



Oakdale Irrigation District
Annual Financial Report
December 31, 2025 and 2024



Oakdale Irrigation District
Board of Directors as of December 31, 2025

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

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, 2025 and 2024

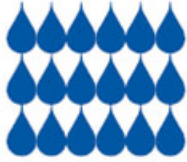
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Financial Section

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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, 2025 and 2024, 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, 2025 and 2024, 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.

Emphasis-of-Matter

As discussed in Note 12 to the financial statements, the District has adopted the provisions of *GASB Statement No. 101 – Compensated Absences*. As a result, District has restated its net position to reflect the effects of the change in accounting policy. Our opinion is not modified with respect to this matter.

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 9 and the required supplementary information on pages 44 through 46 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 47 through 57, 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 58 through 61 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 22, 2026, 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 62 and 63.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
June 22, 2026

Oakdale Irrigation District
Management's Discussion and Analysis
For the Years Ended December 31, 2025 and 2024

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, 2025 and 2024. 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 2025, the District's net position increased 8.00% or \$21,308,314. In 2024, the District's net position increased 6.24% or \$15,628,031.
- In 2025, the District's operating revenues increased 17.94% or \$1,127,457. In 2024, the District's operating revenues increased 7.44% or \$435,287.
- In 2025, the District's non-operating revenues decreased 5.40% or \$1,462,194. In 2024, the District's non-operating revenues decreased 16.89% or \$5,497,039.
- In 2025, the District's total expenses increased 3.63% or \$754,200. In 2024, the District's total expenses increased 11.15% or \$2,086,031.

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, 2025 and 2024

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 15 through 43.

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 \$287,496,985 and \$266,188,671 as of December 31, 2025 and 2024, respectively.

Condensed Statements of Net Position

	<u>2025</u>	<u>As restated 2024</u>	<u>Change</u>	<u>As restated 2023</u>	<u>Change</u>
Assets:					
Current assets	\$ 71,575,548	82,234,569	(10,659,021)	62,530,226	19,704,343
Non-current assets	90,259,549	75,472,155	14,787,394	100,063,991	(24,591,836)
Capital assets, net	159,618,416	140,737,862	18,880,554	122,657,091	18,080,771
Total assets	<u>321,453,513</u>	<u>298,444,586</u>	<u>23,008,927</u>	<u>285,251,308</u>	<u>13,193,278</u>
Deferred outflows of resources	<u>4,080,208</u>	<u>4,621,436</u>	<u>(541,228)</u>	<u>5,512,299</u>	<u>(890,863)</u>
Liabilities:					
Current liabilities	11,227,190	8,678,501	2,548,689	11,000,596	(2,322,095)
Non-current liabilities	25,978,379	28,198,850	(2,220,471)	29,069,596	(870,746)
Total liabilities	<u>37,205,569</u>	<u>36,877,351</u>	<u>328,218</u>	<u>40,070,192</u>	<u>(3,192,841)</u>
Deferred inflows of resources	<u>831,167</u>	<u>-</u>	<u>831,167</u>	<u>132,775</u>	<u>(132,775)</u>
Net position:					
Net investment in capital assets	141,321,652	121,423,474	19,898,178	102,403,204	19,020,270
Restricted	1,322,369	1,332,188	(9,819)	1,380,311	(48,123)
Unrestricted	144,852,964	143,433,009	1,419,955	146,777,125	(3,344,116)
Total net position	<u>\$ 287,496,985</u>	<u>266,188,671</u>	<u>21,308,314</u>	<u>250,560,640</u>	<u>15,628,031</u>

A portion of the District's net position, 49.16% and 45.62% as of December 31, 2025 and 2024, 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, 2025 and 2024, the District showed a positive balance in its unrestricted net position of \$144,852,964 and \$143,433,009, respectively. See note 13 for further discussion.

Oakdale Irrigation District
Management's Discussion and Analysis, continued
For the Years Ended December 31, 2025 and 2024

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 8.00% or \$21,308,314 from \$266,188,671 to \$287,496,985, as a result of ongoing operations for the year ended December 31, 2025. In 2024, the District's net position increased 6.24% or \$15,628,031 from \$250,560,640 to \$266,188,671, as a result of ongoing operations.

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

	<u>2025</u>	<u>As restated 2024</u>	<u>Change</u>	<u>As restated 2023</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 7,412,206	6,284,749	1,127,457	5,849,462	435,287
Non-operating revenues	<u>25,596,131</u>	<u>27,058,325</u>	<u>(1,462,194)</u>	<u>32,555,364</u>	<u>(5,497,039)</u>
Total revenues	<u>33,008,337</u>	<u>33,343,074</u>	<u>(334,737)</u>	<u>38,404,826</u>	<u>(5,061,752)</u>
Expenses:					
Operating expenses	16,964,728	16,219,494	745,234	14,246,212	1,973,282
Depreciation expense	3,746,348	3,667,174	79,174	3,537,714	129,460
Non-operating expenses	<u>838,010</u>	<u>908,218</u>	<u>(70,208)</u>	<u>924,929</u>	<u>(16,711)</u>
Total expenses	<u>21,549,086</u>	<u>20,794,886</u>	<u>754,200</u>	<u>18,708,855</u>	<u>2,086,031</u>
Net income before capital contributions	11,459,251	12,548,188	(1,088,937)	19,695,971	(7,147,783)
Capital contributions	<u>9,849,063</u>	<u>3,079,843</u>	<u>6,769,220</u>	<u>3,434</u>	<u>3,076,409</u>
Changes in net position	21,308,314	15,628,031	5,680,283	19,699,405	(4,071,374)
Net position, beginning of the year	<u>266,188,671</u>	<u>250,560,640</u>	<u>15,628,031</u>	<u>230,861,235</u>	<u>19,699,405</u>
Net position, end of year	<u>\$ 287,496,985</u>	<u>266,188,671</u>	<u>21,308,314</u>	<u>250,560,640</u>	<u>15,628,031</u>

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

In 2025, the District's operating revenues increased 17.94% or \$1,127,457, due primarily to increases of \$1,000,063 in out of District water sales, and \$255,797 in agriculture water service fees; which were offset by a decrease of \$123,134 in other water service charges. In 2024, the District's operating revenues increased 7.44% or \$435,287, due primarily to increases of \$269,954 in out of District water sales, \$136,167 in agriculture water service fees and \$22,455 in other water service charges.

In 2025, the District's non-operating revenues decreased 5.40% or \$1,462,194, due primarily to decreases of \$1,018,996 in the change in investment in the Tri-Dam Project, and \$431,912 in investment earnings. In 2024, the District's non-operating revenues decreased 16.89% or \$5,497,039, due primarily to decreases of \$4,171,924 in the change in investment in the Tri-Dam Project, and \$1,277,749 in the change in investment in the Tri-Dam Authority.

In 2025, the District's operating expenses increased 4.59% or \$745,234, due primarily to increases of \$363,094 in water operations, \$308,728 in operation and maintenance, and \$73,412 in general and administrative. In 2024, the District's operating expenses increased 13.85% or \$1,973,282, due primarily to increases of \$1,188,992 in operation and maintenance, \$761,838 in water operations, and \$22,452 in general and administrative. Depreciation expense increased \$79,174 for the year ended December 31, 2025, and increased \$129,460 for the year ended December 31, 2024.

In 2025, the District's non-operating expenses decreased 7.73% or \$70,208, due primarily to a decrease of \$66,491 in interest expense. In 2024, the District's non-operating expenses decreased 1.81% or \$16,711, due primarily to a decrease of \$20,428 in interest expense.

Oakdale Irrigation District
Management's Discussion and Analysis, continued
For the Years Ended December 31, 2025 and 2024

Capital Asset Administration

The change in capital asset amounts for 2025 was as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2025</u>
Capital assets:				
Non-depreciable assets	\$ 23,224,406	22,862,024	(22,653,533)	23,432,897
Depreciable assets	179,795,376	22,514,922	(462,826)	201,847,472
Accumulated depreciation	<u>(62,281,920)</u>	<u>(3,746,348)</u>	<u>366,315</u>	<u>(65,661,953)</u>
Total capital assets, net	<u>\$ 140,737,862</u>	<u>41,630,598</u>	<u>(22,750,044)</u>	<u>159,618,416</u>

The change in capital asset amounts for 2024 was as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2024</u>
Capital assets:				
Non-depreciable assets	\$ 15,913,961	21,064,517	(13,754,072)	23,224,406
Depreciable assets	165,379,921	14,517,742	(102,287)	179,795,376
Accumulated depreciation	<u>(58,636,791)</u>	<u>(3,667,174)</u>	<u>22,045</u>	<u>(62,281,920)</u>
Total capital assets, net	<u>\$ 122,657,091</u>	<u>31,915,085</u>	<u>(13,834,314)</u>	<u>140,737,862</u>

As of December 31, 2025 and 2024, the District's capital assets (net of accumulated depreciation) amounted to \$159,618,416 and \$140,737,862, 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.

Debt Administration

The change in long-term debt amounts for 2025 was as follows:

	<u>Balance 2024</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>
Long-term debt:				
Certificate of participation	\$ 21,572,211	-	(1,153,372)	20,418,839
Lease obligation	<u>35,171</u>	<u>-</u>	<u>(28,037)</u>	<u>7,134</u>
Total long-term debt	21,607,382	<u>-</u>	<u>(1,181,409)</u>	20,425,973
Less: current portion	<u>(1,017,974)</u>			<u>(1,047,134)</u>
Non-current portion	<u>\$ 20,589,408</u>			<u>19,378,839</u>

The change in long-term debt amounts for 2024 was as follows:

	<u>Balance 2023</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>
Long-term debt:				
Certificate of participation	\$ 22,675,583	-	(1,103,372)	21,572,211
Lease obligation	<u>35,084</u>	<u>35,609</u>	<u>(35,522)</u>	<u>35,171</u>
Total long-term debt	22,710,667	<u>35,609</u>	<u>(1,138,894)</u>	21,607,382
Less: current portion	<u>(967,929)</u>			<u>(1,017,974)</u>
Non-current portion	<u>\$ 21,742,738</u>			<u>20,589,408</u>

Oakdale Irrigation District
Management's Discussion and Analysis, continued
For the Years Ended December 31, 2025 and 2024

Debt Administration, continued

For the years ended December 31, 2025 and 2024, long-term debt decreased by \$1,181,409 and \$1,138,894, respectively, due primarily to regular principal payment and amortization of premium on the District's outstanding debt. See note 9 for further discussion.

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 rights 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. 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.

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, 2025 and 2024

	2025	As restated 2024
Current assets:		
Cash and cash equivalents (note 2)	\$ 28,588,225	32,619,418
Restricted – cash and cash equivalents (note 2)	1,351,697	1,377,767
Investments (note 2)	27,716,480	39,415,958
Accrued interest receivable	566,279	647,657
Accounts receivable – water sales and services	150,627	232,509
Accounts receivable – other	6,646	91,099
Property tax receivable	2,273,450	2,184,325
Assessment receivable – ID No. 52	656	53,708
Due from other government agencies (note 3)	7,724,089	2,424,570
Prepaid expenses and other deposits	1,193,315	1,159,457
Materials and supplies inventory	946,508	1,001,328
Long-term assets – due in one year:		
Annexation fees receivable (note 5)	1,057,576	1,026,773
Total current assets	71,575,548	82,234,569
Non-current assets:		
Investments (note 2)	18,894,828	-
Investment in joint-powers authorities (note 6)	64,044,142	67,093,999
Capital assets – not being depreciated (note 7)	23,432,897	23,224,406
Capital assets – being depreciated, net (note 7)	136,185,519	117,513,456
Long-term assets – due after one year:		
Annexation fees receivable (note 5)	7,320,579	8,378,156
Total non-current assets	249,877,965	216,210,017
Total assets	321,453,513	298,444,586
Deferred outflows of resources:		
Deferred pension outflows (note 10)	1,950,999	2,328,442
Deferred loss on defeasance of debt (note 9)	2,129,209	2,292,994
Total deferred outflows of resources	\$ 4,080,208	4,621,436

Continued on next page

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Statements of Net Position, continued
December 31, 2025 and 2024

	2025	As restated 2024
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,035,111	3,710,648
Due to other government agencies	1,752,660	-
Other payables	25,000	55,400
Accrued payroll and employee benefits	519,210	444,783
Accrued interest payable	331,643	356,946
Deposits for work-orders	893,685	562,043
Unearned revenue	1,694,415	1,697,729
Long-term liabilities – due in one year:		
Compensated absences (note 8)	928,332	832,978
Certificate-of-participation (note 9)	1,040,000	990,000
Lease obligation (note 9)	7,134	27,974
	11,227,190	8,678,501
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 8)	456,899	492,334
Certificate-of-participation (note 9)	19,378,839	20,582,211
Lease obligation (note 9)	-	7,197
Net pension liability (note 10)	6,142,641	7,117,108
	25,978,379	28,198,850
	37,205,569	36,877,351
Deferred inflows of resources:		
Deferred pension inflows (note 10)	831,167	-
	831,167	-
Net position: (note 13)		
Net investment in capital assets	141,321,652	121,423,474
Restricted	1,322,369	1,332,188
Unrestricted	144,852,964	143,433,009
	\$ 287,496,985	266,188,671

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, 2025 and 2024

	2025	As restated 2024
Operating revenues:		
Agriculture water fees and sales	\$ 4,097,289	3,841,492
Domestic water sales	215,964	221,233
Out of District water sales	2,630,761	1,630,698
Other water service charges	468,192	591,326
Total operating revenues	7,412,206	6,284,749
Operating expenses:		
Operation and maintenance	8,906,976	8,598,248
General and administrative	2,716,062	2,642,650
Water operations	5,341,690	4,978,596
Total operating expenses	16,964,728	16,219,494
Operating loss before depreciation expense	(9,552,522)	(9,934,745)
Depreciation expense	(3,746,348)	(3,667,174)
Operating loss	(13,298,870)	(13,601,919)
Non-operating revenues(expenses):		
Property taxes	4,140,836	3,917,458
Assessment revenue – ID No. 52	53,708	62,753
Investment earnings	3,522,768	3,954,680
Rental revenue	-	7,000
Change in investment in Tri-Dam Project	15,037,438	16,056,434
Change in investment in Tri-Dam Authority	2,849,105	2,985,729
Gain (loss) from sale of capital assets	(7,724)	74,271
Interest expense – long-term debt	(838,010)	(904,501)
Other non-operating expense	-	(3,717)
Total non-operating revenues, net	24,758,121	26,150,107
Net income before capital contributions	11,459,251	12,548,188
Capital contributions:		
Contributed capital	9,849,063	3,079,843
Total capital contributions	9,849,063	3,079,843
Changes in net position	21,308,314	15,628,031
Net position, beginning of year, as restated (note 12)	266,188,671	250,560,640
Net position, end of year	\$ 287,496,985	266,188,671

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Receipts from customers for water sales and services	\$ 2,607,350	3,755,435
Payments to vendors for materials and services	(6,306,755)	(9,954,690)
Payments to employees for salaries and wages	(8,058,014)	(7,730,888)
Net cash used in operating activities	(11,757,419)	(13,930,143)
Cash flows from non-capital financing activities:		
Proceeds from property taxes	4,051,711	3,926,341
Proceeds from assessment ID No. 52	106,760	125,506
Proceeds from annexation fees	1,026,774	996,867
Interest on annexation agreement	272,097	302,295
Net cash provided by non-capital financing activities	5,457,342	5,351,009
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(22,723,413)	(21,828,187)
Proceeds from the sale of capital assets	88,787	154,513
Proceeds from capital contributions	9,849,063	3,079,843
Principal paid on long-term debt	(1,181,409)	(1,103,285)
Interest paid on long-term debt	(863,313)	(920,571)
Net cash used in capital and related financing activities	(14,830,285)	(20,617,687)
Cash flows from investing activities:		
Interest and investment earnings	3,332,049	3,717,970
Rental revenue	-	7,000
Rental expense	-	(3,717)
Purchase of securities	(20,419,235)	(9,232,308)
Proceeds from sale of securities	13,223,885	26,885,746
Tri-Dam Power Authority cash distributions	3,090,000	4,745,000
Tri-Dam Project cash distribution	17,846,400	16,442,000
Net cash provided by investing activities	17,073,099	42,561,691
Net (decrease) increase in cash and cash equivalents	(4,057,263)	13,364,870
Cash and cash equivalents, beginning of year	33,997,185	20,632,315
Cash and cash equivalents, end of year	\$ 29,939,922	33,997,185
Reconciliation of cash and cash equivalents to the statements of net position:		
	2025	2024
Cash and cash equivalents	\$ 28,588,225	32,619,418
Restricted – cash and cash equivalents	1,351,697	1,377,767
Total cash and cash equivalents	\$ 29,939,922	33,997,185

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, 2025 and 2024

	2025	2024
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (13,298,870)	(13,601,919)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	3,746,348	3,667,174
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	81,882	(72,820)
Accounts receivable – other	84,453	(68,108)
Due from other government agencies	(5,299,519)	(2,323,611)
Prepaid expenses and other deposits	(33,858)	(171,501)
Materials and supplies inventory	54,820	(43,960)
(Increase)Decrease in deferred outflows of resources:		
Deferred pension outflows	377,443	727,077
Deferred loss on defeasance of debt	163,785	163,786
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	324,463	(2,311,481)
Other payables	(30,400)	3,034
Accrued payroll and employee benefits	74,427	113,310
Deposits for work-orders	331,642	(56,105)
Unearned revenue	(3,314)	(8,670)
Compensated absences	59,919	168,474
Net pension liability	(974,467)	17,952
Increase(Decrease) in deferred inflows of resources:		
Deferred pension inflows	831,167	(132,775)
Total adjustments	1,541,451	(328,224)
Net cash used in operating activities	\$ (11,757,419)	(13,930,143)
Non-cash investing, capital, and financing transaction:		
Change in fair value of investments	\$ (200,344)	188,299
Change in undistributed investment in Tri-Dam Project	\$ (3,049,857)	(2,144,836)

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(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, 2025 and 2024

(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 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.

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.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

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

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 the year are recognized as investment income reported for that 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.
- **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.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

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

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

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. 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.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

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

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

10. 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.

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. Lease Obligation

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

13. Deferred Inflows of Resources

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

14. 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.

15. 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, 2024 and 2023
- Measurement dates: June 30, 2025 and 2024
- Measurement periods: July 1, 2024 to June 30, 2025 and July 1, 2023 to June 30, 2024

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

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

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

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.

(2) Cash and Investments

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

	2025	2024
Cash and cash equivalents	\$ 28,588,225	32,619,418
Restricted - cash and cash equivalents	1,351,697	1,377,767
Investments - current	27,716,480	39,415,958
Investments - non-current	18,894,828	-
Total	\$ 76,551,230	73,413,143

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(2) Cash and Investments, continued

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

	2025	2024
Cash and cash equivalents:		
Cash on hand	\$ 750	750
Deposits with financial institutions	7,427,683	7,358,583
California Local Agency Investment Fund	1,359,915	1,297,505
Money market mutual fund	21,151,574	25,340,347
Total cash and cash equivalents	29,939,922	33,997,185
Investments:		
U.S. Government Agency obligations	6,484,927	14,485,134
U.S. Treasury Bills	9,833,750	-
Commercial paper	14,613,963	15,886,266
Corporate bonds	15,678,668	9,044,558
Total investments	46,611,308	39,415,958
Total cash and investments	\$ 76,551,230	73,413,143

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.

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

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(2) Cash and Investments, continued

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.

As of December 31, 2025 and 2024, 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.

Investments in the California Local Agency Investment Fund (LAIF) and money market mutual funds are highly liquid and redeemable daily. Accordingly, they are not subject to interest rate risk related to contractual maturities and are presented separately from the total investments with contractual maturities as presented on the next page.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(2) Cash and Investments, continued

Interest Rate Risk, continued

As of December 31, 2025, 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>
U.S. Government Agency obligations	\$ 6,484,927	-	6,484,927	-
U.S. Treasury Bill	9,833,750	9,833,750	-	-
Commercial paper	14,613,963	14,613,963	-	-
Corporate bonds	15,678,668	3,268,767	3,822,206	8,587,695
Total investments with contractual maturities	46,611,308	27,716,480	10,307,133	8,587,695
California Local Agency Investment Fund	1,359,915			
Money market mutual fund	21,151,574			
Total	\$ 69,122,797			

As of December 31, 2024, 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>
U.S. Government Agency obligations	\$ 14,485,134	14,485,134	-	-
Commercial paper	15,886,266	15,886,266	-	-
Corporate bonds	9,044,558	9,044,558	-	-
Total investments with contractual maturities	39,415,958	39,415,958	-	-
California Local Agency Investment Fund	1,297,505			
Money market mutual fund	25,340,347			
Total	\$ 66,053,810			

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 on the next page 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, 2025 and 2024

(2) Cash and Investments, continued

Credit Risk, continued

Credit ratings as of December 31, 2025, 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	\$ 1,359,915	-	-	1,359,915
Money market mutual fund	AAA/Aaa	21,151,574	-	-	21,151,574
U.S. Government Agency obligations	N/A	6,484,927	6,484,927	-	-
U.S. Treasury Bill	N/A	9,833,750	-	-	9,833,750
Commercial paper	A-1+	14,613,963	-	-	14,613,963
Corporate bonds	Aaa	15,678,668	-	15,678,668	-
Total		\$ 69,122,797	6,484,927	15,678,668	46,959,202

Credit ratings as of December 31, 2024, 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	\$ 1,297,505	-	-	1,297,505
Money market mutual fund	AAA/Aaa	25,340,347	-	-	25,340,347
U.S. Government Agency obligations	N/A	14,485,134	14,485,134	-	-
Commercial paper	A-1+	15,886,266	-	-	15,886,266
Corporate bonds	Aaa	9,044,558	-	9,044,558	-
Total		\$ 66,053,810	14,485,134	9,044,558	42,524,118

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	2025	2024
Commercial paper		
Honeywell International Inc.	\$ -	2,970,030
Mufg Bk Ltd NY	-	2,647,801
Natixis NY	-	2,384,097
Cisco Sys Inc.	-	2,234,960
Pepsico Inc.	-	2,161,103
Kenvue Inc.	-	1,993,399
Corporate bonds		
John Deere Capital Corporation	-	2,002,560
Catterpillar Financial Services	-	2,000,120
Citibank, NA	-	2,017,600
Bank of New York Mellon Corp.	-	1,980,620

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(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, 2025, are as follows:

<u>Description</u>	<u>December 31,</u> <u>2025</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>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
U.S. Government Agency obligations	\$ 6,484,927	-	6,484,927	-
Commercial paper	14,613,963	-	14,613,963	-
Corporate bonds	<u>15,678,668</u>	<u>-</u>	<u>15,678,668</u>	<u>-</u>
	36,777,558	<u>-</u>	<u>36,777,558</u>	<u>-</u>
Investments measured at amortized cost:				
California Local Agency Investment Fund	1,359,915			
U.S. Treasury Bills	9,833,750			
Money market mutual fund	<u>21,151,574</u>			
Total	<u>\$ 69,122,797</u>			

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2024, are as follows:

<u>Description</u>	<u>December 31,</u> <u>2024</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>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
U.S. Government Agency obligations	\$ 14,485,134	-	14,485,134	-
Commercial paper	15,886,266	-	15,886,266	-
Corporate bonds	<u>9,044,558</u>	<u>-</u>	<u>9,044,558</u>	<u>-</u>
	39,415,958	<u>-</u>	<u>39,415,958</u>	<u>-</u>
Investments measured at amortized cost:				
California Local Agency Investment Fund	1,297,505			
Money market mutual fund	<u>25,340,347</u>			
Total	<u>\$ 66,053,810</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>2025</u>	<u>2024</u>
Sustainable Groundwater Management Act Grant	\$ 7,432,371	2,422,836
City of Oakdale	289,875	-
CA Department of Tax and Fee Administration	<u>1,843</u>	<u>1,734</u>
Total	<u>\$ 7,724,089</u>	<u>2,424,570</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(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, 2025, 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	\$ 7,609	(167,007)	(159,398)
Improvement Districts	<u>167,007</u>	<u>(7,609)</u>	<u>159,398</u>
	<u>\$ 174,616</u>	<u>(174,616)</u>	<u>-</u>

As of December 31, 2024, 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	\$ 17,957	(147,602)	(129,645)
Improvement Districts	<u>147,602</u>	<u>(17,957)</u>	<u>129,645</u>
	<u>\$ 165,559</u>	<u>(165,559)</u>	<u>-</u>

(5) Annexation Fees Receivable

Changes in annexation fees receivable for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>
Annexation fee receivable:				
Trinitas	\$ 8,663,895	-	(974,310)	7,689,585
Paddock	27,315	-	(2,173)	25,142
Hoekstra	<u>713,719</u>	<u>-</u>	<u>(50,291)</u>	<u>663,428</u>
Total annexation fee receivable	9,404,929	<u>-</u>	<u>(1,026,774)</u>	8,378,155
Less: current portion	<u>(1,026,773)</u>			<u>(1,057,576)</u>
Total non-current portion	<u>\$ 8,378,156</u>			<u>7,320,579</u>

Changes in annexation fees receivable for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>
Annexation fee receivable:				
Trinitas	\$ 9,609,827	-	(945,932)	8,663,895
Paddock	29,424	-	(2,109)	27,315
Hoekstra	<u>762,545</u>	<u>-</u>	<u>(48,826)</u>	<u>713,719</u>
Total annexation fee receivable	10,401,796	<u>-</u>	<u>(996,867)</u>	9,404,929
Less: current portion	<u>(996,866)</u>			<u>(1,026,773)</u>
Total non-current portion	<u>\$ 9,404,930</u>			<u>8,378,156</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(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 in 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, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,096,595	137,632	1,234,227
2030	1,129,493	104,734	1,234,227
2031-2032	<u>2,361,656</u>	<u>106,800</u>	<u>2,468,456</u>
Total	7,689,585	<u>950,007</u>	<u>8,639,592</u>
Current	<u>(1,003,540)</u>		
Non-current	<u>\$ 6,686,045</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, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,238	819	3,057
2027	2,305	754	3,059
2028	2,374	687	3,061
2029	2,445	618	3,063
2030	2,519	547	3,066
2031-2035	<u>13,261</u>	<u>1,588</u>	<u>14,849</u>
Total	25,142	<u>5,013</u>	<u>30,155</u>
Current	<u>(2,238)</u>		
Non-current	<u>\$ 22,904</u>		

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(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 in 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, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 51,798	19,903	71,701
2027	53,353	18,349	71,702
2028	54,953	16,748	71,701
2029	56,602	15,100	71,702
2030	58,300	13,402	71,702
2031-2035	318,808	39,700	358,508
2036	69,614	2,088	71,702
Total	663,428	<u>125,290</u>	<u>788,718</u>
Current	<u>(51,798)</u>		
Non-current	\$ <u>611,630</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, 2025, the District's participation in these jointly governed organizations consists of the following balance:

	<u>2024</u>	<u>Additions</u>	<u>Distributions</u>	<u>2025</u>
Tri-Dam Project	\$ 51,953,315	15,037,439	(17,846,400)	49,144,354
Tri-Dam Power Authority	15,140,684	2,849,104	(3,090,000)	14,899,788
	<u>\$ 67,093,999</u>	<u>17,886,543</u>	<u>(20,936,400)</u>	<u>64,044,142</u>

As of December 31, 2024, the District's participation in these jointly governed organizations consists of the following balance:

	<u>2023</u>	<u>Additions</u>	<u>Distributions</u>	<u>2024</u>
Tri-Dam Project	\$ 52,338,881	16,056,434	(16,442,000)	51,953,315
Tri-Dam Power Authority	16,899,954	2,985,730	(4,745,000)	15,140,684
	<u>\$ 69,238,835</u>	<u>19,042,164</u>	<u>(21,187,000)</u>	<u>67,093,999</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(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.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(7) Capital Assets

The change in capital assets for 2025 was as follows:

	<u>Balance 2024</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2025</u>
Non-depreciable assets:				
Land	\$ 2,950,027	-	-	2,950,027
Construction-in-process	20,274,379	22,862,024	(22,653,533)	20,482,870
Total non-depreciable assets	<u>23,224,406</u>	<u>22,862,024</u>	<u>(22,653,533)</u>	<u>23,432,897</u>
Depreciable assets:				
Buildings	1,180,739	17,644,662	-	18,825,401
Right-to-use asset	126,365	145	-	126,510
Dams and reservoirs	10,478,421	-	-	10,478,421
Distribution systems	152,904,321	4,206,681	(184,741)	156,926,261
Automotive and equipment	9,684,152	606,832	(256,171)	10,034,813
Office equipment	1,615,708	16,207	-	1,631,915
Domestic water systems	3,805,670	40,395	(21,914)	3,824,151
Total depreciable assets	<u>179,795,376</u>	<u>22,514,922</u>	<u>(462,826)</u>	<u>201,847,472</u>
Accumulated depreciation:				
Buildings	(745,522)	(20,862)	-	(766,384)
Right-to-use asset	(100,039)	(21,200)	-	(121,239)
Dams and reservoirs	(3,291,654)	(207,186)	-	(3,498,840)
Distribution systems	(47,114,406)	(2,754,174)	113,451	(49,755,129)
Automotive and equipment	(7,644,307)	(579,268)	252,864	(7,970,711)
Office equipment	(923,952)	(86,954)	-	(1,010,906)
Domestic water systems	(2,462,040)	(76,704)	-	(2,538,744)
Total accumulated depreciation	<u>(62,281,920)</u>	<u>(3,746,348)</u>	<u>366,315</u>	<u>(65,661,953)</u>
Total depreciable assets, net	<u>117,513,456</u>	<u>18,768,574</u>	<u>(96,511)</u>	<u>136,185,519</u>
Total capital assets, net	<u>\$ 140,737,862</u>	<u>41,630,598</u>	<u>(22,750,044)</u>	<u>159,618,416</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(7) Capital Assets, continued

The change in capital assets for 2024 was as follows:

	<u>Balance 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Land	\$ 2,950,027	-	-	2,950,027
Construction-in-process	12,963,934	21,064,517	(13,754,072)	20,274,379
Total non-depreciable assets	<u>15,913,961</u>	<u>21,064,517</u>	<u>(13,754,072)</u>	<u>23,224,406</u>
Depreciable assets:				
Buildings	1,175,539	5,200	-	1,180,739
Right-to-use asset	112,130	14,235	-	126,365
Dams and reservoirs	10,475,766	2,655	-	10,478,421
Distribution systems	139,277,444	13,634,503	(7,626)	152,904,321
Automotive and equipment	9,209,184	549,357	(74,389)	9,684,152
Office equipment	1,390,651	245,329	(20,272)	1,615,708
Domestic water systems	3,739,207	66,463	-	3,805,670
Total depreciable assets	<u>165,379,921</u>	<u>14,517,742</u>	<u>(102,287)</u>	<u>179,795,376</u>
Accumulated depreciation:				
Buildings	(723,297)	(22,225)	-	(745,522)
Right-to-use asset	(84,098)	(15,941)	-	(100,039)
Dams and reservoirs	(3,084,503)	(207,151)	-	(3,291,654)
Distribution systems	(44,461,415)	(2,652,991)	-	(47,114,406)
Automotive and equipment	(7,046,558)	(599,521)	1,772	(7,644,307)
Office equipment	(850,248)	(93,977)	20,273	(923,952)
Domestic water systems	(2,386,672)	(75,368)	-	(2,462,040)
Total accumulated depreciation	<u>(58,636,791)</u>	<u>(3,667,174)</u>	<u>22,045</u>	<u>(62,281,920)</u>
Total depreciable assets, net	<u>106,743,130</u>	<u>10,850,568</u>	<u>(80,242)</u>	<u>117,513,456</u>
Total capital assets, net	<u>\$ 122,657,091</u>	<u>31,915,085</u>	<u>(13,834,314)</u>	<u>140,737,862</u>

(8) Compensated Absences

The District recognizes liability for compensated absences in accordance with GASB Statement No. 101, "Compensated Absences". Compensated absences include unpaid vacation leave, and sick leave which is accrued as earned, which are expected to be settled through paid time off or cash payments upon termination or retirement.

As of December 31, 2025 and 2024, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year-end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not be used or paid out.

Compensated absences as of December 31 are classified in the accompanying financial statements as follows:

	<u>2025</u>	<u>2024</u>
Current	\$ 928,332	832,978
Non-current	456,899	492,334
Total	<u>\$ 1,385,231</u>	<u>1,325,312</u>

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(8) Compensated Absences, continued

The total liability for compensated absences amounted to \$1,385,231 and \$1,325,312, respectively.

The net change in the compensated absences liability for the years ended December 31, 2025 and 2024 was \$59,919 and \$168,474, respectively, reflecting net increases due to changes in employee leave balances, pay rates, and usage patterns. The liability is reported in government-wide financial statements and business type fund financial statements.

(9) Long-term Debt

The change in long-term debt for 2025 was as follows:

	<u>Balance 2024</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Certificate-of-participation:						
Revenue Refunding Bond Series 2016A	\$ 19,285,000	-	(990,000)	18,295,000	1,040,000	17,255,000
Add: Unamortized premium	<u>2,287,211</u>	-	<u>(163,372)</u>	<u>2,123,839</u>	-	<u>2,123,839</u>
Total certificate-of-participation	<u>21,572,211</u>	-	<u>(1,153,372)</u>	<u>20,418,839</u>	<u>1,040,000</u>	<u>19,378,839</u>
Lease obligation:						
Lease obligation - office space	35,171	-	(28,037)	7,134	7,134	-
Total lease obligation	<u>35,171</u>	-	<u>(28,037)</u>	<u>7,134</u>	<u>7,134</u>	-
Total long-term debt	21,607,382	-	<u>(1,181,409)</u>	20,425,973	<u>1,047,134</u>	<u>19,378,839</u>
Current portion	<u>(1,017,974)</u>			<u>(1,047,134)</u>		
Non-current portion	<u>\$ 20,589,408</u>			<u>19,378,839</u>		

The change in long-term debt for 2024 was as follows:

	<u>Balance 2023</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Certificate-of-participation:						
Revenue Refunding Bond Series 2016A	\$ 20,225,000	-	(940,000)	19,285,000	990,000	18,295,000
Add: Unamortized premium	<u>2,450,583</u>	-	<u>(163,372)</u>	<u>2,287,211</u>	-	<u>2,287,211</u>
Total certificate-of-participation	<u>22,675,583</u>	-	<u>(1,103,372)</u>	<u>21,572,211</u>	<u>990,000</u>	<u>20,582,211</u>
Lease obligation:						
Lease obligation - office space	35,084	35,609	(35,522)	35,171	27,974	7,197
Total lease obligation	<u>35,084</u>	<u>35,609</u>	<u>(35,522)</u>	<u>35,171</u>	<u>27,974</u>	<u>7,197</u>
Total long-term debt	22,710,667	<u>35,609</u>	<u>(1,138,894)</u>	<u>21,607,382</u>	<u>1,017,974</u>	<u>20,589,408</u>
Current portion	<u>(967,929)</u>			<u>(1,017,974)</u>		
Non-current portion	<u>\$ 21,742,738</u>			<u>20,589,408</u>		

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.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(9) Long-term Debt, continued

Revenue Refunding Bond Series 2016A, continued

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 transaction resulted in a deferred loss on defeasance of debt of \$3,267,445 calculated as the difference between the reacquisition price and the net carrying amount of the defeased debt. The deferred loss is being amortized over the remaining life of the defeased debt using a straight-line method. Amortization expense for the year ended December 31, 2025, and 2024, were \$163,372 for both years and are included as part of interest expense in the statements of revenues, expenses, and changes in net position. As of December 31, 2025, and 2024, the remaining unamortized deferred loss on defeasance totaled \$2,129,209, and \$2,292,994, respectively, and are reported as part of deferred outflows of resources in the statements of net position.

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>
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	1,205,000	646,300	1,851,300
2030	1,260,000	586,050	1,846,050
2031-2035	7,320,000	1,918,500	9,238,500
2036-2038	<u>5,235,000</u>	<u>317,100</u>	<u>5,552,100</u>
Total	18,295,000	<u>5,739,600</u>	<u>24,034,600</u>
Premium	2,123,839		
Current	<u>(1,040,000)</u>		
Non-current	<u>\$ 19,378,839</u>		

Lease obligation

In December 2018, the District entered into an agreement with Store Master Funding VII, LLC (Store Master) 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.

In December 2021, the District entered into a second amendment to its original lease agreement with Store Master. Terms of the agreement calls for an extension of the initial term for 2 years through March 31, 2024, with an option to renew the lease for three years through March 31, 2027.

As of June 30, 2025 and 2024, rental payments amounted to \$7,891 and \$31,692, 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, 2025 and 2024

(9) Long-term Debt, continued

Lease obligation, continued

Principal and interest requirements to maturity are as follows:

Year	Principal	Interest	Total
2027	\$ 7,134	757	7,891
Total	7,134	757	7,891
Current	-		
Non-current	\$ 7,134		

(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.

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.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(10) Defined Benefit Pension Plan, continued

Benefits Provided, continued

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 2025 and 2024, 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	2025: 7.00%	2024: 6.75%
	2024: 7.00%	2024: 6.75%
Required employer contribution rates	2025: 10.19%	2024: 7.96%
	2024: 10.15%	2024: 7.87%

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, 2025 and 2024, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>2025</u>	<u>2024</u>
Contributions – employer	\$ 977,790	853,267

Net Pension Liability

As of December 31, 2025 and 2024, the District reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>2025</u>	<u>2024</u>
Proportionate share of net pension liability	\$ 6,142,641	7,117,108

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, 2025 and 2024, the net pension liability of the Plan is measured as of June 30, 2025 and 2024 (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, 2024 and 2023 (valuation dates), rolled forward to June 30, 2025 and 2024, respectively, using standard update procedures.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(10) Defined Benefit Pension Plan, continued

Net Pension Liability, continued

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, 2025 and 2024, was as follows:

	Proportionate Share
Proportion – June 30, 2023	0.05691 %
Increase in proportion	0.00178
Proportion – June 30, 2024	0.05869
Increase in proportion	0.00136
Proportion – June 30, 2025	0.06005 %

Deferred Outflows(Inflows) of Resources Related to Pensions

As of December 31, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 977,790	-	853,267	-
Differences between actual and expected experience	736,036	-	591,329	-
Changes in assumptions	-	-	182,924	-
Net difference between projected and actual earnings on plan investments	-	(831,167)	409,723	-
Adjustment due to changes in proportions and difference in employer contributions	237,173	-	291,199	-
Total	\$ 1,950,999	(831,167)	2,328,442	-

As of December 31, 2025 and 2024, the District reported \$977,790 and \$853,267, respectively, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement date for the year ended December 31, 2025, will be recognized as a reduction of the net pension liability for the year ended December 31, 2026. Pension contributions subsequent to the measurement date for the year ended December 31, 2024, was recognized as a reduction of the net pension liability for the year ended December 31, 2025.

For the years ended December 31, 2025 and 2024, the District recognized pension expense of \$1,211,932 and \$1,442,876, respectively.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(10) Defined Benefit Pension Plan, continued

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

As of December 31, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending December 31,</u>	<u>Deferred Net Outflows(Inflows) of Resources</u>
2026	\$ 890,737
2027	(99,177)
2028	(332,227)
2029	(317,291)

Actuarial Assumptions

The total pension liabilities in the June 30, 2024 and 2023, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2024 and 2023
Measurement dates	June 30, 2025 and 2024
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.

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.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(10) Defined Benefit Pension Plan, continued

Discount Rate, continued

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

<u>Asset Class</u>	<u>Assumed Asset Allocation¹</u>	<u>Real Return²</u>
Public Equity	37.00%	4.56%
Private Equity	17.00%	5.56%
Fixed Income	28.00%	2.53%
Real Assets	15.00%	3.03%
Private Debt	8.00%	4.93%
Strategic Leverage	-5.00%	1.40%

¹ Figures are based on the 2024 Mid-Cycle Liability Management Study.

² An expected inflation of 2.30% is used for this period.

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 a discount rate of 6.90%, 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 (5.90%) or one-percentage point higher (7.90%) than the current rate.

As of December 31, 2025, 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:

	<u>Discount Rate - 1% 5.90%</u>	<u>Current Discount Rate 6.90%</u>	<u>Discount Rate + 1% 7.90%</u>
District's net pension liability	\$ 10,763,199	6,142,641	2,339,970

As of December 31, 2024, 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:

	<u>Discount Rate - 1% 5.90%</u>	<u>Current Discount Rate 6.90%</u>	<u>Discount Rate + 1% 7.90%</u>
District's net pension liability	\$ 11,487,120	7,117,108	3,519,946

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 44 through 46 for the Required Supplementary Information.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(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, 2025 and 2024, the assets of the deferred compensation savings plan totaled \$4,980,389 and \$4,259,744, respectively.

(12) Prior Period Adjustment

In 2025, the District implemented *GASB Statement No. 101, Compensated Absences*. The nature, justification, and an explanation of the change are included in note 1.C. As a result of the implementation, the District recorded a prior period adjustment of \$206,451, and \$30,161, to restate beginning balances as of January 1, 2024, and 2025, respectively.

The adjustment to net position is as follows:

Net position at January 1, 2023, as previously stated		\$ 230,861,235
Changes in net position, December 31, 2023, as previously stated	\$ 19,905,856	
Effect of adjustment to implement GASB 101		
Compensated absences	(206,451)	
Changes in net position, December 31, 2023, as restated		19,699,405
Net position at January 1, 2024, as restated		250,560,640
Changes in net position, December 31, 2024, as previously stated	15,658,192	
Effect of adjustment to implement GASB 101		
Compensated absences	(30,161)	
Changes in net position, December 31, 2024, as restated		15,628,031
Net position at January 1, 2025, as restated		\$ 266,188,671

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(13) Net Position

The balance at December 31, consists of the following:

	2025	2024
Net investment in capital assets:		
Capital assets, net	\$ 159,618,416	140,737,862
Certificate-of-participation, current	(1,040,000)	(990,000)
Certificate-of-participation, non-current	(17,255,000)	(18,295,000)
Unamortized premium	(2,123,839)	(2,287,211)
Lease obligation, current	(7,134)	(27,974)
Lease obligation, non-current	-	(7,197)
Deferred loss on defeasance of debt	2,129,209	2,292,994
Total investment in capital assets	141,321,652	121,423,474
Restricted net position:		
Improvement Districts	1,322,369	1,332,188
Total restricted net position	1,322,369	1,332,188
Unrestricted net position:		
Non-spendable net position:		
Inventory of materials and supplies	946,508	1,001,328
Investment in joint-powers authority	64,044,142	67,093,999
Prepaid expenses	1,193,315	1,159,457
Total non-spendable net position	66,183,965	69,254,784
Spendable net position - designated:		
Joint canyon Tunnel	21,312,205	13,925,844
Capital replacement / Improvement	3,282,811	5,936,297
Debt service	13,000,000	13,000,000
Operating facilities project	-	4,431,444
Municipal conservation project	5,807	5,807
Rate-stabilization	2,507,938	2,507,938
Rural water replacement / Improvement	803,074	1,144,515
Vehicle and equipment replacement	1,408,526	1,267,321
Building and facilities	1,025,000	1,025,000
Employee compensated absences	1,385,231	1,325,312
Total spendable net position	44,730,592	44,569,478
Spendable net position - undesignated	33,938,407	29,608,747
Total unrestricted net position	144,852,964	143,433,009
Total net position	\$ 287,496,985	266,188,671

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(14) 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, 2025, 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 years and there were no reductions in the District's insurance coverage during the years ended December 31, 2025 and 2024. 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, 2025 and 2024.

Oakdale Irrigation District
Notes to the Basic Financial Statements, continued
For the Years Ended December 31, 2025 and 2024

(15) 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. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 105

In December 2025, the GASB issued Statement No. 105 – *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, 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, 2025 and 2024

(16) 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.

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, 2025, the District remaining commitments were as follows:

Project	Contract Amount	Remaining Commitment
Greger Facility Project	\$ 15,552,451	307,656
Paulsell Lateral Expansion Project	10,147,023	4,580,554
Thorton Deep Well	295,660	201,647
Total	\$ 25,995,133	5,089,857

(17) Subsequent Events

Events occurring after December 31, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of June 22, 2026, 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, 2025
Last Ten Years

Description	Measurement Dates									
	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
District's proportion of the net pension liability	0.06005%	0.05869%	0.05691%	0.05497%	0.04291%	0.04678%	0.04417%	0.04137%	0.04127%	0.03893%
District's proportionate share of the net pension liability	\$ 6,142,641	7,117,108	7,099,156	6,348,945	2,320,868	5,090,115	4,526,215	3,986,214	4,092,925	3,368,866
District's covered payroll	\$ 7,731,375	7,603,579	6,849,665	6,559,946	6,016,880	5,751,764	5,627,907	5,155,206	4,546,326	4,369,901
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	79.45%	93.60%	103.64%	96.78%	38.57%	88.50%	80.42%	77.32%	90.03%	77.09%
Plan's fiduciary net position as a percentage of total pension liability	82.43%	78.08%	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%

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 years 2023 to 2025, 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, 2025
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.

Oakdale Irrigation District
Schedules of Pension Plan Contributions
As of December 31, 2025
Last Ten Years

<u>Description</u>	<u>Years Ended</u>									
	<u>12/31/2025</u>	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
Actuarially determined contribution	\$ 1,219,325	1,051,811	953,326	807,851	730,294	610,984	385,465	598,115	526,811	488,805
Contributions in relation to the actuarially determined contribution	(1,219,325)	(1,051,811)	(953,326)	(807,851)	(730,294)	(610,984)	(385,465)	(358,036)	(379,349)	(345,487)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	240,079	147,462	143,318
District's covered payroll	\$ 8,059,987	7,564,137	7,107,558	6,805,668	6,167,462	5,996,721	5,384,061	4,500,035	4,546,326	4,369,901
Contribution's as a percentage of covered-employee payroll	15.13%	13.91%	13.41%	11.87%	11.84%	10.19%	7.16%	13.29%	11.59%	11.19%

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Supplementary Information

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Oakdale Irrigation District
Combining Schedule of Net Position
December 31, 2025

	<u>Oakdale Irrigation District</u>	<u>Improvement Districts</u>	<u>Elimination</u>	<u>2025</u>
Current assets:				
Cash and cash equivalents	\$ 28,588,225	-	-	28,588,225
Restricted – cash and cash equivalents	-	1,351,697	-	1,351,697
Investments	27,716,480	-	-	27,716,480
Accrued interest receivable	553,990	12,289	-	566,279
Accounts receivable – water sales and services	141,137	9,490	-	150,627
Accounts receivable – other	6,646	-	-	6,646
Property tax receivable	2,273,450	-	-	2,273,450
Assessment receivable – ID No. 52	656	-	-	656
Due from related organizations (note 4)	7,609	167,007	(174,616)	-
Due from other government agencies	7,724,089	-	-	7,724,089
Prepaid expenses and other deposits	1,193,315	-	-	1,193,315
Materials and supplies inventory	946,508	-	-	946,508
Long-term assets – due in one year:				
Annexation fees receivable	1,057,576	-	-	1,057,576
Total current assets	<u>70,209,681</u>	<u>1,540,483</u>	<u>(174,616)</u>	<u>71,575,548</u>
Non-current assets:				
Investments	18,894,828	-	-	18,894,828
Investment in joint-powers authorities	64,044,142	-	-	64,044,142
Capital assets – not being depreciated	23,432,897	-	-	23,432,897
Capital assets – being depreciated, net	135,835,389	350,130	-	136,185,519
Long-term assets – due after one year:				
Annexation fees receivable	7,320,579	-	-	7,320,579
Total non-current assets	<u>249,527,835</u>	<u>350,130</u>	<u>-</u>	<u>249,877,965</u>
Total assets	<u>319,737,516</u>	<u>1,890,613</u>	<u>(174,616)</u>	<u>321,453,513</u>
Deferred outflows of resources:				
Deferred pension outflows	1,950,999	-	-	1,950,999
Deferred loss on defeasance of debt	2,129,209	-	-	2,129,209
Total deferred outflows of resources	<u>\$ 4,080,208</u>	<u>-</u>	<u>-</u>	<u>4,080,208</u>

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Oakdale Irrigation District
Combining Schedule of Net Position, continued
December 31, 2025

	<u>Oakdale Irrigation District</u>	<u>Improvement Districts</u>	<u>Elimination</u>	<u>2025</u>
Current liabilities:				
Accounts payable and accrued expenses	\$ 4,020,928	14,183	-	4,035,111
Due to related organizations (note 4)	167,007	7,609	(174,616)	-
Due to South San Joaquin Irrigation District	1,752,660	-	-	1,752,660
Other payables	25,000	-	-	25,000
Accrued payroll and employee benefits	519,210	-	-	519,210
Accrued interest payable	331,643	-	-	331,643
Deposits for work-orders	893,685	-	-	893,685
Unearned revenue	1,498,093	196,322	-	1,694,415
Long-term liabilities – due in one year:				
Compensated absences	928,332	-	-	928,332
Certificate-of-participation	1,040,000	-	-	1,040,000
Lease obligation	7,134	-	-	7,134
Total current liabilities	<u>11,183,692</u>	<u>218,114</u>	<u>(174,616)</u>	<u>11,227,190</u>
Non-current liabilities:				
Long-term liabilities – due in more than one year:				
Compensated absences	456,899	-	-	456,899
Certificate-of-participation	19,378,839	-	-	19,378,839
Net pension liability	6,142,641	-	-	6,142,641
Total non-current liabilities	<u>25,978,379</u>	<u>-</u>	<u>-</u>	<u>25,978,379</u>
Total liabilities	<u>37,162,071</u>	<u>218,114</u>	<u>(174,616)</u>	<u>37,205,569</u>
Deferred inflows of resources:				
Deferred pension inflows	831,167	-	-	831,167
Total deferred inflows of resources	<u>831,167</u>	<u>-</u>	<u>-</u>	<u>831,167</u>
Net position:				
Net investment in capital assets	140,971,522	350,130	-	141,321,652
Restricted	-	1,322,369	-	1,322,369
Unrestricted	144,852,964	-	-	144,852,964
Total net position	<u>\$ 285,824,486</u>	<u>1,672,499</u>	<u>-</u>	<u>287,496,985</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, 2025

	Oakdale Irrigation District	Improvement Districts	Elimination	2025
Operating revenues:				
Agriculture water fees and sales	\$ 4,097,289	-	-	4,097,289
Domestic water sales	215,964	-	-	215,964
Out of District water sales	2,630,761	-	-	2,630,761
Other water service charges	142,864	325,328	-	468,192
Total operating revenues	7,086,878	325,328	-	7,412,206
Operating expenses:				
Operation and maintenance	8,591,629	315,347	-	8,906,976
General and administrative	2,656,159	59,903	-	2,716,062
Water operations	5,341,690	-	-	5,341,690
Total operating expenses	16,589,478	375,250	-	16,964,728
Operating loss before depreciation expense	(9,502,600)	(49,922)	-	(9,552,522)
Depreciation expense	(3,726,969)	(19,379)	-	(3,746,348)
Operating loss	(13,229,569)	(69,301)	-	(13,298,870)
Non-operating revenues(expenses), net:				
Property taxes	4,140,836	-	-	4,140,836
Assessment revenue – ID No. 52	53,708	-	-	53,708
Investment earnings	3,466,839	55,929	-	3,522,768
Change in investment in Tri-Dam Project	15,037,438	-	-	15,037,438
Change in investment in Tri-Dam Authority	2,849,105	-	-	2,849,105
Gain from sale of capital assets	(1,563)	(6,161)	-	(7,724)
Interest expense – long-term debt	(838,010)	-	-	(838,010)
Total non-operating revenues, net	24,708,353	49,768	-	24,758,121
Net income (loss) before capital contributions	11,478,784	(19,533)	-	11,459,251
Capital contributions:				
Contributed capital	9,849,063	-	-	9,849,063
Total capital contributions	9,849,063	-	-	9,849,063
Changes in net position	21,327,847	(19,533)	-	21,308,314
Net position, beginning of year, as restated	264,496,639	1,692,032	-	266,188,671
Net position, end of year	\$ 285,824,486	1,672,499	-	287,496,985

**Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District
December 31, 2025**

	<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	\$ 4,477	7,461	11,406	2,960	10,476
Accrued interest receivable	-	-	-	-	-
Accounts receivable – water sales and services	-	-	-	-	165
Due from related organizations	350	266	701	526	1,081
Total current assets	<u>4,827</u>	<u>7,727</u>	<u>12,107</u>	<u>3,486</u>	<u>11,722</u>
Non-current assets:					
Capital assets – being depreciated, net	-	-	3,920	-	-
Total non-current assets	<u>-</u>	<u>-</u>	<u>3,920</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,827</u>	<u>7,727</u>	<u>16,027</u>	<u>3,486</u>	<u>11,722</u>
Current liabilities:					
Accounts payable	-	-	-	-	43
Due to related organizations	-	-	-	-	-
Unearned revenue	349	356	879	526	1,533
Total current liabilities	<u>349</u>	<u>356</u>	<u>879</u>	<u>526</u>	<u>1,576</u>
Total liabilities	<u>349</u>	<u>356</u>	<u>879</u>	<u>526</u>	<u>1,576</u>
Net position:					
Net investment in capital assets	-	-	3,920	-	-
Restricted	4,478	7,371	11,228	2,960	10,146
Total net position	<u>\$ 4,478</u>	<u>7,371</u>	<u>15,148</u>	<u>2,960</u>	<u>10,146</u>

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**Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District, continued
December 31, 2025**

	<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	\$ 3,789	4,178	34,804	3,918	2,981
Accrued interest receivable	-	-	365	-	-
Accounts receivable – water sales and services	-	-	1,292	-	33
Due from related organizations	317	338	11,805	59	1,813
Total current assets	<u>4,106</u>	<u>4,516</u>	<u>48,266</u>	<u>3,977</u>	<u>4,827</u>
Non-current assets:					
Capital assets – being depreciated, net	462	-	39,196	-	-
Total non-current assets	<u>462</u>	<u>-</u>	<u>39,196</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,568</u>	<u>4,516</u>	<u>87,462</u>	<u>3,977</u>	<u>4,827</u>
Current liabilities:					
Accounts payable	-	-	1,159	-	66
Due to related organizations	-	-	1,363	-	-
Unearned revenue	317	592	13,479	59	2,074
Total current liabilities	<u>317</u>	<u>592</u>	<u>16,001</u>	<u>59</u>	<u>2,140</u>
Total liabilities	<u>317</u>	<u>592</u>	<u>16,001</u>	<u>59</u>	<u>2,140</u>
Net position:					
Net investment in capital assets	462	-	39,196	-	-
Restricted	3,789	3,924	32,265	3,918	2,687
Total net position	<u>\$ 4,251</u>	<u>3,924</u>	<u>71,461</u>	<u>3,918</u>	<u>2,687</u>

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Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District, continued
December 31, 2025

	<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	\$ 8,356	4,872	2,430	71,291	321,697
Accrued interest receivable	-	-	-	721	2,819
Accounts receivable – water sales and services	3	-	37	1,500	936
Due from related organizations	189	379	309	29,975	28,434
Total current assets	<u>8,548</u>	<u>5,251</u>	<u>2,776</u>	<u>103,487</u>	<u>353,886</u>
Non-current assets:					
Capital assets – being depreciated, net	-	-	-	62,938	92,232
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,938</u>	<u>92,232</u>
Total assets	<u>8,548</u>	<u>5,251</u>	<u>2,776</u>	<u>166,425</u>	<u>446,118</u>
Current liabilities:					
Accounts payable	-	-	-	1,633	2,536
Due to related organizations	-	-	-	331	1,727
Unearned revenue	422	379	343	36,523	35,314
Total current liabilities	<u>422</u>	<u>379</u>	<u>343</u>	<u>38,487</u>	<u>39,577</u>
Total liabilities	<u>422</u>	<u>379</u>	<u>343</u>	<u>38,487</u>	<u>39,577</u>
Net position:					
Net investment in capital assets	-	-	-	62,938	92,232
Restricted	8,126	4,872	2,433	65,000	314,309
Total net position	<u>\$ 8,126</u>	<u>4,872</u>	<u>2,433</u>	<u>127,938</u>	<u>406,541</u>

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Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District, continued
December 31, 2025

	<u>ID No. 46</u>	<u>ID No. 48</u>	<u>ID No. 51</u>	<u>2025</u>
Current assets:				
Restricted – cash and cash equivalents	\$ 406,898	1,143	448,560	1,351,697
Accrued interest receivable	4,160	-	4,224	12,289
Accounts receivable – water sales and services	2,056	1,050	2,418	9,490
Due from related organizations	44,515	517	45,433	167,007
Total current assets	<u>457,629</u>	<u>2,710</u>	<u>500,635</u>	<u>1,540,483</u>
Non-current assets:				
Capital assets – being depreciated, net	41,295	26,682	83,405	350,130
Total non-current assets	<u>41,295</u>	<u>26,682</u>	<u>83,405</u>	<u>350,130</u>
Total assets	<u>498,924</u>	<u>29,392</u>	<u>584,040</u>	<u>1,890,613</u>
Current liabilities:				
Accounts payable	5,433	-	3,313	14,183
Due to related organizations	2,424	-	1,764	7,609
Unearned revenue	50,795	727	51,655	196,322
Total current liabilities	<u>58,652</u>	<u>727</u>	<u>56,732</u>	<u>218,114</u>
Total liabilities	<u>58,652</u>	<u>727</u>	<u>56,732</u>	<u>218,114</u>
Net position:				
Net investment in capital assets	41,295	26,682	83,405	350,130
Restricted	398,977	1,983	443,903	1,322,369
Total net position	<u>\$ 440,272</u>	<u>28,665</u>	<u>527,308</u>	<u>1,672,499</u>

Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position –
Improvement District
Year Ended December 31, 2025

	<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	2,838
Total operating revenues	<u>701</u>	<u>622</u>	<u>1,163</u>	<u>554</u>	<u>2,838</u>
Operating expenses:					
Operation and maintenance	28	42	39	36	330
General and administrative	282	282	282	282	2,384
Total operating expenses	<u>310</u>	<u>324</u>	<u>321</u>	<u>318</u>	<u>2,714</u>
Operating gain(loss) before depreciation expense	391	298	842	236	124
Depreciation expense	<u>-</u>	<u>-</u>	<u>(135)</u>	<u>-</u>	<u>-</u>
Operating gain(loss)	<u>391</u>	<u>298</u>	<u>707</u>	<u>236</u>	<u>124</u>
Non-operating revenues:					
Investment earnings	48	80	121	34	127
Loss from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues	<u>48</u>	<u>80</u>	<u>121</u>	<u>34</u>	<u>127</u>
Changes in net position	439	378	828	270	251
Net position, beginning of the year	<u>4,039</u>	<u>6,993</u>	<u>14,320</u>	<u>2,690</u>	<u>9,895</u>
Net position, end of year	<u>\$ 4,478</u>	<u>7,371</u>	<u>15,148</u>	<u>2,960</u>	<u>10,146</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, 2025

	<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	31	35	17,702	29	398
General and administrative	282	281	8,933	281	2,358
Total operating expenses	<u>313</u>	<u>316</u>	<u>26,635</u>	<u>310</u>	<u>2,756</u>
Operating gain(loss) before depreciation expense	326	333	(5,461)	449	324
Depreciation expense	(21)	-	(2,865)	-	-
Operating gain(loss)	<u>305</u>	<u>333</u>	<u>(8,326)</u>	<u>449</u>	<u>324</u>
Non-operating revenues:					
Investment earnings	42	44	1,665	41	48
Loss from sale of capital assets	-	-	-	-	-
Total non-operating revenues	<u>42</u>	<u>44</u>	<u>1,665</u>	<u>41</u>	<u>48</u>
Changes in net position	347	377	(6,661)	490	372
Net position, beginning of the year	<u>3,904</u>	<u>3,547</u>	<u>78,122</u>	<u>3,428</u>	<u>2,315</u>
Net position, end of year	<u>\$ 4,251</u>	<u>3,924</u>	<u>71,461</u>	<u>3,918</u>	<u>2,687</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, 2025

	<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	67	34	44	56,095	35,609
General and administrative	342	281	282	7,693	10,102
Total operating expenses	<u>409</u>	<u>315</u>	<u>326</u>	<u>63,788</u>	<u>45,711</u>
Operating gain(loss) before depreciation expense	247	337	263	(3,788)	18,164
Depreciation expense	-	-	-	(2,646)	(5,583)
Operating gain(loss)	<u>247</u>	<u>337</u>	<u>263</u>	<u>(6,434)</u>	<u>12,581</u>
Non-operating revenues:					
Investment earnings	89	54	27	3,260	12,766
Loss from sale of capital assets	-	-	-	(6,161)	-
Total non-operating revenues	<u>89</u>	<u>54</u>	<u>27</u>	<u>(2,901)</u>	<u>12,766</u>
Changes in net position	336	391	290	(9,335)	25,347
Net position, beginning of the year	<u>7,790</u>	<u>4,481</u>	<u>2,143</u>	<u>137,273</u>	<u>381,194</u>
Net position, end of year	<u>\$ 8,126</u>	<u>4,872</u>	<u>2,433</u>	<u>127,938</u>	<u>406,541</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, 2025

	<u>ID No. 46</u>	<u>ID No. 48</u>	<u>ID No. 51</u>	<u>2025</u>
Operating revenues:				
Maintenance and operation charges	\$ 84,196	1,197	81,984	325,328
Total operating revenues	<u>84,196</u>	<u>1,197</u>	<u>81,984</u>	<u>325,328</u>
Operating expenses:				
Operation and maintenance	129,003	611	75,214	315,347
General and administrative	12,978	282	12,296	59,903
Total operating expenses	<u>141,981</u>	<u>893</u>	<u>87,510</u>	<u>375,250</u>
Operating gain(loss) before depreciation expense	(57,785)	304	(5,526)	(49,922)
Depreciation expense	(2,995)	(1,559)	(3,575)	(19,379)
Operating gain(loss)	<u>(60,780)</u>	<u>(1,255)</u>	<u>(9,101)</u>	<u>(69,301)</u>
Non-operating revenues:				
Investment earnings	18,562	9	18,912	55,929
Loss from sale of capital assets	-	-	-	(6,161)
Total non-operating revenues	<u>18,562</u>	<u>9</u>	<u>18,912</u>	<u>49,768</u>
Changes in net position	(42,218)	(1,246)	9,811	(19,533)
Net position, beginning of the year	<u>482,490</u>	<u>29,911</u>	<u>517,497</u>	<u>1,692,032</u>
Net position, end of year	\$ <u><u>440,272</u></u>	<u><u>28,665</u></u>	<u><u>527,308</u></u>	<u><u>1,672,499</u></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.
2016	183,695	3,577	4,409	191,681	84.3%
2017	199,390	2,451	3,971	205,812	90.5%
2018	207,382	2,874	3,616	213,872	94.0%
2019	205,354	1,686	3,508	210,548	92.6%
2020	237,997	1,495	3,613	243,105	106.9%
2021	249,708	2,491	3,848	256,047	112.6%
2022	246,497	1,687	2,947	251,131	110.4%
2023	218,983	1,360	3,300	223,643	98.3%
2024	223,367	1,309	3,020	227,696	100.1%
2025	247,666	1,323	2,389	251,378	110.5%

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

<u>Year</u>	<u>Total Water Production</u>	<u>Total Agricultural Water Delivered</u>	<u>Water Transfers</u>	<u>Total Deliveries</u>	<u>Percent of 10- year Ave.</u>
2016	191,681	157,751	50,500	208,251	113.6%
2017	205,812	160,461	-	160,461	87.5%
2018	213,872	162,780	31,310	194,090	105.9%
2019	210,548	158,446	500	158,946	86.7%
2020	243,105	181,049	650	181,699	99.1%
2021	256,047	190,255	501	190,756	104.1%
2022	251,131	198,564	6,910	205,474	112.1%
2023	223,643	167,035	675	167,710	91.5%
2024	227,696	178,804	-	178,804	97.5%
2025	251,378	186,906	-	186,906	102.0%

Oakdale Irrigation District
Ten Largest In-District Water Customers
Year Ended December 31, 2025

<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	7,245.80	36.67%	\$ 248,924	36.71%
Brichetto, John Et Al	5,582.10	28.25%	191,727	28.28%
V A Rodden Inc.	1,626.18	8.23%	55,664	8.21%
G3 Enterprises Inc.	971.65	4.92%	33,260	4.91%
Naraghi, Sharon	960.52	4.86%	32,879	4.85%
Postma Dairies, Pete	787.81	3.99%	26,967	3.98%
Bentley Ranch, LLC	786.71	3.98%	26,977	3.98%
Montpelier Farming Corporation	701.28	3.55%	24,005	3.54%
De Simas & Bairos Dairy	628.15	3.18%	21,502	3.17%
Van de Pol Trust Et Al	470.32	2.38%	16,099	2.37%
Total	<u>19,760.52</u>	<u>100.00%</u>	<u>\$ 678,003</u>	<u>100.00%</u>

Oakdale Irrigation District
Historic Operating Results and Debt Service Coverage Ratio
From December 31, 2020 through 2024

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating revenues:					
Agricultural water service fees	\$ 3,516,215	\$ 3,719,963	\$ 3,892,841	\$ 3,705,325	\$ 3,841,492
Domestic water delivery fees	222,316	221,572	231,001	214,522	221,233
Out of District water sales	793,967	617,517	1,596,285	1,360,744	1,630,698
Other water related revenues	461,581	436,754	517,319	568,871	591,326
Total operating revenues	<u>4,994,079</u>	<u>4,995,806</u>	<u>6,237,446</u>	<u>5,849,462</u>	<u>6,284,749</u>
Operating expenses					
Operation and maintenance	6,052,759	5,981,527	6,514,144	7,409,256	8,598,248
General and administrative	3,045,736	2,067,303	3,393,707	2,620,198	2,642,650
Water operations	3,801,327	3,832,486	3,941,946	4,216,758	4,978,596
Depreciation	3,256,749	3,445,820	3,485,591	3,537,714	3,667,174
Total operating expenses	<u>16,156,571</u>	<u>15,327,136</u>	<u>17,335,388</u>	<u>17,783,926</u>	<u>19,886,668</u>
Operating loss	<u>(11,162,492)</u>	<u>(10,331,330)</u>	<u>(11,097,942)</u>	<u>(11,934,464)</u>	<u>(13,601,919)</u>
Non-operating revenues (expenses)					
Property taxes	3,871,220	3,375,839	3,600,712	4,009,345	3,917,458
Assessment revenues - ID No. 52	53,384	207,614	81,159	98,472	62,753
Investment earnings	1,016,611	427,967	741,131	3,923,040	3,954,680
Rental revenue	14,000	15,000	12,000	12,000	7,000
Change in Investment- Tri-Dam Project	8,601,730	8,386,928	8,896,479	20,228,358	16,056,434
Change in Investment - Tri-Dam Authority	908,248	612,504	2,054,975	4,263,478	2,985,729
Gain on sale of capital assets	21,726	118,728	99,047	20,671	74,271
Interest expense- long term debt	(1,041,999)	(1,011,250)	(976,575)	(924,929)	(904,501)
Other nonoperating expense	(2,044)	(8)	(313)	-	(3,717)
Total non-operating revenues	<u>13,442,876</u>	<u>12,133,322</u>	<u>14,508,615</u>	<u>31,630,435</u>	<u>26,150,107</u>
Net income before contributions	2,280,384	1,801,992	3,410,673	19,695,971	12,548,188
Capital contributions	<u>1,000</u>	<u>18,500</u>	<u>-</u>	<u>3,434</u>	<u>3,079,843</u>
Change in net position	2,281,384	1,820,492	3,410,673	19,699,405	15,628,031
Add back: Depreciation	<u>3,256,749</u>	<u>3,445,820</u>	<u>3,485,591</u>	<u>3,537,714</u>	<u>3,667,174</u>
Change in net position - adjusted	\$ 5,538,133	5,266,312	6,896,264	23,237,119	19,295,205
Debt Service	<u>\$ 1,902,324</u>	<u>1,899,705</u>	<u>1,881,044</u>	<u>1,846,550</u>	<u>1,849,550</u>
Debt Service Coverage Ratio	<u>2.91</u>	<u>2.77</u>	<u>3.67</u>	<u>12.58</u>	<u>10.43</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, 2025, 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 22, 2026.

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 22, 2026