

**Oakdale Irrigation District  
Improvement Districts**

**Annual Financial Report**

**For the Years Ended December 31, 2023 and 2022**



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**Oakdale Irrigation District Improvement Districts  
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# **Financial Section**

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# C.J. Brown & Company CPAs

An Accountancy Corporation

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## Independent Auditor's Report

Board of Directors  
Oakdale Irrigation District  
Oakdale, California

### Opinion

We have audited the accompanying financial statements of the business-type activities of the Oakdale Irrigation District Improvement Districts (Improvement District), component units of the Oakdale Irrigation 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 Improvement 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 Improvement 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. 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 Improvement 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 Improvement 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 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 the audits in accordance with generally accepted 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 Improvement 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 Improvement 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

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

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**

Cypress, California

June 4, 2024

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

	<b>2023</b>	<b>2022</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 1,461,430	1,412,546
Restricted – cash and cash equivalents (note 2)	-	36,650
Accrued interest receivable	11,076	5,612
Accounts receivable – water sales and services	22,573	6,590
Accounts receivable – other	89	183
Due from related organizations	105,782	119,640
Prepaid expenses and other deposits	-	5,901
<b>Total current assets</b>	<b>1,600,950</b>	<b>1,587,122</b>
<b>Non-current assets:</b>		
Capital assets – not being depreciated (note 3)	8,362	-
Capital assets – being depreciated, net (note 3)	345,375	348,922
<b>Total non-current assets</b>	<b>353,737</b>	<b>348,922</b>
<b>Total assets</b>	<b>1,954,687</b>	<b>1,936,044</b>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	24,207	5,752
Due to related organizations	17,318	10,400
Debt service payment received for the District	-	179,867
Unearned revenue	179,114	36,650
<b>Total current liabilities</b>	<b>220,639</b>	<b>232,669</b>
<b>Total liabilities</b>	<b>220,639</b>	<b>232,669</b>
<b>Net position:</b>		
Net investment in capital assets	353,737	348,922
Unrestricted	1,380,311	1,354,453
<b>Total net position</b>	<b>\$ 1,734,048</b>	<b>1,703,375</b>

See accompanying notes to the basic financial statements

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

	<b>2023</b>	<b>2022</b>
<b>Operating revenues:</b>		
Maintenance and operation charges	\$ 344,469	326,672
<b>Total operating revenues</b>	<b>344,469</b>	<b>326,672</b>
<b>Operating expenses:</b>		
Operation and maintenance	278,938	223,571
General and administrative	62,410	54,916
<b>Total operating expenses</b>	<b>341,348</b>	<b>278,487</b>
<b>Operating income before depreciation expense</b>	<b>3,121</b>	<b>48,185</b>
Depreciation expense	(22,411)	(20,306)
<b>Operating (loss) income</b>	<b>(19,290)</b>	<b>27,879</b>
<b>Non-operating revenues:</b>		
Investment returns	49,963	(4,603)
<b>Total non-operating revenues</b>	<b>49,963</b>	<b>(4,603)</b>
<b>Changes in net position</b>	<b>30,673</b>	<b>23,276</b>
<b>Net position, beginning of year</b>	<b>1,703,375</b>	<b>1,680,099</b>
<b>Net position, end of year</b>	<b>\$ 1,734,048</b>	<b>1,703,375</b>

See accompanying notes to the basic financial statements

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

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers	\$ 305,035	305,437
Cash paid to vendors for materials and services	<u>(310,074)</u>	<u>(274,794)</u>
<b>Net cash (used in)provided by operating activities</b>	<u>(5,039)</u>	<u>30,643</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	<u>(27,226)</u>	<u>(31,213)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(27,226)</u>	<u>(31,213)</u>
<b>Cash flows from investing activities:</b>		
Interest and investment returns	<u>44,499</u>	<u>(9,591)</u>
<b>Net cash used in investing activities</b>	<u>44,499</u>	<u>(9,591)</u>
<b>Net increase(decrease) in cash and cash equivalents</b>	12,234	(10,161)
<b>Cash and cash equivalents, beginning of year</b>	<u>1,449,196</u>	<u>1,459,357</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,461,430</u>	<u>1,449,196</u>
<b>Reconciliation of cash and cash equivalents to the statements of net position:</b>		
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,461,430	1,412,546
Restricted – cash and cash equivalents	<u>-</u>	<u>36,650</u>
<b>Total cash and cash equivalents</b>	<u>\$ 1,461,430</u>	<u>1,449,196</u>

*Continued on next page*

See accompanying notes to the basic financial statements

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

	<u>2023</u>	<u>2022</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating(loss) income	\$ (19,290)	27,879
<b>Adjustments to reconcile operating income to net cash (used in)provided by operating activities:</b>		
Depreciation expense	22,411	20,305
<b>Change in assets and liabilities</b>		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	(15,983)	11,809
Accounts receivable – other	94	(183)
Due from other government agencies	13,858	(1,822)
Prepaid expenses and other deposits	5,901	(1,341)
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	18,455	(1,345)
Due to related organizations	6,918	6,379
Debt service payment received for the District	(179,867)	(11,079)
Unearned revenue	142,464	(19,959)
Total adjustments	<u>14,251</u>	<u>2,764</u>
<b>Net cash (used in)provided by operating activities</b>	<u>\$ (5,039)</u>	<u>30,643</u>
<b>Non-cash investing, capital, and financing transaction:</b>		
Change in fair value of investments	<u>\$ 12,818</u>	<u>(17,174)</u>

See accompanying notes to the basic financial statements

**Oakdale Irrigation District Improvement Districts**  
**Notes to the Basic Financial Statements**  
**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 Improvement Districts (Improvement District) is comprised of nineteen improvement districts that were formed, upon petition of landowners, pursuant to Part 7, Division 11, and Section 23600 of the California Water Code. The purpose of the Improvement District is to make improvements to landowner properties in connection with providing drinking or irrigation water by the Oakdale Irrigation District. The Improvement District is a separate enterprise fund of the Oakdale Irrigation District and is combined in the accompanying financial statements for reporting purposes due to the immateriality of the individual improvement districts. The Oakdale Irrigation District has oversight responsibility of the Improvement District for the purposes specified in the Water Code, including administering the annual assessment upon the landowners, investing surplus cash, and paying all expenses of the Improvement District. The landowners are responsible for all obligations within their district including the costs of maintenance and operations, as well as the costs of improvements to their respective water systems. The Improvement District has no separate board of directors and has no employees or operations that are separate from the Oakdale Irrigation District. However, the Oakdale Irrigation District is not obligated in any manner for the debts of the Improvement District nor is the Oakdale Irrigation District entitled to any surpluses upon dissolution of the Improvement District.

**B. Basis of Accounting and Measurement Focus**

The Improvement District's resources are allocated to and accounted for in these basic financial statements as nineteen separate enterprise funds of the proprietary fund group. The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position represents the amounts available for future operations.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. An enterprise fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statements of net position. Net position is segregated between net investment in capital assets, restricted, and unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

The Improvement District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Maintenance and operation charges are recognized in the period for which they are effective. When such funds are received prior to the year for which they are effective, they are recorded as unearned revenues. Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Improvement District. Operating revenues consist primarily of maintenance and operation charges. Non-operating revenues and expense consist of those revenues and expenses that are related to financing and investing types of activities, and result from non-exchange transactions or ancillary activities.

**Oakdale Irrigation District Improvement Districts**  
**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**

The Improvement District's 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 Improvement District's proprietary fund.

The Improvement 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.

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.

**Oakdale Irrigation District Improvement Districts**  
**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, Liabilities, and Net Position**

**1. Use of Estimates**

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

**2. Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Improvement District considers all highly liquid debt instruments purchased with a maturity of three (3) months or less to be cash equivalents.

**3. Accounts Receivable**

Accounts receivable consists of maintenance and operations charges to landowners of the Improvement District. The Improvement District does not have an allowance for doubtful accounts due to the ability to place a lien on the landowners' property and the Improvement District's collection history.

**4. Capital Assets**

Capital assets are recorded at historical cost. It is the Improvement District's policy to capitalize assets with a cost greater than \$1,000 with a useful life of more than one year. Donated assets, if any, are valued at estimated fair value on the date received. Self-constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the constructed asset. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Distribution systems	50 - 100 years
Automobiles and equipment	3 - 5 years
Office equipment	5 years
Pumping plants	10 - 20 years
Buildings	25 years

Maintenance and repairs are charged to operations when incurred. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

**5. Due from / to Oakdale Irrigation District**

The due from Oakdale Irrigation District represents cash received for maintenance and operations billed by the Oakdale Irrigation District on behalf of the Improvement District. The due to Oakdale Irrigation District represents administration charges and maintenance and operations charges due to the Oakdale Irrigation District that were not paid at year end.

**6. Unearned Revenue**

Unearned revenue consists of maintenance and operation charges received from property owners for future year's expenses.

**Oakdale Irrigation District Improvement Districts**  
**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, Liabilities, and Net Position, continued**

**7. 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** – consists of 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.

**(2) Cash and Cash Equivalents**

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

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 1,461,430	1,412,546
Restricted – cash and cash equivalents	-	36,650
Total	\$ 1,461,430	1,449,196

Cash and cash equivalents as of December 31 consist of the following:

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents:		
Deposits with financial institutions	\$ 366,043	397,863
California Local Agency Investment Fund	1,095,387	1,051,333
Total	\$ 1,461,430	1,449,196

***Investment Policy***

The Improvement District has adopted the investment policy of the Oakdale Irrigation District. The Oakdale Irrigation District’s investment policy may be found in the notes to the Oakdale Irrigation District’s basic financial statements.

***Investment in State Investment Pool***

The Improvement 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 Improvement District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the Improvement 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.

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

**(2) Cash and Cash Equivalents, continued**

***Investment in State Investment Pool, continued***

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment 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 Improvement 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. 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 Improvement District's name.

***Interest Rate Risk***

Interest rate risk is the risk that the change 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 the change in market interest rates. The Improvement District does not maintain investments subject to interest rate risk.

***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. The Improvement District's investment in LAIF is not rated.

***Concentration of Credit Risk***

The investment policy of the Oakdale Irrigation District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Improvement District has no investments subject to concentration of credit risk.

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

**(3) 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:				
Construction-in-process	\$ -	8,362		8,362
Total non-depreciable assets	-	8,362	-	8,362
Depreciable assets:				
Water distribution systems	1,131,566	18,864	-	1,150,430
Total depreciable assets	1,131,566	18,864	-	1,150,430
Accumulated depreciation:				
Water distribution systems	(782,644)	(22,411)	-	(805,055)
Total accumulated depreciation	(782,644)	(22,411)	-	(805,055)
Total depreciable assets, net	348,922	(3,547)	-	345,375
Total capital assets, net	\$ 348,922	4,815	-	353,737

The change in capital assets for 2022 was as follows:

	<u>Balance 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Construction-in-process	\$ -	-	-	-
Total non-depreciable assets	-	-	-	-
Depreciable assets:				
Water distribution systems	1,100,353	31,213	-	1,131,566
Total depreciable assets	1,100,353	31,213	-	1,131,566
Accumulated depreciation:				
Water distribution systems	(762,339)	(20,305)	-	(782,644)
Total accumulated depreciation	(762,339)	(20,305)	-	(782,644)
Total depreciable assets, net	338,014	10,908	-	348,922
Total capital assets, net	\$ 338,014	10,908	-	348,922

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

**(4) 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 Improvement Districts**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2023 and 2022**

**(4) 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.

**(5) Commitments and Contingencies**

***Litigation***

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

**(6) Subsequent Events**

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