



**Oakdale Irrigation District**  
**Annual Financial Report**  
**December 31, 2021 and 2020**



**Oakdale Irrigation District**  
**Board of Directors as of December 31, 2021**

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

**Steve Knell, General Manager / Secretary**  
**Sharon Cisneros, CPA, Chief Financial Officer / Treasurer**

**Oakdale Irrigation District**  
**Annual Financial Report**  
**For the Years Ended December 31, 2021 and 2020**

**Table of Contents**

	<b><u>Page No.</u></b>
<b>Table of Contents</b>	i
<b>Financial Section</b>	
Independent Auditor’s Report	1-4
Management’s Discussion and Analysis	5-10
Basic Financial Statements	
Statements of Net Position	11-12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	14-15
Notes to the Basic Financial Statements	16-49
<b>Required Supplementary Information Section</b>	
Schedules of the District’s Proportionate Share of the Net Pension Liability	50-51
Schedules of Pension Plan Contributions	52
<b>Supplementary Information Section</b>	
Combining Schedule of Net Position	53-54
Combining Schedule of Revenues, Expenses, and Changes in Net Position	55
Combining Schedule of Net Position – Improvement District	56-59
Combining Schedule of Revenues, Expenses, and Changes in Net Position – Improvement District	60-63
<b>Other Information Section</b>	
Historic District Water Production	64
Historic District Water Deliveries	65
Ten Largest In-District Water Customers	66
Historic Operating Results	67
<b>Report on Internal Controls and Compliance</b>	
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 <i>Government Auditing Standards</i>	68-69

**< Page Intentionally Left Blank >**

# **Financial Section**

**< Page Intentionally Left Blank >**



Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Andy Beck, CPA

# Fedak & Brown LLP

Certified Public Accountants

Cypress Office:  
6081 Orange Avenue  
Cypress, California 90630  
(657) 214-2307  
FAX (714) 527-9154

Riverside Office:  
1945 Chicago Avenue, Suite C-1  
Riverside, California 92507  
(951) 783-9149

## 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, 2021 and 2020, 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, 2021 and 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

#### *Emphasis of Matter*

##### *Restatement of Net Position*

As discussed in Note 12 to the financial statements, as of and for the year ended December 31, 2020, the District restated prior periods account balances, transactions, and net position to include its investment in the Tri-Dam Power Authority (a joint powers authority). Our opinion is not modified with respect to this matter.

## **Independent Auditor's Report, continued**

### ***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.



## **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 required supplementary information on 50 through 52 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining schedules 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 relates 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 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 introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## Independent Auditor's Report, continued

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2022, 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.

A handwritten signature in black ink that reads "Fedak & Brown LLP". The signature is written in a cursive, slightly slanted style.

**Fedak & Brown LLP**

Cypress, California

July 29, 2022

**Oakdale Irrigation District**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2021 and 2020**

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, 2021 and 2020. 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 2021, the District's net position increased 0.81% or \$1,823,669. In 2020, the District's net position increased 1.02% or \$2,281,386.
- In 2021, the District's operating revenues increased 0.03% or \$1,727. In 2020, the District's operating revenues increased 9.46% or \$431,551.
- In 2021, the District's non-operating revenues decreased 9.27% or \$1,342,339. In 2020, the District's non-operating revenues decreased 34.91% or \$7,769,753.
- In 2021, the District's total expenses decreased 5.03% or \$865,395. In 2020, the District's total expenses increased 11.82% or \$1,818,270.

**Required Financial Statements**

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

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

**Financial Analysis of the District**

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

**Oakdale Irrigation District**  
**Management's Discussion and Analysis, continued**  
**For the Years Ended December 31, 2021 and 2020**

**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 49.

**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 \$227,459,987 and \$225,636,318 as of December 31, 2021 and 2020, respectively.

**Condensed Statements of Net Position**

	<u>2021</u>	<u>As Restated 2020</u>	<u>Change</u>	<u>As Restated 2019</u>	<u>Change</u>
<b>Assets:</b>					
Current assets	\$ 62,114,556	68,024,487	(5,909,931)	71,030,307	(3,005,820)
Non-current assets	84,881,663	79,246,644	5,635,019	76,578,624	2,668,020
Capital assets, net	<u>111,860,868</u>	<u>110,557,765</u>	<u>1,303,103</u>	<u>109,685,267</u>	<u>872,498</u>
<b>Total assets</b>	<u>258,857,087</u>	<u>257,828,896</u>	<u>1,028,191</u>	<u>257,294,198</u>	<u>534,698</u>
<b>Deferred outflows of resources</b>	<u>3,545,213</u>	<u>3,747,540</u>	<u>(202,327)</u>	<u>3,810,782</u>	<u>(63,242)</u>
<b>Liabilities:</b>					
Current liabilities	5,950,238	5,130,170	820,068	6,335,433	(1,205,263)
Non-current liabilities	<u>26,966,079</u>	<u>30,773,643</u>	<u>(3,807,564)</u>	<u>31,335,483</u>	<u>(561,840)</u>
<b>Total liabilities</b>	<u>32,916,317</u>	<u>35,903,813</u>	<u>(2,987,496)</u>	<u>37,670,916</u>	<u>(1,767,103)</u>
<b>Deferred inflows of resources</b>	<u>2,025,996</u>	<u>36,305</u>	<u>1,989,691</u>	<u>79,132</u>	<u>(42,827)</u>
<b>Net position:</b>					
Net investment in capital assets	89,546,546	87,289,938	2,256,608	85,533,778	1,756,160
Restricted	1,342,085	1,278,187	63,898	1,433,363	(155,176)
Unrestricted	<u>136,571,356</u>	<u>137,068,193</u>	<u>(496,837)</u>	<u>136,387,791</u>	<u>680,402</u>
<b>Total net position</b>	<u>\$ 227,459,987</u>	<u>225,636,318</u>	<u>1,823,669</u>	<u>223,354,932</u>	<u>2,281,386</u>

**Oakdale Irrigation District**  
**Management's Discussion and Analysis, continued**  
**For the Years Ended December 31, 2021 and 2020**

**Statements of Net Position, continued**

A portion of the District's net position, 39.37% and 38.69% as of December 31, 2021 and 2020, 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, 2021 and 2020, the District showed a positive balance in its unrestricted net position of \$136,571,356 and \$137,068,193, 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 0.81% or \$1,823,669 from \$225,636,318 to \$227,459,987, as a result of ongoing operations for the year ended December 31, 2021. In 2020, the District's net position increased 1.02% or \$2,281,386 from \$223,354,932 to \$225,636,318, as a result of ongoing operations.

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

	<u>2021</u>	<u>As Restated 2020</u>	<u>Change</u>	<u>As Restated 2019</u>	<u>Change</u>
<b>Revenues:</b>					
Operating revenues	\$ 4,995,806	4,994,079	1,727	4,562,528	431,551
Non-operating revenues	<u>13,144,580</u>	<u>14,486,919</u>	<u>(1,342,339)</u>	<u>22,256,672</u>	<u>(7,769,753)</u>
<b>Total revenues</b>	<u>18,140,386</u>	<u>19,480,998</u>	<u>(1,340,612)</u>	<u>26,819,200</u>	<u>(7,338,202)</u>
<b>Expenses:</b>					
Operating expenses	11,911,328	12,928,524	(1,017,196)	11,454,932	1,473,592
Depreciation expense	3,423,394	3,239,929	183,465	2,862,049	377,880
Non-operating expenses	<u>1,000,495</u>	<u>1,032,159</u>	<u>(31,664)</u>	<u>1,065,361</u>	<u>(33,202)</u>
<b>Total expenses</b>	<u>16,335,217</u>	<u>17,200,612</u>	<u>(865,395)</u>	<u>15,382,342</u>	<u>1,818,270</u>
<b>Net income before capital contributions</b>	1,805,169	2,280,386	(475,217)	11,436,858	(9,156,472)
<b>Capital contributions</b>	<u>18,500</u>	<u>1,000</u>	<u>17,500</u>	<u>1,749,030</u>	<u>(1,748,030)</u>
<b>Changes in net position</b>	<u>1,823,669</u>	<u>2,281,386</u>	<u>(457,717)</u>	<u>13,185,888</u>	<u>(10,904,502)</u>
<b>Net position, beginning of year</b>	225,636,318	223,354,932	2,281,386	194,036,797	29,318,135
<b>Prior period adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,132,247</u>	<u>(16,132,247)</u>
<b>Net position, beginning of the year - as restated</b>	<u>225,636,318</u>	<u>223,354,932</u>	<u>2,281,386</u>	<u>210,169,044</u>	<u>13,185,888</u>
<b>Net position, end of year</b>	<u>\$ 227,459,987</u>	<u>225,636,318</u>	<u>1,823,669</u>	<u>223,354,932</u>	<u>2,281,386</u>

**Oakdale Irrigation District**  
**Management's Discussion and Analysis, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

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

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 2020, the District's operating revenues increased 9.46% or \$431,551, due primarily to increases of \$317,633 in agriculture water service fees and sales and \$177,504 in out of District water sales.

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 2020, the District's non-operating revenues decreased 34.91% or \$7,769,753, due primarily to decreases of \$6,324,160 in the change in investment in the Tri-Dam Project, \$1,525,752 in the change in investment in the Tri-Dam Power Authority, and \$1,008,243 in investment earnings; which were offset by an increase of \$1,019,201 in property taxes.

In 2021, the District's operating expenses decreased 7.87% or \$1,017,196, due primarily to decreases of \$978,431 in general and administrative and \$69,924 in operation and maintenance. In 2020, the District's operating expenses increased 12.86% or \$1,473,592, due primarily to increases of \$1,439,801 in operation and maintenance and \$620,125 in water operations; which were offset by a decrease of \$586,334 in general and administrative. Depreciation expense increased \$183,465 for the year ended December 31, 2021, and increased \$377,880 for the year ended December 31, 2020.

In 2021, the District's non-operating expenses decreased 3.07% or \$31,664, due primarily to a decrease of \$29,628 in interest expense. In 2020, the District's non-operating expenses decreased 3.12% or \$33,202, due primarily to a decrease of \$35,246 in interest expense.

**Capital Asset Administration**

As of December 31, 2021 and 2020, the District's capital assets (net of accumulated depreciation) amounted to \$111,860,868 and \$110,557,765, 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 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2021</u>
Capital assets:				
Non-depreciable assets	\$ 6,331,366	4,195,292	(1,257,601)	9,269,057
Depreciable assets	153,424,084	1,829,470	(430,416)	154,823,138
Accumulated depreciation	<u>(49,197,685)</u>	<u>(3,423,394)</u>	<u>389,752</u>	<u>(52,231,327)</u>
Total capital assets, net	<u>\$ 110,557,765</u>	<u>2,601,368</u>	<u>(1,298,265)</u>	<u>111,860,868</u>

**Oakdale Irrigation District**  
**Management's Discussion and Analysis, continued**  
**For the Years Ended December 31, 2021 and 2020**

**Capital Asset Administration, continued**

The change in capital asset amounts for 2020 was as follows:

	<u>Balance 2019</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2020</u>
Capital assets:				
Non-depreciable assets	\$ 11,708,209	3,511,144	(8,887,987)	6,331,366
Depreciable assets	144,130,011	9,489,270	(195,197)	153,424,084
Accumulated depreciation	<u>(46,152,953)</u>	<u>(3,239,929)</u>	<u>195,197</u>	<u>(49,197,685)</u>
Total capital assets, net	<u>\$ 109,685,267</u>	<u>9,760,485</u>	<u>(8,887,987)</u>	<u>110,557,765</u>

**Debt Administration**

For the years ended December 31, 2021 and 2020, long-term debt decreased by \$1,117,291 and \$1,047,447, 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 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2021</u>
Long-term debt:				
Certificate of participation	\$ 25,830,700	-	(1,028,372)	24,802,328
Loans payable	<u>385,263</u>	-	<u>(88,919)</u>	<u>296,344</u>
Total long-term debt	26,215,963	<u>-</u>	<u>(1,117,291)</u>	25,098,672
Less: current portion	<u>(899,337)</u>			<u>(899,337)</u>
Non-current portion	<u>\$ 25,316,626</u>			<u>24,208,818</u>

The change in long-term debt amounts for 2020 was as follows:

	<u>Balance 2019</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2020</u>
Long-term debt:				
Certificate of participation	\$ 26,824,072	-	(993,372)	25,830,700
Loans payable	<u>439,338</u>	-	<u>(54,075)</u>	<u>385,263</u>
Total long-term debt	27,263,410	<u>-</u>	<u>(1,047,447)</u>	26,215,963
Less: current portion	<u>(862,405)</u>			<u>(899,337)</u>
Non-current portion	<u>\$ 26,401,005</u>			<u>25,316,626</u>

**Oakdale Irrigation District**  
*Management's Discussion and Analysis, continued*  
**For the Years Ended December 31, 2021 and 2020**

**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, 2021 and 2020**

	<b>2021</b>	<b>As Restated 2020</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 38,715,626	28,456,890
Restricted – cash and cash equivalents (note 2)	1,459,357	1,395,711
Investments (note 2)	16,581,725	32,925,536
Accrued interest receivable	275,525	244,499
Accounts receivable – water sales and services	127,886	156,054
Accounts receivable – other	1,365	3,368
Property tax receivable	1,785,596	1,689,854
Assessment receivable – ID No. 52	296,736	348,501
Due from other government agencies (note 3)	300,369	391,684
Prepaid expenses and other deposits	783,702	837,195
Materials and supplies inventory	847,026	662,921
Long-term assets – due in one year:		
Annexation fees receivable (note 5)	939,643	912,274
<b>Total current assets</b>	62,114,556	68,024,487
<b>Non-current assets:</b>		
Investments (note 2)	14,896,491	10,590,260
Investment in joint-powers authorities (note 6)	58,615,544	56,347,112
Capital assets – not being depreciated (note 7)	9,269,057	6,331,366
Capital assets – being depreciated, net (note 7)	102,591,811	104,226,399
Long-term assets – due after one year:		
Annexation fees receivable (note 5)	11,369,628	12,309,272
<b>Total non-current assets</b>	196,742,531	189,804,409
<b>Total assets</b>	258,857,087	257,828,896
<b>Deferred outflows of resources:</b>		
Deferred pension outflows (note 10)	760,863	799,404
Deferred loss on defeasance of debt	2,784,350	2,948,136
<b>Total deferred outflows of resources</b>	\$ 3,545,213	3,747,540

Continued on next page

See accompanying notes to the basic financial statements

**Oakdale Irrigation District**  
**Statements of Net Position, continued**  
**December 31, 2021 and 2020**

	<b>2021</b>	<b>As Restated 2020</b>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,423,016	387,153
Debt service payment received for the District	56,609	57,298
Other payables	50,000	37,345
Accrued payroll and employee benefits	317,924	294,201
Accrued interest payable	402,851	420,457
Deposits for work-orders	103,365	325,591
Unearned revenue	2,068,809	2,070,978
Long-term liabilities – due in one year:		
Compensated absences (note 8)	637,810	637,810
Certificate-of-participation (note 9)	880,000	865,000
Loans payable (note 9)	9,854	34,337
<b>Total current liabilities</b>	<b>5,950,238</b>	<b>5,130,170</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (note 8)	436,393	366,902
Certificate-of-participation (note 9)	23,922,328	24,965,700
Loans payable (note 9)	286,490	350,926
Net pension liability (note 10)	2,320,868	5,090,115
<b>Total non-current liabilities</b>	<b>26,966,079</b>	<b>30,773,643</b>
<b>Total liabilities</b>	<b>32,916,317</b>	<b>35,903,813</b>
<b>Deferred inflows of resources:</b>		
Deferred pension inflows (note 10)	2,025,996	36,305
<b>Total deferred inflows of resources</b>	<b>2,025,996</b>	<b>36,305</b>
<b>Net position: (note 11)</b>		
Net investment in capital assets	89,546,546	87,289,938
Restricted	1,342,085	1,278,187
Unrestricted	136,571,356	137,068,193
<b>Total net position</b>	<b>\$ 227,459,987</b>	<b>225,636,318</b>

See accompanying notes to the basic financial statements

**Oakdale Irrigation District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2021 and 2020**

	<b>2021</b>	<b>As Restated 2020</b>
<b>Operating revenues:</b>		
Agriculture water fees and sales	\$ 3,719,963	3,516,215
Domestic water sales	221,572	222,316
Out of District water sales	617,517	793,967
Other water service charges	436,754	461,581
<b>Total operating revenues</b>	<b>4,995,806</b>	<b>4,994,079</b>
<b>Operating expenses:</b>		
Operation and maintenance	6,011,537	6,081,461
General and administrative	2,067,305	3,045,736
Water operations	3,832,486	3,801,327
<b>Total operating expenses</b>	<b>11,911,328</b>	<b>12,928,524</b>
<b>Operating loss before depreciation expense</b>	<b>(6,915,522)</b>	<b>(7,934,445)</b>
Depreciation expense	(3,423,394)	(3,239,929)
<b>Operating loss</b>	<b>(10,338,916)</b>	<b>(11,174,374)</b>
<b>Non-operating revenues(expenses):</b>		
Property taxes	3,375,839	3,871,220
Assessment revenue – ID No. 52	88,274	53,384
Annexation fees	119,340	-
Investment earnings	427,967	1,016,611
Rental revenue	15,000	14,000
Change in investment in Tri-Dam Project	8,386,928	8,601,730
Change in investment in Tri-Dam Authority	612,504	908,248
Gain(loss) from sale of capital assets	118,728	21,726
Interest expense – long-term debt	(1,000,487)	(1,030,115)
Other non-operating expense	(8)	(2,044)
<b>Total non-operating revenues, net</b>	<b>12,144,085</b>	<b>13,454,760</b>
<b>Net income before capital contributions</b>	<b>1,805,169</b>	<b>2,280,386</b>
<b>Capital contributions:</b>		
Contributed capital	18,500	1,000
<b>Total capital contributions</b>	<b>18,500</b>	<b>1,000</b>
<b>Changes in net position</b>	<b>1,823,669</b>	<b>2,281,386</b>
<b>Net position, beginning of year (note 11)</b>	<b>225,636,318</b>	<b>223,354,932</b>
<b>Net position, end of year</b>	<b>\$ 227,459,987</b>	<b>225,636,318</b>

See accompanying notes to the basic financial statements

**Oakdale Irrigation District**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>As Restated 2020</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers for water sales and services	\$ 4,892,897	5,622,352
Cash paid to vendors and suppliers for materials and services	(5,031,320)	(7,909,655)
Cash paid to employees for salaries and wages	<u>(6,446,117)</u>	<u>(6,030,430)</u>
<b>Net cash used in operating activities</b>	<u>(6,584,540)</u>	<u>(8,317,733)</u>
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from property taxes	3,280,097	2,954,958
Proceeds from assessment ID No. 52	139,350	94,044
Proceeds from annexation fees	1,031,615	885,703
Interest on annexation agreement	<u>396,647</u>	<u>437,634</u>
<b>Net cash provided by non-capital financing activities</b>	<u>4,847,709</u>	<u>4,372,339</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(4,767,161)	(4,112,427)
Proceeds from the sale of capital assets	159,392	21,726
Proceeds from capital contributions	18,500	1,000
Principal paid on long-term debt	(1,117,291)	(1,047,447)
Interest paid on long-term debt	<u>(1,018,093)</u>	<u>(1,045,012)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(6,724,653)</u>	<u>(6,182,160)</u>
<b>Cash flows from investing activities:</b>		
Interest and investment earnings	294	641,109
Rental revenue	15,000	14,000
Rental expense	(8)	(2,044)
Purchase of securities	(95,413,471)	(202,105,819)
Proceeds from sale of securities	107,451,051	186,285,183
Tri-Dam Power Authority cash distributions	1,252,000	3,219,500
Tri-Dam Project cash distribution	<u>5,479,000</u>	<u>12,571,000</u>
<b>Net cash provided by investing activities</b>	<u>18,783,866</u>	<u>622,929</u>
<b>Net increase(decrease) in cash and cash equivalents</b>	10,322,382	(9,504,625)
<b>Cash and cash equivalents, beginning of year</b>	<u>29,852,601</u>	<u>39,357,226</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 40,174,983</u>	<u>29,852,601</u>
<b>Reconciliation of cash and cash equivalents to the statements of net position:</b>		
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 38,715,626	28,456,890
Restricted – cash and cash equivalents	<u>1,459,357</u>	<u>1,395,711</u>
<b>Total cash and cash equivalents</b>	<u>\$ 40,174,983</u>	<u>29,852,601</u>

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, 2021 and 2020**

	<b>2021</b>	<b>As Restated 2020</b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ <u>(10,338,916)</u>	<u>(11,174,374)</u>
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>		
Depreciation expense	3,423,394	3,239,929
<b>Change in assets, deferred outflows, liabilities, and deferred inflows:</b>		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	28,168	230,044
Accounts receivable – other	2,003	9,243
Due from other government agencies	91,315	171,712
Prepaid expenses and other deposits	53,493	(175,339)
Materials and supplies inventory	(184,105)	15,219
(Increase)Decrease in deferred outflows of resources:		
Deferred pension outflows	38,541	(100,543)
Deferred loss on defeasance of debt	163,786	163,785
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	1,035,863	(1,614,768)
Due to other government agencies	-	(5,171)
Other payables	12,655	37,345
Accrued payroll and employee benefits	23,723	49,377
Deposits for work-orders	(222,226)	125,235
Unearned revenue	(2,169)	92,039
Compensated absences	69,491	97,461
Net pension liability	(2,769,247)	563,900
Increase(Decrease) in deferred inflows of resources:		
Deferred pension inflows	<u>1,989,691</u>	<u>(42,827)</u>
Total adjustments	<u>3,754,376</u>	<u>2,856,641</u>
<b>Net cash used in operating activities</b>	<b>\$ <u>(6,584,540)</u></b>	<b><u>(8,317,733)</u></b>
<b>Non-cash investing, capital, and financing transaction:</b>		
Change in fair value of investments	<u>\$ (408,575)</u>	<u>(233,459)</u>
Change in undistributed investment in Tri-Dam Project	<u>\$ 2,268,433</u>	<u>(6,280,522)</u>

See accompanying notes to the basic financial statements

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements**  
**For the Years Ended December 31, 2021 and 2020**

**(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 3,030 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.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

**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.

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

**C. Financial Reporting**

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

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

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.



**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

**C. Financial Reporting, continued**

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.

**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.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

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

**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. Property Taxes and Assessments**

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

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

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

**7. 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.

**8. Restricted Assets**

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

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

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

**9. Capital Assets**

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

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

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

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

**10. Deferred Outflows of Resources**

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

**11. Unearned Revenue**

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

**12. Compensated Absences**

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

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

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

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

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

**13. 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, 2020 and 2019
- Measurement dates: June 30, 2021 and 2020
- Measurement periods: July 1, 2020 to June 30, 2021 and July 1, 2019 to June 30, 2020

**14. Deferred Inflows of Resources**

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

**15. Net Position**

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

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

**16. Budgetary Principles**

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

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(2) Cash and Investments**

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 38,715,626	28,456,890
Restricted – cash and cash equivalents	1,459,357	1,395,711
Investments	<u>31,478,216</u>	<u>43,515,796</u>
Total	<u>\$ 71,653,199</u>	<u>73,368,397</u>

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents:		
Cash on hand	\$ 750	750
Deposits with financial institutions	3,278,968	2,384,009
California Local Agency Investment Fund	1,248,052	1,273,926
Money market mutual fund	<u>35,647,213</u>	<u>26,193,916</u>
Total cash and cash equivalents	<u>40,174,983</u>	<u>29,852,601</u>
Investments:		
U.S. Government Agency obligations	-	18,329,450
Commercial paper	16,581,725	14,596,086
Corporate bonds	<u>14,896,491</u>	<u>10,590,260</u>
Total investments	<u>31,478,216</u>	<u>43,515,796</u>
Total cash and investments	<u>\$ 71,653,199</u>	<u>73,368,397</u>

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(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.

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

\*Irwin Union Quality Code Index

***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, 2021 and 2020, 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.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

***Investment in State Investment Pool***

The District is a voluntary participant in the California 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 fair value factor for LAIF is reported on a quarterly basis. The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transaction processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000.
- Withdrawals of \$10 million or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

***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, 2021, the District's investments are scheduled to mature as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
California Local Agency Investment Fund	\$ 1,248,052	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
<b>Total</b>	<b>\$ 68,373,481</b>	<b>53,476,990</b>	<b>13,520,272</b>	<b>1,376,219</b>

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

*Interest Rate Risk, continued*

As of December 31, 2020, the District's investments are scheduled to mature as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
California Local Agency Investment Fund	\$ 1,273,926	1,273,926	-	-
Money market mutual fund	26,193,916	26,193,916	-	-
U.S. Government Agency obligations	18,329,450	18,329,450	-	-
Commercial paper	14,596,086	14,596,086	-	-
Corporate bonds	10,590,260	-	3,282,835	7,307,425
<b>Total</b>	<b>\$ 70,983,638</b>	<b>60,393,378</b>	<b>3,282,835</b>	<b>7,307,425</b>

*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, 2021, were as follows:

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Amount</u>	<u>Rating as of Year-End</u>		
			<u>AAAm/A-1+ AA/AA+/AA-</u>	<u>A-1/A+/ A/A-/BBB+</u>	<u>Unrated</u>
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	-
<b>Total</b>		<b>\$ 68,373,481</b>	<b>4,345,266</b>	<b>10,551,225</b>	<b>53,476,990</b>

Credit ratings as of December 31, 2020, were as follows:

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Amount</u>	<u>Rating as of Year-End</u>		
			<u>AAAm/A-1+ AA/AA+/AA-</u>	<u>A-1/A+/ A/A-/BBB+</u>	<u>Unrated</u>
California Local Agency Investment Fund	N/A	\$ 1,273,926	-	-	1,273,926
Money market mutual fund	AAA/Aaa	26,193,916	26,193,916	-	-
U.S. Government Agency obligations	N/A	18,329,450	4,997,250	13,332,200	-
Commercial paper	A-1+	14,596,086	12,596,106	1,999,980	-
Corporate bonds	Aaa	10,590,260	4,414,783	6,175,477	-
<b>Total</b>		<b>\$ 70,983,638</b>	<b>48,202,055</b>	<b>21,507,657</b>	<b>1,273,926</b>



**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

***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:

<u>Investment</u>	<u>2021</u>	<u>2020</u>
Commercial paper		
Cooperative Centrale	\$ 2,997,900	-
DBS Bank Limited	-	2,998,770
Lloyds Bank Corporate Market Place	2,994,300	-
National Bank of Canada	2,997,140	-
Province of Alberta	2,848,319	-
Royal Bank of Canada	2,699,661	5,398,164
Toronto-Dominion Bank	-	2,999,340
Toyota Industries	-	1,999,980
Toyota Motor Credit Co.	1,747,480	-
Corporate bonds		
Apple Inc.	2,832,712	2,858,702
Bank of America Corp.	3,236,215	-
Bank of New York Mellon Corp.	2,810,693	2,892,642
Berkshire Hathaway	1,512,554	1,556,081
JP Morgan Chase & Co. NTS	1,882,711	-
Wells Fargo Bank	-	2,526,400

***Fair Value Hierarchy***

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

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

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2020, are as follows:

<u>Description</u>	<u>December 31,</u> <u>2020</u>	<u>Fair Value Measurement at Reporting Date Using:</u>		
		<u>Quoted Prices in</u> <u>Active Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
U.S. Government Agency obligations	\$ 18,329,450	-	18,329,450	-
Commercial paper	14,596,086	-	14,596,086	-
Corporate bonds	10,590,260	-	10,590,260	-
	<u>43,515,796</u>	<u>-</u>	<u>43,515,796</u>	<u>-</u>
Investments measured at amortized cost:				
California Local Agency Investment Fund	1,273,926			
Money market mutual fund	<u>26,193,916</u>			
Total	<u>\$ 70,983,638</u>			

**(3) Due from Other Government Agencies**

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

<u>Government Agency</u>	<u>2021</u>	<u>2020</u>
Department of Water Resources	\$ 297,277	297,277
South San Joaquin Irrigation District	-	92,159
Others	<u>3,092</u>	<u>2,248</u>
Total	<u>\$ 300,369</u>	<u>391,684</u>

**(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, 2021, inter-fund receivables/payables between the District and Improvement Districts were as follows:

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

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(4) Internal Balances, continued**

As of December 31, 2020, inter-fund receivables/payables between the District and Improvement Districts were as follows:

<u>Description</u>	<u>Due from</u>	<u>Due to</u>	<u>Net Balance</u>
Oakdale Irrigation District	\$ 82,990	(183,204)	(100,214)
Improvement Districts	<u>183,204</u>	<u>(82,990)</u>	<u>100,214</u>
	<u>\$ 266,194</u>	<u>(266,194)</u>	<u>-</u>

**(5) Annexation Fees Receivable**

Changes in annexation fees receivable for 2021 were as follows:

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

Changes in annexation fees receivable for 2020 were as follows:

	<u>Balance 2019</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2020</u>
Annexation fee receivable:				
Trinitas	\$ 13,125,951	-	(840,449)	12,285,502
Paddock	37,265	-	(1,874)	35,391
Hoekstra	944,033	-	(43,380)	900,653
Naraghi	<u>516,715</u>	<u>-</u>	<u>(516,715)</u>	<u>-</u>
Total annexation fee receivable	14,623,964	<u>-</u>	<u>(1,402,418)</u>	13,221,546
Less: current portion	<u>(918,109)</u>			<u>(912,274)</u>
Total non-current portion	<u>\$ 13,705,855</u>			<u>12,309,272</u>

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(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, 2021, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 891,632	342,595	1,234,227
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
2027-2031	5,487,767	683,369	6,171,136
2032	<u>1,198,278</u>	<u>35,950</u>	<u>1,234,228</u>
Total	11,419,840	<u>2,156,660</u>	<u>13,576,500</u>
Current	<u>(891,632)</u>		
Non-current	<u>\$ 10,528,208</u>		

***Paddock Annexation***

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

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(5) Annexation Fees Receivable, continued**

*Paddock Annexation, continued*

Future payments to be received under the agreement as of December 31, 2021, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,988	1,004	2,992
2023	2,048	944	2,992
2024	2,109	883	2,992
2025	2,173	819	2,992
2026	2,238	754	2,992
2027-2031	12,238	2,723	14,961
2032-2035	<u>10,666</u>	<u>789</u>	<u>11,455</u>
Total	33,460	<u>7,916</u>	<u>41,376</u>
Current	<u>(1,988)</u>		
Non-current	\$ <u>31,472</u>		

*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, 2021, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 46,023	25,679	71,702
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
2027-2031	283,257	75,251	358,508
2032-2036	<u>328,374</u>	<u>30,136</u>	<u>358,510</u>
Total	855,971	<u>219,555</u>	<u>1,075,526</u>
Current	<u>(46,023)</u>		
Non-current	\$ <u>809,948</u>		

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(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, 2021, the District's participation in these jointly governed organizations consists of the following balance:

	<b>As Restated 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>2021</b>
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
	<u>\$ 56,347,112</u>	<u>8,999,932</u>	<u>(6,731,500)</u>	<u>58,615,544</u>

As of December 31, 2020, the District's participation in these jointly governed organizations consists of the following balance:

	<b>As Restated 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>As Restated 2020</b>
Tri-Dam Project	\$ 46,495,387	8,601,730	(12,571,000)	42,526,117
Tri-Dam Power Authority	16,132,247	122,748	(2,434,000)	13,820,995
	<u>\$ 62,627,634</u>	<u>8,724,478</u>	<u>(15,005,000)</u>	<u>56,347,112</u>

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

***Tri-Dam Project***

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

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

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(6) Investment in Joint-Powers Authorities, continued**

***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](http://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.

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.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(7) Capital Assets**

The change in capital assets for 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Non-depreciable assets:				
Land	\$ 3,156,692	-	-	3,156,692
Construction-in-process	<u>3,174,674</u>	<u>4,195,292</u>	<u>(1,257,601)</u>	<u>6,112,365</u>
Total non-depreciable assets	<u>6,331,366</u>	<u>4,195,292</u>	<u>(1,257,601)</u>	<u>9,269,057</u>
Depreciable assets:				
Buildings	968,947	6,200	-	975,147
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	<u>3,665,375</u>	<u>-</u>	<u>-</u>	<u>3,665,375</u>
Total depreciable assets	<u>153,424,084</u>	<u>1,829,470</u>	<u>(430,416)</u>	<u>154,823,138</u>
Accumulated depreciation:				
Buildings	(652,613)	(23,301)	-	(675,914)
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	<u>(2,163,568)</u>	<u>(85,173)</u>	<u>-</u>	<u>(2,248,741)</u>
Total accumulated depreciation	<u>(49,197,685)</u>	<u>(3,423,394)</u>	<u>389,752</u>	<u>(52,231,327)</u>
Total depreciable assets, net	<u>104,226,399</u>	<u>(1,593,924)</u>	<u>(40,664)</u>	<u>102,591,811</u>
Total capital assets, net	<u>\$ 110,557,765</u>	<u>2,601,368</u>	<u>(1,298,265)</u>	<u>111,860,868</u>



**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(7) Capital Assets, continued**

The change in capital assets for 2020 was as follows:

	<u>Balance 2019</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2020</u>
Non-depreciable assets:				
Land	\$ 3,156,692	-	-	3,156,692
Construction-in-process	8,551,517	3,511,144	(8,887,987)	3,174,674
Total non-depreciable assets	<u>11,708,209</u>	<u>3,511,144</u>	<u>(8,887,987)</u>	<u>6,331,366</u>
Depreciable assets:				
Buildings	961,814	7,133	-	968,947
Dams and reservoirs	10,447,035	-	-	10,447,035
Distribution systems	119,700,377	8,504,429	-	128,204,806
Automotive and equipment	8,472,534	565,738	(182,912)	8,855,360
Office equipment	882,876	411,970	(12,285)	1,282,561
Domestic water systems	3,665,375	-	-	3,665,375
Total depreciable assets	<u>144,130,011</u>	<u>9,489,270</u>	<u>(195,197)</u>	<u>153,424,084</u>
Accumulated depreciation:				
Buildings	(633,121)	(19,492)	-	(652,613)
Dams and reservoirs	(2,258,112)	(206,299)	-	(2,464,411)
Distribution systems	(35,293,578)	(2,223,906)	-	(37,517,484)
Automotive and equipment	(5,229,077)	(660,420)	182,912	(5,706,585)
Office equipment	(645,379)	(59,930)	12,285	(693,024)
Domestic water systems	(2,093,686)	(69,882)	-	(2,163,568)
Total accumulated depreciation	<u>(46,152,953)</u>	<u>(3,239,929)</u>	<u>195,197</u>	<u>(49,197,685)</u>
Total depreciable assets, net	<u>97,977,058</u>	<u>6,249,341</u>	<u>-</u>	<u>104,226,399</u>
Total capital assets, net	<u>\$ 109,685,267</u>	<u>9,760,485</u>	<u>(8,887,987)</u>	<u>110,557,765</u>

**(8) Compensated Absences**

The change in compensated absences for 2021 was as follows:

	<u>Balance 2020</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>1,004,712</u>	<u>707,324</u>	<u>(637,833)</u>	<u>1,074,203</u>	<u>637,810</u>	<u>436,393</u>

The change in compensated absences for 2020 was as follows:

	<u>Balance 2019</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2020</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>907,251</u>	<u>729,411</u>	<u>(631,950)</u>	<u>1,004,712</u>	<u>637,810</u>	<u>366,902</u>

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(9) Long-term Debt**

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

	<u>Balance 2020</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Certificate-of-participation:						
Revenue Refunding Bond Series 2016A	\$ 22,890,000	-	(865,000)	22,025,000	880,000	21,145,000
Add: Unamortized premium	<u>2,940,700</u>	<u>-</u>	<u>(163,372)</u>	<u>2,777,328</u>	<u>-</u>	<u>2,777,328</u>
Total certificate-of-participation	<u>25,830,700</u>	<u>-</u>	<u>(1,028,372)</u>	<u>24,802,328</u>	<u>880,000</u>	<u>23,922,328</u>
Loans payable:						
Oak Valley Community Bank	147,263	-	(35,919)	111,344	9,854	101,490
U.S. Department of Agriculture	<u>238,000</u>	<u>-</u>	<u>(53,000)</u>	<u>185,000</u>	<u>-</u>	<u>185,000</u>
Total loans payable	<u>385,263</u>	<u>-</u>	<u>(88,919)</u>	<u>296,344</u>	<u>9,854</u>	<u>286,490</u>
Total long-term debt	26,215,963	<u>-</u>	<u>(1,117,291)</u>	25,098,672	<u>889,854</u>	<u>24,208,818</u>
Current portion	<u>(899,337)</u>			<u>(889,854)</u>		
Non-current portion	<u>\$ 25,316,626</u>			<u>24,208,818</u>		

The change in long-term debts for 2020 was as follows:

	<u>Balance 2019</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2020</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Certificate-of-participation:						
Revenue Refunding Bond Series 2016A	\$ 23,720,000	-	(830,000)	22,890,000	865,000	22,025,000
Add: Unamortized premium	<u>3,104,072</u>	<u>-</u>	<u>(163,372)</u>	<u>2,940,700</u>	<u>-</u>	<u>2,940,700</u>
Total certificate-of-participation	<u>26,824,072</u>	<u>-</u>	<u>(993,372)</u>	<u>25,830,700</u>	<u>865,000</u>	<u>24,965,700</u>
Loans payable:						
Oak Valley Community Bank	176,338	-	(29,075)	147,263	8,337	138,926
U.S. Department of Agriculture	<u>263,000</u>	<u>-</u>	<u>(25,000)</u>	<u>238,000</u>	<u>26,000</u>	<u>212,000</u>
Total loans payable	<u>439,338</u>	<u>-</u>	<u>(54,075)</u>	<u>385,263</u>	<u>34,337</u>	<u>350,926</u>
Total long-term debt	27,263,410	<u>-</u>	<u>(1,047,447)</u>	26,215,963	<u>899,337</u>	<u>25,316,626</u>
Current portion	<u>(862,405)</u>			<u>(899,337)</u>		
Non-current portion	<u>\$ 26,401,005</u>			<u>25,316,626</u>		

**Revenue Refunding Bond Series 2016A**

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

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.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(9) Long-term Debt, continued**

***Revenue Refunding Bond Series 2016A, continued***

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 880,000	968,950	1,848,950
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
2027-2031	6,025,000	3,217,000	9,242,000
2032-2036	7,690,000	1,552,500	9,242,500
2037-2038	<u>3,540,000</u>	<u>160,050</u>	<u>3,700,050</u>
Total	22,025,000	<u>9,399,600</u>	<u>31,424,600</u>
Premium	2,777,328		
Current	<u>(880,000)</u>		
Non-current	<u>\$ 23,922,328</u>		

***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.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 9,854	4,807	14,661
2023	21,376	7,946	29,322
2024	23,160	6,161	29,321
2025	25,126	4,196	29,322
2026	27,242	2,080	29,322
2027	<u>4,586</u>	<u>191</u>	<u>4,777</u>
Total	111,344	<u>25,381</u>	<u>136,725</u>
Current	<u>(9,854)</u>		
Non-current	<u>\$ 101,490</u>		

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(9) Long-term Debt, continued**

*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
2027-2028	65,000	4,244	69,244
Total	185,000	29,051	214,051
Current	-		
Non-current	\$ 185,000		

**(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.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(10) Defined Benefit Pension Plan, continued**

*Benefits Provided, continued*

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 2021 and 2020, are summarized as follows:

	<u>Classic</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 62
Monthly benefits, as a % of eligible compensation	1.1% to 2.4%	1.1% to 2.4%
Required employee contribution rates	2021: 7.00%	2021: 6.75%
	2020: 7.00%	2020: 6.75%
Required employer contribution rates	2021: 8.65%	2021: 7.59%
	2020: 8.79%	2020: 7.73%

**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, 2021 and 2020, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>2021</u>	<u>2020</u>
Contributions – employer	\$ <u>801,384</u>	<u>691,541</u>

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(10) Defined Benefit Pension Plan, continued**

*Net Pension Liability*

As of December 31, 2021 and 2020, the District reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<b>2021</b>	<b>2020</b>
Proportionate share of net pension liability	\$ 2,320,868	5,090,115

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, 2021 and 2020, the net pension liability of the Plan is measured as of June 30, 2021 and 2020 (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, 2020 and 2019 (valuation dates), rolled forward to June 30, 2021 and 2020, 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, 2021 and 2020, was as follows:

	<b>Proportionate Share</b>
Proportion – June 30, 2019	0.04417 %
Increase in proportion	0.00261
Proportion – June 30, 2020	0.04678
Increase in proportion	(0.00387)
Proportion – June 30, 2021	0.04291 %

***Deferred Outflows(Inflows) of Resources Related to Pensions***

For the years ended December 31, 2021 and 2020, the District recognized pension expense of \$142,629 and \$1,150,824, respectively.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(10) Defined Benefit Pension Plan, continued**

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

As of December 31, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Description</u>	<u>2021</u>		<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 254,053	-	246,974	-
Differences between actual and expected experience	260,261	-	262,308	-
Changes in assumptions	-	-	-	(36,305)
Net difference between projected and actual earnings on plan investments	-	(2,025,996)	151,210	-
Adjustment due to changes in proportions and difference in employer contributions	246,549	-	138,912	-
Total	<u>\$ 760,863</u>	<u>(2,025,996)</u>	<u>799,404</u>	<u>(36,305)</u>

As of December 31, 2021 and 2020, the District reported \$254,053 and \$246,974, 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, 2021, will be recognized as a reduction of the net pension liability for the year ended December 31, 2021. Pension contributions subsequent to the measurement for the year ended December 31, 2020, was recognized as a reduction of the net pension liability for the year ended December 31, 2020.

As of December 31, 2021, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Deferred Net Outflows(Inflows) of Resources</u>
2022	\$ (244,228)
2023	(307,540)
2024	(407,541)
2025	(559,877)

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(10) Defined Benefit Pension Plan, continued**

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2020 and 2019, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2020 and 2019
Measurement dates	June 30, 2021 and 2020
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions	
Discount rate	7.15%
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, 2021 and 2020, for the PERF C was 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.



**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(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	Assumed Asset Allocation	Real Return Years 1-10	Real Return Years 11+
Global equity	50.00 %	4.80 %	5.98 %
Fixed income	28.00	1.00	2.62
Inflation assets	0.00	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)
	<u>100.00 %</u>		

***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, 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% <u>6.15%</u>	Current Discount Rate <u>7.15%</u>	Discount Rate + 1% <u>8.15%</u>
District's net pension liability	\$ <u>5,753,394</u>	<u>2,320,868</u>	<u>(516,752)</u>

As of December 31, 2020, 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% <u>6.15%</u>	Current Discount Rate <u>7.15%</u>	Discount Rate + 1% <u>8.15%</u>
District's net pension liability	\$ <u>8,364,577</u>	<u>5,090,115</u>	<u>2,384,530</u>

***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 50 through 52 for the Required Supplementary Information.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(11) Net Position**

The balance at December 31, consists of the following:

	<u>2021</u>	<u>2020</u>
Net investment in capital assets:		
Capital assets, net	\$ 111,860,868	110,557,765
Certificate-of-participation, current	(880,000)	(865,000)
Certificate-of-participation, non-current	(21,145,000)	(22,025,000)
Unamortized premium	(2,777,328)	(2,940,700)
Loans payable, current	(9,854)	(34,337)
Loans payable, non-current	(286,490)	(350,926)
Deferred loss on defeasance of debt	2,784,350	2,948,136
Total investment in capital assets	<u>89,546,546</u>	<u>87,289,938</u>
Restricted net position:		
Improvement Districts	1,342,085	1,278,187
Total restricted net position	<u>1,342,085</u>	<u>1,278,187</u>
Unrestricted net position:		
Non-spendable net position:		
Inventory of materials and supplies	847,026	662,921
Investment in joint-powers authority	58,615,544	56,347,112
Prepaid expenses	779,142	832,927
Total non-spendable net position	<u>60,241,712</u>	<u>57,842,960</u>
Spendable net position - designated:		
Main canal / Tunnel improvement	-	986,948
Joint canyon Tunnel	12,529,881	12,868,577
Capital replacement / Improvement	5,911,439	8,316,230
Debt service	16,000,000	16,000,000
Operating facilities project	4,783,896	5,248,751
Municipal conservation project	198,873	200,000
Rate-stabilization	7,007,938	8,238,000
Rural water replacement / Improvement	1,085,724	1,072,338
Vehicle and equipment replacement	187,137	561,967
Building and facilities	3,075,000	3,075,000
Employee compensated absences	1,074,203	982,420
Total spendable net position	<u>51,854,091</u>	<u>57,550,231</u>
Spendable net position - undesignated:	24,475,553	21,675,002
Total unrestricted net position	<u>136,571,356</u>	<u>137,068,193</u>
Total net position	<u>\$ 227,459,987</u>	<u>225,636,318</u>

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(12) Restatement of Net Position**

As of and for the year ended December 31, 2020, the District’s account and transaction balances and net position were restated for the effects of the restatement of its investment in the Tri-Dam Power Authority. The effect of the restatement is as follows:

	<b>Net Position</b>
Net position at December 31, 2019, as previously stated	\$ 207,222,685
Effect of adjustment to the Tri-Dam Power Authority	16,132,247
Net position at December 31, 2019, as restated	223,354,932
Changes in net position, as previously stated	4,592,638
Effect of adjustment to the Tri-Dam Project	(2,311,252)
Net position at December 31, 2020, as restated	\$ 225,636,318

**(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, 2021 and 2020, the assets of the deferred compensation savings plan totaled \$4,325,298 and \$3,869,362, 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.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(14) Risk Management, continued**

At December 31, 2021, the District participated in the liability and property programs of the ACWA/JPIA as follows:

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

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

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended December 31, 2021 and 2020. 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, 2021 and 2020.

**(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. 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 December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

***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.

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, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

***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, 2020; 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, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

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

***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; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

***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.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(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. 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. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

**Oakdale Irrigation District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended December 31, 2021 and 2020**

**(16) Commitments and Contingencies**

*Litigation*

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

*Construction Contracts*

The District has a variety of agreements with private parties relating to the installation, improvement, or modification of water facilities and distribution systems within its service area. As of December 31, 2021, the District remaining commitments were as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>
Greger Facility - General engineering and architectural	\$ 1,241,687	421,186
Greger Facility - Engineering and surveying	36,000	2,275
North Main Canal - Leakage mitigation project	50,500	24,300
South Main Canal - Tunnel 9 downstream portal	93,870	58,735
South Main Canal - Tunnel 8 rehab project - construction	1,874,896	963,596
South Main Canal - Tunnel 8 rehab project - CM & QA	305,525	210,761
Total	<u>\$ 3,602,478</u>	<u>1,680,853</u>

**(17) Subsequent Events**

Events occurring after December 31, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of July 29, 2022, 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, 2021**  
**Last Ten Years\***

Description	Measurement Dates							
	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	0.04291%	0.04678%	0.04417%	0.04137%	0.04127%	0.03893%	0.03347%	0.04327%
District's proportionate share of the net pension liability	\$ 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	\$ 6,016,880	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	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 the total pension liability	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***

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 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%.

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.

**Oakdale Irrigation District**  
**Schedules of the District's Proportionate Share of the Net Pension Liability, continued**  
**As of December 31, 2021**  
**Last Ten Years\***

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

*Change of Assumptions and Methods, continued*

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the

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

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

**Oakdale Irrigation District**  
**Schedules of Pension Plan Contributions**  
**As of December 31, 2021**  
**Last Ten Years\***

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

**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, 2021**

	<b>Oakdale Irrigation District</b>	<b>Improvement Districts</b>	<b>Elimination</b>	<b>2021</b>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 38,715,626	-	-	38,715,626
Restricted – cash and cash equivalents	-	1,459,357	-	1,459,357
Investments	16,581,725	-	-	16,581,725
Accrued interest receivable	274,901	624	-	275,525
Accounts receivable – water sales and services	109,487	18,399	-	127,886
Accounts receivable – other	1,365	-	-	1,365
Property tax receivable	1,785,596	-	-	1,785,596
Assessment receivable – ID No. 52	296,736	-	-	296,736
Due from related organizations	4,021	117,818	(121,839)	-
Due from other government agencies	300,369	-	-	300,369
Prepaid expenses and other deposits	779,142	4,560	-	783,702
Materials and supplies inventory	847,026	-	-	847,026
Long-term assets – due in one year:				
Annexation fees receivable	939,643	-	-	939,643
<b>Total current assets</b>	<u>60,635,637</u>	<u>1,600,758</u>	<u>(121,839)</u>	<u>62,114,556</u>
<b>Non-current assets:</b>				
Investments	14,896,491	-	-	14,896,491
Investment in joint-powers authorities	58,615,544	-	-	58,615,544
Capital assets – not being depreciated	9,269,057	-	-	9,269,057
Capital assets – being depreciated, net	102,253,797	338,014	-	102,591,811
Long-term assets – due after one year:				
Annexation fees receivable	11,369,628	-	-	11,369,628
<b>Total non-current assets</b>	<u>196,404,517</u>	<u>338,014</u>	<u>-</u>	<u>196,742,531</u>
<b>Total assets</b>	<u>257,040,154</u>	<u>1,938,772</u>	<u>(121,839)</u>	<u>258,857,087</u>
<b>Deferred outflows of resources:</b>				
Deferred pension outflows	760,863	-	-	760,863
Deferred loss on defeasance of debt	2,784,350	-	-	2,784,350
<b>Total deferred outflows of resources</b>	<u>\$ 3,545,213</u>	<u>-</u>	<u>-</u>	<u>3,545,213</u>

Continued on next page

**Oakdale Irrigation District**  
**Combining Schedule of Net Position, continued**  
**December 31, 2021**

	<u>Oakdale Irrigation District</u>	<u>Improvement Districts</u>	<u>Elimination</u>	<u>2021</u>
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	\$ 1,415,919	7,097	-	1,423,016
Due to related organizations	117,818	4,021	(121,839)	-
Debt service payment received for the District	-	56,609	-	56,609
Other payables	50,000	-	-	50,000
Accrued payroll and employee benefits	317,924	-	-	317,924
Accrued interest payable	402,851	-	-	402,851
Deposits for work-orders	103,365	-	-	103,365
Unearned revenue	1,877,863	190,946	-	2,068,809
Long-term liabilities – due in one year:				
Compensated absences	637,810	-	-	637,810
Certificate-of-participation	880,000	-	-	880,000
Loans payable	9,854	-	-	9,854
<b>Total current liabilities</b>	<u>5,813,404</u>	<u>258,673</u>	<u>(121,839)</u>	<u>5,950,238</u>
<b>Non-current liabilities:</b>				
Long-term liabilities – due in more than one year:				
Compensated absences	436,393	-	-	436,393
Certificate-of-participation	23,922,328	-	-	23,922,328
Loans payable	286,490	-	-	286,490
Net pension liability	2,320,868	-	-	2,320,868
<b>Total non-current liabilities</b>	<u>26,966,079</u>	<u>-</u>	<u>-</u>	<u>26,966,079</u>
<b>Total liabilities</b>	<u>32,779,483</u>	<u>258,673</u>	<u>(121,839)</u>	<u>32,916,317</u>
<b>Deferred inflows of resources:</b>				
Deferred pension inflows	2,025,996	-	-	2,025,996
<b>Total deferred inflows of resources</b>	<u>2,025,996</u>	<u>-</u>	<u>-</u>	<u>2,025,996</u>
<b>Net position:</b>				
Net investment in capital assets	89,208,532	338,014	-	89,546,546
Restricted	-	1,342,085	-	1,342,085
Unrestricted	136,571,356	-	-	136,571,356
<b>Total net position</b>	<u>\$ 225,779,888</u>	<u>1,680,099</u>	<u>-</u>	<u>227,459,987</u>

**Oakdale Irrigation District**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**Year Ended December 31, 2021**

	<u>Oakdale Irrigation District</u>	<u>Improvement Districts</u>	<u>Elimination</u>	<u>2021</u>
<b>Operating revenues:</b>				
Agriculture water fees and sales	\$ 3,719,963	-	-	3,719,963
Domestic water sales	221,572	-	-	221,572
Out of District water sales	666,291	-	(48,774)	617,517
Other water service charges	113,370	323,384	-	436,754
<b>Total operating revenues</b>	<u>4,721,196</u>	<u>323,384</u>	<u>(48,774)</u>	<u>4,995,806</u>
<b>Operating expenses:</b>				
Operation and maintenance	5,809,612	201,925	-	6,011,537
General and administrative	2,059,908	56,171	(48,774)	2,067,305
Water operations	3,832,486	-	-	3,832,486
<b>Total operating expenses</b>	<u>11,702,006</u>	<u>258,096</u>	<u>(48,774)</u>	<u>11,911,328</u>
<b>Operating loss before depreciation expense</b>	<u>(6,980,810)</u>	<u>65,288</u>	<u>-</u>	<u>(6,915,522)</u>
Depreciation expense	(3,403,780)	(19,614)	-	(3,423,394)
<b>Operating loss</b>	<u>(10,384,590)</u>	<u>45,674</u>	<u>-</u>	<u>(10,338,916)</u>
<b>Non-operating revenues(expenses), net:</b>				
Property taxes	3,375,839	-	-	3,375,839
Assessment revenue – ID No. 52	88,274	-	-	88,274
Annexation fees	119,340	-	-	119,340
Investment earnings	429,357	(1,390)	-	427,967
Rental revenue	15,000	-	-	15,000
Change in investment in Tri-Dam Project	8,386,928	-	-	8,386,928
Change in investment in Tri-Dam Authority	612,504	-	-	612,504
Gain(loss) from sale of capital assets	118,728	-	-	118,728
Interest expense – long-term debt	(1,000,487)	-	-	(1,000,487)
Other non-operating expense	(8)	-	-	(8)
<b>Total non-operating revenues, net</b>	<u>12,145,475</u>	<u>(1,390)</u>	<u>-</u>	<u>12,144,085</u>
<b>Net income before capital contributions</b>	<u>1,760,885</u>	<u>44,284</u>	<u>-</u>	<u>1,805,169</u>
<b>Capital contributions:</b>				
Contributed capital	18,500	-	-	18,500
<b>Total capital contributions</b>	<u>18,500</u>	<u>-</u>	<u>-</u>	<u>18,500</u>
<b>Changes in net position</b>	<u>1,779,385</u>	<u>44,284</u>	<u>-</u>	<u>1,823,669</u>
<b>Net position, beginning of the year</b>	<u>224,000,503</u>	<u>1,635,815</u>	<u>-</u>	<u>225,636,318</u>
<b>Net position, end of year</b>	<u>\$ 225,779,888</u>	<u>1,680,099</u>	<u>-</u>	<u>227,459,987</u>

**Oakdale Irrigation District**  
**Combining Schedule of Net Position –**  
**Improvement District**  
**December 31, 2021**

	<u>ID No. 1</u>	<u>ID No. 2</u>	<u>ID No. 8</u>	<u>ID No. 13</u>	<u>ID No. 19</u>
<b>Current assets:</b>					
Restricted – cash and cash equivalents	\$ 2,935	7,597	7,943	2,378	9,700
Accrued interest receivable	-	-	-	-	-
Accounts receivable – water sales and services	-	22	61	-	94
Due from related organizations	521	169	341	40	1,255
Prepaid expenses and other deposits	-	-	-	-	-
<b>Total current assets</b>	<u>3,456</u>	<u>7,788</u>	<u>8,345</u>	<u>2,418</u>	<u>11,049</u>
<b>Non-current assets:</b>					
Capital assets – being depreciated, net	-	-	4,460	-	-
<b>Total non-current assets</b>	<u>-</u>	<u>-</u>	<u>4,460</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>3,456</u>	<u>7,788</u>	<u>12,805</u>	<u>2,418</u>	<u>11,049</u>
<b>Current liabilities:</b>					
Accounts payable	-	-	-	-	22
Due to related organizations	-	-	-	-	-
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	701	350	755	525	1,812
<b>Total current liabilities</b>	<u>701</u>	<u>350</u>	<u>755</u>	<u>525</u>	<u>1,834</u>
<b>Total liabilities</b>	<u>701</u>	<u>350</u>	<u>755</u>	<u>525</u>	<u>1,834</u>
<b>Net position:</b>					
Net investment in capital assets	-	-	4,460	-	-
Restricted	2,755	7,438	7,590	1,893	9,215
<b>Total net position</b>	<u>\$ 2,755</u>	<u>7,438</u>	<u>12,050</u>	<u>1,893</u>	<u>9,215</u>

Continued on next page

**Oakdale Irrigation District**  
**Combining Schedule of Net Position –**  
**Improvement District, continued**  
**December 31, 2021**

	<u>ID No. 20</u>	<u>ID No. 21</u>	<u>ID No. 22</u>	<u>ID No. 26</u>	<u>ID No. 29</u>
<b>Current assets:</b>					
Restricted – cash and cash equivalents	\$ 2,338	2,746	62,466	3,322	2,477
Accrued interest receivable	-	-	24	-	-
Accounts receivable – water sales and services	-	-	3,529	-	46
Due from related organizations	96	244	10,275	-	1,138
Prepaid expenses and other deposits	-	-	615	-	-
<b>Total current assets</b>	<u>2,434</u>	<u>2,990</u>	<u>76,909</u>	<u>3,322</u>	<u>3,661</u>
<b>Non-current assets:</b>					
Capital assets – being depreciated, net	546	-	30,969	-	-
<b>Total non-current assets</b>	<u>546</u>	<u>-</u>	<u>30,969</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>2,980</u>	<u>2,990</u>	<u>107,878</u>	<u>3,322</u>	<u>3,661</u>
<b>Current liabilities:</b>					
Accounts payable	-	-	951	-	22
Due to related organizations	-	-	499	-	-
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	96	524	12,906	-	2,141
<b>Total current liabilities</b>	<u>96</u>	<u>524</u>	<u>14,356</u>	<u>-</u>	<u>2,163</u>
<b>Total liabilities</b>	<u>96</u>	<u>524</u>	<u>14,356</u>	<u>-</u>	<u>2,163</u>
<b>Net position:</b>					
Net investment in capital assets	546	-	30,969	-	-
Restricted	2,338	2,466	62,553	3,322	1,498
<b>Total net position</b>	<u>\$ 2,884</u>	<u>2,466</u>	<u>93,522</u>	<u>3,322</u>	<u>1,498</u>

Continued on next page

**Oakdale Irrigation District  
Combining Schedule of Net Position –  
Improvement District, continued  
December 31, 2021**

	<u>ID No. 31</u>	<u>ID No. 36</u>	<u>ID No. 38</u>	<u>ID No. 41</u>	<u>ID No. 45</u>
<b>Current assets:</b>					
Restricted – cash and cash equivalents	\$ 6,914	3,642	1,047	112,432	326,340
Accrued interest receivable	-	-	-	58	136
Accounts receivable – water sales and services	-	-	21	9,463	476
Due from related organizations	193	235	329	23,825	21,776
Prepaid expenses and other deposits	-	-	-	885	933
<b>Total current assets</b>	<u>7,107</u>	<u>3,877</u>	<u>1,397</u>	<u>146,663</u>	<u>349,661</u>
<b>Non-current assets:</b>					
Capital assets – being depreciated, net	-	-	-	81,860	77,858
<b>Total non-current assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,860</u>	<u>77,858</u>
<b>Total assets</b>	<u>7,107</u>	<u>3,877</u>	<u>1,397</u>	<u>228,523</u>	<u>427,519</u>
<b>Current liabilities:</b>					
Accounts payable	-	-	-	2,322	737
Due to related organizations	-	-	-	1,129	619
Debt service payment received for the District	-	-	-	-	-
Unearned revenue	257	519	356	32,950	39,814
<b>Total current liabilities</b>	<u>257</u>	<u>519</u>	<u>356</u>	<u>36,401</u>	<u>41,170</u>
<b>Total liabilities</b>	<u>257</u>	<u>519</u>	<u>356</u>	<u>36,401</u>	<u>41,170</u>
<b>Net position:</b>					
Net investment in capital assets	-	-	-	81,860	77,858
Restricted	6,850	3,358	1,041	110,262	308,491
<b>Total net position</b>	<u>\$ 6,850</u>	<u>3,358</u>	<u>1,041</u>	<u>192,122</u>	<u>386,349</u>

Continued on next page

**Oakdale Irrigation District  
Combining Schedule of Net Position –  
Improvement District, continued  
December 31, 2021**

	<u>ID No. 46</u>	<u>ID No. 48</u>	<u>ID No. 51</u>	<u>ID No. 52</u>	<u>2021</u>
<b>Current assets:</b>					
Restricted – cash and cash equivalents	\$ 446,593	16,894	384,984	56,609	1,459,357
Accrued interest receivable	200	-	206	-	624
Accounts receivable – water sales and services	1,234	297	3,156	-	18,399
Due from related organizations	30,338	404	26,639	-	117,818
Prepaid expenses and other deposits	1,168	-	959	-	4,560
<b>Total current assets</b>	<u>479,533</u>	<u>17,595</u>	<u>415,944</u>	<u>56,609</u>	<u>1,600,758</u>
<b>Non-current assets:</b>					
Capital assets – being depreciated, net	40,265	2,677	99,379	-	338,014
<b>Total non-current assets</b>	<u>40,265</u>	<u>2,677</u>	<u>99,379</u>	<u>-</u>	<u>338,014</u>
<b>Total assets</b>	<u>519,798</u>	<u>20,272</u>	<u>515,323</u>	<u>56,609</u>	<u>1,938,772</u>
<b>Current liabilities:</b>					
Accounts payable	2,200	-	843	-	7,097
Due to related organizations	928	-	846	-	4,021
Debt service payment received for the District	-	-	-	56,609	56,609
Unearned revenue	51,194	529	45,517	-	190,946
<b>Total current liabilities</b>	<u>54,322</u>	<u>529</u>	<u>47,206</u>	<u>56,609</u>	<u>258,673</u>
<b>Total liabilities</b>	<u>54,322</u>	<u>529</u>	<u>47,206</u>	<u>56,609</u>	<u>258,673</u>
<b>Net position:</b>					
Net investment in capital assets	40,265	2,677	99,379	-	338,014
Restricted	425,211	17,066	368,738	-	1,342,085
<b>Total net position</b>	<u>\$ 465,476</u>	<u>19,743</u>	<u>468,117</u>	<u>-</u>	<u>1,680,099</u>

**Oakdale Irrigation District**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position –**  
**Improvement District**  
**Year Ended December 31, 2021**

	<u>ID No. 1</u>	<u>ID No. 2</u>	<u>ID No. 8</u>	<u>ID No. 13</u>	<u>ID No. 19</u>
<b>Operating revenues:</b>					
Maintenance and operation charges	\$ 701	622	1,163	554	2,854
<b>Total operating revenues</b>	<u>701</u>	<u>622</u>	<u>1,163</u>	<u>554</u>	<u>2,854</u>
<b>Operating expenses:</b>					
Operation and maintenance	16	36	34	26	351
General and administrative	<u>249</u>	<u>258</u>	<u>258</u>	<u>257</u>	<u>2,141</u>
<b>Total operating expenses</b>	<u>265</u>	<u>294</u>	<u>292</u>	<u>283</u>	<u>2,492</u>
<b>Operating gain(loss) before depreciation expense</b>	436	328	871	271	362
Depreciation expense	<u>-</u>	<u>-</u>	<u>(135)</u>	<u>-</u>	<u>-</u>
<b>Operating gain(loss)</b>	<u>436</u>	<u>328</u>	<u>736</u>	<u>271</u>	<u>362</u>
<b>Non-operating revenues:</b>					
Investment earnings	<u>4</u>	<u>10</u>	<u>10</u>	<u>3</u>	<u>15</u>
<b>Total non-operating revenues</b>	<u>4</u>	<u>10</u>	<u>10</u>	<u>3</u>	<u>15</u>
<b>Changes in net position</b>	440	338	746	274	377
<b>Net position, beginning of the year</b>	<u>2,315</u>	<u>7,100</u>	<u>11,304</u>	<u>1,619</u>	<u>8,838</u>
<b>Net position, end of year</b>	<u>\$ 2,755</u>	<u>7,438</u>	<u>12,050</u>	<u>1,893</u>	<u>9,215</u>

Continued on next page



**Oakdale Irrigation District**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position –**  
**Improvement District, continued**  
**Year Ended December 31, 2021**

	<u>ID No. 20</u>	<u>ID No. 21</u>	<u>ID No. 22</u>	<u>ID No. 26</u>	<u>ID No. 29</u>
<b>Operating revenues:</b>					
Maintenance and operation charges	\$ 639	649	21,174	759	3,080
<b>Total operating revenues</b>	<u>639</u>	<u>649</u>	<u>21,174</u>	<u>759</u>	<u>3,080</u>
<b>Operating expenses:</b>					
Operation and maintenance	17	26	16,854	15	400
General and administrative	<u>251</u>	<u>253</u>	<u>7,989</u>	<u>250</u>	<u>2,137</u>
<b>Total operating expenses</b>	<u>268</u>	<u>279</u>	<u>24,843</u>	<u>265</u>	<u>2,537</u>
<b>Operating gain(loss) before depreciation expense</b>	371	370	(3,669)	494	543
Depreciation expense	<u>(21)</u>	<u>-</u>	<u>(1,922)</u>	<u>-</u>	<u>-</u>
<b>Operating gain(loss)</b>	<u>350</u>	<u>370</u>	<u>(5,591)</u>	<u>494</u>	<u>543</u>
<b>Non-operating revenues:</b>					
Investment earnings	<u>3</u>	<u>4</u>	<u>(31)</u>	<u>4</u>	<u>4</u>
<b>Total non-operating revenues</b>	<u>3</u>	<u>4</u>	<u>(31)</u>	<u>4</u>	<u>4</u>
<b>Changes in net position</b>	353	374	(5,622)	498	547
<b>Net position, beginning of the year</b>	<u>2,531</u>	<u>2,092</u>	<u>99,144</u>	<u>2,824</u>	<u>951</u>
<b>Net position, end of year</b>	<u>\$ 2,884</u>	<u>2,466</u>	<u>93,522</u>	<u>3,322</u>	<u>1,498</u>

Continued on next page

**Oakdale Irrigation District**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position –**  
**Improvement District, continued**  
**Year Ended December 31, 2021**

	<u>ID No. 31</u>	<u>ID No. 36</u>	<u>ID No. 38</u>	<u>ID No. 41</u>	<u>ID No. 45</u>
<b>Operating revenues:</b>					
Maintenance and operation charges	\$ 656	652	589	60,000	63,875
<b>Total operating revenues</b>	<u>656</u>	<u>652</u>	<u>589</u>	<u>60,000</u>	<u>63,875</u>
<b>Operating expenses:</b>					
Operation and maintenance	47	19	3,513	64,892	21,095
General and administrative	298	253	259	8,038	9,086
<b>Total operating expenses</b>	<u>345</u>	<u>272</u>	<u>3,772</u>	<u>72,930</u>	<u>30,181</u>
<b>Operating gain(loss) before depreciation expense</b>	311	380	(3,183)	(12,930)	33,694
Depreciation expense	-	-	-	(3,378)	(4,819)
<b>Operating gain(loss)</b>	<u>311</u>	<u>380</u>	<u>(3,183)</u>	<u>(16,308)</u>	<u>28,875</u>
<b>Non-operating revenues:</b>					
Investment earnings	10	5	5	(127)	(296)
<b>Total non-operating revenues</b>	<u>10</u>	<u>5</u>	<u>5</u>	<u>(127)</u>	<u>(296)</u>
<b>Changes in net position</b>	321	385	(3,178)	(16,435)	28,579
<b>Net position, beginning of the year</b>	<u>6,529</u>	<u>2,973</u>	<u>4,219</u>	<u>208,557</u>	<u>357,770</u>
<b>Net position, end of year</b>	<u>\$ 6,850</u>	<u>3,358</u>	<u>1,041</u>	<u>192,122</u>	<u>386,349</u>

Continued on next page

**Oakdale Irrigation District**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position –**  
**Improvement District, continued**  
**Year Ended December 31, 2021**

	<u>ID No. 46</u>	<u>ID No. 48</u>	<u>ID No. 51</u>	<u>ID No. 52</u>	<u>2021</u>
<b>Operating revenues:</b>					
Maintenance and operation charges	\$ 84,300	1,891	79,226	-	323,384
<b>Total operating revenues</b>	<u>84,300</u>	<u>1,891</u>	<u>79,226</u>	<u>-</u>	<u>323,384</u>
<b>Operating expenses:</b>					
Operation and maintenance	51,037	858	42,689	-	201,925
General and administrative	12,652	273	11,269	-	56,171
<b>Total operating expenses</b>	<u>63,689</u>	<u>1,131</u>	<u>53,958</u>	<u>-</u>	<u>258,096</u>
<b>Operating gain(loss) before depreciation expense</b>	20,611	760	25,268	-	65,288
Depreciation expense	(4,343)	(584)	(4,412)	-	(19,614)
<b>Operating gain(loss)</b>	<u>16,268</u>	<u>176</u>	<u>20,856</u>	<u>-</u>	<u>45,674</u>
<b>Non-operating revenues:</b>					
Investment earnings	(462)	24	(575)	-	(1,390)
<b>Total non-operating revenues</b>	<u>(462)</u>	<u>24</u>	<u>(575)</u>	<u>-</u>	<u>(1,390)</u>
<b>Changes in net position</b>	15,806	200	20,281	-	44,284
<b>Net position, beginning of the year</b>	<u>449,670</u>	<u>19,543</u>	<u>447,836</u>	<u>-</u>	<u>1,635,815</u>
<b>Net position, end of year</b>	<u>\$ 465,476</u>	<u>19,743</u>	<u>468,117</u>	<u>-</u>	<u>1,680,099</u>

**< Page Intentionally Left Blank >**

## **Other Information**

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

<b>Year</b>	<b>Diverted from Stanislaus</b>	<b>Groundwater Pumping</b>	<b>Reclamation Pumping</b>	<b>Total Production</b>	<b>Percent of 10- year Ave.</b>
2012	231,725	6,634	8,210	246,569	110.5%
2013	244,642	10,112	7,789	262,543	117.6%
2014	201,360	16,858	6,461	224,679	100.7%
2015	164,955	12,567	3,317	180,839	81.0%
2016	183,695	3,577	937	188,209	84.3%
2017	199,390	2,451	3,971	205,812	92.2%
2018	207,382	2,874	3,616	213,872	95.8%
2019	205,354	1,686	3,508	210,548	94.3%
2020	237,997	1,495	3,613	243,105	108.9%
2021	249,708	2,491	3,848	256,047	114.7%

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

<u>Year</u>	<u>Total Water Production</u>	<u>Total Agricultural Water Delivered</u>	<u>Water Transfers</u>	<u>Total Deliveries</u>	<u>Percent of 10- year Ave.</u>
2012	246,569	229,297	-	229,297	115.7%
2013	262,543	245,144	40,000	285,144	143.8%
2014	224,679	201,086	-	201,086	101.4%
2015	180,839	161,203	11,500	172,703	87.1%
2016	188,209	157,751	50,500	208,251	105.0%
2017	205,812	160,461	-	160,461	80.9%
2018	213,872	162,780	31,309	194,089	97.9%
2019	210,548	158,446	500	158,946	80.2%
2020	243,105	181,049	650	181,699	91.7%
2021	256,047	190,255	501	190,756	96.2%

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

<b>Landowner</b>	<b>No. of Gross Acres</b>	<b>Percent of Total</b>	<b>Water Delivery Fee Revenue</b>	<b>Percent of Total</b>
Trinitas LLCs	7,592.32	10.80%	\$ 230,731	10.83%
John Brichetto Family Trusts	5,429.00	7.72%	164,987	7.75%
V.A. Rodden	1,626.18	2.31%	49,420	2.32%
G3 Enterprises	961.80	1.37%	29,229	1.37%
Sharon Naraghi	960.52	1.37%	29,190	1.37%
Hoekstra Family	867.30	1.23%	26,357	1.24%
A. L. Gilbert Co.	815.73	1.16%	24,790	1.16%
Bentley Ranch, LLC	786.71	1.12%	23,908	1.12%
Montpelier Farming Corp.	701.28	1.00%	21,312	1.00%
Desimas & Bairos Dairy	628.15	0.89%	19,089	0.90%
<b>Total</b>	<b>20,368.99</b>	<b>31.32%</b>	<b>\$ 619,014</b>	<b>29.06%</b>



**Oakdale Irrigation District**  
**Historic Operating Results**  
**From December 31, 2016 through 2020**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Operating revenues:</b>					
Agricultural water service fees	\$ 3,157,236	\$ 2,080,171	\$ 3,323,023	\$ 3,198,582	\$ 3,516,215
Domestic water delivery fees	201,224	213,011	216,578	215,124	222,316
Other water related revenues	335,085	635,913	514,765	532,359	461,581
Connection fees	-	5,750	-	-	-
Water sales	15,750,000	-	6,568,098	616,463	793,967
<b>Total operating revenues</b>	<u>19,443,545</u>	<u>2,934,845</u>	<u>10,622,464</u>	<u>4,562,528</u>	<u>4,994,079</u>
<b>Operating expenses</b>					
Operation and maintenance	3,998,330	3,841,228	4,663,601	4,641,660	6,081,461
General and administrative	4,203,644	4,147,036	3,832,205	3,632,070	3,045,736
Water operations	2,545,847	2,447,815	3,123,787	3,181,202	3,801,327
Depreciation	2,458,226	2,637,844	2,645,742	2,862,049	3,239,929
<b>Total operating expenses</b>	<u>13,206,047</u>	<u>13,073,923</u>	<u>14,265,335</u>	<u>14,316,981</u>	<u>16,168,453</u>
<b>Operating income (loss)</b>	<u>6,237,498</u>	<u>(10,139,078)</u>	<u>(3,642,871)</u>	<u>(9,754,453)</u>	<u>(11,174,374)</u>
<b>Non-operating revenues (expenses)</b>					
Property taxes	2,566,034	2,517,293	2,622,192	2,852,019	3,871,220
Annexation fees	-	2,833,792	-	13,909	53,384
Investment Earnings	836,887	1,216,381	1,858,886	2,024,854	1,016,611
Rental revenue	-	-	-	6,000	14,000
Change in Investment- Tri-Dam Project	13,112,350	18,135,230	5,750,305	14,925,890	8,601,730
Change in Investment - Tri-Dam Authority	-	692,000	3,691,500	2,434,000	908,248
Gain (loss) on sale of capital assets	(3,164)	6,102	(66,103)	-	21,726
Interest Expense- Long Term Debt	(1,211,403)	(1,080,068)	(1,088,006)	(1,065,361)	(1,030,115)
Other nonoperating revenues	-	-	-	-	(2,044)
<b>Total non-operating revenues (expenses)</b>	<u>15,300,704</u>	<u>24,320,730</u>	<u>12,768,774</u>	<u>21,191,311</u>	<u>13,454,760</u>
<b>Net income before contributions</b>	<u>21,538,202</u>	<u>14,181,652</u>	<u>9,125,903</u>	<u>11,436,858</u>	<u>2,280,386</u>
<b>Capital contributions</b>	<u>2,804</u>	<u>-</u>	<u>1,282,193</u>	<u>1,749,030</u>	<u>1,000</u>
<b>Change in net position</b>	<u>21,541,006</u>	<u>14,181,652</u>	<u>10,408,096</u>	<u>13,185,888</u>	<u>2,281,386</u>
<b>Debt Service</b>	<u>2,148,288</u>	<u>1,483,481</u>	<u>1,846,850</u>	<u>1,846,250</u>	<u>1,849,450</u>
<b>Debt Service Coverage</b>	<u>10.03</u>	<u>9.56</u>	<u>5.64</u>	<u>7.14</u>	<u>1.23</u>

**< Page Intentionally Left Blank >**

# **Report on Internal Controls and Compliance**

**< Page Intentionally Left Blank >**



Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Andy Beck, CPA

## Fedak & Brown LLP

Certified Public Accountants

Cypress Office:  
6081 Orange Avenue  
Cypress, California 90630  
(657) 214-2307  
FAX (714) 527-9154

Riverside Office:  
1945 Chicago Avenue, Suite C-1  
Riverside, California 92507  
(951) 783-9149

### **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, 2021, 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 date July 29, 2022.

#### ***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.

*Fedak & Brown LLP*

**Fedak & Brown LLP**  
Cypress, California  
July 29, 2022