OMOCHUMNE-HARTNELL WATER DISTRICT

COMPARATIVE FINANCIAL REPORT

June 30, 2022 and 2021

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BOWMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Omochumne-Hartnell Water District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Omochumne-Hartnell Water District (the District), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statement of net position of the governmental activities and each major fund of the District, as of June 30, 2022 and 2021, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Bowman & Company LLP

Stockton, California
October 09, 2026

OMOCHUMNE-HARTNELL WATER DISTRIST

GOVERNMENT-WIDE STATEMENTS OF NET POSITION

June 30, 2022 and 2021

	Governmental Activities 2022	Governmental Activities 2021
ASSETS		
Current Assets		
Cash and cash equivalents - unrestricted	$ 434,217	$ 303,411
Accounts receivable	8,834	59,897
Prepaid expenses	- -	43,763
Total current assets	443,051	407,071
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	$ 16,365	$ 31,884
Total current liabilities	16,365	31,884
Net Position		
Unrestricted	426,686	375,187
Total net position	426,686	375,187

See Notes to Financial Statements

OMOCHUMNE-HARTNELL WATER DISTRIST

GOVERNMENT-WIDE STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2022 and 2021

	Governmental Activities 2022	Governmental Activities 2021
Program expenses:		
Operations	$ 277,973	$ 355,653
Total program expenses	277,973	355,653
Program revenues:		
Operating grants	30,702	232,610
Assessments	124,357	- -
Total program revenues	155,059	232,610
Net program revenues (expenses)	(122,914)	(123,043)
General revenue:		
Property taxes	173,836	166,756
Interest	577	1,274
Total general revenue	174,413	168,030
Change in net position	51,499	44,987
Net position, beginning of year	375,187	330,200
Net position, end of year	$ 426,686	$ 375,187

See Notes to Financial Statements

OMOCHUMNE-HARTNELL WATER DISTRIST

GOVERNMENTAL FUNDS BALANCE SHEETS

June 30, 2022 and 2021

	General Fund 2022	General Fund 2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Cash and cash equivalents		
Unrestricted	$ 434,217	$ 303,411
Total cash and cash equivalents	434,217	303,411
Prepaid expenses	- -	43,763
Total assets	434,217	347,174
Total assets and deferred outflows of resources	$ 434,217	$ 347,174
LIABILITES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 16,365	$ 31,884
Total liabilities	16,365	31,884
Fund balances		
Unassigned	417,852	315,290
Total fund balances	417,852	315,290
Total liabilities, deferred inflows of resources and fund balances	$ 434,217	$ 347,174

See Notes to Financial Statements

OMOCHUMNE-HARTNELL WATER DISTRIST

STATEMENTS OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Years Ended June 30, 2022 and 2021

	General Fund 2022	General Fund 2021
Revenues		
Grants	$ 81,765	$ 172,713
Assessments	124,357	- -
Property taxes	173,836	166,756
Interest	577	1,274
Total revenues	380,535	340,743
Expenditures		
Administration and support	148,184	194,935
Services and supplies	129,789	160,718
Total expenditures	277,973	355,653
Excess (deficiency) of revenues over expenditures	102,562	(14,910)
Fund balance beginning of year	315,290	330,200
Fund balance end of year	417,852	315,290

See Notes to Financial Statements

OMOCHUMNE-HARTNELL WATER DISTRIST

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS TO THE STATEMENTS OF NET POSITION

June 30, 2022 and 2021

	General Fund 2022	General Fund 2021
Total Fund Balance (Fund)	$ 417,852	$ 315,290
Amounts reported for governmental activities in the statement of net position are different because:		
Receivables for revenue not available is not reported in governmental funds	8,834	59,897
Net Position of Government Activities	$ 426,686	$ 375,187

See Notes to Financial Statements

OMOCHUMNE-HARTNELL WATER DISTRIST

RECONCILIATION OF THE STATEMENTS OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2022 and 2021

	General Fund 2022	General Fund 2021
Change in Fund Balance (Fund)	$ 102,562	$ (14,910)
Governmental funds report cash receipts in the period measurable and available	(51,063)	59,897
Change in Position of Government Activities	$ 51,499	$ 44,987

See Notes to Financial Statements

OMOCHUMNE-HARTNELL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Omochumne-Hartnell Water District (the District) is presented to assist in understanding the District's financial statements.

Description of the reporting entity

Omochumne-Hartnell Water District (District) was established in 1953 and has historically purchased and managed supplemental water from the Central Valley Project for the benefit of District agricultural users adjacent to the Cosumnes River and Deer Creek. In recent years, however, the number of riparian diverters has decreased. Four flashboard dams that historically supported diversions are now maintained and operated by the District to increase the wetted perimeter of the river to affect greater groundwater recharge. The District is committed to working with the Southeast Sacramento County Agricultural Water Authority to develop an effective management strategy that protects its members' interests, the resources of the Cosumnes River, and meets the future water needs of the region.

The District has continued to develop and create new projects that will enhance the water supply for its landowners and the region. These projects include conjunctive use projects such as groundwater recharge, Consumnes River flow augmentation to increase fish flows in the river and dam improvement projects.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), the scope of public service and a special financing relationship.

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

Government-wide financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the cash receipts and disbursements activity of the primary government.

Note 1. Summary of Significant Accounting Policies (Cont.)

Government-wide financial statements (Cont.)

The statement of activities demonstrates the degree to which cash disbursements of a given function or segment are offset by program cash receipts. Cash disbursements are those that are clearly identifiable with a specific function or segment. Program cash receipts include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other receipts not classified as program receipts are presented as general receipts. Subvention program reimbursements and property tax assessments levied upon landowners located within the District boundaries are the primary revenue sources of the District are classified as general revenues together with other receipts not classified as program revenues.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund financial statements

The fund financial statements provide information about the District's funds. The District has one type of fund (governmental), which is called the "General fund". This fund is established to account for resources devoted to financing the general services that the District performs. Assessments and other sources of revenue used to finance the fundamental operations of the District are included in this fund. This fund is charged with all costs of operating the District for which a separate fund has not been established.

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision making authority.

Assigned – Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Trustees, District manager or their designee.

Note 1. Summary of Significant Accounting Policies (Cont.)

Fund financial statements (Cont.)

Unassigned – Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

In addition to liabilities, the balance sheet of the government funds reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to future periods and so will not be recognized as revenue until that time in the governmental funds. Unavailable revenue reported consists primarily of revenue that will be received outside of the District's 60 day availability policy.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are presented on the economic resources measurement focus and the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which presents current financial resources measurement focus based on when revenues and expenses are both measurable and available.

Capital assets

Capital assets are stated at cost. Major additions are capitalized and repair and maintenance costs are charged to expense as incurred. Depreciation is computed using the straight-line method.

Budgetary accounting

The District does not utilize formal budgetary procedures and is not required to adopt such procedures by law. Accordingly, budgetary comparison information is not required or presented.

Note 1. Summary of Significant Accounting Policies (Cont.)

Property Taxes

The District receives property taxes from Sacramento County (County). Property taxes become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this program the District receives 100% of the levied property taxes in periodic payments with the county assuming responsibility for delinquencies.

The District is authorized under the California State Water Code to issue demand warrants.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of June 30, 2022 and 2021, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management of the District has evaluated subsequent events through October 09, 2026, the date these financial statements were available to be issued, and has determined there were no material events requiring disclosure.

Note 2. Cash and Cash Equivalents

Cash and cash equivalents of the District consisted of the following as of June 30:

	2022		
	Carrying amount	Bank balance	Fair value
Deposits			
Insured (FDIC)	$ 305,758	$ 363,382	
Investments in external investment pool			
California Local Agency Investment Fund	128,459		128,459
	$ 128,459		$ 128,459

	2021		
	Carrying amount	Bank balance	Fair value
Deposits			
Insured (FDIC)	$ 175,310	$ 216,810	
Investments in external investment pool			
California Local Agency Investment Fund	128,101		128,101
	$ 128,101		$ 128,101

Cash on deposit in commercial accounts is insured by the FDIC. 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 the 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.

Cash held by the Contra Costa County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at http://www.co.contra-costa.ca.us/). However, the District receives no investment income. The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained in the Pool. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals. The District's investment in the Pool is unrated, stated at amortized cost which approximates fair value, available upon demand and considered cash equivalents.

Note 2. Cash and Cash Equivalents (Cont.)

Although the District did not participate in any securities lending transactions or enter into any reverse repurchase agreements during the year, the District does have an investment in the California Local Agency Investment Fund (LAIF) as of June 30, 2022 and 2021 in the amount of $128,459 and $128,101, respectively. Investments in LAIF are invested in accordance with the investment policy of the State Treasurer for LAIF accounts (see State Treasurer's investment policy for LAIF accounts and separately issued financial reports for LAIF at http://www.treasurer.ca.gov/pmia-laif/pmia.asp). The total amount invested by all public agencies in LAIF as of June 30, 2022 and 2021 is $234,469,950,028 and $193,317,608,617, respectively, of which 1.14% and 1.10%, respectively, is invested in structured notes and asset asset-backed securities. Included in LAIF's investment portfolio are United States Treasury and federal agency securities, International Bank for Reconstruction and Development federal agency floating rate debentures, time deposits, bank notes, certificates of deposit, commercial paper, corporate floaters and bonds, and California.

Assembly Bill 55 and State of California General Fund Loans. Participants equity in LAIF is determined by the dollar amount of the participant's deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily investment balances. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool. The District's investment in the pool is unrated, stated at amortized cost which approximates fair value, available upon demand and considered cash equivalents.

The District does not maintain a formal investment policy.

Note 3. Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In order to insure for risk of loss, the District purchases insurance through commercial insurance carriers. As of June 30, 2022 and 2021, the District's insurance coverage includes general liability insurance with liability limits of $5,000,000 per occurrence and $5,000,000 in the aggregate.

OMOCHUMNE-HARTNELL WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4. Governing Board

The five members of the District's Board of Directors were as follows as of June 30:

	2022	2021
Board of Directors:		
Chairman	Kurt A. Kautz	Kurt A. Kautz
Vice Chairman	David M. Wilson	David M. Wilson
Director	Ken Mitchell	Ken Mitchell
Director	Mark Stretars	Mark Stretars
Director	Paul Hensleigh	Paul Hensleigh
Officers:		
General Manager	Micheal K. Wackman	Micheal K. Wackm
District Secretary	Shasta Burns	Shasta Burns

Note 5. Related party transactions

The District contracted with Kautz Farms for office rent during the years ended June 30, 2022 and 2021 in the amounts of $2,200 and $2,400 ,respectively.