LINDMORE IRRIGATION DISTRICT

INDEPENDENT AUDITOR'S REPORT, FINANCIAL STATEMENTS, AND SUPPLEMENTAL INFORMATION

FOR THE YEARS ENDED

December 31, 2025 and 2024

LINDMORE IRRIGATION DISTRICT

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cuttone & mastro
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lindmore Irrigation District
Lindsay, California

Opinion

We have audited the accompanying financial statements of Lindmore Irrigation District (the District), which comprise the statements of net position as of December 31, 2025 and 2024, and the related statements of revenues, expenses, changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lindmore Irrigation District, as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lindmore Irrigation District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Lindmore Irrigation District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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

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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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lindmore Irrigation 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lindmore Irrigation 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 23 and 24 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cuttone & Mastro

Fresno, California
May 1, 2026

LINDMORE IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

ASSETS	**2025**	**Restated 2024**
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,777,973	$ 842,113
Investments in marketable securities	4,800,781	4,562,427
Receivables:		
Assessments receivable	1,151,971	1,238,227
Water	81,523	110,209
Interest	59,236	54,395
Liens	24,026	27,318
Other	154,064	286,063
Receivable from Mid-Kaweah Groundwater Sustainability Agency	65,000	632,000
EKGSA loan, current portion	97,504	97,504
Prepaid expense	114,882	191,223
Total current assets	9,326,960	8,041,479
Restricted cash and cash equivalents	1,267,568	1,267,015
EKGSA loan, net of current portion	97,505	97,505
Capital Assets, net of accumulated depreciation	19,180,447	17,275,146
Right-to-Use Asset	3,590,289	3,590,289
Investment in Friant Power Authority	4,626,258	4,893,595
Total assets	$ 38,089,027	$ 35,165,029
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	156,037	93,500
Current portion of long-term debt	1,154,812	1,131,480
Current portion of lease liability	3,398,058	70,979
Accrued compensated absences	203,789	196,494
Accrued interest	3,278	3,983
Total current liabilities	4,915,974	1,496,436
Long-term debt	6,015,319	5,824,059
Lease liability	-	3,398,058
Total liabilities	10,931,293	10,718,553
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	2,658,795	2,642,948
Total liabilities and deferred inflows of resources	13,590,088	13,361,501
NET POSITION:		
Net investment in capital assets	12,010,316	10,319,607
Restricted for debt service	1,267,568	1,267,015
Unrestricted	11,221,055	10,216,906
Total net position	24,498,939	21,803,528
Total liabilities, deferred inflow of resources, and net position	$ 38,089,027	$ 35,165,029

The accompanying notes are an integral part of the financial statements.

LINDMORE IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

	2025	Restated 2024
OPERATING REVENUES:		
Water sales - In District	$ 5,280,601	$ 6,955,814
Water sales – Outside District	114,500	-
Standby charges	2,611,967	2,610,662
East Kaweah Groundwater Sustainability Agency Reimbursements	578,000	553,000
Grant revenues	-	505,000
Other operating revenues	376,958	96,504
Total Operating Revenues	8,962,026	10,720,980
OPERATING EXPENSES:		
Source of supply	3,201,069	3,739,039
Pumping	127,406	132,230
Transmission and distribution	1,268,617	1,204,040
General and Administrative	1,816,502	1,821,119
Groundwater programs	80,092	45,620
Multi-Benefit Recharge Basin	67,853	147,483
Lewis Creek Recharge Basin	-	519,563
Hirabayashi Recharge Basin	38,289	4,825
East Kaweah Groundwater Sustainability Agency Reimbursements	35,000	36,385
Depreciation	314,193	305,498
Total Operating Expenses	6,949,021	7,955,802
Operating Income	2,013,005	2,765,178
NONOPERATING REVENUES (EXPENSES):		
FPA revenue	571,027	1,598,682
Interest income	296,811	191,376
Gain (Loss) on Investments	26,509	(74,776)
Gain (Loss) on Sale of Fixed Assets	30,500	-
Interest expense	(242,441)	(263,039)
Total nonoperating revenues (expenses)	682,406	1,452,243
Change in net position	2,695,411	4,217,421
Net Position, Beginning of Year (As Previously Stated)	21,803,528	17,669,590
Prior Period Adjustment	-	(83,483)
Net Position, Beginning of Year (As Restated)	21,803,528	17,586,107
Net Position - End of Year	$ 24,498,939	$ 21,803,528

The accompanying notes are an integral part of the financial statements.

LINDMORE IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

	2025	Restated 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 9,795,105	$ 10,157,286
Cash paid to suppliers and vendors	(4,556,443)	(6,732,645)
Cash paid to employees	(1,932,211)	(1,871,377)
Net cash provided by operating activities	3,306,451	1,553,264
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Debt payments	(1,131,480)	(1,111,998)
Interest payments	(139,075)	(157,751)
Cash paid for asset acquisitions	(873,422)	(50,055)
Proceeds from asset sales	30,500	-
Interest paid on right-to-use asset	(104,071)	(105,990)
Payment of lease liability	(70,979)	(63,960)
Net cash (used) by capital financing activities	(2,288,527)	(1,489,754)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	291,970	181,625
Distributions from Friant Power Authority	838,363	1,730,644
Purchase of investments	(4,458,529)	(4,815,904)
Proceeds from sales of investments	4,246,685	3,116,165
Net cash provided by investing activities	918,489	212,530
Increase in cash and cash equivalents	1,936,413	276,040
Cash and cash equivalents, beginning of year	2,109,128	1,833,088
Cash and cash equivalents, end of year	$ 4,045,541	$ 2,109,128

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITES:

Recognition of the District's proportionate share of Friant Power Authority's equity as of December 31, 2025 and 2024 was recorded as income in the following amounts, $571,027 and $1,598,682, respectively.

The accompanying notes are an integral part of the financial statements

LINDMORE IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

	2025	Restated 2024
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	$ 2,013,005	$ 2,765,178
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	314,193	305,498
(Increase) decrease in:		
Assessments receivable	86,256	15,990
Water	28,686	(31,666)
Liens	3,292	9,098
Other	131,999	(276,500)
Receivable from Mid-Kaweah Groundwater Sustainability Agency	567,000	(207,000)
Prepaid expense	76,341	(76,223)
Increase (decrease) in:		
Accounts payable	62,537	(889,429)
Accrued compensated absences	7,295	11,934
Unearned revenue	15,847	(73,616)
Net cash provided by operating activities	$ 3,306,451	$ 1,553,264

The accompanying notes are an integral part of the financial statements

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Description of Operations:

The Lindmore Irrigation District (District) was formed on March 6, 1937 as a special district in the State of California and is governed by a five-person Board of Directors. The District provides irrigation water to the area surrounding the City of Lindsay and unincorporated town of Strathmore.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

The District's financial reporting entity comprises the following:

Primary Government: Lindmore Irrigation District

Blended Component Unit: Lindmore Irrigation District Financing Corporation

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the District appointed a voting majority of the units' board; the District is either able to impose its will on the unit, or a financial benefit or burden relationship exists.

Component Units: Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. For financial reporting purposes, the component unit discussed below has a financial and operational relationship which meets the reporting entity definition criteria of the GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 61, *The Financial Reporting Entity,* and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is the same as the governing board of the District and because a financial benefit or burden relationship exists between the component unit and the District as its purpose is to finance the acquisition of a permanent water right for the District from the United States of America, Bureau of Reclamation in which repayment will be made entirely by resources of the District.

The Lindmore Irrigation District Financing Corporation's financial activity is presented in the financial statements. Revenue Certificates of Participation issued by the Corporation are included as long-term obligations in the business-type activity financial statements. Individually-prepared financial statements are not prepared for the Lindmore Irrigation District Financing Corporation.

Basis of Presentation and Accounting:

The District follows the provisions of the Governmental Accounting Standards Board Statement Nos. 34, *"Basic Financial Statements and Management's Discussion and Analysis- For State and Local Governments."* Statement 34, as amended, established the financial reporting standards for all state and local government entities, which includes a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. It requires the classification of net position in the following three components:

Net investment in capital assets — This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation and Accounting (continued):

Restricted net position — This component of net position consists of constraints imposed by creditors (such as through debt covenant), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position — This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

When the District incurs an expense for which both restricted and unrestricted resources may be used, it is the policy of the District to use restricted resources first, then unrestricted resources.

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The District is reported as a proprietary fund which accounts for all the operating activities of the District's water acquisition and delivery service using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred regardless of the timing of related cash flows.

Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for the proprietary fund are charges to customers for sales or services and standby. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Budget and Budgetary Accounting:

An annual budget in accordance with generally accepted accounting principles is adopted by the Board of Directors to provide a basis for establishing water rates at the beginning of each year. No revisions are made during the year. Budgetary comparisons are used by management to monitor expenses during the year.

Cash and Cash Equivalents:

Cash includes currency, demand deposit with banks and other financial institutions, and other accounts that have the general characteristics of demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash or those investments with original maturities of three months or less.

Accounts Receivable:

Accounts receivable arise from billings to customers and other agencies for sales of water and other services. The District does not provide an allowance for uncollectible accounts. Historically such write offs have been minimal and are not considered a factor in financial statements presentations.

Investments:

The District is subject to Section 53600 et seq., of the California Government Code. The District's investments have a readily determinable market value and are recorded and reported at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standby Charges:

The District's standby charges are assessed by the County of Tulare and included with their property tax assessments. Standby charges are levied and billed by the County of Tulare in the preceding year and are payable in two installments to the County – December 10 and April 10. Payments are then distributed to the District in the middle of December, end of December and the middle of April, May and July. Unpaid County property taxes along with the District's Standby charges are liened according to the County of Tulare's procedures and not recovered by the District until collected by the County. Standby charges revenue is recorded as income in the District's fiscal year following the levy. Accordingly, the Standby charges levied in current year are classified as deferred income. Standby charges sufficient to cover the annual debt service are irrevocably pledged to the payment of the debt service installment payments.

Use of Estimates:

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

Water Exchanges Accounts:

The District engages in water transfers and exchanges with several entities. Unless a specific price is stated in the agreement the water receivable or payable is valued at the per acre foot price the District is paying for either Friant Class 1 water, Class 2 or special water.

Capital Assets:

Capital assets are recorded at cost less accumulated depreciation and updated for additions and retirements during the year. Capital assets are defined by the District as assets with a cost in excess of $5,000 and an estimated useful life in excess of three years. Repairs and maintenance that do not add to the value of the asset or materially extend asset lives charged to expense as incurred. Costs which are considered improvements are added to the appropriate capital asset account. Gains and losses on disposition of capital assets are reported and recognized in the year of disposition. The District recognizes depreciation using the straight-line method over the estimated useful lives as follows:

Pumping plant	10-40 years
Transmission and distribution	5-75 years
General plant	5-40 years

Capital assets (long-lived assets) to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. As of December 31, 2025 and 2024, there were no impairments of the District's long-lived assets.

Substantially all of the District's assets are insured against possible losses from fire and other risks.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Perpetual Right to Water:

The District contracted with the United States Bureau of Reclamation (USBR) on November 17, 2010 to receive up to 33,000 acre-feet of Class 1 Water and up to 22,000 acre-feet of Class 2 Water for irrigation and M & I purposes. This cost represents the full repayment of obligations owing the USBR for Friant Division facilities development.

Investments in Power Authorities:

For investments in joint power authorities (JPA) classified as joint ventures, where the District participates in the profit and losses of the joint venture, the initial investment is recorded at cost and adjusted to reflect the District's share of the joint venture's profit or losses. If the District is involved in joint control of the power authority but there is no ongoing financial interest or ongoing financial responsibility, the entity is a jointly governed organization and not a joint venture.

Income Taxes:

The District qualifies for tax-exempt status as an integral part of the State of California or a political subdivision in accordance with Internal Revenue Code (IRC) Section 115. As a result, no tax provisions apply to the District's income.

New accounting pronouncement:

During the year ended December 31, 2025, the District implemented GASB Statement No. 101, Compensated Absences. The objective of this statement is to increase the usefulness of governments' financial statements by establishing a unified recognition and measurement model for all types of paid leave, such as vacation, sick leave and paid time off (PTO), thus resulting in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Under GASB 101, compensated absences are accrued if they meet the following criteria: (1) the leave is earned, (2) the leave is attributable to services already rendered, (3) the leave accumulates, and (4) the leave is more likely than not to be used for time off or paid upon separation.

As a result of implementing GASB 101, the District revised its methodology for estimating its compensated absences liability. Previously, the liability was reported in accordance with GASB Statement No. 16, which excluded certain types of leave such as sick leave that did not meet the narrowly defined conditions for accrual. Under the new standard, the District now includes all qualifying compensated absences, including vested and non-vested sick leave that is more likely than not to be used.

This change in accounting principle has been applied retrospectively, as required by GASB Statement No. 101.

Compensated Absences:

The District provides for vacation leave to all employees of two to four weeks annually, which is accrued for days earned but not taken. Through May 2024, vacation leave could not exceed 40 days. Beginning May 2024, vacation leave cannot exceed 47.5 days. Employees with 35 days' vacation may annually request to have up to 5 days paid on the final check of the calendar year. The District provides for accrual of sick leave for all employees at one day per month with a maximum accumulation of 84 days. An employee with 35 days accumulated sick leave can annually elect to convert up to 5 days to vacation leave.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events:

Management has evaluated subsequent events through May 1, 2026, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

NOTE 3 — CASH AND CASH EQUIVALENTS AND INVESTMENTS

The carrying amount of cash and cash equivalents at December 31, 2025 and 2024 is as follows:

	2025	2024
Bank of Sierra-Checking	$ 1,772,549	$ 1,811,284
Fidelity Government Money Market Capital Reserves	1,981,133	17,977
Local Agency Investment Fund	291,859	279,867
Total Cash and Cash Equivalents	4,045,541	2,109,128
Restricted Cash and Cash Equivalents	1,267,568	1,267,015
Unrestricted Cash and Cash Equivalents	$ 2,777,973	$ 842,113

Cash Management Funds: Fidelity Government Money Market Capital Reserves are cash management funds that seek to preserve the value of the investment at $1 per share value. Their deposits are not insured nor guaranteed; however, Fidelity Government Money Market Capital Reserves are covered under SIPC created by the Securities Investor Protection Act of 1970, an independent government sponsored corporation. SIPC membership provides account protection up to a maximum of $500,000 per customer of which $100,000 may be cash.

Investment in State Investment Pool: The Local Agency Investment Fund is a government investment pool managed and directed by the California State Treasurer. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The District may withdraw monies upon one-day-notice. The average monthly effective yield for December 31, 2025 and 2024 were 4.03% and 4.43%, respectively. The District's investment in the Local Agency Investment Fund was not subject to credit risk categorization and is carried at amortized cost which approximates fair value. All pooled funds are regulated by the California Government Code.

Investments: The District is subject to California Government Code Sections 53600-53609. Investing must meet the following three objectives: first to safeguard the principal, second to meet liquidity needs, and third to achieve a return on funds. At the time of investment, the security term remaining to maturity cannot exceed five years.

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

NOTE 3 — CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAI F)	N/A	None	None
Joint Power Agency (JPA) Pools (other investment pools)	N/A	None	None

Interest Rate Risk: Interest rate risk is the risk in market rate changes that could 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 and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations. Information about the sensitivity of the fair value of the District's investments to market interest rate fluctuation is provided by the following tables that shows the distribution of the District's investments by maturity:

		2025 Remaining Maturity (in Months)			
Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Corporate Bonds	$ 3,914,097	$ 1,205,125	$ -	$ 2,708,972	$ -
Certificates of Deposit	689,976	250,210	203,316	236,450	-
U.S. Treasury/Agency Securities	196,708	-	-	196,708	-
	$ 4,800,781	$ 1,455,335	$ 203,316	$ 3,142,130	$ -

		2024 Remaining Maturity (in Months)			
Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Corporate Bonds	$ 2,117,006	$ 251,998	$ 752,128	$ 1,112,880	$ -
Certificates of Deposit	1,125,707	-	226,395	899,312	-
U.S. Treasury/Agency Securities	1,319,714	-	244,682	1,075,032	-
	$ 4,562,427	$ 251,998	$ 1,223,205	$ 3,087,224	$ -

NOTE 3 — CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Obligations of or guaranteed by the U.S. Government do not require disclosure of credit quality ratings. None of the District's certificates of deposits have a rating provided by a nationally recognized statistical rating organization.

Concentrations of Credit Risk: Limitations on the amount that can be invested in any one issuer are 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 are as follows:

2025

Broker/Issuer	Investment Type	Reported Amount	% of Total Investments
Bank of America NA	Certificate of Deposit	$ 250,210	5.2%
Bank of America Corp MTN	Corporate Bond	516,656	10.8%
Citibank N A Note	Corporate Bond	501,905	10.5%
Prudential FINL Inc	Corporate Bond	361,930	7.5%
Travelers Ins Group Hldgs Inc Note	Corporate Bond	353,490	7.4%
Schwab Charles Corp Note	Corporate Bond	349,730	7.3%
Morgan Stanley MTN	Corporate Bond	298,656	6.2%
Toyota Motor Corp MTN	Corporate Bond	271,909	5.7%
Royal Bank Cda Ser J MTN	Corporate Bond	264,553	5.5%
Wells Fargo Bank Natl Assn Note	Corporate Bond	261,321	5.4%
Capital Impact Partners MTN	Corporate Bond	253,303	5.3%
JPMorgan Chase & Co MTN	Corporate Bond	250,265	5.2%
		$ 3,933,928	

2024

Broker/Issuer	Investment Type	Reported Amount	% of Total Investments
Bank of America NA	Certificate of Deposit	$ 251,310	5.5%
JPMorgan Chase Bk NA	Certificate of Deposit	239,703	5.3%
Valley National Bk Passaic	Certificate of Deposit	226,395	5.0%
Bank of America Corp MTN	Corporate Bond	506,047	11.1%
Prudential FINL Inc	Corporate Bond	348,214	7.6%
Morgan Stanley MTN	Corporate Bond	293,898	6.4%
Toyota Motor Corp MTN	Corporate Bond	251,998	5.5%
Disney Walt Co MTN	Corporate Bond	246,080	5.4%
JPMorgan Chase & Co MTN	Corporate Bond	243,602	5.3%
John Deere Capital Corp	Corporate Bond	227,167	5.0%
		$ 2,834,414	

NOTE 3 — CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

		Rating as of December 31,2025					
Investment Type	Fair Value	BBB	A-	A	A+	AA+	Not Rated
Corporate Bonds	$ 3,914,097	$ -	$ 1,165,042	$1,230,238	$1,288,437	$ 230,380	$ -
Certificates of Deposit	689,976	-	-	-	-	-	689,976
U.S. Treasury/Agency	196,708	-	-	-	-	196,708	-
	$ 4,800,781	$ -	$ 1,165,042	$1,230,238	$1,288,437	$ 427,088	$ 689,976

		Rating as of December 31,2024					
Investment Type	Fair Value	BBB	A-	A	A+	AA+	Not Rated
Corporate Bonds	$ 2,117,006	$ -	$ 799,945	$1,065,063	$ 251,998	$ -	$ -
Certificates of Deposit	1,125,707	-	-	-	-	-	1,125,707
U.S. Treasury/Agency	1,319,714	-	-	-	-	1,319,714	-
	$ 4,562,427	$ -	$ 799,945	$1,065,063	$ 251,998	$1,319,714	$ 1,125,707

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District 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 risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-deal) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in possession of another party.

The California Government code requires that a financial institution secure deposits made by a state or local government unit by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of their 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.

At December 31, 2025 and 2024, the bank balance with Bank of the Sierra was $1,891,984 and $2,401,100, respectively. Of this balance, $250,000 per bank balance was covered by the federal depository insurance and $1,641,984 and $2,151,100 were uninsured but collateralized, respectively.

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 investments in securities through the use of mutual funds or government investment pools. The District's investments are in an account carried with National Financial Services LLC, Member NYSE, SIPC to mitigate custodial credit risk.

Fair Value Measurement: The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

NOTE 3 — CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value Measurement (continued):

Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Government Sponsored Enterprises: use a market-based approach which considers yield, price of comparable securities, coupon rate, maturity, credit quality and dealer provided prices.

Certificates of Deposits: uses a market approach based on institutional note quotes. Evaluations are based on various market and industry inputs.

The following table sets forth by level, within the fair value hierarchy, the District's assets at fair value as of December 31, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total
Corporate Bonds	$ 3,914,097	$ -	$ -	$ 3,914,097
Certificates of Deposits	-	689,976	-	689,973
U.S. Treasury/Agency	196,708	-	-	196,708
Total	$ 4,110,805	$ 689,976	$ -	$ 4,800,781

	2024			
	Level 1	Level 2	Level 3	Total
Corporate Bonds	$ 2,117,006	$ -	$ -	$ 2,117,006
Certificates of Deposits	-	1,125,707	-	1,125,707
U.S. Treasury/Agency	1,319,714	-	-	1,319,714
Total	$ 3,436,720	$ 1,125,707	$ -	$ 4,562,427

NOTE 4 — CAPITAL ASSETS

The following is a summary of changes in the capital assets during the year.

Capital assets not being depreciated	Balance 12/31/24	Additions	Deductions	Balance 12/31/25
Land	$ 6,514,020	$1,925,184	$ -	$ 8,439,204
Perpetual water supply contract	7,076,835	-	-	7,076,835
Totals	13,590,855	1,925,184	-	15,516,039
Capital assets being depreciated				
Source of Supply	19,704	-	-	19,704
Pumping plant	321,109			321,109
Transmission & Distribution	9,409,700	-	-	9,409,700
General Plant	1,332,304	294,310	145,380	1,481,234
Totals	11,082,817	294,310	145,380	11,231,747
Less Accumulated depreciation	(7,398,526)	$ (314,193)	(145,380)	(7,567,339)
Total capital assets being depreciated	3,684,291			3,664,408
Net Book Value	$ 17,275,146			$ 19,180,447

NOTE 5 — RIGHT-TO-USE LEASE ASSET AND LEASE LIABILITY:

Effective May 12, 2023, the District entered into a five-year lease for a property consisting of approximately 149.33 assessed acres in Tulare County, California beginning April 24, 2023 and expiring May 31, 2028. Under the lease agreement, the District has an option to purchase the property for $3,500,000 beginning October 31, 2025 and ending 45 days prior to April 30, 2026 (the "Purchase Option Election Period"). The District was reasonably certain to exercise the option and as such, the purchase price is included in the calculation and the right-to-use lease asset is not amortized. The annual lease payment is $165,000 for the first year, increasing by 3% each year thereafter. In April 2026, the District purchased the property for $3,500,000.

	Beginning Balance 12/31/24	Additions	Deletions	Ending Balance 12/31/25
Right-to-use lease asset	$ 3,590,289	$ -	$ -	$ 3,590,289

Following are the future minimum lease commitments:

Year Ending December 31,	Principal	Interest	Total
2026	$ 3,398,058	$ 101,942	$ 3,500,000
Total minimum lease payments and liability	$ 3,398,058	$ 101,942	$ 3,500,000

A summary of the District's lease liability is as follows:

	Beginning Balance 12/31/24	Additions	Reductions	Ending Balance 12/31/25	Current Portion
Lease Liability	$ 3,469,037	$ -	$ 70,979	$ 3,398,058	$ 3,398,058
Total	$ 3,469,037	$ -	$ 70,979	$ 3,398,058	$ 3,398,058

NOTE 6 — RESTRICTED ASSETS

Under the terms of the loan agreement with Chase Bank, a revenue fund must be established. All proceeds of the Pledged Benefit Assessment must equal the amount of the total installments due in that fiscal year. The District's stand by charges will provide the funds for the Pledged Benefit Assessment.

The loan agreement with First Foundation Bank also requires that a revenue fund be established. The Pledged Revenues on deposit in the revenue fund must equal the amount of the total installments due in that fiscal year. The District's stand by charges will provide the funds for the Pledged Revenues.

Restricted assets are comprised of the following at December 31, 2025:

Chase revenue fund	$ 367,257
First Foundation revenue fund	900,311
Total	$ 1,267,568

Restricted assets are comprised of the following at December 31, 2024:

Chase revenue fund	$ 366,705
First Foundation revenue fund	900,310
Total	$ 1,267,015

NOTE 7 — INVESTMENT IN FRIANT POWER AUTHORITY

The District participates in a joint power authority, Friant Power Authority (FPA), organized to develop hydroelectric power for use by public agencies and for other functions related to the purpose of the District. The FPA is not a component unit of the District, however, is considered a joint venture as defined by GASB No. 14.

FPA is comprised of eight special districts and currently operates a plant at the Friant Dam. The District has a 15.25 participation percentage in the original facilities constructed by the FPA. In addition, completion of a second project undertaken by the FPA was substantially completed and started generating power in May of 2017, with the District's participation percentage being 12.50%. A 7-Megawatt hydropower plant was built adjacent to the existing FPA 2.3-Megawatt hydropower plant to take advantage of additional water releases into the San Joaquin River as a result of the San Joaquin River Restoration Program. The District did not make any contributions during the year ending December 31, 2025 and 2024. In addition, the District received a return of their investment in FPA during the years ended December 31, 2025 and 2024 in the amount of $838,363 and $1,730,644, respectively.

For the years ended December 31, 2025 and 2024, the District recorded estimated revenue in the amount of $571,027 and $1,598,682, respectively, for the District's percentage of net income. The revenue reported also reflects a net change in the estimated revenue reported from prior years.

NOTE 7 — INVESTMENT IN FRIANT POWER AUTHORITY, continued:

Separate financial statements are available for FPA, and condensed financial information for the most recent years are shown below:

	June 30,2025 FPA
Total Assets	$ 37,027,539
Total Liabilities	491,552
Total Net Position	$ 36,535,987
Total Revenue	$ 9,573,012
Total Expense	3,956,742
Change in Net Position	$ 5,616,270

NOTE 8 — JOINTLY GOVERNED ORGANIZATIONS

The District participates and associates with two joint power authorities (JPAs) and other organizations for the purpose of coalition building and sharing of costs with similar agencies to help achieve overall reduced costs. The relationship between the District and the JPAs is such that neither of the JPAs are a component unit of the District for financial reporting purposes. The District has an ongoing financial interest and/or financial responsibility (but no equity interests) with the following JPAs:

Friant Water Authority - Formed in 2004, for the purpose to, among other things, acquire, protect, preserve and enhance water supplies and water rights, related to the District's contracts with the USBR. The Friant Water Authority also operates and maintains the Friant-Kern canal. Copies of the latest financial report for FWA may be obtained from FWA, 854 N. Harvard Ave., Lindsay CA 93247.

East Kaweah Groundwater Sustainability Agency (EKGSA) was created December 8, 2016 under the Sustainable Groundwater Act of 2014 which requires certain regions in California to develop and implement a plan that sustainably manages the shared groundwater resources for the benefit of the communities, agriculture and the environment. It is governed by an eleven-member board of which seven are selected from among its members. During 2020, the District entered into an employee share agreement with EKGSA, which was amended in 2023 to include additional shared employees. The District received annual compensation of $578,000 in 2025 and $553,000 in 2024. Copies of the latest financial report for EKGSA may be obtained from EKGSA, PO Box 908, Lindsay, CA 93247.

NOTE 9 — LONG-TERM DEBT

a. Chase Bank Note Payable

On May 4, 2020 the District was issued a loan from Chase Bank in order to close the certificates of participation that it issued on November 1, 2010 to acquire a permanent water right for the District from the United States of America, Bureau of Reclamation (USBR). The original amount of the Chase loan was $3,454,963, and it is payable in semi-annual payments on May 1 and November 1, each year beginning November 1, 2020 for a period of 10 years. The interest rate is 1.23% per annum. The loan also requires certain debt service coverage ratios be maintained and that revenues of the District's standby charge be pledged to the payment of the installment payments.

NOTE 9 — LONG-TERM DEBT, Continued

Debt service requirements on the Chase Bank note payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 348,652	$ 18,605	$ 367,257
2027	353,668	14,297	367,965
2028	357,029	9,935	366,964
2029	359,428	5,535	364,963
2030	180,192	1,108	181,300
Total	$ 1,598,969	$ 49,480	$ 1,648,449

b. First Foundation Bank Note Payable

On January 28, 2021, the District was issued a loan from First Foundation Bank to acquire land and develop groundwater recharge facilities. The original amount of the loan was $8,000,000, and it is payable in semi-annual payments on July 1 and January 1, each year beginning July 1, 2021 for a period of 10 years. The interest rate is 2.34% per annum. The loan also requires certain debt service coverage ratios be maintained and that revenues of the District's standby charge be pledged to the payment of the installment payments.

Debt service requirements on the First Foundation Bank note payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 806,160	$ 94,152	$ 900,312
2027	825,140	75,176	900,316
2028	844,560	55,754	900,314
2029	864,440	35,875	900,315
2030	884,790	15,528	900,318
Total	$ 4,225,090	$ 276,485	$ 4,501,575

c. Peck Holdings Loan

On December 5, 2025, the District purchased property on the 10th Avenue line to develop groundwater recharge facilities. The District was issued a loan from Peck Holdings LLLP, the seller of the property, in the amount of $1,346,072 with an interest rate of 6% per annum. It is payable in annual payments of interest only beginning on January 1, 2027 until January 1, 2031. Thereafter, semi-annual payments of principal and interest are due on July 1 and January 1 each year beginning July 1, 2031 and continuing until July 1, 2041.

NOTE 9 — LONG-TERM DEBT, Continued

Debt service requirements on the Peck Holdings Loan are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ -	$ -
2027	-	80,764	80,764
2028	-	80,764	80,764
2029	-	80,764	80,764
2030	-	80,764	80,764
2031-2035	506,795	386,381	893,176
2036-2040	746,181	156,500	902,681
2041	93,096	2,962	96,058
Total	$ 1,346,072	$ 868,899	$ 2,214,971

A summary of the District's long-term liabilities is as follows:

	Dec 31, 2024 Balance	Additions	Deductions	Dec 31, 2025 Balance	Current Portion	Long-Term Debt
Chase Bank Note Payable	$ 1,942,829	$ -	$ 343,860	$ 1,598,969	$ 348,652	$1,250,317
First Foundation Note Payable	5,012,710	-	787,620	4,225,090	806,160	3,418,930
Peck Holdings Loan	-	1,346,072	-	1,346,072	-	1,346,072
	$ 6,955,539	$1,346,072	$ 1,131,480	$ 7,170,131	$ 1,154,812	$6,015,319

The combined debt service requirements for the Notes Payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 1,154,812	$ 112,757	$ 1,267,569
2027	1,178,808	170,237	1,349,045
2028	1,201,589	146,453	1,348,042
2029	1,223,868	122,174	1,346,042
2030	1,064,982	97,400	1,162,382
2031-2035	506,795	386,381	893,176
2036-2040	746,181	156,500	902,681
2041	93,096	2,962	96,058
Total	$ 7,170,131	$ 1,194,864	$ 8,364,995

NOTE 10 — DEFERRED INFLOW OF RESOURCES

Unearned revenue is comprised of the following at December 31:

	2025	2024
Stand-By Charges	$ 2,611,922	$ 2,610,580
Customer Water Sales	46,873	32,368
	$ 2,658,795	$ 2,642,948

NOTE 11 — DEFERRED COMPENSATION PLAN

The District offers all full-time employees the Lindmore Irrigation District Deferred Compensation Plan created in accordance with the Internal Revenue Code Section 457. Contributions are made by employees only on a voluntary basis. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. The assets, all property and rights purchased with such amounts and all income attributable to such amounts, are held in trust for the exclusive benefit of the participants and the beneficiaries. This plan is administered by Empower Retirement through an administrative service agreement. The District does not have fiduciary responsibility for the plan assets. Total employee contributions in 2025 and 2024 were $123,079 and $104,852, respectively.

NOTE 12 — DEFINED CONTRIBUTION PENSION PLAN

The District contributes to the Lindmore Irrigation District Employee Pension Plan, a defined contribution pension plan, for its employees who have satisfied all of the eligibility requirements as described in the Plan documents. The Lindmore Irrigation District Employee Pension Plan is administered by Empower Retirement Services through an administrative service agreement. This service maintains its accounting records on the cash basis of accounting. Fair value of plan assets is obtained from quoted market prices. The District appointed its general manager to be the trust administrator.

Benefit terms, including contribution requirements, for the Lindmore Irrigation District Employee Pension Plan are established by the Board of Directors, which may be amended subject to collective bargaining. For each employee in the pension plan, the District was required to contribute 10% and 8% of the employee's base compensation to an individual employee account for the year ended December 31, 2025 and 2024, respectively. Employees are not permitted to make contributions to the pension plan. For the years ended December 31, 2025 and 2024 the District recognized pension expense of $170,402 and $159,887, respectively.

Additionally, the District provides matching contributions of up to 4% of base compensation that employees voluntarily contribute into the Lindmore Irrigation District Employee Deferred Compensation Plan. Employees are immediately vested in District contributions and earnings on District contributions.

NOTE 13 — COMMITMENT AND CONTINGENCIES

Water Delivery Contract - United States Bureau of Reclamation (USBR)

On November 17, 2010 the District entered into a long-term contract with USBR providing for project water service from Friant Division of the Central Valley Project. This permanent contract makes available for delivery to the District each year to purchase from the USBR up to 33,000-acre feet of Class I Water and up to 22,000-acre feet of Class 2 Water for irrigation and M & I purposes. These available allocations are subject to USBR determination of a possible Condition of Shortage. The USBR contract is the only source of water for the District.

NOTE 13 — COMMITMENT AND CONTINGENCIES, continued:

Water Delivery Contract - United States Bureau of Reclamation (USBR), continued:

On November 17, 2010 the District entered into a long-term contract with USBR providing for project water service from Friant Division of the Central Valley Project. This permanent contract makes available for delivery to the District each year to purchase from the USBR up to 33,000-acre feet of Class I Water and up to 22,000-acre feet of Class 2 Water for irrigation and M & I purposes. These available allocations are subject to USBR determination of a possible Condition of Shortage. The USBR contract is the only source of water for the District.

The price of water is established annually by the USBR in accordance with applicable law and associated regulations, to pay the cost of operations, maintenance, restoration, and surcharge fees of the Central Valley Project for the term of the contract. The rate in effect on December 31, 2025 and 2024 was $43.23 and $43.86 per acre-foot, respectively.

A factor in determining the cost of water is the operating and maintenance (O&M) deficit or surplus the District has with the USBR. An O&M deficit is interest bearing and as of September 30, 2024 the last reported date, the District did not have an O&M deficit or surplus for Class 1 Water but had an O&M surplus of $27,365 for Class 2 Water.

In addition, as of September 30, 2024, the District had a capital and construction cost deficit for Class 1 Water of $286,252 and a capital and construction cost surplus of Class 2 Water of $42,960. The construction costs will continue to accumulate annually and be due by 2030. As of the issuance of the District's audited financial statements, the Districts operating and maintenance deficit or surplus and capital and construction cost have not been determined by the USBR for the year ended September 30, 2025.

Settlement of NRDC v. Rogers, et al.

Settlement of this legal proceeding requires substantial commitment of water by all Friant Division Contractors to maintain flows sufficient to sustain a fishery in the Upper San Joaquin River. Prior to full implementation, significant channel and water control improvements are to be performed by federal and state governments.

Joint-Powers Authority-Friant Water Authority

As a Friant contractor the District is obligated to share in the cost of operating and maintenance costs of the Friant-Kern Canal. An agreement also exists between the Friant Water Authority (the Authority) and the San Luis & Delta-Mendota Water Authority (SLDMWA) that defines how the Authority is to compensate SLDMWA for the water delivered to Settlement (Exchange) Contractors from their project facilities. Settlement contractors receive their water without charge from those facilities and Friant Division Contractors are responsible for the OM&R costs incurred by the SLDMWA in delivering Settlement water. The District is also obligated to share in these costs.

NOTE 14 — PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

As a result of implementing GASB Statement No. 101, Compensated Absences for the year ending December 31, 2024, the District recorded a prior period adjustment of $83,483 for the sick leave that would have been recorded as a liability as of December 31, 2023. The financial statements as of and for the year ended December 31, 2024 have been restated. The net position as of December 31, 2024 has been decreased by $84,851 and compensated absences liability was increased by the same amount.

SUPPLEMENTARY INFORMATION

LINDMORE IRRIGATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
For The Year Ended December 31, 2025

	Adopted Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Water sales – In Disrict	$ 3,266,400	$ 5,280,601	$ 2,014,201
Water sales – Out of District	-	114,500	114,500
Standby charges	2,617,184	2,611,967	(5,217)
East Kaweah Groundwater Sustainability Agency Reimbursement	578,000	578,000	-
Other revenue	100,000	376,958	276,958
Total Operating Revenue	6,561,584	8,962,026	2,400,442
Operating Expenses:			
Source of supply	2,738,353	3,201,069	(462,716)
Pumping	107,500	127,406	(19,906)
Transmission and distribution	1,005,318	1,268,617	(263,299)
Administrative and general	1,962,558	1,816,502	146,056
Groundwater programs	-	80,092	(80,092)
Multi-benefit Recharge Basin	-	67,853	(67,853)
Hirabayashi Recharge Basin	-	38,289	(38,289)
East Kaweah Groundwater Sustainability Agency	42,500	35,000	7,500
Depreciation	231,000	314,193	(83,193)
Total Operating Expenses	6,087,229	6,949,021	(861,792)
Operating Income	474,355	2,013,005	1,538,650
Non-Operating Revenues (Expenses):			
FPA revenue	825,000	571,027	(253,973)
Interest income	238,750	296,811	58,061
Gain (loss) on investments	-	26,509	26,509
Gain(Loss) on sale of fixed assets	-	30,500	30,500
Interest expense	(238,901)	(242,441)	(3,540)
Total Non-Operating Revenue (Expenses)	824,849	682,406	(142,443)
Change in Net Position	$ 1,299,204	$ 2,695,411	$ 1,396,207

LINDMORE IRRIGATION DISTRICT
SCHEDULE OF OPERATING EXPENSES
For The Years Ended December 31, 2025 and 2024

	2025	Restated 2024
Source of supply		
Water purchase and cost	$ 3,201,069	$ 3,739,039
Total source of water	3,201,069	3,739,039
Pumping		
Power	127,406	132,230
Total pumping	127,406	132,230
Transmission and Distribution		
O&M Salaries and wages	595,038	584,011
Water system operation expense	2,310	2,533
Repairs and maintenance	671,269	617,496
Total transmission and distribution	1,268,617	1,204,040
Administrative and General Expense		
Salaries and wages	792,009	736,086
Employee benefits	370,354	392,552
Retirement Contribution	170,402	159,887
Director's fees	7,300	7,300
Travel and Training	4,404	3,475
Legal and professional cost	52,310	34,313
Telephone	11,007	9,781
Utilities	17,692	14,888
Supplies	13,780	12,722
Office expense	58,735	61,565
Dues and subscriptions	9,477	12,335
Liability and Property Insurance	57,385	67,514
Maintenance, equipment, building and yard	110,032	159,522
Fuel and Oil	67,989	72,027
Property Tax	35,002	45,105
Other costs	38,624	32,047
Total administrative and general expenses	1,816,502	1,821,119
Groundwater programs	80,092	45,620
Multi-Benefit Recharge Basin	67,853	147,483
Lewis Creek Recharge Basin	-	519,563
Hirabayashi Recharge Basin	38,289	4,825
East Kaweah Groundwater Sustainability Agency Reimbursements		
SGMA Governance	35,000	36,385
Depreciation	314,193	305,498
Total Operating Expenses	$ 6,949,021	$ 7,955,802