Oakdale Irrigation District

Annual Financial Report

December 31, 2022 and 2021

1205 East F Street, Oakdale, CA 95361 | www. oakdaleirrigation.com

Oakdale Irrigation District

Board of Directors as of December 31, 2022

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

Oakdale Irrigation District
Scot Moody, General Manager / Secretary
Sharon Cisneros, CPA, Chief Financial Officer / Treasurer

Oakdale Irrigation District
Annual Financial Report
For the Years Ended December 31, 2022 and 1899

Table of Contents

< Page Intentionally Left Blank >

Financial Section

< Page Intentionally Left Blank >

C.J. Brown & Company CPAs
An Accountancy Corporation

Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

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, 2022 and 2021, 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, 2022 and 2021, 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.

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

Restatement of Net Position

As discussed in Note 12 to the financial statements, the District has adopted the provisions of GASB Statement No. 87 – Leases. As a result, the 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 10 and the required supplementary information on pages 48 through 50 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 Watermaster's basic financial statements. The combining schedules on pages 51 through 61, 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 62 through 65 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2023, 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 66 and 67.

C.J. Brown & Company, CPAs

C.J. Brown & Company CPAs
Cypress, California
June 6, 2023

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, 2022 and 2021. 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 2022, the District's net position increased 1.50% or $3,410,673. In 2021, the District's net position increased 0.81% or $1,820,492.
- In 2022, the District's operating revenues increased 24.85% or $1,241,640. In 2021, the District's operating revenues increased 0.03% or $1,727.
- In 2022, the District's non-operating revenues increased 17.81% or $2,340,923. In 2021, the District's non-operating revenues decreased 9.27% or $1,342,339.
- In 2022, the District's total expenses increased 12.08% or $1,973,882. In 2021, the District's total expenses decreased 5.01% or $862,220.

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.

Financial Analysis of the District, continued

These two statements report the District's *net position* and changes in it. You can think of the District's net position – assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 16 through 47.

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 $230,861,235 and $227,450,562 as of December 31, 2022 and 2021, respectively.

Condensed Statements of Net Position

	2022	As Restated 2021	Change	As Restated 2020	Change
Assets:					
Current assets	$ 61,085,142	62,114,556	(1,029,414)	68,024,485	(5,909,929)
Non-current assets	85,483,155	84,881,663	601,492	79,246,644	5,635,019
Capital assets, net	115,139,487	111,933,752	3,205,735	110,653,075	1,280,677
Total assets	261,707,784	258,929,971	2,777,813	257,924,204	1,005,767
Deferred outflows of resources	4,992,718	3,545,213	1,447,505	3,747,540	(202,327)
Liabilities:					
Current liabilities	6,120,474	5,993,328	127,146	5,149,773	843,555
Non-current liabilities	29,718,793	27,005,298	2,713,495	30,855,596	(3,850,298)
Total liabilities	35,839,267	32,998,626	2,840,641	36,005,369	(3,006,743)
Deferred inflows of resources	-	2,025,996	(2,025,996)	36,305	1,989,691
Net position:					
Net investment in capital assets	93,756,212	89,537,477	4,218,735	87,283,692	2,253,785
Restricted	1,354,453	1,342,085	12,368	1,278,187	63,898
Unrestricted	135,750,570	136,571,000	(820,430)	137,068,191	(497,191)
Total net position	$ 230,861,235	227,450,562	3,410,673	225,630,070	1,820,492

Statements of Net Position, continued

A portion of the District's net position, 40.61% and 39.37% as of December 31, 2022 and 2021, 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, 2022 and 2021, the District showed a positive balance in its unrestricted net position of $135,750,570 and $136,571,000, respectively. See note 11 for further discussion.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the year. In the case of the District, net position increased 1.50% or $3,410,673 from $227,450,562 to $230,861,235, as a result of ongoing operations for the year ended December 31, 2022. In 2021, the District's net position increased 0.81% or $1,820,492 from $225,630,070 to $227,450,562, as a result of ongoing operations.

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

	2022	2021	Change	As Restated 2020	Change
Revenues:					
Operating revenues	$ 6,237,446	4,995,806	1,241,640	4,994,079	1,727
Non-operating revenues	15,485,503	13,144,580	2,340,923	14,486,919	(1,342,339)
Total revenues	21,722,949	18,140,386	3,582,563	19,480,998	(1,340,612)
Expenses:					
Operating expenses	13,849,797	11,881,316	1,968,481	12,899,822	(1,018,506)
Depreciation expense	3,485,591	3,445,820	39,771	3,256,749	189,071
Non-operating expenses	976,888	1,011,258	(34,370)	1,044,043	(32,785)
Total expenses	18,312,276	16,338,394	1,973,882	17,200,614	(862,220)
Net income before capital contributions	3,410,673	1,801,992	1,608,681	2,280,384	(478,392)
Capital contributions	-	18,500	(18,500)	1,000	17,500
Changes in net position	3,410,673	1,820,492	1,590,181	2,281,384	(460,892)
Net position, beginning of the year, as restated (note 12)	227,450,562	225,630,070	1,820,492	223,348,686	2,281,384
Net position, end of year	$ 230,861,235	227,450,562	3,410,673	225,630,070	1,820,492

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

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

In 2022, the District's operating revenues increased 24.85% or $1,241,640, due primarily to an increase of $978,768 in out of District water sales and $172,878 in agriculture water service fees and sales. In 2021, the District's operating revenues increased 0.03% or $1,727, due primarily to an increase of $203,748 in agriculture water service fees and sales; which was offset by a decrease of $176,450 in out of District water sales.

In 2022, the District's non-operating revenues increased 17.81% or $2,340,923, due primarily to increases of $1,442,471 in the change in investment in the Tri-Dam Authority, $509,551 in the change in investment in the Tri-Dam Project, $313,164 in investment earnings, and $224,873 in property taxes. In 2021, the District's non-operating revenues decreased 9.27% or $1,342,339, due primarily to decreases of $588,644 in investment earnings, $495,381 in property taxes, $295,744 in the change in investment in the Tri-Dam Authority, and $214,802 in the change in investment in the Tri-Dam Project.

In 2022, the District's operating expenses increased 16.57% or $1,968,481, due primarily to increases of $1,326,405 in general and administrative and $532,256 in operation and maintenance. In 2021, the District's operating expenses decreased 7.90% or $1,018,506, due primarily to decreases of $978,433 in general and administrative and $71,232 in operation and maintenance. Depreciation expense increased $39,771 for the year ended December 31, 2022, and increased $189,071 for the year ended December 31, 2021.

In 2022, the District's non-operating expenses decreased 3.40% or $34,370, due primarily to a decrease of $29,628 in interest expense. In 2021, the District's non-operating expenses decreased 3.14% or $32,785, due primarily to a decrease of $29,628 in interest expense

Capital Asset Administration

As of December 31, 2022 and 2021, the District's capital assets (net of accumulated depreciation) amounted to $115,139,487 and $111,933,752, respectively. Capital assets (net of accumulated depreciation) include land, water distribution and treatment plant, dams and reservoirs, buildings and structures, equipment, vehicles, and construction-in-process. See note 7 for further discussion.

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

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

Capital Asset Administration, continued

The change in capital asset amounts for 2021 was as follows:

		As Restated Balance 2020	Additions	Transfers/ Deletions	As Restated Balance 2021
Capital assets:					
Non-depreciable assets	$	6,331,366	4,195,292	(1,257,601)	9,269,057
Depreciable assets		153,536,214	1,829,470	(430,416)	154,935,268
Accumulated depreciation		(49,214,505)	(3,445,820)	389,752	(52,270,573)
Total capital assets, net	$	110,653,075	2,578,942	(1,298,265)	111,933,752

Debt Administration

For the years ended December 31, 2022 and 2021, long-term debt decreased by $1,176,785 and $1,136,894, respectively, due primarily to regular principal payment and amortization of premium on the District's outstanding debt. See note 9 for further discussion.

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

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

The change in long-term debt amounts for 2021 was as follows:

		As Restated Balance 2020	Additions/ Deletions	Principal Payments	As Restated Balance 2021
Long-term debt:					
Certificate of participation	$	25,830,700	-	(1,028,372)	24,802,328
Lease obligation		101,556	-	(19,603)	81,953
Loans payable		385,263	-	(88,919)	296,344
Total long-term debt		26,317,519	-	(1,136,894)	25,180,625
Less: current portion		(918,940)			(911,922)
Non-current portion	$	25,398,579			24,268,703

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. As a result of a growing state population and no new significant reservoir storage being built, 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. The revision of the 1995 Water Quality Plan for the Bay-Delta Estuary is a case in point. 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. They will be seeking 60% of UIF in the Sacramento Basin. While currently in litigation, the loss of such water would truly change the face of the Central Valley of our State.

A significant portion of the District's costs are fixed, such as debt service on bonds, maintenance, system operations, labor, benefits, and administrative costs. The District has and will continue to provide the best possible service and manage these costs to the betterment of the District's customers.

The COVID-19 outbreak in the United States has caused business disruption through labor shortages and business closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. Consequently, the related financial impact on the District cannot be estimated at this time.

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 in terms of past, present, and future.

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, 2022 and 1899

		2022	As Restated 2021
Current assets:			
Cash and cash equivalents (note 2)	$	11,971,592	38,715,626
Restricted – cash and cash equivalents (note 2)		1,449,196	1,459,357
Investments (note 2)		41,545,850	16,581,725
Accrued interest receivable		539,278	275,525
Accounts receivable – water sales and services		735,524	127,886
Accounts receivable – other		20,259	1,365
Property tax receivable		1,904,589	1,785,596
Assessment receivable – ID No. 52		214,933	296,736
Due from other government agencies (note 3)		27,202	300,369
Prepaid expenses and other deposits		823,310	783,702
Materials and supplies inventory		885,577	847,026
Long-term assets – due in one year:			
Annexation fees receivable (note 5)		967,832	939,643
Total current assets		61,085,142	62,114,556
Non-current assets:			
Investments (note 2)		15,764,360	14,896,491
Investment in joint-powers authorities (note 6)		59,316,999	58,615,544
Capital assets – not being depreciated (note 7)		10,225,868	9,269,057
Capital assets – being depreciated, net (note 7)		104,913,619	102,664,695
Long-term assets – due after one year:			
Annexation fees receivable (note 5)		10,401,796	11,369,628
Total non-current assets		200,622,642	196,815,415
Total assets		261,707,784	258,929,971
Deferred outflows of resources:			
Deferred pension outflows (note 10)		2,372,153	760,863
Deferred loss on defeasance of debt		2,620,565	2,784,350
Total deferred outflows of resources	$	4,992,718	3,545,213

Continued on next page

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Statements of Net Position, continued
December 31, 2022 and 1899

		2022	As Restated 2021
Current liabilities:			
Accounts payable and accrued expenses	$	1,829,794	1,423,372
Debt service payment received for the District		36,650	56,609
Other payables		75,000	50,000
Accrued payroll and employee benefits		343,479	317,924
Accrued interest payable		392,652	402,851
Deposits for work-orders		90,214	103,365
Unearned revenue		1,709,396	2,068,809
Long-term liabilities – due in one year:			
Compensated absences (note 8)		670,488	658,476
Certificate-of-participation (note 9)		920,000	880,000
Lease obligation (note 9)		24,801	22,068
Loans payable (note 9)		28,000	9,854
Total current liabilities		6,120,474	5,993,328
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences (note 8)		338,809	415,727
Certificate-of-participation (note 9)		22,838,955	23,922,328
Lease obligation (note 9)		35,084	59,885
Loans payable (note 9)		157,000	286,490
Net pension liability (note 10)		6,348,945	2,320,868
Total non-current liabilities		29,718,793	27,005,298
Total liabilities		35,839,267	32,998,626
Deferred inflows of resources:			
Deferred pension inflows (note 10)		-	2,025,996
Total deferred inflows of resources		-	2,025,996
Net position: (note 11)			
Net investment in capital assets		93,756,212	89,537,477
Restricted		1,354,453	1,342,085
Unrestricted		135,750,570	136,571,000
Total net position	$	230,861,235	227,450,562

Oakdale Irrigation District
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2022 and 1899

		2022	As Restated 2021
Operating revenues:			
Agriculture water fees and sales	$	3,892,841	3,719,963
Domestic water sales		231,001	221,572
Out of District water sales		1,596,285	617,517
Other water service charges		517,319	436,754
Total operating revenues		6,237,446	4,995,806
Operating expenses:			
Operation and maintenance		6,514,143	5,981,527
General and administrative		3,393,708	2,067,303
Water operations		3,941,946	3,832,486
Total operating expenses		13,849,797	11,881,316
Operating loss before depreciation expense		(7,612,351)	(6,885,510)
Depreciation expense		(3,485,591)	(3,445,820)
Operating loss		(11,097,942)	(10,331,330)
Non-operating revenues(expenses):			
Property taxes		3,600,712	3,375,839
Assessment revenue – ID No. 52		81,159	88,274
Annexation fees		-	119,340
Investment earnings		741,131	427,967
Rental revenue		12,000	15,000
Change in investment in Tri-Dam Project		8,896,479	8,386,928
Change in investment in Tri-Dam Authority		2,054,975	612,504
Gain(loss) from sale of capital assets		99,047	118,728
Interest expense – long-term debt		(976,575)	(1,011,250)
Other non-operating expense		(313)	(8)
Total non-operating revenues, net		14,508,615	12,133,322
Net income before capital contributions		3,410,673	1,801,992
Capital contributions:			
Contributed capital		-	18,500
Total capital contributions		-	18,500
Changes in net position		3,410,673	1,820,492
Net position, beginning of year, as restated (note 12)		227,450,562	225,630,070
Net position, end of year	$	230,861,235	227,450,562

See accompanying notes to the basic financial statements

Oakdale Irrigation District
Statements of Cash Flows
For the Years Ended December 31, 2022 and 1899

		2022	2021
Cash flows from operating activities:			
Receipts from customers for water sales and services	$	5,511,517	4,892,897
Payments to vendors for materials and services		(6,238,142)	(5,000,953)
Payments to employees for salaries and wages		(6,743,167)	(6,446,117)
Net cash used in operating activities		(7,469,792)	(6,554,173)
Cash flows from non-capital financing activities:			
Proceeds from property taxes		3,481,719	3,280,097
Proceeds from assessment ID No. 52		143,003	139,350
Proceeds from annexation fees		939,643	1,031,615
Interest on annexation agreement		378,262	396,647
Net cash provided by non-capital financing activities		4,942,627	4,847,709
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets		(6,698,828)	(4,767,161)
Proceeds from the sale of capital assets		106,549	159,392
Proceeds from capital contributions		-	18,500
Principal paid on long-term debt		(1,176,785)	(1,136,894)
Interest paid on long-term debt		(986,774)	(1,028,856)
Net cash used in capital and related financing activities		(8,755,838)	(6,755,019)
Cash flows from investing activities:			
Interest and investment earnings		99,116	293
Rental revenue		12,000	15,000
Rental expense		(313)	(8)
Purchase of securities		(119,160,158)	(95,413,471)
Proceeds from sale of securities		93,328,163	107,450,551
Tri-Dam Power Authority cash distributions		400,000	1,252,500
Tri-Dam Project cash distribution		9,850,000	5,479,000
Net cash provided by investing activities		(15,471,192)	18,783,865
Net (decrease) increase in cash and cash equivalents		(26,754,195)	10,322,382
Cash and cash equivalents, beginning of year		40,174,983	29,852,601
Cash and cash equivalents, end of year	$	13,420,788	40,174,983

Reconciliation of cash and cash equivalents to the statements of net position:

		2022	2021
Cash and cash equivalents	$	11,971,592	38,715,626
Restricted – cash and cash equivalents		1,449,196	1,459,357
Total cash and cash equivalents	$	13,420,788	40,174,983

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, 2022 and 1899

	2022	2021
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (11,097,942)	(10,331,330)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	3,485,591	3,445,820
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	(607,638)	28,168
Accounts receivable – other	(18,894)	2,003
Due from other government agencies	273,167	91,315
Prepaid expenses and other deposits	(39,608)	53,492
Materials and supplies inventory	(38,551)	(184,105)
(Increase)Decrease in deferred outflows of resources:		
Deferred pension outflows	(1,611,290)	38,541
Deferred loss on defeasance of debt	163,785	163,786
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	406,422	1,036,219
Due to other government agencies	-	-
Other payables	25,000	12,655
Accrued payroll and employee benefits	25,555	23,723
Deposits for work-orders	(13,151)	(222,226)
Unearned revenue	(359,413)	(2,169)
Compensated absences	(64,906)	69,491
Net pension liability	4,028,077	(2,769,247)
Increase(Decrease) in deferred inflows of resources:		
Deferred pension inflows	(2,025,996)	1,989,691
Total adjustments	3,628,150	3,777,157
Net cash used in operating activities	$ (7,469,792)	(6,554,173)
Non-cash investing, capital, and financing transaction:		
Change in fair value of investments	$ (801,613)	(408,575)
Change in undistributed investment in Tri-Dam Project	$ 701,455	2,268,432

See accompanying notes to the basic financial statements

(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.

(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:

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after June 15, 2021; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

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

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 91, continued

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this Statement were effective for reporting periods beginning after December 15, 2021.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020;

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

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 97

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

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur.

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.

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

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

2. Cash and Cash Equivalents

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

3. Investments and Investment Policy

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

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

4. Fair Value Measurement

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

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

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

5. Accounts Receivable and Allowance for Uncollectible Accounts

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

6. Deferred Outflows of Resources

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

7. Property Taxes and Assessments

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

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

(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, continued

The property tax calendar is as follows:

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

8. Materials and Supplies

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

9. Restricted Assets

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

10. Capital Assets

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

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

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

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

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

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

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

11. Unearned Revenue

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

12. Compensated Absences

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

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

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

13. Lease Obligation

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

14. Pensions

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

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

- Valuation dates: June 30, 2021 and 2020
- Measurement dates: June 30, 2022 and 2021
- Measurement periods: July 1, 2021 to June 30, 2022 and July 1, 2020 to June 30, 2021

15. Deferred Inflows of Resources

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

16. Net Position

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

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

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

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

16. Net Position, continued

- **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:

		2022	2021
Cash and cash equivalents	$	11,971,592	38,715,626
Restricted – cash and cash equivalents		1,449,196	1,459,357
Investments		57,310,210	31,478,216
Total	$	70,730,998	71,653,199

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

		2022	2021
Cash and cash equivalents:			
Cash on hand	$	750	750
Deposits with financial institutions		6,339,309	3,278,968
California Local Agency Investment Fund		1,221,421	1,248,052
Money market mutual fund		5,859,308	35,647,213
Total cash and cash equivalents		13,420,788	40,174,983
Investments:			
U.S. Government Agency obligations		22,358,800	-
Commercial paper		15,431,722	16,581,725
Corporate bonds		19,519,688	14,896,491
Total investments		57,310,210	31,478,216
Total cash and investments	$	70,730,998	71,653,199

(2) Cash and Investments, continued

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. Treasuery Money-Market Fund	N/A	None	None	10%
Certificates of Deposit	5 years	IUQCI* of 85	30%	$100,000
U.S. Treasuery 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

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, 2022 and 2021, 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.

(2) Cash and Investments, continued

Interest Rate Risk

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

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

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

As of December 31, 2021, the District's investments are scheduled to mature as follows:

			Remaining Maturity		
Investment Type		**Amount**	**12 Months or Less**	**13 to 24 Months**	**25-60 Months**
California Local Agency Investment Fund	$	1,248,052	1,248,052	-	-
Money market mutual fund		35,647,213	35,647,213	-	-
Commercial paper		16,581,725	16,581,725	-	-
Corporate bonds		14,896,491	-	13,520,272	1,376,219
Total	$	68,373,481	53,476,990	13,520,272	1,376,219

Credit Risk

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

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

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

(2) Cash and Investments, continued

Credit ratings as of December 31, 2021, were as follows:

Investment Type	Minimum Legal Rating	Amount	Rating as of Year-End AAAm/A-1+ AA/AA+/AA-	A-1/A+/ A/A-/BBB+	Unrated
California Local Agency Investment Fund	N/A	$ 1,248,052	-	-	1,248,052
Money market mutual fund	AAA/Aaa	35,647,213	-	-	35,647,213
Commercial paper	A-1+	16,581,725	-	-	16,581,725
Corporate bonds	Aaa	14,896,491	4,345,266	10,551,225	-
Total		$ 68,373,481	4,345,266	10,551,225	53,476,990

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.

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	2022	2021
Commercial paper		
Cooperative Centrale	$ -	2,997,900
Credit Agricole Group	3,088,871	-
Lloyds Bank Corporate Market Place	-	2,994,300
National Bank of Canada	-	2,997,140
Natixis NY	2,954,280	-
Province of Alberta	-	2,848,319
Royal Bank of Canada	2,930,100	2,699,661
Toyota Motor Credit Co.	-	1,747,480
Corporate bonds		
Apple Inc.	-	2,832,712
Bank of America Corp.	3,148,929	3,236,215
Bank of New York Mellon Corp.	-	2,810,693
JP Morgan Chase & Co. NTS	-	1,882,711
Schwab Charles Corp.	3,096,001	-

(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, 2022, are as follows:

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

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2021, are as follows:

Description		December 31, 2021	Fair Value Measurement at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Commercial paper	$	16,581,725	-	16,581,725	-
Corporate bonds		14,896,491	-	14,896,491	-
		31,478,216	-	31,478,216	-
Investments measured at amortized cost:					
California Local Agency Investment Fund		1,248,052			
Money market mutual fund		35,647,213			
Total	$	68,373,481			

(3) Due from Other Government Agencies

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

Government Agency		2022	2021
Department of Water Resources	$	-	297,277
Others		27,202	3,092
Total	$	27,202	300,369

(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, 2022, inter-fund receivables/payables between the District and Improvement Districts were as follows:

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

As of December 31, 2021, inter-fund receivables/payables between the District and Improvement Districts were as follows:

Description		Due from	Due to	Net Balance
Oakdale Irrigation District	$	4,021	(117,818)	(113,797)
Improvement Districts		117,818	(4,021)	113,797
	$	121,839	(121,839)	-

(5) Annexation Fees Receivable

Changes in annexation fees receivable for 2022 were as follows:

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

Changes in annexation fees receivable for 2021 were as follows:

		Balance 2020	Additions	Principal Payments	Balance 2021
Annexation fee receivable:					
Trinitas	$	12,285,502	-	(865,662)	11,419,840
Paddock		35,391	-	(1,931)	33,460
Hoekstra		900,653	-	(44,682)	855,971
Total annexation fee receivable		13,221,546	-	(912,275)	12,309,271
Less: current portion		(912,274)			(939,643)
Total non-current portion	$	12,309,272			11,369,628

(5) Annexation Fees Receivable, continued

Trinitas LLC Annexation

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

Future payments to be received under the agreements as of December 31, 2022, are as follows:

Year		Principal	Interest	Total
2023	$	918,381	315,846	1,234,227
2024		945,932	288,295	1,234,227
2025		974,310	259,917	1,234,227
2026		1,003,540	230,688	1,234,228
2027		1,033,646	200,581	1,234,227
2028-2032		5,652,399	683,369	6,335,768
Total		10,528,208	1,978,696	12,506,904
Current		(918,381)		
Non-current	$	9,609,827		

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.

Paddock Annexation, continued

Future payments to be received under the agreement as of December 31, 2022, are as follows:

Year		Principal	Interest	Total
2023	$	2,048	944	2,992
2024		2,109	883	2,992
2025		2,173	819	2,992
2026		2,238	754	2,992
2027		2,305	687	2,992
2028-2032		12,605	2,356	14,961
2033-2035		7,994	469	8,463
Total		31,472	6,912	38,384
Current		(2,048)		
Non-current	$	29,424		

(5) Annexation Fees Receivable, continued

Hoekstra Annexation

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

Future payments to be received under the agreement as of December 31, 2022, are as follows:

Year		Principal	Interest	Total
2023	$	47,403	24,298	71,701
2024		48,825	22,876	71,701
2025		50,290	21,412	71,702
2026		51,799	19,903	71,702
2027		53,353	18,349	71,702
2027-2031		291,755	66,753	358,508
2032-2036		266,523	20,285	286,808
Total		809,948	193,876	1,003,824
Current		(47,403)		
Non-current	$	762,545		

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

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

As of December 31, 2021, the District's participation in these jointly governed organizations consists of the following balance:

		As Restated 2020	Additions	Deletions	2021
Tri-Dam Project	$	42,526,117	8,386,928	(5,479,000)	45,434,045
Tri-Dam Power Authority		13,820,995	613,004	(1,252,500)	13,181,499
	$	56,347,112	8,999,932	(6,731,500)	58,615,544

(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 Donnells Dam, Tunnel, and Power Plant; Beardsley Dam, Afterbay, and Power Plant; Tulloch Dam, Afterbay, and Power Plant; and the Goodwin Dam and related facilities. The Project's principal activities are the storage and delivery of water to each participating District and the hydraulic generation of electricity. On January 1, 2014, the Project entered into an exclusive power purchase and sale agreement with the City of Santa Clara, California, through its municipal electric utility, Silicon Valley Power.

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

Tri-Dam Power Authority

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

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

San Joaquin Tributaries Authority

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

(6) Investment in Joint-Powers Authorities, continued

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

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

(7) Capital Assets

The change in capital assets for 2022 was as follows:

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

(7) Capital Assets, continued

The change in capital assets for 2021 was as follows:

		As Restated Balance 2020	Additions/ Transfers	Deletions/ Transfers	As Restated Balance 2021
Non-depreciable assets:					
Land	$	3,156,692	-	-	3,156,692
Construction-in-process		3,174,674	4,195,292	(1,257,601)	6,112,365
Total non-depreciable assets		6,331,366	4,195,292	(1,257,601)	9,269,057
Depreciable assets:					
Buildings		968,947	6,200	-	975,147
Right-to-use asset		112,130	-	-	112,130
Dams and reservoirs		10,447,035	-	-	10,447,035
Distribution systems		128,204,806	1,257,601	(1,080)	129,461,327
Automotive and equipment		8,855,360	550,880	(429,336)	8,976,904
Office equipment		1,282,561	14,789	-	1,297,350
Domestic water systems		3,665,375	-	-	3,665,375
Total depreciable assets		153,536,214	1,829,470	(430,416)	154,935,268
Accumulated depreciation:					
Buildings		(652,613)	(23,301)	-	(675,914)
Right-to-use asset		(16,820)	(22,426)		(39,246)
Dams and reservoirs		(2,464,411)	(206,295)	-	(2,670,706)
Distribution systems		(37,517,484)	(2,344,418)	1,080	(39,860,822)
Automotive and equipment		(5,706,585)	(696,698)	388,672	(6,014,611)
Office equipment		(693,024)	(67,509)	-	(760,533)
Domestic water systems		(2,163,568)	(85,173)	-	(2,248,741)
Total accumulated depreciation		(49,214,505)	(3,445,820)	389,752	(52,270,573)
Total depreciable assets, net		104,321,709	(1,616,350)	(40,664)	102,664,695
Total capital assets, net	$	110,653,075	2,578,942	(1,298,265)	111,933,752

(8) Compensated Absences

The change in compensated absences for 2022 was as follows:

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

The change in compensated absences for 2021 was as follows:

	Balance 2020	Earned	Taken	Balance 2021	Current Portion	Long-term Portion
$	1,004,712	707,324	(637,833)	1,074,203	658,476	415,727

(9) Long-term Debt

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

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

The change in long-term debts for 2021 was as follows:

	As Restated Balance 2020	Additions/ Deletions	Principal Payments	As Restated Balance 2021	Current Portion	Long-term Portion
Certificate-of-participation:						
Revenue Refunding Bond Series 2016A	$ 22,890,000	-	(865,000)	22,025,000	880,000	21,145,000
Add: Unamortized premium	2,940,700	-	(163,372)	2,777,328	-	2,777,328
Total certificate-of-participation	25,830,700	-	(1,028,372)	24,802,328	880,000	23,922,328
Lease obligation:						
Lease obligation - office space	101,556	-	(19,603)	81,953	22,068	59,885
Total lease obligation	101,556	-	(19,603)	81,953	22,068	59,885
Loans payable:						
Oak Valley Community Bank	147,263	-	(35,919)	111,344	9,854	101,490
U.S. Department of Agriculture	238,000	-	(53,000)	185,000	-	185,000
Total loans payable	385,263	-	(88,919)	296,344	9,854	286,490
Total long-term debt	26,317,519	-	(1,136,894)	25,180,625	911,922	24,268,703
Current portion	(918,940)			(911,922)		
Non-current portion	$ 25,398,579			24,268,703		

(9) Long-term Debt, continued

Revenue Refunding Bond Series 2016A

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

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

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

Year	Principal	Interest	Total
2023	$ 920,000	924,950	1,844,950
2024	940,000	906,550	1,846,550
2025	990,000	859,550	1,849,550
2026	1,040,000	810,050	1,850,050
2027	1,090,000	758,050	1,848,050
2028-2032	6,330,000	2,915,750	9,245,750
2033-2037	8,040,000	1,201,900	9,241,900
2038-2038	1,795,000	53,850	1,848,850
Total	21,145,000	8,430,650	29,575,650
Premium	2,613,955		
Current	(920,000)		
Non-current	$ 22,838,955		

Oak Valley Community Bank

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

During the year ended December 31, 2022, the loan was paid in full.

(9) Long-term Debt, continued

Lease obligation

In December 2018, the District entered into an agreement with Store Master Funding VII, LLC to rent commercial space for the purpose of providing an operation headquarters location for the District. Terms of the agreement commenced on April 1, 2019 with an initial 3-year term through March 31, 2022. Terms of the agreement include base rent is due monthly at $2,100 per month, increasing by 1.5% annually. As of June 30, 2022 and 2021, rental payments amounted to $30,754 and $30,366, respectively.

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

Principal and interest requirements to maturity are as follows:

Year		Principal	Interest	Total
2023	$	24,801	6,347	31,148
2024		27,929	3,718	31,647
2025		7,155	757	7,912
Total		59,885	10,822	70,707
Current		(24,801)		
Non-current	$	35,084		

U.S. Department of Agriculture

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

Annual payments of principal and interest for the loan are as follows:

Year		Principal	Interest	Total
2023	$	28,000	8,094	36,094
2024	$	29,000	6,869	35,869
2025		31,000	5,600	36,600
2026		32,000	4,244	36,244
2027		32,000	2,844	34,844
2028-2029		33,000	1,400	34,400
Total		185,000	29,051	214,051
Current		(28,000)		
Non-current	$	157,000		

(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.

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 2022 and 2021, are summarized as follows:

	Classic	**PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
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	2022: 7.00%	2022: 6.75%
	2021: 7.00%	2021: 6.75%
Required employer contribution rates	2022: 8.63%	2022: 7.47%
	2021: 8.65%	2021: 7.59%

(10) Defined Benefit Pension Plan, continued

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, 2022 and 2021, the contributions recognized as part of pension expense for the Plan were as follows:

		2022	2021
Contributions – employer	$	888,675	801,384

Net Pension Liability

As of December 31, 2022 and 2021, the District reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

		2022	2021
Proportionate share of net pension liability	$	6,348,945	2,320,868

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, 2022 and 2021, the net pension liability of the Plan is measured as of June 30, 2022 and 2021 (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, 2021 and 2020 (valuation dates), rolled forward to June 30, 2022 and 2021, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of measurement dates June 30, 2022 and 2021, was as follows:

	Proportionate Share
Proportion – June 30, 2020	0.04678 %
Increase in proportion	(0.00387)
Proportion – June 30, 2021	0.04291
Increase in proportion	0.01206
Proportion – June 30, 2022	0.05497 %

Deferred Outflows(Inflows) of Resources Related to Pensions

For the years ended December 31, 2022 and 2021, the District recognized pension expense of $1,219,039 and $142,629, respectively.

(10) Defined Benefit Pension Plan, continued

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

As of December 31, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2022		2021	
Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Pension contributions subsequent to the measurement date	$ 268,807	-	254,053	-
Differences between actual and expected experience	42,107	-	260,261	-
Changes in assumptions	650,582	-	-	-
Net difference between projected and actual earnings on plan investments	1,162,958	-	-	(2,025,996)
Adjustment due to changes in proportions and difference in employer contributions	247,699	-	246,549	-
Total	$ 2,372,153	-	760,863	(2,025,996)

As of December 31, 2022 and 2021, the District reported $268,807 and $254,053, respectively, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement for the year ended December 31, 2022, will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Pension contributions subsequent to the measurement for the year ended December 31, 2021, was recognized as a reduction of the net pension liability for the year ended December 31, 2022.

As of December 31, 2022, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending December 31,	Deferred Net Outflows(Inflows) of Resources
2023	$ 603,610
2024	510,637
2025	277,795
2026	711,304

(10) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 and 2020, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2020 and 2021
Measurement dates	June 30, 2021 and 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.50%
Salary increase	Varies by entry age and service
Mortality Table*	Derived using CalPERS membership data
Period upon which actuarial Experience survey assumptions were based	1997 – 2015
Post-retirement benefit increase	Contract COLA up to 2.50% until PPPA floor on purchasing power applies; 2.50% thereafter

* The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017, experience study report (based on CalPERS demographic data from 1997 to 2015) available online on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2022 and 2021, for the PERF C was 6.90% and 7.15%. This discount rate is not adjusted for administrative expenses. The PERF C 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 for those pension plan's investments were applied to all periods of projected benefit payments to determine the total pension liability.

There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2021, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

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.

(10) Defined Benefit Pension Plan, continued

Discount Rate, continued

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Target Allocation	Real Return
Public Equity	51.00 %	4.50 %
Fixed Income	21.00	1.40
TIPS	5.00	0.50
Commodities	3.00	1.10
REITs	20.00	3.70
Total	100.00 %	

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

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

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

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	$ 10,274,426	6,348,945	3,119,249

As of December 31, 2021, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	$ 5,753,394	2,320,868	(516,752)

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 48 through 50 for the Required Supplementary Information.

(11) Net Position

The balance at December 31, consists of the following:

		2022	2021
Net investment in capital assets:			
Capital assets, net	$	115,139,487	111,933,752
Certificate-of-participation, current		(920,000)	(880,000)
Certificate-of-participation, non-current		(20,225,000)	(21,145,000)
Unamortized premium		(2,613,955)	(2,777,328)
Lease obligation, current		(24,801)	(22,068)
Lease obligation, non-current		(35,084)	(59,885)
Loans payable, current		(28,000)	(9,854)
Loans payable, non-current		(157,000)	(286,490)
Deferred loss on defeasance of debt		2,620,565	2,784,350
Total investment in capital assets		93,756,212	89,537,477
Restricted net position:			
Improvement Districts		1,354,453	1,342,085
Total restricted net position		1,354,453	1,342,085
Unrestricted net position:			
Non-spendable net position:			
Inventory of materials and supplies		885,577	847,026
Investment in joint-powers authority		59,316,999	58,615,544
Prepaid expenses		817,409	779,142
Total non-spendable net position		61,019,985	60,241,712
Spendable net position - designated:			
Joint canyon Tunnel		14,474,567	12,529,881
Capital replacement / Improvement		10,559,975	5,911,439
Debt service		13,000,000	16,000,000
Operating facilities project		10,453,356	4,783,896
Municipal conservation project		-	198,873
Rate-stabilization		2,507,938	7,007,938
Rural water replacement / Improvement		1,160,212	1,085,724
Vehicle and equipment replacement		490,837	187,137
Building and facilities		1,025,000	3,075,000
Employee compensated absences		1,009,297	1,074,203
Total spendable net position		54,681,182	51,854,091
Spendable net position - undesignated		20,049,403	24,475,197
Total unrestricted net position		135,750,570	136,571,000
Total net position	$	230,861,235	227,450,562

(12) Restatement of Net Position

In 2022, the District implemented GASB Statement No. 87, Leases. The nature, justification, and an explanation of the change are included in note 1.C. As a result of the implementation, the District recognized the right-to-use asset and lease obligation, and recorded prior period adjustments of $6,246, to establish beginning balances as of January 1, 2019.

Net position at January 1, 2019, as previously stated		$ 223,354,932
Adjustment to net position		
Effect of adjustment to record right-to-use asset	$ 95,310	
Effect of adjustment to lease obligation	(101,556)	
Total adjustments to net position		(6,246)
Net position at January 1, 2019, as restated		$ 223,348,686

(13) 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, 2022 and 2021, the assets of the deferred compensation savings plan totaled $3,392,625 and $4,325,298, respectively.

(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, 2022, 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.

(14) Risk Management, continued

- Property: The property insurance coverage is as follows: 1) Buildings, personal property, fixed equipment, additional coverage, and on premise vehicle coverage with a deductible of $25,000; 2) Mobile equipment and vehicle with a deductible of $5,000; 3) Boiler and machinery accidental breakdown with a deductible of $50,000 for turbine units and associated equipment, electrical generators, and electrical power distribution, and a deductible of $25,000 for all other objects; 4) Flood with a deductible of $100,000; and 5) Earthquake with a deductible equivalent to 5% per unit of insurance, subject to a $75,000 minimum. ACWA/JPIA will reimburse the District for losses to scheduled property that is insured by the terms and conditions of the purchased insurance or reinsurance, less any applicable deductible.
- Crime: Crime coverage includes public employee theft, depositor forgery or alteration, computer and funds transfer fraud up to $100,000 subject to a deductible of $1,000.

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

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended December 31, 2022 and 2021. 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, 2022 and 2021.

(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. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

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

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

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

continued

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 99

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

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

Governmental Accounting Standards Board Statement No. 100

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

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

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

Governmental Accounting Standards Board Statement No. 100, continued

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

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

Governmental Accounting Standards Board Statement No. 101

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

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

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

(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.

(16) Commitments and Contingencies, *continued*

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement, or modification of water facilities and distribution systems within its service area. As of December 31, 2022, the District remaining commitments were as follows:

Project		Contract Amount	Remaining Commitment
Greger Facility - General engineering and architectural	$	1,241,687	239,637
Greger Facility - Engineering and surveying		36,000	1,570
North Main Canal - Leakage mitigation project		34,500	29,403
North Main Canal - Tunnel 3 and 4 project		92,400	79,014
South Main Canal - Segment 3 project - CM & QA		285,285	131,663
South Main Canal - Segment 3 project		1,803,494	623,336
Total	$	3,493,366	1,104,623

(17) Subsequent Events

Events occurring after December 31, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of June 6, 2023, 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

< Page Intentionally Left Blank >

Oakdale Irrigation District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of December 31, 2022
Last Ten Years*

Description		Measurement Dates								
		6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of the net pension liability		0.05497%	0.04291%	0.04678%	0.04417%	0.04137%	0.04127%	0.03893%	0.03347%	0.04327%
District's proportionate share of the net pension liability	$	6,348,945	2,320,868	5,090,115	4,526,215	3,986,214	4,092,925	3,368,866	2,297,303	2,692,547
District's covered payroll	$	6,559,946	6,016,880	5,751,764	5,627,907	5,155,206	4,546,326	4,369,901	4,300,181	4,435,167
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		96.78%	38.57%	88.50%	80.42%	77.32%	90.03%	77.09%	53.42%	60.71%
Plan's fiduciary net position as a percentage of total pension liability		76.68%	88.29%	75.26%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

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

Changes in Benefit Terms

There were no changes to benefit terms that applied to all members of the Public Agency Pool. Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

In fiscal year 2022, the accounting discount rate was reduced from 7.15% to 6.90%.

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. 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%.

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

Change of Assumptions and Methods, continued

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% to7.375%, 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, 2022
Last Ten Years*

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

Notes to the Schedules of Pension Plan Contributions

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

<Page Intentionally Left Blank>

Supplementary Information

< Page Intentionally Left Blank >

Oakdale Irrigation District
Combining Schedule of Net Position
December 31, 2022

		Oakdale Irrigation District	Improvement Districts	Elimination	2022
Current assets:					
Cash and cash equivalents	$	11,971,592	-	-	11,971,592
Restricted – cash and cash equivalents		-	1,449,196	-	1,449,196
Investments		41,545,850	-	-	41,545,850
Accrued interest receivable		533,666	5,612	-	539,278
Accounts receivable – water sales and services		728,934	6,590	-	735,524
Accounts receivable – other		20,076	183	-	20,259
Property tax receivable		1,904,589	-	-	1,904,589
Assessment receivable – ID No. 52		214,933	-	-	214,933
Due from related organizations (note 4)		10,400	119,640	(130,040)	-
Due from other government agencies		27,202	-	-	27,202
Prepaid expenses and other deposits		817,409	5,901	-	823,310
Materials and supplies inventory		885,577	-	-	885,577
Long-term assets – due in one year:					
Annexation fees receivable		967,832	-	-	967,832
Total current assets		59,628,060	1,587,122	(130,040)	61,085,142
Non-current assets:					
Investments		15,764,360	-	-	15,764,360
Investment in joint-powers authorities		59,316,999	-	-	59,316,999
Capital assets – not being depreciated		10,225,868	-	-	10,225,868
Capital assets – being depreciated, net		104,564,697	348,922	-	104,913,619
Long-term assets – due after one year:					
Annexation fees receivable		10,401,796	-	-	10,401,796
Total non-current assets		200,273,720	348,922	-	200,622,642
Total assets		259,901,780	1,936,044	(130,040)	261,707,784
Deferred outflows of resources:					
Deferred pension outflows		2,372,153	-	-	2,372,153
Deferred loss on defeasance of debt		2,620,565	-	-	2,620,565
Total deferred outflows of resources	$	4,992,718	-	-	4,992,718

Continued on next page

Oakdale Irrigation District
Combining Schedule of Net Position, continued
December 31, 2022

	Oakdale Irrigation District	Improvement Districts	Elimination	2022
Current liabilities:				
Accounts payable and accrued expenses	$ 1,824,042	5,752	-	1,829,794
Due to related organizations (note 4)	119,640	10,400	(130,040)	-
Debt service payment received for the District	-	36,650	-	36,650
Other payables	75,000	-		75,000
Accrued payroll and employee benefits	343,479	-	-	343,479
Accrued interest payable	392,652	-	-	392,652
Deposits for work-orders	90,214	-	-	90,214
Unearned revenue	1,529,529	179,867	-	1,709,396
Long-term liabilities – due in one year:				
Compensated absences	670,488	-	-	670,488
Certificate-of-participation	920,000	-	-	920,000
Lease obligation	24,801			24,801
Loans payable	28,000	-	-	28,000
Total current liabilities	6,017,845	232,669	(130,040)	6,120,474
Non-current liabilities:				
Long-term liabilities – due in more than one year:				
Compensated absences	338,809	-	-	338,809
Certificate-of-participation	22,838,955	-	-	22,838,955
Lease obligation	35,084			35,084
Loans payable	157,000	-	-	157,000
Net pension liability	6,348,945	-	-	6,348,945
Total non-current liabilities	29,718,793	-	-	29,718,793
Total liabilities	35,736,638	232,669	(130,040)	35,839,267
Deferred inflows of resources:				
Deferred pension inflows	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Net position:				
Net investment in capital assets	93,407,290	348,922	-	93,756,212
Restricted	-	1,354,453	-	1,354,453
Unrestricted	135,750,570	-	-	135,750,570
Total net position	$ 229,157,860	1,703,375	-	230,861,235

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, 2022

	Oakdale Irrigation District	Improvement Districts	Elimination	2022
Operating revenues:				
Agriculture water fees and sales	$ 3,892,841	-	-	3,892,841
Domestic water sales	231,001	-	-	231,001
Out of District water sales	1,637,099	-	(40,814)	1,596,285
Other water service charges	190,647	326,672	-	517,319
Total operating revenues	5,951,588	326,672	(40,814)	6,237,446
Operating expenses:				
Operation and maintenance	6,290,573	223,570	-	6,514,143
General and administrative	3,379,605	54,917	(40,814)	3,393,708
Water operations	3,941,946	-	-	3,941,946
Total operating expenses	13,612,124	278,487	(40,814)	13,849,797
Operating (loss) income before depreciation expense	(7,660,536)	48,185	-	(7,612,351)
Depreciation expense	(3,465,285)	(20,306)	-	(3,485,591)
Operating loss	(11,125,821)	27,879	-	(11,097,942)
Non-operating revenues(expenses), net:				
Property taxes	3,600,712	-	-	3,600,712
Assessment revenue – ID No. 52	81,159	-	-	81,159
Annexation fees	-	-	-	-
Investment earnings	745,734	(4,603)	-	741,131
Rental revenue	12,000	-	-	12,000
Change in investment in Tri-Dam Project	8,896,479	-	-	8,896,479
Change in investment in Tri-Dam Authority	2,054,975	-	-	2,054,975
Gain from sale of capital assets	99,047	-	-	99,047
Interest expense – long-term debt	(976,575)	-	-	(976,575)
Other non-operating expense	(313)	-	-	(313)
Total non-operating revenues, net	14,513,218	(4,603)	-	14,508,615
Net income before capital contributions	3,387,397	23,276	-	3,410,673
Capital contributions:				
Contributed capital	-	-	-	-
Total capital contributions	-	-	-	-
Changes in net position	3,387,397	23,276	-	3,410,673
Net position, beginning of the year	225,770,463	1,680,099	-	227,450,562
Prior period adjustment (note 13)	-	-	-	-
Net position, beginning of year	225,770,463	1,680,099	-	227,450,562
Net position, end of year	$ 229,157,860	1,703,375	-	230,861,235

Oakdale Irrigation District
Combining Schedule of Net Position – Improvement District
December 31, 2022

	ID No. 1	ID No. 2	ID No. 8	ID No. 13	ID No. 19
Current assets:					
Restricted – cash and cash equivalents	$ 3,192	6,367	8,723	2,206	9,768
Accrued interest receivable	-	-	-	-	-
Accounts receivable – water sales and services	-	45	-	-	142
Accounts receivable – other	-	-	-	-	-
Due from related organizations	530	176	443	463	1,466
Prepaid expenses and other deposits	-	-	-	-	-
Total current assets	3,722	6,588	9,166	2,669	11,376
Non-current assets:					
Capital assets – being depreciated, net	-	-	4,325	-	-
Total non-current assets	-	-	4,325	-	-
Total assets	3,722	6,588	13,491	2,669	11,376
Current liabilities:					
Accounts payable	-	-	-	-	32
Due to related organizations	-	-	-	-	-
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	530	262	691	501	1,816
Total current liabilities	530	262	691	501	1,848
Total liabilities	530	262	691	501	1,848
Net position:					
Net investment in capital assets	-	-	4,325	-	-
Restricted	3,192	6,326	8,475	2,168	9,528
Total net position	$ 3,192	6,326	12,800	2,168	9,528

Continued on next page

Oakdale Irrigation District
Combining Schedule of Net Position – Improvement District, continued
December 31, 2022

	ID No. 20	ID No. 21	ID No. 22	ID No. 26	ID No. 29
Current assets:					
Restricted – cash and cash equivalents	$ 2,829	2,853	45,330	2,474	2,537
Accrued interest receivable	-	-	200	-	-
Accounts receivable – water sales and services	-	-	2,091	-	155
Accounts receivable – other	-	-	-	-	-
Due from related organizations	157	524	8,366	248	1,672
Prepaid expenses and other deposits	-	-	807	-	-
Total current assets	2,986	3,377	56,794	2,722	4,364
Non-current assets:					
Capital assets – being depreciated, net	525	-	47,806	-	-
Total non-current assets	525	-	47,806	-	-
Total assets	3,511	3,377	104,600	2,722	4,364
Current liabilities:					
Accounts payable	-	-	278	-	30
Due to related organizations	-	-	798	-	-
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	277	538	10,200	248	2,322
Total current liabilities	277	538	11,276	248	2,352
Total liabilities	277	538	11,276	248	2,352
Net position:					
Net investment in capital assets	525	-	47,806	-	-
Restricted	2,709	2,839	45,518	2,474	2,012
Total net position	$ 3,234	2,839	93,324	2,474	2,012

Continued on next page

Oakdale Irrigation District
Combining Schedule of Net Position – Improvement District, continued
December 31, 2022

		ID No. 31	ID No. 36	ID No. 38	ID No. 41	ID No. 45
Current assets:						
Restricted – cash and cash equivalents	$	7,193	3,829	-	108,472	352,454
Accrued interest receivable		-	-	-	487	1,239
Accounts receivable – water sales and services		3	-	21	-	-
Accounts receivable – other		-	-	183	-	-
Due from related organizations		200	318	1,823	16,125	25,495
Prepaid expenses and other deposits		-	-	-	1,075	1,174
Total current assets		7,396	4,147	2,027	126,159	380,362
Non-current assets:						
Capital assets – being depreciated, net		-	-	-	78,532	73,143
Total non-current assets		-	-	-	78,532	73,143
Total assets		7,396	4,147	2,027	204,691	453,505
Current liabilities:						
Accounts payable		-	-	-	2,118	445
Due to related organizations		-	-	59	1,347	1,960
Debt service payment received for the District		-	-	-	-	-
Unearned revenue		229	407	386	30,722	38,800
Total current liabilities		229	407	445	34,187	41,205
Total liabilities		229	407	445	34,187	41,205
Net position:						
Net investment in capital assets		-	-	-	78,532	73,143
Restricted		7,167	3,740	1,582	91,972	339,157
Total net position	$	7,167	3,740	1,582	170,504	412,300

Continued on next page

Oakdale Irrigation District
Combining Schedule of Net Position –
Improvement District, continued
December 31, 2022

	ID No. 46	ID No. 48	ID No. 51	ID No. 52	2022
Current assets:					
Restricted – cash and cash equivalents	$ 449,065	4,739	400,515	36,650	1,449,196
Accrued interest receivable	1,829	-	1,857	-	5,612
Accounts receivable – water sales and services	1,654	506	1,973	-	6,590
Accounts receivable – other	-	-	-	-	183
Due from related organizations	33,729	254	27,651	-	119,640
Prepaid expenses and other deposits	1,529	-	1,316	-	5,901
Total current assets	487,806	5,499	433,312	36,650	1,587,122
Non-current assets:					
Capital assets – being depreciated, net	36,133	13,223	95,235	-	348,922
Total non-current assets	36,133	13,223	95,235	-	348,922
Total assets	523,939	18,722	528,547	36,650	1,936,044
Current liabilities:					
Accounts payable	2,152	-	697	-	5,752
Due to related organizations	1,609	2,395	2,232	-	10,400
Debt service payment received for the District	-	-	-	36,650	36,650
Unearned revenue	48,688	600	42,650	-	179,867
Total current liabilities	52,449	2,995	45,579	36,650	232,669
Total liabilities	52,449	2,995	45,579	36,650	232,669
Net position:					
Net investment in capital assets	36,133	13,223	95,235	-	348,922
Restricted	435,357	2,504	387,733	-	1,354,453
Total net position	$ 471,490	15,727	482,968	-	1,703,375

Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Improvement District
Year Ended December 31, 2022

		ID No. 1	ID No. 2	ID No. 8	ID No. 13	ID No. 19
Operating revenues:						
Maintenance and operation charges	$	701	622	1,163	554	2,854
Total operating revenues		701	622	1,163	554	2,854
Operating expenses:						
Operation and maintenance		13	1,486	32	28	376
General and administrative		254	255	255	253	2,176
Total operating expenses		267	1,741	287	281	2,552
Operating gain(loss) before depreciation expense		434	(1,119)	876	273	302
Depreciation expense		-	-	(135)	-	-
Operating gain(loss)		434	(1,119)	741	273	302
Non-operating revenues:						
Investment earnings		3	7	9	2	11
Total non-operating revenues		3	7	9	2	11
Changes in net position		437	(1,112)	750	275	313
Net position, beginning of the year		2,755	7,438	12,050	1,893	9,215
Net position, end of year	$	3,192	6,326	12,800	2,168	9,528

Continued on next page

Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Improvement District, continued
Year Ended December 31, 2022

	ID No. 20	ID No. 21	ID No. 22	ID No. 26	ID No. 29
Operating revenues:					
Maintenance and operation charges	$ 639	649	21,174	759	3,080
Total operating revenues	639	649	21,174	759	3,080
Operating expenses:					
Operation and maintenance	18	26	10,706	1,357	412
General and administrative	253	253	7,992	254	2,157
Total operating expenses	271	279	18,698	1,611	2,569
Operating gain(loss) before depreciation expense	368	370	2,476	(852)	511
Depreciation expense	(21)	-	(2,558)	-	-
Operating gain(loss)	347	370	(82)	(852)	511
Non-operating revenues:					
Investment earnings	3	3	(116)	4	3
Total non-operating revenues	3	3	(116)	4	3
Changes in net position	350	373	(198)	(848)	514
Net position, beginning of the year	2,884	2,466	93,522	3,322	1,498
Net position, end of year	$ 3,234	2,839	93,324	2,474	2,012

Continued on next page

Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Improvement District, continued
Year Ended December 31, 2022

	ID No. 31	ID No. 36	ID No. 38	ID No. 41	ID No. 45
Operating revenues:					
Maintenance and operation charges	$ 656	652	3,089	60,000	63,875
Total operating revenues	656	652	3,089	60,000	63,875
Operating expenses:					
Operation and maintenance	52	20	2,295	69,924	23,075
General and administrative	294	254	253	8,052	9,110
Total operating expenses	346	274	2,548	77,976	32,185
Operating gain(loss) before depreciation expense	310	378	541	(17,976)	31,690
Depreciation expense	-	-	-	(3,328)	(4,715)
Operating gain(loss)	310	378	541	(21,304)	26,975
Non-operating revenues:					
Investment earnings	7	4	-	(314)	(1,024)
Total non-operating revenues	7	4	-	(314)	(1,024)
Changes in net position	317	382	541	(21,618)	25,951
Net position, beginning of the year	6,850	3,358	1,041	192,122	386,349
Net position, end of year	$ 7,167	3,740	1,582	170,504	412,300

Continued on next page

Oakdale Irrigation District
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Improvement District, continued
Year Ended December 31, 2022

		ID No. 46	ID No. 48	ID No. 51	ID No. 52	2022
Operating revenues:						
Maintenance and operation charges	$	84,196	1,891	80,118	-	326,672
Total operating revenues		84,196	1,891	80,118	-	326,672
Operating expenses:						
Operation and maintenance		61,114	4,389	48,247	-	223,570
General and administrative		11,373	255	11,224	-	54,917
Total operating expenses		72,487	4,644	59,471	-	278,487
Operating gain(loss) before depreciation expense		11,709	(2,753)	20,647	-	48,185
Depreciation expense		(4,132)	(1,273)	(4,144)	-	(20,306)
Operating gain(loss)		7,577	(4,026)	16,503	-	27,879
Non-operating revenues:						
Investment earnings		(1,563)	10	(1,652)	-	(4,603)
Total non-operating revenues		(1,563)	10	(1,652)	-	(4,603)
Changes in net position		6,014	(4,016)	14,851	-	23,276
Net position, beginning of the year		465,476	19,743	468,117	-	1,680,099
Net position, end of year	$	471,490	15,727	482,968	-	1,703,375

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.
2013	244,642	10,112	7,789	262,543	117.4%
2014	201,360	16,858	6,461	224,679	100.5%
2015	164,955	12,567	3,317	180,839	80.9%
2016	183,695	3,577	937	188,209	84.2%
2017	199,390	2,451	3,971	205,812	92.0%
2018	207,382	2,874	3,616	213,872	95.6%
2019	205,354	1,686	3,508	210,548	94.1%
2020	237,997	1,495	3,613	243,105	108.7%
2021	249,708	2,491	3,848	256,047	114.5%
2022	246,497	1,579	2,697	250,773	112.1%

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

Year	Total Water Production	Total Agricultural Water Delivered	Water Transfers	Total Deliveries	Percent of 10-year Ave.
2013	262,543	245,144	40,000	285,144	145.8%
2014	224,679	201,086	-	201,086	102.8%
2015	180,839	161,203	11,500	172,703	88.3%
2016	188,209	157,751	50,500	208,251	106.5%
2017	205,812	160,461	-	160,461	82.1%
2018	213,872	162,780	31,309	194,089	99.3%
2019	210,548	158,446	-	158,446	81.0%
2020	243,105	181,049	650	181,699	92.9%
2021	256,047	190,255	501	190,756	97.6%
2022	250,773	198,564	4,000	202,564	103.6%

Oakdale Irrigation District
Ten Largest In-District Water Customers
Year Ended December 31, 2021

Landowner	No. of Gross Acres	Percent of Total	Water Delivery Fee Revenue	Percent of Total
Trinitas LLCs	7,272.11	10.35%	$ 227,617	10.35%
Brichetto, John Et Al	5,429.00	7.73%	169,928	7.73%
V A Rodden Inc.	1,626.18	2.31%	50,899	2.31%
G3 Enterprises Inc.	971.65	1.38%	30,413	1.38%
Naraghi, Sharon	960.52	1.37%	30,064	1.37%
Postma Dairies, Pete	811.81	1.16%	25,410	1.16%
Bentley Ranch, LLC	786.71	1.12%	24,624	1.12%
Postma Bluestar Ranch LP	732.56	1.04%	22,929	1.04%
De Simas & Bairos Dairy	732.13	1.04%	22,916	1.04%
Montpelier Farming Corporation	701.28	1.00%	21,950	1.00%
Total	20,023.95	30.81%	$ 626,750	28.49%

Oakdale Irrigation District
Historic Operating Results
From December 31, 2017 through 1899

	2017	2018	2019	2020	2021
Operating revenues:					
Agricultural water service fees	$ 2,080,171	$ 3,323,023	$ 3,198,582	$ 3,516,215	$ 3,719,963
Domestic water delivery fees	213,011	216,578	215,124	222,316	221,572
Other water related revenues	635,913	514,765	532,359	461,581	436,754
Connection fees	5,750	-	-	-	-
Water sales	-	6,568,098	616,463	793,967	617,517
Total operating revenues	2,934,845	10,622,464	4,562,528	4,994,079	4,995,806
Operating expenses					
Operation and maintenance	3,841,228	4,663,601	4,641,660	6,052,759	5,981,527
General and administrative	4,147,036	3,832,205	3,632,070	3,045,736	2,067,303
Water operations	2,447,815	3,123,787	3,181,202	3,801,327	3,832,486
Depreciation	2,637,844	2,645,742	2,862,049	3,256,749	3,445,820
Total operating expenses	13,073,923	14,265,335	14,316,981	16,156,571	15,327,136
Operating loss	(10,139,078)	(3,642,871)	(9,754,453)	(11,162,492)	(10,331,330)
Non-operating revenues (expenses)					
Property taxes	2,517,293	2,622,192	2,852,019	3,871,220	3,375,839
Annexation fees	2,833,792		13,909	53,384	207,614
Investment Earnings	1,216,381	1,858,886	2,024,854	1,016,611	427,967
Rental revenue	-	-	6,000	14,000	15,000
Change in Investment- Tri-Dam Project	18,135,230	5,750,305	14,925,890	8,601,730	8,386,928
Change in Investment - Tri-Dam Authority	692,000	3,691,500	2,434,000	908,248	612,504
Gain (loss) on sale of capital assets	6,102	(66,103)	-	21,726	118,728
Interest Expense- Long Term Debt	(1,080,068)	(1,088,006)	(1,065,361)	(1,041,999)	(1,011,250)
Other nonoperating revenues	-	-	-	(2,044)	(8)
Total non-operating revenues	24,320,730	12,768,774	21,191,311	13,442,876	12,133,322
Net income before contributions	14,181,652	9,125,903	11,436,858	2,280,384	1,801,992
Capital contributions	-	1,282,193	1,749,030	1,000	18,500
Change in net position	14,181,652	10,408,096	13,185,888	2,281,384	1,820,492
Debt Service	1,483,481	1,846,850	1,846,250	1,849,450	1,851,250
Debt Service Coverage	9.56	5.64	7.14	1.23	0.98

< Page Intentionally Left Blank >

Report on Internal Controls and Compliance

< Page Intentionally Left Blank >

C.J. Brown & Company CPAs
An Accountancy Corporation

Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

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, 2022, 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 6, 2023 .

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 6, 2023