the Improvement Districts from assessments collected. The Improvement Districts do not have a separate Board of Directors, staff, or other separate activities that are not administered by the District.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) 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, as amended.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments and Investment Policy

The District has adopted an investment policy to invest funds in investments in accordance with the investment policy.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

4. Fair Value Measurement, continued

- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

The District’s investment in LAIF is valued at amortized cost and is not subject to the fair value measurement criteria.

5. Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts when material.

6. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources applicable to future periods.

7. Property Taxes and Assessments

The Counties of San Joaquin and Stanislaus Assessor’s Office assess all real and personal property within the Counties each year. The Counties of San Joaquin and Stanislaus Tax Collector’s Office bill and collect the District’s share of property taxes and assessments. The Counties of San Joaquin and Stanislaus Treasurer’s Office remit current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end is related to property taxes collected by the Counties of San Joaquin and Stanislaus, which have not been received by the District as of December 31.

The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

8. Materials and Supplies

Materials and supplies consist primarily of water pipe and pipefittings for construction and repair to the District’s water treatment and distribution system. Materials and supplies are valued at cost using the average cost basis. Material and supply items are charged to expense at the time the items are consumed.

9. Restricted Assets

Certain assets of the District are restricted for use by Improvement Districts’ operations and maintenance and, accordingly, are shown as restricted assets on the accompanying statements of net position. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

10. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets as follows:

Land	No threshold
Land improvements	\$10,000
Buildings, building improvements, infrastructure, infrastructure improvement, and leasehold improvements	\$10,000
Intangible assets	\$5,000
Furniture, tools, equipment, computer, vehicles, and attachments	\$1,000
Capital leases	\$1,000
Gates, valves, and turnout structures	No threshold

Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Dams and reservoirs	50-100 years
Distribution systems	50-100 years
Building and improvements	50 years
Pumping plants	20 years
Automotive and equipment	3-10 years
Office equipment	5 years

Leased assets are amortized on a straight-line basis over the life of the lease term.

11. Unearned Revenue

Unearned revenue consists of assessments of future year's water delivery fees, and customer and developer deposits held at year-end.

12. Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation are recorded when benefits are earned. Liabilities for sick are recorded as follows:

- Union employees – 25% of unused sick leave is accrued for the first 90 days and 50% of unused sick is accrued thereafter
- Management employees – 50% of all unused sick leave is accrued
- Supervisory employees – 30% of unused sick is accrued for the first 60 days and 50% of unused sick is accrued thereafter
- Confidential employees – 25% of unused sick is accrued for the first 60 days and 50% of sick is accrued thereafter

Cash payment of unused vacation and sick is available to those qualified employees when retired or terminated.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

13. Lease Obligation

The District's lease obligation are measured at the present value of payments expected to be paid during the lease term.

14. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and addition to/deduction from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation dates: June 30, 2022 and 2021
- Measurement dates: June 30, 2023 and 2022
- Measurement periods: July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022

15. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources applicable to future periods.

16. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- **Restricted** – consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets.
- **Unrestricted** – the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

17. Budgetary Principles

The District adopts an annual budget, typically in December each year, to take effect January 1 the following year. The budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The Board approves all budget addition appropriations. Budget integration is employed as a management control device.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(2) Cash and Investments

Cash and investments as of December 31 are classified in the accompanying financial statements as follows:

	2023	2022
Cash and cash equivalents	\$ 19,170,885	11,971,592
Restricted - cash and cash equivalents	1,461,430	1,449,196
Investments - current	35,649,170	41,545,850
Investments - non-current	21,420,226	15,764,360
Total	\$ 77,701,711	70,730,998

Cash and investments as of December 31 consist of the following:

	2023	2022
Cash and cash equivalents:		
Cash on hand	\$ 750	750
Deposits with financial institutions	10,082,932	6,339,309
California Local Agency Investment Fund	1,272,599	1,221,421
Money market mutual fund	9,276,034	5,859,308
Total cash and cash equivalents	20,632,315	13,420,788
Investments:		
U.S. Government Agency obligations	31,711,264	22,358,800
Commercial paper	10,144,398	15,431,722
Corporate bonds	15,213,734	19,519,688
Total investments	57,069,396	57,310,210
Total cash and investments	\$ 77,701,711	70,730,998

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District; rather, the table addresses the general provisions of the California Government Code or the District's investment policy.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(2) Cash and Investments, continued

Investments Authorized by the California Government Code and the District's Investment Policy, continued

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	Upon Demand	None	None	\$50 M
Interest Bearing Checking Accounts	N/A	None	None	100%
U.S. Treasury Money-Market Fund	N/A	None	None	10%
Certificates of Deposit	5 years	IUQCI* of 85	30%	\$100,000
U.S. Treasury Bills and Notes	5 years	None	None	100%
U.S. Government Sponsored Entities	5 years	None	None	100%
Banker's Acceptances	180 days	Moody's A	40%	30%
Commercial Paper	270 days	Moody's A	15%	10%
Repurchase Agreements	30 days	None	10%	\$500,000
Medium Term Notes	5 years	Moody's AA	30%	10%
Negotiable Certificates of Deposit	2 years	Moody's A+	30%	10%

*Irwin Union Quality Code Index

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(2) Cash and Investments, continued

Custodial Credit Risk, continued

As of December 31, 2023 and 2022, bank balances are federally insured up to \$250,000. The remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations.

As of December 31, 2023, the District's investments are scheduled to mature as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
California Local Agency Investment Fund	\$ 1,272,599	1,272,599	-	-
Money market mutual fund	9,276,034	9,276,034	-	-
U.S. Government Agency obligations	31,711,264	17,362,194	14,349,070	-
Commercial paper	10,144,398	10,144,398	-	-
Corporate bonds	15,213,734	8,142,578	7,071,156	-
Total	\$ 67,618,029	46,197,803	21,420,226	-

As of December 31, 2022, the District's investments are scheduled to mature as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
California Local Agency Investment Fund	\$ 1,221,421	1,221,421	-	-
Money market mutual fund	5,859,308	5,859,308	-	-
U.S. Government Agency obligations	22,358,800	7,877,540	14,481,260	-
Commercial paper	15,431,722	15,431,722	-	-
Corporate bonds	19,519,688	18,236,588	1,283,100	-
Total	\$ 64,390,939	48,626,579	15,764,360	-

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code (where applicable), the District's investment policy, or debt agreements, and the actual rating as of the years ended for each investment type.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(2) Cash and Investments, continued

Credit Risk, continued

Credit ratings as of December 31, 2023, were as follows:

Investment Type	Minimum Legal Rating	Amount	Rating as of Year-End		
			AAAm/A-1+	A-1/A+/	Unrated
			AA/AA+/AA-	A/A-/BBB+	
California Local Agency Investment Fund	N/A	\$ 1,272,599	-	-	1,272,599
Money market mutual fund	AAA/Aaa	9,276,034	-	-	9,276,034
U.S. Government Agency obligations	N/A	31,711,264	31,711,264	-	-
Commercial paper	A-1+	10,144,398	-	-	10,144,398
Corporate bonds	Aaa	15,213,734	3,736,052	11,477,682	-
Total		\$ 67,618,029	35,447,316	11,477,682	20,693,031

Credit ratings as of December 31, 2022, were as follows:

Investment Type	Minimum Legal Rating	Amount	Rating as of Year-End		
			AAAm/A-1+	A-1/A+/	Unrated
			AA/AA+/AA-	A/A-/BBB+	
California Local Agency Investment Fund	N/A	\$ 1,221,421	-	-	1,221,421
Money market mutual fund	AAA/Aaa	5,859,308	-	-	5,859,308
U.S. Government Agency obligations	N/A	22,358,800	9,777,150	12,581,650	-
Commercial paper	A-1+	15,431,722	-	-	15,431,722
Corporate bonds	Aaa	19,519,688	4,256,298	15,263,390	-
Total		\$ 64,390,939	14,033,448	27,845,040	22,512,451

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments as of December 31, are as follows:

Investment	2023	2022
Commercial paper		
Credit Agricole Group	\$ -	3,088,871
Natixis NY	2,919,450	2,954,280
Royal Bank of Canada	-	2,930,100
Toyota Motor Credit Co.	2,952,248	-
Corporate bonds		
Bank of America Corp.	-	3,148,929
Schwab Charles Corp.	-	3,096,001

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(2) Cash and Investments, continued

Fair Value Hierarchy

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2023, are as follows:

<u>Description</u>	<u>December 31,</u> <u>2023</u>	<u>Fair Value Measurement at Reporting Date Using:</u>		
		<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
U.S. Government Agency obligations	\$ 31,711,264	-	31,711,264	-
Commercial paper	10,144,398	-	10,144,398	-
Corporate bonds	15,213,734	-	15,213,734	-
	<u>57,069,396</u>	<u>-</u>	<u>57,069,396</u>	<u>-</u>
Investments measured at amortized cost:				
California Local Agency Investment Fund	1,272,599			
Money market mutual fund	9,276,034			
Total	<u>\$ 67,618,029</u>			

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2022, are as follows:

<u>Description</u>	<u>December 31,</u> <u>2022</u>	<u>Fair Value Measurement at Reporting Date Using:</u>		
		<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
U.S. Government Agency obligations	\$ 22,358,800	-	22,358,800	-
Commercial paper	15,431,722	-	15,431,722	-
Corporate bonds	19,519,688	-	19,519,688	-
	<u>57,310,210</u>	<u>-</u>	<u>57,310,210</u>	<u>-</u>
Investments measured at amortized cost:				
California Local Agency Investment Fund	1,221,421			
Money market mutual fund	5,859,308			
Total	<u>\$ 64,390,939</u>			

(3) Due from Other Government Agencies

As of December 31, amounts due from other government agencies consist of the following:

<u>Government Agency</u>	<u>2023</u>	<u>2022</u>
CA Department of Tax and Fee Administration	\$ 100,959	2,068
Tri-Dam Project	-	23,245
South San Joaquin Irrigation District	-	1,889
Total	<u>\$ 100,959</u>	<u>27,202</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(4) Internal Balances

The District administers the financial activities of the Improvement Districts. Interfund receivables and payables are used to recognize receipts received by the District and expenditures paid by the District on behalf of the Improvement Districts. Interfund receivables and payables are eliminated in the statements of net position.

As of December 31, 2023, inter-fund receivables/payables between the District and Improvement Districts were as follows:

<u>Description</u>	<u>Due from</u>	<u>Due to</u>	<u>Net Balance</u>
Oakdale Irrigation District	\$ 17,318	(105,781)	(88,463)
Improvement Districts	<u>105,781</u>	<u>(17,318)</u>	<u>88,463</u>
	<u>\$ 123,099</u>	<u>(123,099)</u>	<u>-</u>

As of December 31, 2022, inter-fund receivables/payables between the District and Improvement Districts were as follows:

<u>Description</u>	<u>Due from</u>	<u>Due to</u>	<u>Net Balance</u>
Oakdale Irrigation District	\$ 10,400	(119,640)	(109,240)
Improvement Districts	<u>119,640</u>	<u>(10,400)</u>	<u>109,240</u>
	<u>\$ 130,040</u>	<u>(130,040)</u>	<u>-</u>

(5) Annexation Fees Receivable

Changes in annexation fees receivable for 2023 were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2023</u>
Annexation fee receivable:				
Trinitas	\$ 10,528,208	-	(918,381)	9,609,827
Paddock	31,472	-	(2,048)	29,424
Hoekstra	<u>809,948</u>	<u>-</u>	<u>(47,403)</u>	<u>762,545</u>
Total annexation fee receivable	11,369,628	<u>-</u>	<u>(967,832)</u>	10,401,796
Less: current portion	<u>(967,832)</u>			<u>(996,866)</u>
Total non-current portion	<u>\$ 10,401,796</u>			<u>9,404,930</u>

Changes in annexation fees receivable for 2022 were as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2022</u>
Annexation fee receivable:				
Trinitas	\$ 11,419,840	-	(891,632)	10,528,208
Paddock	33,460	-	(1,988)	31,472
Hoekstra	<u>855,971</u>	<u>-</u>	<u>(46,023)</u>	<u>809,948</u>
Total annexation fee receivable	12,309,271	<u>-</u>	<u>(939,643)</u>	11,369,628
Less: current portion	<u>(939,643)</u>			<u>(967,832)</u>
Total non-current portion	<u>\$ 11,369,628</u>			<u>10,401,796</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(5) Annexation Fees Receivable, continued

Trinitas LLC Annexation

On August 2013, the District entered into agreements organized under nine separate limited liability companies (LLC) to accept the annexation of 7,274.25 acres of land. The annexation fee totaled \$24,684,585, bearing an interest rate of 3.00%, expiring on September 2032. Principal and interest payment of \$1,234,227 are due annually on September 3. If annexation fees become delinquent as defined in the agreements, the District is not required to deliver water to the annexed land and may terminate the agreements.

Future payments to be received under the agreements as of December 31, 2023, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 945,932	288,295	1,234,227
2025	974,310	259,917	1,234,227
2026	1,003,540	230,688	1,234,228
2027	1,033,646	200,581	1,234,227
2028	1,064,655	169,572	1,234,227
2029-2032	<u>4,587,744</u>	<u>349,166</u>	4,936,910
Total	9,609,827	<u>1,498,219</u>	<u>11,108,046</u>
Current	<u>(945,932)</u>		
Non-current	\$ <u>8,663,895</u>		

Paddock Annexation

In 2017, the District accepted the annexation of 25.04 acres of land into the District. The District financed the annexation fee totaling \$45,852, bearing an interest rate of 3.00%, expiring on September 2035. Principal and interest payment of \$2,992 are due annually on September 3. The District is not required to deliver water to the annexed land and may terminate the agreement if annexation fees become delinquent as defined in the agreement.

Future payments to be received under the agreement as of December 31, 2023, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,109	883	2,992
2025	2,173	819	2,992
2026	2,238	754	2,992
2027	2,305	687	2,992
2028	2,374	618	2,992
2028-2032	12,983	1,978	14,961
2033-2035	<u>5,242</u>	<u>229</u>	<u>5,471</u>
Total	29,424	<u>5,968</u>	<u>35,392</u>
Current	<u>(2,109)</u>		
Non-current	\$ <u>27,315</u>		

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(5) Annexation Fees Receivable, continued

Hoekstra Annexation

In 2017, the District accepted the annexation of 430 acres of land into the District. The District financed the annexation fee totaling \$1,098,741 bearing an interest rate of 3.00%, expiring on September 2036. Principal and interest payment of \$71,702 are due annually on September 3. The District is not required to deliver water to the annexed land and may terminate the agreement if annexation fees become delinquent as defined in the agreement.

Future payments to be received under the agreement as of December 31, 2023, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 48,825	22,876	71,701
2025	50,290	21,412	71,702
2026	51,799	19,903	71,702
2027	53,353	18,349	71,702
2028	54,953	16,748	71,701
2027-2031	300,507	58,001	358,508
2032-2036	202,818	12,289	215,107
Total	762,545	<u>169,578</u>	<u>932,123</u>
Current	<u>(48,825)</u>		
Non-current	\$ <u>713,720</u>		

(6) Investment in Joint-Powers Authorities

Jointly governed organizations are legal entities or other organizations that result from a contractual arrangement and that are owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control. The participants retain an ongoing financial interest or ongoing financial responsibility as permitted by the California Government Code.

As of December 31, 2023, the District's participation in these jointly governed organizations consists of the following balance:

	<u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>2023</u>
Tri-Dam Project	\$ 44,480,524	20,228,357	(12,370,000)	52,338,881
Tri-Dam Power Authority	14,836,475	4,263,479	(2,200,000)	16,899,954
	\$ <u>59,316,999</u>	<u>24,491,836</u>	<u>(14,570,000)</u>	<u>69,238,835</u>

As of December 31, 2022, the District's participation in these jointly governed organizations consists of the following balance:

	<u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>2022</u>
Tri-Dam Project	\$ 45,434,045	8,896,479	(9,850,000)	44,480,524
Tri-Dam Power Authority	13,181,499	2,054,976	(400,000)	14,836,475
	\$ <u>58,615,544</u>	<u>10,951,455</u>	<u>(10,250,000)</u>	<u>59,316,999</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(6) Investment in Joint-Powers Authorities, continued

The District has recorded its interest in the joint-powers authorities under the equity method of accounting whereby, the District's equity in the joint-powers authorities is equal to the original cost of assets contributed plus their pro rata share of the net position of the joint-powers authorities.

Tri-Dam Project

On January 21, 1948, the District and the South San Joaquin Irrigation District entered into a joint cooperative agreement to form the Tri-Dam Project (Project). The Project constructed and currently operates a series of irrigation and power dams along the Stanislaus River. The Project presently includes the Donnell's Dam, Tunnel, and Power Plant; Beardsley Dam, Afterbay, and Power Plant; Tulloch Dam, Afterbay, and Power Plant; and the Goodwin Dam and related facilities. The Project's principal activities are the storage and delivery of water to each participating District and the hydraulic generation of electricity. On January 1, 2014, the Project entered into an exclusive power purchase and sale agreement with the City of Santa Clara, California, through its municipal electric utility, Silicon Valley Power.

The Project is governed by the ten members of the Board of Directors in each District. The District and the South San Joaquin Irrigation District share the cost of the Project, with the exception of the Goodwin Dam and related facilities. Each District is responsible for the operations and net position of the Project. Should the Project become insolvent, each District is legally required to contribute funds to satisfy the Project's creditors. The Project's individual assets are owned equally (50%) between each District. As a result, the District has an equity interest in the Project that is recorded as an investment in the Tri-Dam Project on the District's statements of net position under GASB Statements No. 14 and 61. Each year the District adjusts its investment in the Project by its proportionate share (50%) of the Project's net position. Audited financial statements are available from the Project at P.O. Box 1158, Pinecrest, California 95364-0158 or at www.tridamproject.com.

Tri-Dam Power Authority

On October 14, 1982, the District and the South San Joaquin Irrigation District entered into a joint exercise of powers agreement to form the Tri-Dam Power Authority (Authority), effective through January 1, 2034. The Authority constructed and currently operates a hydroelectric power facility on the Stanislaus River with the proceeds of a \$62,000,000 bond issue which was defeased in November 2016. The Authority was formed for the purpose of exercising common powers in constructing, operating, and maintaining facilities for the generation of electric energy.

The Authority is governed through a Board of Commissioners comprised of the members of each participating Districts' Board of Directors. The Authority's individual assets are owned equally (50%) between each District. As a result, the District has an equity interest in the Authority that is recorded as an investment in the Tri-Dam Powers Authority on the District's statements of net position under GASB Statements No. 14 and 61. Each year the District adjusts its investment in the Authority by its proportionate share (50%) of the Authority's net position. Audited financial statements are available from the Authority at P.O. Box 1158, Pinecrest, California 95364-0158 or a www.tridamproject.com.

San Joaquin Tributaries Authority

On November 2012, the District, Modesto Irrigation District, South San Joaquin Irrigation District, Turlock Irrigation District, and the City and County of San Francisco ("Parties") entered into a joint powers agreement to form the San Joaquin Tributaries Authority (SJTA). The SJTA develops and facilitates an environment in which the Parties are able to provide water in an efficient manner at a reasonable cost, ensure long-term reliability of the systems, and works with other governmental and public agencies to promote the common welfare of the landowner and water users served by SJTA members.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(6) Investment in Joint-Powers Authorities, continued

The District has a residual equity interest in the SJTA and it is not recorded as an equity investment on the District's statements of net position according to GASB Statements No. 14 and 61. Under the joint powers agreement, the District is responsible to provide the SJTA a proportionate amount (\$250,000 or approximately 7%) of funds for operating expenses. The SJTA does not issue separate financial statements.

In May 2022, the District ended its participation from the SJTA joint powers agreement.

(7) Capital Assets

The change in capital assets for 2023 was as follows:

	<u>Balance 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 2,950,027	-	-	2,950,027
Construction-in-process	7,275,841	10,539,228	(4,851,135)	12,963,934
Total non-depreciable assets	<u>10,225,868</u>	<u>10,539,228</u>	<u>(4,851,135)</u>	<u>15,913,961</u>
Depreciable assets:				
Buildings	1,175,539	-	-	1,175,539
Right-to-use asset	112,130	-	-	112,130
Dams and reservoirs	10,475,766	-	-	10,475,766
Distribution systems	134,491,714	4,785,730	-	139,277,444
Automotive and equipment	8,964,616	499,449	(254,881)	9,209,184
Office equipment	1,375,430	16,253	(1,032)	1,390,651
Domestic water systems	3,665,375	73,832	-	3,739,207
Total depreciable assets	<u>160,260,570</u>	<u>5,375,264</u>	<u>(255,913)</u>	<u>165,379,921</u>
Accumulated depreciation:				
Buildings	(700,393)	(22,904)	-	(723,297)
Right-to-use asset	(61,672)	(22,426)	-	(84,098)
Dams and reservoirs	(2,877,451)	(207,052)	-	(3,084,503)
Distribution systems	(42,031,922)	(2,429,493)	-	(44,461,415)
Automotive and equipment	(6,594,047)	(699,353)	246,842	(7,046,558)
Office equipment	(763,763)	(87,517)	1,032	(850,248)
Domestic water systems	(2,317,703)	(68,969)	-	(2,386,672)
Total accumulated depreciation	<u>(55,346,951)</u>	<u>(3,537,714)</u>	<u>247,874</u>	<u>(58,636,791)</u>
Total depreciable assets, net	<u>104,913,619</u>	<u>1,837,550</u>	<u>(8,039)</u>	<u>106,743,130</u>
Total capital assets, net	<u>\$ 115,139,487</u>	<u>12,376,778</u>	<u>(4,859,174)</u>	<u>122,657,091</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(7) Capital Assets, continued

The change in capital assets for 2022 was as follows:

	As Restated			
	Balance	Additions/	Deletions/	Balance
	2021	Transfers	Transfers	2022
Non-depreciable assets:				
Land	\$ 3,156,692	-	(206,665)	2,950,027
Construction-in-process	6,112,365	6,565,760	(5,402,284)	7,275,841
Total non-depreciable assets	<u>9,269,057</u>	<u>6,565,760</u>	<u>(5,608,949)</u>	<u>10,225,868</u>
Depreciable assets:				
Buildings	975,147	218,665	(18,273)	1,175,539
Right-to-use asset	112,130	-	-	112,130
Dams and reservoirs	10,447,035	28,731	-	10,475,766
Distribution systems	129,461,327	5,234,899	(204,512)	134,491,714
Automotive and equipment	8,976,904	111,542	(123,830)	8,964,616
Office equipment	1,297,350	148,180	(70,100)	1,375,430
Domestic water systems	3,665,375	-	-	3,665,375
Total depreciable assets	<u>154,935,268</u>	<u>5,742,017</u>	<u>(416,715)</u>	<u>160,260,570</u>
Accumulated depreciation:				
Buildings	(675,914)	(42,751)	18,272	(700,393)
Right-to-use asset	(39,246)	(22,426)	-	(61,672)
Dams and reservoirs	(2,670,706)	(206,745)	-	(2,877,451)
Distribution systems	(39,860,822)	(2,375,613)	204,513	(42,031,922)
Automotive and equipment	(6,014,611)	(695,766)	116,330	(6,594,047)
Office equipment	(760,533)	(73,328)	70,098	(763,763)
Domestic water systems	(2,248,741)	(68,962)	-	(2,317,703)
Total accumulated depreciation	<u>(52,270,573)</u>	<u>(3,485,591)</u>	<u>409,213</u>	<u>(55,346,951)</u>
Total depreciable assets, net	<u>102,664,695</u>	<u>2,256,426</u>	<u>(7,502)</u>	<u>104,913,619</u>
Total capital assets, net	<u>\$ 111,933,752</u>	<u>8,822,186</u>	<u>(5,616,451)</u>	<u>115,139,487</u>

(8) Compensated Absences

The change in compensated absences for 2023 was as follows:

	Balance			Balance	Current	Long-term
	2022	Earned	Taken	2023	Portion	Portion
\$	<u>1,009,297</u>	<u>479,761</u>	<u>(538,670)</u>	<u>950,388</u>	<u>631,354</u>	<u>319,034</u>

The change in compensated absences for 2022 was as follows:

	Balance			Balance	Current	Long-term
	2021	Earned	Taken	2022	Portion	Portion
\$	<u>1,074,203</u>	<u>704,489</u>	<u>(769,395)</u>	<u>1,009,297</u>	<u>670,488</u>	<u>338,809</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(9) Long-term Debt

The change in long-term debts for 2023 was as follows:

	<u>Balance 2022</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Certificate-of-participation:						
Revenue Refunding Bond Series 2016A	\$ 21,145,000	-	(920,000)	20,225,000	940,000	19,285,000
Add: Unamortized premium	<u>2,613,955</u>	-	<u>(163,372)</u>	<u>2,450,583</u>	-	<u>2,450,583</u>
Total certificate-of-participation	<u>23,758,955</u>	-	<u>(1,083,372)</u>	<u>22,675,583</u>	<u>940,000</u>	<u>21,735,583</u>
Lease obligation:						
Lease obligation - office space	59,885	-	(24,801)	35,084	27,929	7,155
Total lease obligation	<u>59,885</u>	-	<u>(24,801)</u>	<u>35,084</u>	<u>27,929</u>	<u>7,155</u>
Loans payable:						
U.S. Department of Agriculture	185,000	-	(185,000)	-	-	-
Total loans payable	<u>185,000</u>	-	<u>(185,000)</u>	-	-	-
Total long-term debt	24,003,840	-	<u>(1,293,173)</u>	22,710,667	<u>967,929</u>	<u>21,742,738</u>
Current portion	<u>(972,801)</u>			<u>(967,929)</u>		
Non-current portion	<u>\$ 23,031,039</u>			<u>21,742,738</u>		

The change in long-term debts for 2022 was as follows:

	<u>As Restated Balance 2021</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Certificate-of-participation:						
Revenue Refunding Bond Series 2016A	\$ 22,025,000	-	(880,000)	21,145,000	920,000	20,225,000
Add: Unamortized premium	<u>2,777,328</u>	-	<u>(163,373)</u>	<u>2,613,955</u>	-	<u>2,613,955</u>
Total certificate-of-participation	<u>24,802,328</u>	-	<u>(1,043,373)</u>	<u>23,758,955</u>	<u>920,000</u>	<u>22,838,955</u>
Lease obligation:						
Lease obligation - office space	81,953	-	(22,068)	59,885	24,801	35,084
Total lease obligation	<u>81,953</u>	-	<u>(22,068)</u>	<u>59,885</u>	<u>24,801</u>	<u>35,084</u>
Loans payable:						
Oak Valley Community Bank	111,344	-	(111,344)	-	-	-
U.S. Department of Agriculture	<u>185,000</u>	-	-	<u>185,000</u>	<u>28,000</u>	<u>157,000</u>
Total loans payable	<u>296,344</u>	-	<u>(111,344)</u>	<u>185,000</u>	<u>28,000</u>	<u>157,000</u>
Total long-term debt	25,180,625	-	<u>(1,176,785)</u>	<u>24,003,840</u>	<u>972,801</u>	<u>23,031,039</u>
Current portion	<u>(911,922)</u>			<u>(972,801)</u>		
Non-current portion	<u>\$ 24,268,703</u>			<u>23,031,039</u>		

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(9) Long-term Debt, continued

Revenue Refunding Bond Series 2016A

On March 5, 2009, the District issued the Certificate-of-Participation (Water Facilities Project) Series 2009 in the amount of \$32,145,000 secured by a lien on the District's net revenues. The District is required to collect net revenues equal to 110% of the debt service payments on this debt issuance and all other parity debt payable from the District's net revenues. The proceeds were used to finance the acquisition and construction of certain water system improvements, and repairs to the District's existing facilities.

On September 8, 2016, the District issued the Certificate-of-Participation Revenue Refunding Bond Series 2016A in the amount of \$26,165,000. The proceeds were used to refinance and defease the Certificate-of-Participation (Water Facilities Project) Series 2009. The debt bears an interest rate ranging from 3.0% to 5.0%, with principal and interest due semi-annually on February 1 and August 1 of each year, and maturing on August 1, 2038.

Annual debt service requirements for the certificate-of-participation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 940,000	906,550	1,846,550
2025	990,000	859,550	1,849,550
2026	1,040,000	810,050	1,850,050
2027	1,090,000	758,050	1,848,050
2028	1,145,000	703,550	1,848,550
2029-2033	6,645,000	2,599,250	9,244,250
2034-2038	<u>8,375,000</u>	<u>868,700</u>	<u>9,243,700</u>
Total	20,225,000	<u>7,505,700</u>	<u>27,730,700</u>
Premium	2,450,583		
Current	<u>(940,000)</u>		
Non-current	<u>\$ 21,735,583</u>		

Lease obligation

In December 2018, the District entered into an agreement with Store Master Funding VII, LLC to rent commercial space for the purpose of providing an operation headquarters location for the District. Terms of the agreement commenced on April 1, 2019 with an initial 3-year term through March 31, 2022. Terms of the agreement include base rent is due monthly at \$2,100 per month, increasing by 1.5% annually. As of June 30, 2023 and 2022, rental payments amounted to \$30,754 and \$30,366, respectively.

Following the guidelines of *GASB Statement No. 87*, the District recorded a right-to-use asset and a lease payable at present value using an interest rate of 10.60%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(9) Long-term Debt, continued

Lease obligation, continued

Principal and interest requirements to maturity are as follows:

Year	Principal	Interest	Total
2024	\$ 27,929	3,718	31,647
2025	7,155	757	7,912
Total	35,084	4,475	39,559
Current	(27,929)		
Non-current	\$ 7,155		

U.S. Department of Agriculture

On June 26, 2008, the Oakdale Irrigation District Financing Corporation obtained a loan from the U.S. Department of Agriculture on behalf of ID 52 in the amount of \$475,000. The loan proceeds were used to finance certain improvements to ID 52 water system and to pay Oakdale Irrigation District buy-in expenses. The loan is secured by a pledge of ID 52 revenues and is payable solely from those revenues and not from the revenues of other improvement districts or Oakdale Irrigation District. The loan bears an interest rate of 4.375%, with principal and interest payments due annually on January 1 of each year, and matures on January 1, 2028. During the year ended December 31, 2023, the loan was paid in full.

Oak Valley Community Bank

On June 26, 2008, the Oakdale Irrigation District Financing Corporation obtained a loan from the Oak Valley Community Bank (Bank) on behalf of Improvement District (ID) 52 in the amount of \$348,334. The loan proceeds were used to finance certain improvements to ID 52 water system and to pay Oakdale Irrigation District buy-in expenses. The loan is secured by a pledge of ID 52 revenues and is payable solely from those revenues and not from the revenues of other improvement districts or Oakdale Irrigation District. The loan bears an interest rate of 8.25%, with principal and interest payments due semi-annually on January 1 and July 1 of each year, and matures on July 1, 2028. During the year ended December 31, 2022, the loan was paid in full.

(10) Defined Benefit Pension Plan

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(10) Defined Benefit Pension Plan, continued

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustment for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The District participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect at December 31 2023 and 2022, are summarized as follows:

	<u>Classic</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 62
Monthly benefits, as a % of eligible compensation	1.1% to 2.4%	1.1% to 2.4%
Required employee contribution rates	2023: 7.00%	2023: 6.75%
	2022: 7.00%	2022: 6.75%
Required employer contribution rates	2023: 10.10%	2023: 7.68%
	2022: 8.63%	2022: 7.47%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended December 31, 2023 and 2022, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>2023</u>	<u>2022</u>
Contributions – employer	\$ 736,049	888,675

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(10) Defined Benefit Pension Plan, continued

Net Pension Liability

As of December 31, 2023 and 2022, the District reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	2023	2022
Proportionate share of net pension liability	\$ 7,099,156	6,348,945

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of December 31, 2023 and 2022, the net pension liability of the Plan is measured as of June 30, 2023 and 2022 (measurement dates), respectively. The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and 2021 (valuation dates), rolled forward to June 30, 2023 and 2022, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of measurement dates June 30, 2023 and 2022, was as follows:

	Proportionate Share
Proportion – June 30, 2021	0.04291 %
Increase in proportion	0.01206
Proportion – June 30, 2022	0.05497
Increase in proportion	0.00194
Proportion – June 30, 2023	0.05691 %

Deferred Outflows(Inflows) of Resources Related to Pensions

As of December 31, 2023 and 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 736,049	-	268,807	-
Differences between actual and expected experience	306,405	-	42,107	-
Changes in assumptions	428,608	-	650,582	-
Net difference between projected and actual earnings on plan investments	1,149,417	-	1,162,958	-
Adjustment due to changes in proportions and difference in employer contributions	435,040	(132,775)	247,699	-
Total	\$ 3,055,519	(132,775)	2,372,153	-

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(10) Defined Benefit Pension Plan, continued

Deferred Outflows(Inflows) of Resources Related to Pensions, continued

As of December 31, 2023 and 2022, the District reported \$736,049 and \$268,807, respectively, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement for the year ended December 31, 2023, will be recognized as a reduction of the net pension liability for the year ended December 31, 2024. Pension contributions subsequent to the measurement for the year ended December 31, 2022, was recognized as a reduction of the net pension liability for the year ended December 31, 2023.

For the years ended December 31, 2023 and 2022, the District recognized pension expense of \$1,591,502 and \$1,219,039, respectively.

As of December 31, 2023, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending December 31,	Deferred Net Outflows(Inflows) of Resources
2024	\$ 744,027
2025	498,488
2026	911,198
2027	32,982

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 and 2021, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2022 and 2021
Measurement dates	June 30, 2023 and 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period upon which actuarial experience survey assumptions were based	1997 – 2015
Post retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

* The mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80 percent of scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(10) Defined Benefit Pension Plan, continued

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the expected real rates of return by asset class.

Asset Class	New Strategic Allocation	Real Return 1-10^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management Study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate.

As of December 31, 2023, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	5.90%	6.90%	7.90%
District's net pension liability	\$ 11,296,865	7,099,156	3,644,081

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(10) Defined Benefit Pension Plan, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate, continued

As of December 31, 2022, the District’s net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	5.90%	6.90%	7.90%
District's net pension liability	\$ 10,274,426	6,348,945	3,119,249

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in separately issued CalPERS financial reports. See pages 46 through 48 for the Required Supplementary Information.

(11) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District’s general creditors. The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statements of net position. As of December 31, 2023 and 2022, the assets of the deferred compensation savings plan totaled \$3,691,345 and \$3,392,625, respectively.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(12) Net Position

The balance at December 31, consists of the following:

	<u>2023</u>	<u>2022</u>
Net investment in capital assets:		
Capital assets, net	\$ 122,657,091	115,139,487
Certificate-of-participation, current	(940,000)	(920,000)
Certificate-of-participation, non-current	(19,285,000)	(20,225,000)
Unamortized premium	(2,450,583)	(2,613,955)
Lease obligation, current	(27,929)	(24,801)
Lease obligation, non-current	(7,155)	(35,084)
Loans payable, current	-	(28,000)
Loans payable, non-current	-	(157,000)
Deferred loss on defeasance of debt	2,456,780	2,620,565
Total investment in capital assets	<u>102,403,204</u>	<u>93,756,212</u>
Restricted net position:		
Improvement Districts	<u>1,380,311</u>	<u>1,354,453</u>
Total restricted net position	<u>1,380,311</u>	<u>1,354,453</u>
Unrestricted net position:		
Non-spendable net position:		
Inventory of materials and supplies	957,369	885,577
Investment in joint-powers authority	69,238,835	59,316,999
Prepaid expenses	<u>987,956</u>	<u>823,310</u>
Total non-spendable net position	<u>71,184,160</u>	<u>61,019,985</u>
Spendable net position - designated:		
Joint canyon Tunnel	14,474,567	14,474,567
Capital replacement / Improvement	17,759,975	10,559,975
Debt service	13,000,000	13,000,000
Operating facilities project	12,953,356	10,453,356
Municipal conservation project	7,381	-
Rate-stabilization	2,507,938	2,507,938
Rural water replacement / Improvement	1,160,212	1,160,212
Vehicle and equipment replacement	2,190,837	490,837
Building and facilities	1,025,000	1,025,000
Employee compensated absences	<u>950,388</u>	<u>1,009,297</u>
Total spendable net position	<u>66,029,654</u>	<u>54,681,182</u>
Spendable net position - undesignated	<u>9,769,762</u>	<u>20,049,403</u>
Total unrestricted net position	<u>146,983,576</u>	<u>135,750,570</u>
Total net position	<u>\$ 250,767,091</u>	<u>230,861,235</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(13) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a founding member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase the appropriate amount of insurance coverage.

At December 31, 2023, the District participated in the liability and property programs of the ACWA/JPIA as follows:

- General liability: The general liability coverage is through ACWA/JPIA who purchases specific occurrence excess insurance from commercial excess, reinsurance carriers, or other pooling agencies. The arrangement with ACWA/JPIA is in substance a transfer of pooling (sharing) of risks among the participants in the ACWA/JPIA's programs.
- Property: The property insurance coverage is as follows: 1) Buildings, personal property, fixed equipment, additional coverage, and on premise vehicle coverage with a deductible of \$25,000; 2) Mobile equipment and vehicle with a deductible of \$5,000; 3) Boiler and machinery accidental breakdown with a deductible of \$50,000 for turbine units and associated equipment, electrical generators, and electrical power distribution, and a deductible of \$25,000 for all other objects; 4) Flood with a deductible of \$100,000; and 5) Earthquake with a deductible equivalent to 5% per unit of insurance, subject to a \$75,000 minimum. ACWA/JPIA will reimburse the District for losses to scheduled property that is insured by the terms and conditions of the purchased insurance or reinsurance, less any applicable deductible.
- Crime: Crime coverage includes public employee theft, depositor forgery or alteration, computer and funds transfer fraud up to \$100,000 subject to a deductible of \$1,000.

Coverage for workers' compensation is provided by the Special District Risk Management Authority (SDRMA). The District's coverage is as follows:

- Workers' compensation insurance coverage up to \$5,000,000 per occurrence.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended December 31, 2023 and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated, net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of December 31, 2023 and 2022.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

(15) Commitments and Contingencies

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes that the ultimate outcome of such matters, if any, will not materially affect its financial conditions.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2023 and 2022

(15) Commitments and Contingencies , *continued*

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement, or modification of water facilities and distribution systems within its service area. As of December 31, 2023, the District remaining commitments were as follows:

Project	Contract Amount	Remaining Commitment
Greger Facility Project	\$ 1,657,287	559,514
Paulsell Lateral Expansion Project	1,509,505	1,509,505
North Main Canal - Segment 1 Rehabilitation	3,601,284	1,028,839
North Main Canal - Tunnel 3 and 4 Project	7,417,945	3,369,702
Total	\$ 14,186,021	6,467,560

(16) Subsequent Events

Events occurring after December 31, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of June 4, 2024, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Required Supplementary Information

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Oakdale Irrigation District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of December 31, 2023
Last Ten Years*

Description	Measurement Dates									
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of the net pension liability	0.05691%	0.05497%	0.04291%	0.04678%	0.04417%	0.04137%	0.04127%	0.03893%	0.03347%	0.04437%
District's proportionate share of the net pension liability	\$ 7,099,156	6,348,945	2,320,868	5,090,115	4,526,215	3,986,214	4,092,925	3,368,866	2,297,303	2,692,547
District's covered payroll	\$ 6,849,665	6,559,946	6,016,880	5,751,764	5,627,907	5,155,206	4,546,326	4,369,901	4,300,181	4,435,167
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	103.64%	96.78%	38.57%	88.50%	80.42%	77.32%	90.03%	77.09%	53.42%	60.71%
Plan's fiduciary net position as a percentage of total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	80.43%

Notes to the Schedules of the District's Proportionate Share of the Net Pension Liability

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

In fiscal year 2023, there were no changes to actuarial assumptions or methods.

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition,

demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

In fiscal year 2021, there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses.

Oakdale Irrigation District
Schedules of the District's Proportionate Share of the Net Pension Liability, continued
As of December 31, 2023
Last Ten Years*

Notes to the Schedules of the District's Proportionate Share of the Net Pension Liability, continued

Change of Assumptions and Methods, continued

These changes will apply only to new UAL bases established on or after June 30, 2019. In fiscal year 2020, no changes have occurred to the actuarial assumptions in relation to financial reporting.

In fiscal year 2020, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period, and remained adjusted for administrative expenses.

* The District has presented information for those years for which information is available until a full 10- year trend is compiled.

Oakdale Irrigation District
Schedules of Pension Plan Contributions
As of December 31, 2023
Last Ten Years*

Description	Years Ended									
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Actuarially determined contribution	\$ 953,326	953,326	807,851	730,294	610,984	385,465	598,115	526,811	488,805	333,676
Contributions in relation to the actuarially determined contribution	(953,326)	(953,326)	(807,851)	(730,294)	(610,984)	(385,465)	(358,036)	(379,349)	(345,487)	(333,676)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	240,079	147,462	143,318	-
District's covered payroll	\$ 7,107,558	6,805,668	6,167,462	5,996,721	5,384,061	4,500,035	4,546,326	4,369,901	4,300,181	4,435,167
Contribution's as a percentage of covered-employee payroll	13.41%	14.01%	13.10%	12.18%	11.35%	8.57%	13.16%	12.06%	11.37%	7.52%

Notes to the Schedules of Pension Plan Contributions

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

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Supplementary Information

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Oakdale Irrigation District
Combining Schedule of Net Position
December 31, 2023

	<u>Oakdale Irrigation District</u>	<u>Improvement Districts</u>	<u>Elimination</u>	<u>2023</u>
Current assets:				
Cash and cash equivalents	\$ 19,170,885	-	-	19,170,885
Restricted – cash and cash equivalents	-	1,461,430	-	1,461,430
Investments	35,649,170	-	-	35,649,170
Accrued interest receivable	702,167	11,076	-	713,243
Accounts receivable – water sales and services	137,116	22,573	-	159,689
Accounts receivable – other	22,902	89	-	22,991
Property tax receivable	2,193,208	-	-	2,193,208
Assessment receivable – ID No. 52	116,461	-	-	116,461
Due from related organizations (note 4)	17,317	105,782	(123,099)	-
Due from other government agencies	100,959	-	-	100,959
Prepaid expenses and other deposits	987,956	-	-	987,956
Materials and supplies inventory	957,369	-	-	957,369
Long-term assets – due in one year:				
Annexation fees receivable	996,866	-	-	996,866
Total current assets	<u>61,052,376</u>	<u>1,600,950</u>	<u>(123,099)</u>	<u>62,530,227</u>
Non-current assets:				
Investments	21,420,226	-	-	21,420,226
Investment in joint-powers authorities	69,238,835	-	-	69,238,835
Capital assets – not being depreciated	15,905,599	8,362	-	15,913,961
Capital assets – being depreciated, net	106,397,755	345,375	-	106,743,130
Long-term assets – due after one year:				
Annexation fees receivable	9,404,930	-	-	9,404,930
Total non-current assets	<u>222,367,345</u>	<u>353,737</u>	<u>-</u>	<u>222,721,082</u>
Total assets	<u>283,419,721</u>	<u>1,954,687</u>	<u>(123,099)</u>	<u>285,251,309</u>
Deferred outflows of resources:				
Deferred pension outflows	3,055,519	-	-	3,055,519
Deferred loss on defeasance of debt	2,456,780	-	-	2,456,780
Total deferred outflows of resources	<u>\$ 5,512,299</u>	<u>-</u>	<u>-</u>	<u>5,512,299</u>

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Oakdale Irrigation District
Combining Schedule of Net Position, continued
December 31, 2023

	<u>Oakdale Irrigation District</u>	<u>Improvement Districts</u>	<u>Elimination</u>	<u>2023</u>
Current liabilities:				
Accounts payable and accrued expenses	\$ 5,997,921	24,207	-	6,022,128
Due to related organizations (note 4)	105,781	17,318	(123,099)	-
Other payables	52,366	-	-	52,366
Accrued payroll and employee benefits	331,473	-	-	331,473
Accrued interest payable	373,016	-	-	373,016
Deposits for work-orders	618,148	-	-	618,148
Unearned revenue	1,527,286	179,114	-	1,706,400
Long-term liabilities – due in one year:				
Compensated absences	631,354	-	-	631,354
Certificate-of-participation	940,000	-	-	940,000
Lease obligation	27,929	-	-	27,929
Total current liabilities	<u>10,605,274</u>	<u>220,639</u>	<u>(123,099)</u>	<u>10,702,814</u>
Non-current liabilities:				
Long-term liabilities – due in more than one year:				
Compensated absences	319,034	-	-	319,034
Certificate-of-participation	21,735,583	-	-	21,735,583
Lease obligation	7,155	-	-	7,155
Net pension liability	7,099,156	-	-	7,099,156
Total non-current liabilities	<u>29,160,928</u>	<u>-</u>	<u>-</u>	<u>29,160,928</u>
Total liabilities	<u>39,766,202</u>	<u>220,639</u>	<u>(123,099)</u>	<u>39,863,742</u>
Deferred inflows of resources:				
Deferred pension inflows	132,775	-	-	132,775
Total deferred inflows of resources	<u>132,775</u>	<u>-</u>	<u>-</u>	<u>132,775</u>
Net position:				
Net investment in capital assets	102,049,467	353,737	-	102,403,204
Restricted	-	1,380,311	-	1,380,311
Unrestricted	146,983,576	-	-	146,983,576
Total net position	<u>\$ 249,033,043</u>	<u>1,734,048</u>	<u>-</u>	<u>250,767,091</u>

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2023

	<u>Oakdale Irrigation District</u>	<u>Improvement Districts</u>	<u>Elimination</u>	<u>2023</u>
Operating revenues:				
Agriculture water fees and sales	\$ 3,705,325	-	-	3,705,325
Domestic water sales	214,522	-	-	214,522
Out of District water sales	1,360,744	-	-	1,360,744
Other water service charges	224,402	344,469	-	568,871
Total operating revenues	<u>5,504,993</u>	<u>344,469</u>	<u>-</u>	<u>5,849,462</u>
Operating expenses:				
Operation and maintenance	7,048,158	278,938	-	7,327,096
General and administrative	2,433,495	62,410	-	2,495,905
Water operations	4,216,758	-	-	4,216,758
Total operating expenses	<u>13,698,411</u>	<u>341,348</u>	<u>-</u>	<u>14,039,759</u>
Operating (loss) income before depreciation expense	<u>(8,193,418)</u>	<u>3,121</u>	<u>-</u>	<u>(8,190,297)</u>
Depreciation expense	(3,515,303)	(22,411)	-	(3,537,714)
Operating loss	<u>(11,708,721)</u>	<u>(19,290)</u>	<u>-</u>	<u>(11,728,011)</u>
Non-operating revenues(expenses), net:				
Property taxes	4,009,345	-	-	4,009,345
Assessment revenue – ID No. 52	98,472	-	-	98,472
Investment earnings	3,873,074	49,963	-	3,923,037
Rental revenue	12,000	-	-	12,000
Change in investment in Tri-Dam Project	20,228,358	-	-	20,228,358
Change in investment in Tri-Dam Authority	4,263,479	-	-	4,263,479
Gain from sale of capital assets	20,671	-	-	20,671
Interest expense – long-term debt	(924,929)	-	-	(924,929)
Total non-operating revenues, net	<u>31,580,470</u>	<u>49,963</u>	<u>-</u>	<u>31,630,433</u>
Net income before capital contributions	<u>19,871,749</u>	<u>30,673</u>	<u>-</u>	<u>19,902,422</u>
Capital contributions:				
Contributed capital	3,434	-	-	3,434
Total capital contributions	<u>3,434</u>	<u>-</u>	<u>-</u>	<u>3,434</u>
Changes in net position	<u>19,875,183</u>	<u>30,673</u>	<u>-</u>	<u>19,905,856</u>
Net position, beginning of year	<u>229,157,860</u>	<u>1,703,375</u>	<u>-</u>	<u>230,861,235</u>
Net position, end of year	<u>\$ 249,033,043</u>	<u>1,734,048</u>	<u>-</u>	<u>250,767,091</u>

**Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District
December 31, 2023**

	<u>ID No. 1</u>	<u>ID No. 2</u>	<u>ID No. 8</u>	<u>ID No. 13</u>	<u>ID No. 19</u>
Current assets:					
Restricted – cash and cash equivalents	\$ 3,610	6,746	9,830	2,658	10,921
Accrued interest receivable	-	-	-	-	-
Accounts receivable – water sales and services	-	53	-	-	84
Accounts receivable – other	-	-	-	-	-
Due from related organizations	342	103	320	63	794
Prepaid expenses and other deposits	-	-	-	-	-
Total current assets	<u>3,952</u>	<u>6,902</u>	<u>10,150</u>	<u>2,721</u>	<u>11,799</u>
Non-current assets:					
Capital assets – not being depreciated	-	-	-	-	-
Capital assets – being depreciated, net	-	-	4,190	-	-
Total non-current assets	<u>-</u>	<u>-</u>	<u>4,190</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,952</u>	<u>6,902</u>	<u>14,340</u>	<u>2,721</u>	<u>11,799</u>
Current liabilities:					
Accounts payable	-	-	-	-	25
Due to related organizations	-	-	-	-	-
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	342	255	808	297	2,101
Total current liabilities	<u>342</u>	<u>255</u>	<u>808</u>	<u>297</u>	<u>2,126</u>
Total liabilities	<u>342</u>	<u>255</u>	<u>808</u>	<u>297</u>	<u>2,126</u>
Net position:					
Net investment in capital assets	-	-	4,190	-	-
Restricted	3,610	6,647	9,342	2,424	9,673
Total net position	<u>\$ 3,610</u>	<u>6,647</u>	<u>13,532</u>	<u>2,424</u>	<u>9,673</u>

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Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District, continued
December 31, 2023

	<u>ID No. 20</u>	<u>ID No. 21</u>	<u>ID No. 22</u>	<u>ID No. 26</u>	<u>ID No. 29</u>
Current assets:					
Restricted – cash and cash equivalents	\$ 3,062	3,401	50,856	3,138	3,395
Accrued interest receivable	-	-	384	-	-
Accounts receivable – water sales and services	-	71	2,302	-	33
Accounts receivable – other	-	-	-	-	-
Due from related organizations	247	205	5,124	59	1,163
Prepaid expenses and other deposits	-	-	-	-	-
Total current assets	<u>3,309</u>	<u>3,677</u>	<u>58,666</u>	<u>3,197</u>	<u>4,591</u>
Non-current assets:					
Capital assets – not being depreciated	-	-	-	-	-
Capital assets – being depreciated, net	504	-	44,926	-	-
Total non-current assets	<u>504</u>	<u>-</u>	<u>44,926</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,813</u>	<u>3,677</u>	<u>103,592</u>	<u>3,197</u>	<u>4,591</u>
Current liabilities:					
Accounts payable	-	-	1,646	-	31
Due to related organizations	-	-	669	-	-
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	247	485	10,175	249	2,239
Total current liabilities	<u>247</u>	<u>485</u>	<u>12,490</u>	<u>249</u>	<u>2,270</u>
Total liabilities	<u>247</u>	<u>485</u>	<u>12,490</u>	<u>249</u>	<u>2,270</u>
Net position:					
Net investment in capital assets	504	-	44,926	-	-
Restricted	3,062	3,192	46,176	2,948	2,321
Total net position	<u>\$ 3,566</u>	<u>3,192</u>	<u>91,102</u>	<u>2,948</u>	<u>2,321</u>

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Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District, continued
December 31, 2023

	<u>ID No. 31</u>	<u>ID No. 36</u>	<u>ID No. 38</u>	<u>ID No. 41</u>	<u>ID No. 45</u>
Current assets:					
Restricted – cash and cash equivalents	\$ 7,517	4,229	2,033	93,242	354,454
Accrued interest receivable	-	-	-	943	2,453
Accounts receivable – water sales and services	-	-	21	1,125	834
Accounts receivable – other	-	-	89	-	-
Due from related organizations	217	303	176	20,763	25,722
Prepaid expenses and other deposits	-	-	-	-	-
Total current assets	<u>7,734</u>	<u>4,532</u>	<u>2,319</u>	<u>116,073</u>	<u>383,463</u>
Non-current assets:					
Capital assets – not being depreciated	-	-	-	-	8,362
Capital assets – being depreciated, net	-	-	-	75,123	68,219
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,123</u>	<u>76,581</u>
Total assets	<u>7,734</u>	<u>4,532</u>	<u>2,319</u>	<u>191,196</u>	<u>460,044</u>
Current liabilities:					
Accounts payable	-	-	-	5,783	9,321
Due to related organizations	-	-	-	1,234	1,295
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	275	429	456	29,751	38,618
Total current liabilities	<u>275</u>	<u>429</u>	<u>456</u>	<u>36,768</u>	<u>49,234</u>
Total liabilities	<u>275</u>	<u>429</u>	<u>456</u>	<u>36,768</u>	<u>49,234</u>
Net position:					
Net investment in capital assets	-	-	-	75,123	76,581
Restricted	7,459	4,103	1,863	79,305	334,229
Total net position	<u>\$ 7,459</u>	<u>4,103</u>	<u>1,863</u>	<u>154,428</u>	<u>410,810</u>

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Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District, continued
December 31, 2023

	<u>ID No. 46</u>	<u>ID No. 48</u>	<u>ID No. 51</u>	<u>ID No. 52</u>	<u>2023</u>
Current assets:					
Restricted – cash and cash equivalents	\$ 473,860	-	428,478	-	1,461,430
Accrued interest receivable	3,620	-	3,676	-	11,076
Accounts receivable – water sales and services	3,986	11,243	2,821	-	22,573
Accounts receivable – other	-	-	-	-	89
Due from related organizations	26,425	97	23,659	-	105,782
Prepaid expenses and other deposits	-	-	-	-	-
Total current assets	<u>507,891</u>	<u>11,340</u>	<u>458,634</u>	<u>-</u>	<u>1,600,950</u>
Non-current assets:					
Capital assets – not being depreciated	-	-	-	-	8,362
Capital assets – being depreciated, net	31,687	30,163	90,563	-	345,375
Total non-current assets	<u>31,687</u>	<u>30,163</u>	<u>90,563</u>	<u>-</u>	<u>353,737</u>
Total assets	<u>539,578</u>	<u>41,503</u>	<u>549,197</u>	<u>-</u>	<u>1,954,687</u>
Current liabilities:					
Accounts payable	4,477	-	2,924	-	24,207
Due to related organizations	2,801	10,482	837	-	17,318
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	47,820	343	44,224	-	179,114
Total current liabilities	<u>55,098</u>	<u>10,825</u>	<u>47,985</u>	<u>-</u>	<u>220,639</u>
Total liabilities	<u>55,098</u>	<u>10,825</u>	<u>47,985</u>	<u>-</u>	<u>220,639</u>
Net position:					
Net investment in capital assets	31,687	30,163	90,563	-	353,737
Restricted	452,793	515	410,649	-	1,380,311
Total net position	<u>\$ 484,480</u>	<u>30,678</u>	<u>501,212</u>	<u>-</u>	<u>1,734,048</u>

Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position –
Improvement District
Year Ended December 31, 2023

	<u>ID No. 1</u>	<u>ID No. 2</u>	<u>ID No. 8</u>	<u>ID No. 13</u>	<u>ID No. 19</u>
Operating revenues:					
Maintenance and operation charges	\$ 701	622	1,163	554	2,851
Total operating revenues	<u>701</u>	<u>622</u>	<u>1,163</u>	<u>554</u>	<u>2,851</u>
Operating expenses:					
Operation and maintenance	13	33	31	27	351
General and administrative	274	275	275	274	2,366
Total operating expenses	<u>287</u>	<u>308</u>	<u>306</u>	<u>301</u>	<u>2,717</u>
Operating gain(loss) before depreciation expense	414	314	857	253	134
Depreciation expense	-	-	(135)	-	-
Operating gain(loss)	<u>414</u>	<u>314</u>	<u>722</u>	<u>253</u>	<u>134</u>
Non-operating revenues:					
Investment earnings	4	7	10	3	11
Total non-operating revenues	<u>4</u>	<u>7</u>	<u>10</u>	<u>3</u>	<u>11</u>
Changes in net position	418	321	732	256	145
Net position, beginning of the year	<u>3,192</u>	<u>6,326</u>	<u>12,800</u>	<u>2,168</u>	<u>9,528</u>
Net position, end of year	<u>\$ 3,610</u>	<u>6,647</u>	<u>13,532</u>	<u>2,424</u>	<u>9,673</u>

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Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position –
Improvement District, continued
Year Ended December 31, 2023

	<u>ID No. 20</u>	<u>ID No. 21</u>	<u>ID No. 22</u>	<u>ID No. 26</u>	<u>ID No. 29</u>
Operating revenues:					
Maintenance and operation charges	\$ 639	649	21,174	759	3,080
Total operating revenues	<u>639</u>	<u>649</u>	<u>21,174</u>	<u>759</u>	<u>3,080</u>
Operating expenses:					
Operation and maintenance	15	25	13,223	14	432
General and administrative	274	274	9,028	274	2,343
Total operating expenses	<u>289</u>	<u>299</u>	<u>22,251</u>	<u>288</u>	<u>2,775</u>
Operating gain(loss) before depreciation expense	350	350	(1,077)	471	305
Depreciation expense	(21)	-	(2,880)	-	-
Operating gain(loss)	<u>329</u>	<u>350</u>	<u>(3,957)</u>	<u>471</u>	<u>305</u>
Non-operating revenues:					
Investment earnings	3	3	1,735	3	4
Total non-operating revenues	<u>3</u>	<u>3</u>	<u>1,735</u>	<u>3</u>	<u>4</u>
Changes in net position	332	353	(2,222)	474	309
Net position, beginning of the year	<u>3,234</u>	<u>2,839</u>	<u>93,324</u>	<u>2,474</u>	<u>2,012</u>
Net position, end of year	<u>\$ 3,566</u>	<u>3,192</u>	<u>91,102</u>	<u>2,948</u>	<u>2,321</u>

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Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position –
Improvement District, continued
Year Ended December 31, 2023

	<u>ID No. 31</u>	<u>ID No. 36</u>	<u>ID No. 38</u>	<u>ID No. 41</u>	<u>ID No. 45</u>
Operating revenues:					
Maintenance and operation charges	\$ 656	652	589	60,000	63,875
Total operating revenues	<u>656</u>	<u>652</u>	<u>589</u>	<u>60,000</u>	<u>63,875</u>
Operating expenses:					
Operation and maintenance	47	19	37	67,485	61,015
General and administrative	325	274	273	9,422	10,531
Total operating expenses	<u>372</u>	<u>293</u>	<u>310</u>	<u>76,907</u>	<u>71,546</u>
Operating gain(loss) before depreciation expense	284	359	279	(16,907)	(7,671)
Depreciation expense	-	-	-	(3,409)	(4,925)
Operating gain(loss)	<u>284</u>	<u>359</u>	<u>279</u>	<u>(20,316)</u>	<u>(12,596)</u>
Non-operating revenues:					
Investment earnings	8	4	2	4,240	11,106
Total non-operating revenues	<u>8</u>	<u>4</u>	<u>2</u>	<u>4,240</u>	<u>11,106</u>
Changes in net position	292	363	281	(16,076)	(1,490)
Net position, beginning of the year	<u>7,167</u>	<u>3,740</u>	<u>1,582</u>	<u>170,504</u>	<u>412,300</u>
Net position, end of year	<u>\$ 7,459</u>	<u>4,103</u>	<u>1,863</u>	<u>154,428</u>	<u>410,810</u>

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Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position –
Improvement District, continued
Year Ended December 31, 2023

	<u>ID No. 46</u>	<u>ID No. 48</u>	<u>ID No. 51</u>	<u>ID No. 52</u>	<u>2023</u>
Operating revenues:					
Maintenance and operation charges	\$ 84,196	21,272	81,037	-	344,469
Total operating revenues	<u>84,196</u>	<u>21,272</u>	<u>81,037</u>	<u>-</u>	<u>344,469</u>
Operating expenses:					
Operation and maintenance	70,048	4,126	61,997	-	278,938
General and administrative	13,022	273	12,633	-	62,410
Total operating expenses	<u>83,070</u>	<u>4,399</u>	<u>74,630</u>	<u>-</u>	<u>341,348</u>
Operating gain(loss) before depreciation expense	1,126	16,873	6,407	-	3,121
Depreciation expense	(4,446)	(1,923)	(4,672)	-	(22,411)
Operating gain(loss)	<u>(3,320)</u>	<u>14,950</u>	<u>1,735</u>	<u>-</u>	<u>(19,290)</u>
Non-operating revenues:					
Investment earnings	16,310	1	16,509	-	49,963
Total non-operating revenues	<u>16,310</u>	<u>1</u>	<u>16,509</u>	<u>-</u>	<u>49,963</u>
Changes in net position	12,990	14,951	18,244	-	30,673
Net position, beginning of the year	<u>471,490</u>	<u>15,727</u>	<u>482,968</u>	<u>-</u>	<u>1,703,375</u>
Net position, end of year	<u>\$ 484,480</u>	<u>30,678</u>	<u>501,212</u>	<u>-</u>	<u>1,734,048</u>

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Other Information

**Oakdale Irrigation District
 Historic District Water Production
 Last Ten Years
 (Acre-feet)**

Year	Diverted from Stanislaus River	Groundwater Pumping	Reclamation Pumping	Total Production	Percent of 10- year Ave.
2014	201,360	16,858	6,461	224,679	102.3%
2015	164,955	12,567	3,317	180,839	82.3%
2016	183,695	3,577	937	188,209	85.7%
2017	199,390	2,451	3,971	205,812	93.7%
2018	207,382	2,874	3,616	213,872	97.3%
2019	205,354	1,686	3,508	210,548	95.8%
2020	237,997	1,495	3,613	243,105	110.6%
2021	249,708	2,491	3,848	256,047	116.5%
2022	246,497	1,579	2,697	250,773	114.1%
2023	218,983	1,265	3,156	223,404	101.7%

**Oakdale Irrigation District
 Historic District Water Deliveries
 Last Ten Years
 (Acre-feet)**

Year	Total Water Production	Total Agricultural Water Delivered	Water Transfers	Total Deliveries	Percent of 10- year Ave.
2014	224,679	201,086	-	201,086	109.4%
2015	180,839	161,203	11,500	172,703	94.0%
2016	188,209	157,751	50,500	208,251	113.3%
2017	205,812	160,461	-	160,461	87.3%
2018	213,872	162,780	31,309	194,089	105.6%
2019	210,548	158,446	-	158,446	86.2%
2020	243,105	181,049	650	181,699	98.9%
2021	256,047	190,255	501	190,756	103.8%
2022	250,773	198,564	4,000	202,564	110.2%
2023	223,404	167,035	675	167,710	91.3%

Oakdale Irrigation District
Ten Largest In-District Water Customers
Year Ended December 31, 2022

<u>Landowner</u>	<u>No. of Gross Acres</u>	<u>Percent of Total</u>	<u>Water Delivery Fee Revenue</u>	<u>Percent of Total</u>
Trinitas LLCs	7,272.11	10.35%	\$ 234,526	10.38%
Brichetto, John Et Al	5,601.92	7.97%	180,662	8.00%
V A Rodden Inc.	2,275.39	3.24%	73,381	3.25%
G3 Enterprises Inc.	971.65	1.38%	31,336	1.39%
Naraghi, Sharon	960.52	1.37%	30,977	1.37%
Postma Dairies, Pete	811.81	1.16%	26,181	1.16%
Bentley Ranch, LLC	786.71	1.12%	25,371	1.12%
Postma Bluestar Ranch LP	732.56	1.04%	23,625	1.05%
De Simas & Bairos Dairy	732.13	1.04%	23,611	1.05%
Montpelier Farming Corporation	701.28	1.00%	22,616	1.00%
Total	<u>20,846.08</u>	<u>30.82%</u>	<u>\$ 672,286</u>	<u>29.76%</u>

**Oakdale Irrigation District
Historic Operating Results
From December 31, 2018 through 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operating revenues:					
Agricultural water service fees	\$ 3,323,023	\$ 3,198,582	\$ 3,516,215	\$ 3,719,963	\$ 3,892,841
Domestic water delivery fees	216,578	215,124	222,316	221,572	231,001
Other water related revenues	514,765	532,359	461,581	436,754	517,319
Connection fees	-	-	-	-	-
Water sales	6,568,098	616,463	793,967	617,517	1,596,285
Total operating revenues	<u>10,622,464</u>	<u>4,562,528</u>	<u>4,994,079</u>	<u>4,995,806</u>	<u>6,237,446</u>
Operating expenses					
Operation and maintenance	4,663,601	4,641,660	6,052,759	5,981,527	6,514,143
General and administrative	3,832,205	3,632,070	3,045,736	2,067,303	3,393,708
Water operations	3,123,787	3,181,202	3,801,327	3,832,486	3,941,946
Depreciation	2,645,742	2,862,049	3,256,749	3,445,820	3,485,591
Total operating expenses	<u>14,265,335</u>	<u>14,316,981</u>	<u>16,156,571</u>	<u>15,327,136</u>	<u>17,335,388</u>
Operating loss	<u>(3,642,871)</u>	<u>(9,754,453)</u>	<u>(11,162,492)</u>	<u>(10,331,330)</u>	<u>(11,097,942)</u>
Non-operating revenues (expenses)					
Property taxes	2,622,192	2,852,019	3,871,220	3,375,839	3,600,712
Annexation fees	-	13,909	53,384	207,614	81,159
Investment Earnings	1,858,886	2,024,854	1,016,611	427,967	741,131
Rental revenue	-	6,000	14,000	15,000	12,000
Change in Investment- Tri-Dam Project	5,750,305	14,925,890	8,601,730	8,386,928	8,896,479
Change in Investment - Tri-Dam Authority	3,691,500	2,434,000	908,248	612,504	2,054,975
Gain (loss) on sale of capital assets	(66,103)	-	21,726	118,728	99,047
Interest Expense- Long Term Debt	(1,088,006)	(1,065,361)	(1,041,999)	(1,011,250)	(976,575)
Other nonoperating revenues	-	-	(2,044)	(8)	(313)
Total non-operating revenues	<u>12,768,774</u>	<u>21,191,311</u>	<u>13,442,876</u>	<u>12,133,322</u>	<u>14,508,615</u>
Net income before contributions	<u>9,125,903</u>	<u>11,436,858</u>	<u>2,280,384</u>	<u>1,801,992</u>	<u>3,410,673</u>
Capital contributions	<u>1,282,193</u>	<u>1,749,030</u>	<u>1,000</u>	<u>18,500</u>	<u>-</u>
Change in net position	<u>10,408,096</u>	<u>13,185,888</u>	<u>2,281,384</u>	<u>1,820,492</u>	<u>3,410,673</u>
Debt Service	<u>1,846,850</u>	<u>1,846,250</u>	<u>1,849,450</u>	<u>1,851,250</u>	<u>1,848,950</u>
Debt Service Coverage	<u>5.64</u>	<u>7.14</u>	<u>1.23</u>	<u>0.98</u>	<u>1.84</u>

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Report on Internal Controls and Compliance

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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on the Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors
Oakdale Irrigation District
Oakdale, 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 Oakdale Irrigation District (District), which comprise the statement of net position as of December 31, 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 4, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 determination of financial statement amounts. 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*.

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on the Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*, continued**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
June 4, 2024