LAS VIRGENES MUNICIPAL WATER DISTRICT

LAS VIRGENES MUNICIPAL WATER DISTRICT EST. 1958

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Annual Comprehensive Financial Report

For the Years Ended June 30, 2023 and 2022

Prepared by:
The Finance and Administration Department

Donald Patterson, CCMT, CPFO	Director, Finance & Administration
Brian Richie, CPA	Finance Manager
Jessica Cortez	Accounting Supervisor
Debbie Rosales	Financial Analyst

Calabasas, California

Las Virgenes Municipal Water District

Additional information may be found at www.lvmwd.com

Table of Contents

LAS VIRGENES MUNICIPAL WATER DISTRICT
EST. 1958

Dedicated to Providing High-Quality Water Service in a Cost-Effective and Environmentally Sensitive Manner

HEADQUARTERS
4232 Las Virgenes Road
Calabasas, CA 91302
(818) 251-2100
Fax (818) 251-2109

WESTLAKE FILTRATION PLANT
(818) 251-2370
Fax (818) 251-2379

TAPIA WATER RECLAMATION FACILITY
(818) 251-2300
Fax (818) 251-2309

RANCHO LAS VIRGENES COMPOSTING FACILITY
(818) 251-2340
Fax (818) 251-2349

www.LVMWD.com

November 14, 2023

To: Board of Directors

From: David W. Pedersen, General Manager
Donald Patterson, Director of Finance & Administration

Subject: **ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2022-2023**

California law requires that every local government publish a complete set of audited financial statements for each fiscal year. This report is published to fulfill that requirement for the fiscal year that ended on June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rogers, Anderson, Malody and Scott, LLP has issued an unmodified ("clean") opinion on the Las Virgenes Municipal Water District's financial statements for the fiscal year that ended on June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Las Virgenes Municipal Water District (LVMWD or District), incorporated in 1958, is located on the western edge of Los Angeles County, California, and includes the cities of Agoura Hills, Calabasas, Hidden Hills and Westlake Village, and adjacent areas of Los Angeles County. LVMWD occupies 123 square miles and serves a population of approximately 70,000. LVMWD is also the administering agent for the Las Virgenes-Triunfo Joint Powers Authority (JPA), which provides sanitation services to approximately 100,000 people within 173 square miles of western Los Angeles County and southeastern Ventura County.

LVMWD is empowered to levy an assessment on real property located within its boundaries, up to $10 per acre, and has a miniscule share of the property tax assessment. The majority of revenue is from user fees for service. LVMWD also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

LVMWD has operated under the board-general manager form of government since its inception. Policy-making and legislative authority are vested in a governing board (Board) consisting of five members elected by division on a non-partisan basis. The Board appoints the general manager, who in turn appoints the heads of the various departments. Board members serve overlapping four-year terms, and every two years -- concurrent with installation of the newly elected board -- select board officers. A District representative to the board of directors of Metropolitan Water District of Southern California is appointed to serve every two years.

LVMWD provides potable water, sanitation, and recycled water services to its customers. Sanitation and recycled water services are provided in conjunction with Triunfo Water & Sanitation District through a JPA. The average age of the District's infrastructure is 43 years old.

Although not required by law, the Board adopts a final budget for the next fiscal year by the close of the current fiscal year. This annual budget serves as the foundation for LVMWD's financial planning and control. The biennial budget is prepared by enterprise, function (e.g., system operations) and department (e.g., Facilities and Operations). Department heads may transfer resources within a department or enterprise as they see fit, but transfers between departments or enterprises need special approval from the Board.

Local Economy

The region is highly desirable for both residences and businesses, with exceptional natural attributes. Much of the service area lies within the Santa Monica Mountains with the associated hilly terrain, mountain and ocean views and moderate climate. Open space and recreational opportunities abound with considerable local acreage dedicated as national and state parkland via the 244.5-square-mile Santa Monica Mountains National Recreation Area. Beaches lie within minutes of any location in the area. Varied academic institutions are proximate and easily accessible, including Pepperdine University's Malibu campus, California Lutheran University in Thousand Oaks, and California State University, Northridge.

Median home prices in the District considerably exceed county averages. The District benefits from its close proximately to Los Angeles and quality commercial and retail spaces. The District has few major industrial customers.

Primarily residential, LVMWD is also a home to notable corporations and commercial activities. Located within the service area are several significant employers including Las Virgenes Unified School District, National Veterinary Association; Private National Mortgage Acceptance Company, LLC; Bank of America, The Cheesecake Factory corporate offices and bakery; and Harbor Freight Tools corporate office.

Financial Condition and Outlook

LVMWD remains fiscally strong and continues to respond appropriately to fluctuations in the economy as well as to climate related impacts statewide and in the region. During Fiscal Year 2022-23 the District emerged from experiencing several years of ongoing drought conditions. Because of the impact of the drought on water supply in California, the District's water supplier

Metropolitan Water District of Southern California (MWD) required an emergency conservation program that became effective June 2022. This program followed statewide mandates that required water usage for agencies reliant on the *State Water Project* to be reduced by at least 30%. With no local water supplies, the District meets 79% of its needs with water imported by MWD through the State Water Project. The remaining 21% is met through recycled water through the Las Virgenes – Triunfo Joint Powers Authority Tapia Water Reclamation Facility. District customers responded to the call for conservation by reducing water consumption by over 30% year over year in Fiscal Year 2022-23. Due to the impact of conservation efforts from customers, coupled with record-setting precipitation events throughout the State in December 2022 and January 2023, potable and recycled water service sales in the District were reduced substantially versus Fiscal Year 2021-22.

The District had been preparing for and continues to be well positioned to be financially resilient whether in or out of drought. In 2016, the District implemented water budget-based rates and wasteful water use penalties to support the necessity of making conservation a way of life. Over the past 9 years, the District has also increased its fixed cost collected through fixed fees, now at approximately 55%. The District has also adopted an $8 million Rate Stabilization Fund to support any revenue shortfall. These efforts have allowed the District to sustain a strong financial position through previous droughts. The District completed a cost of service and rate study in early 2021 with a five-year rate plan approved by the Board of Directors that ensures continued financial sustainability. District staffing levels continue to be stable and a compensation study "refresh" is currently underway to help ensure the District remains competitive in the market compared to other agencies. The District has continued to predominantly pay for capital projects with available resources (pay-as-you-go funding) with only one outstanding debt issuance of less than $8 million. This debt is solely the obligation of the Potable Water Enterprise.

As the District looks forward to addressing the effects of climate change, it continues to look at ways to diversify its water portfolio. The most significant efforts to date in this area are the development of the Pure Water Project Las Virgenes – Triunfo that will provide an estimated 3,100 acre feet of water at build out through indirect potable reuse. More information on this project can be found on the District's website at lvmwd.com. The District is also working with other State Water Project-dependent area agencies to encourage and support the MWD to build infrastructure projects that allow the area to receive water stored in Diamond Valley Lake and from the Colorado River Aqueduct. The District continues to look at innovative ways to further diversify its water portfolio. One burgeoning partnership is with the California-based company OceanWell to study the feasibility of harvesting drinking water from desalination pods placed on the ocean floor, which if successful would add another layer of long-term water reliability to the District's portfolio.

Long Term Financial Planning

The District presented a two-year budget plan on June 21, 2022 for Fiscal Years 2022-24. The document improves long-range and strategic planning, financial management, and program monitoring. The two-year budget represents the concerted efforts of staff to estimate the financial needs of the District's upcoming two fiscal years to continue to provide high quality water and sanitation services to the District's customers. The Fiscal Years 2022-24 budget reflected the realities of the State's drought emergency in 2022. The District was mandated to achieve significant reductions in water usage or face potential penalties from the Metropolitan Water District. As a result, revenues derived from water usage were calculated based on a 35% reduction in potable water and a 25% reduction in recycled water. An additional $1.5 million from one-time wasteful water use penalty revenue was budgeted in Fiscal Year 2022-23 for one-time expenses related to the drought emergency including funds to increase enforcement of watering restrictions, additional rebates for water saving devices, the installation of flow restrictors, and other efforts to ensure conservation mandates were met. An additional $800,000 has been budgeted in Fiscal Year 2023-24 for conservation related expenditures. The budget is aligned to meet the District's adopted Strategic Plan Goals and Financial Policies. In addition, the District prepared its Infrastructure Investment Plan for Fiscal Years 2022-23 through 2031-32 which looks ahead over a ten-year time horizon to project long-term capital requirements.

In 2020, the District completed a comprehensive cost of services analysis and rate study that served as the basis for establishing proposed rates. On February 2, 2021, the Board successfully went through the Proposition 218 process and approved the proposed rates for the Potable Water Enterprise, Recycled Water Enterprise and Sanitation Enterprise. The new rates became effective March 1, 2021 and annually thereafter on January 1, 2022 through 2025 which will ensure the District continues to collect sufficient funds to support its on-going capital and operational needs.

Relevant financial policies

Since 1999, the District has utilized a broad-based set of Board-adopted financial policies to guide it in making important financial decisions. The policies are reviewed annually and updated periodically to address changing conditions and adopted annually as an integral part of the budget.

Major initiatives

During Fiscal Year 2021-22, the District began developing the design criteria for the Pure Water project, developed the environmental documentation for the program, and engaged in public outreach activities to help progress the project. During Fiscal Year 2022-23, the District prepared and submitted applications to federal, state, and local funding sources to provide financing for the Pure Water project. Included in these funding sources was an invitation to the JPA to apply for Water Infrastructure Finance and Innovation Act (WIFIA) funding in the amount of $184 million or up to 49% of the estimated project cost. Moving forward, the District will continue to develop this project and move towards construction within the next one to two years.

Other current and future major initiatives include:

- Construction of an interconnection with Calleguas Municipal Water District to improve water supply reliability;
- Construction of the Twin Lakes Pump Station Pipeline Project to increase the supply reliability for the Twin Lakes subsystem and enhance capacity to serve the Deerlake Ranch Development;
- Cornell Pump Station Improvement Project – pump station improvements to provide added reliability and redundancy to the District's potable water system backbone during planned and unplanned system outages;
- Development and implementation of a comprehensive pipeline replacement program to address aging water and sewer pipes throughout the District's service area.
- Construction and rehabilitation/replacement of the Malibou Lake Siphon to repair the deteriorated sewer trunk siphon ensuring reliability and environmental stewardship within the Malibu Creek watershed.

The District continues to be well-positioned for the challenges in the years ahead and will continue to deliver high-quality, reliable services to its customers for years to come.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to LVMWD for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 25th consecutive year that LVMWD received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Staff believes that its current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

In addition, LVMWD also received the GFOA's Distinguished Budget Presentation Award for its Fiscal Year 2022-24 budget document. The District posts all its financial documents on its public website at www.LVMWD.com.

Acknowledgements

The preparation and development of this report would not have been possible without the year-round work of the Finance Division staff and their special efforts, working in conjunction with the District's independent auditors. We would also like to thank the Board for its continued interest and support in managing the District's financial resources in a responsible manner that ensures transparency and proper stewardship of ratepayer's money.

Respectfully submitted,

David W. Pedersen	Donald Patterson
General Manager	Director of Finance & Administration

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

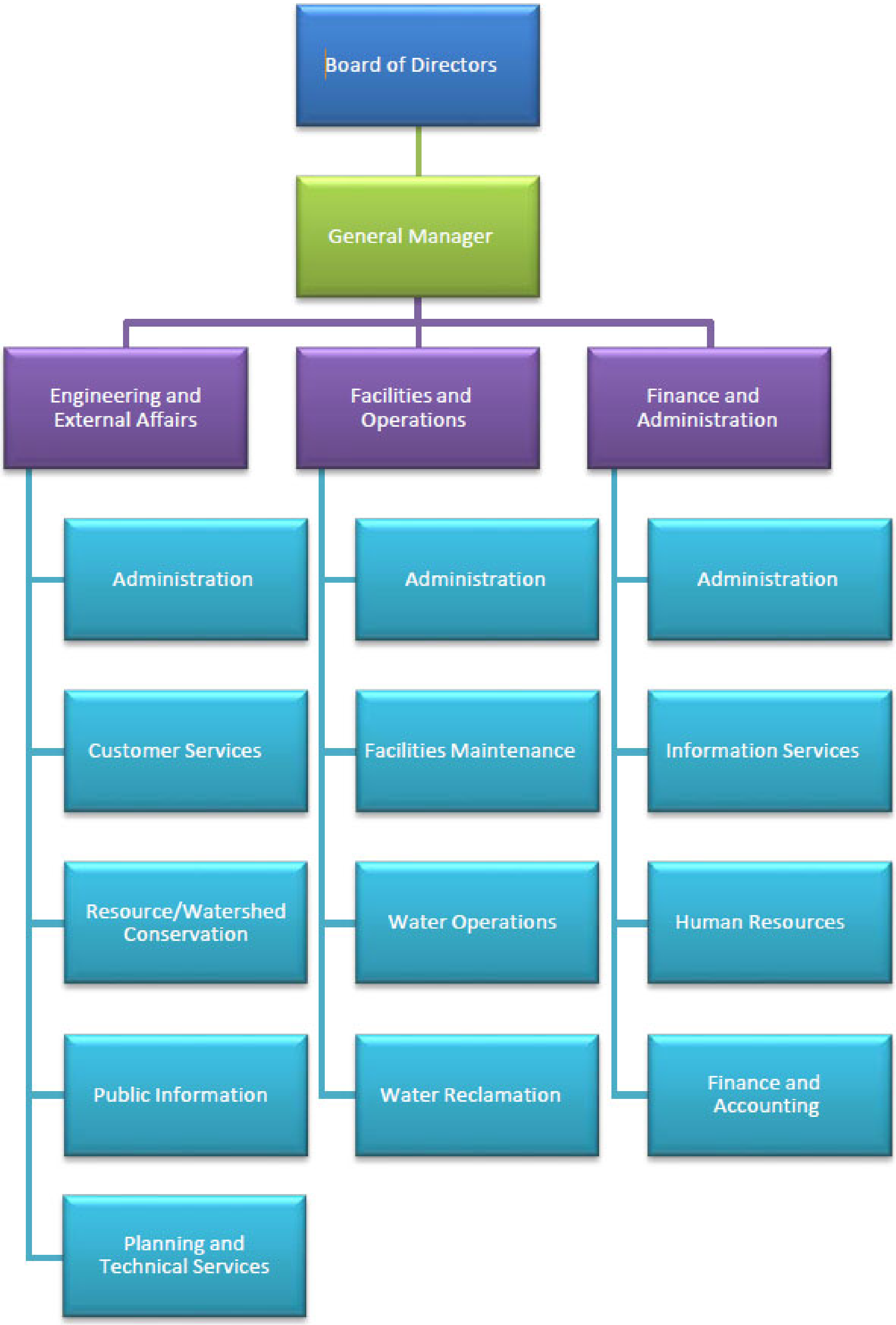
Presented to

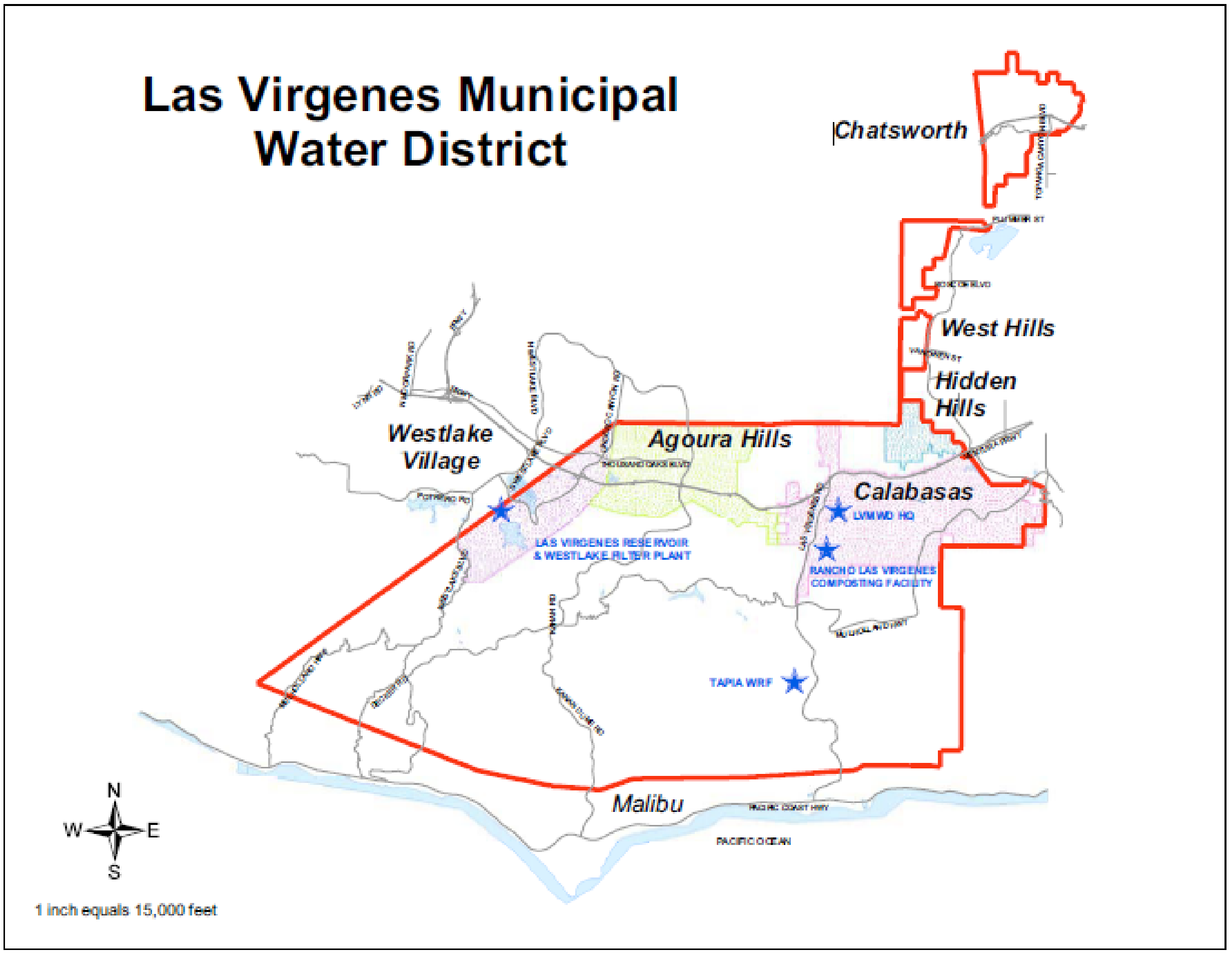
Las Virgenes Municipal Water District California

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill
Executive Director/CEO


Board of Directors
General Manager
Engineering and External Affairs
Facilities and Operations
Finance and Administration
Administration
Customer Services
Resource/Watershed Conservation
Public Information
Planning and Technical Services
Administration
Facilities Maintenance
Water Operations
Water Reclamation
Administration
Information Services
Human Resources
Finance and Accounting


Las Virgenes Municipal Water District
Chatsworth
West Hills
Hidden Hills
Westlake Village
Agoura Hills
Calabasas
LVMWD HQ
LAS VIRGENES RESERVOIR & WESTLAKE FILTER PLANT
RANCHO LAS VIRGENES COMPOSTING FACILITY
TAPIA WRF
Malibu
PACIFIC COAST HWY
PACIFIC OCEAN
N
W
E
S
1 inch equals 15,000 feet

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

To the Board of Directors
Las Virgenes Municipal Water District
Calabasas, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Las Virgenes Municipal Water District (the District) and the discretely presented component unit, as of and for the years ended June 30, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the District and the discretely presented component unit, as of June 30, 2023 and 2022, 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, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the 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 opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The District's 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 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 auditor's 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 GAAS 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 an audit in accordance with GAAS and *Government 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

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedules listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the letter of transmittal and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 14, 2023

This section of the District's annual financial report presents management's analysis of the District's financial performance during the Fiscal Year that ended on June 30, 2023. We encourage readers to consider the financial information presented in this section in conjunction with the accompanying financial statements, notes, and additional information furnished in the letter of transmittal in the Introductory Section of this report.

FINANCIAL HIGHLIGHTS

- On June 30, 2023, the District's net position (excess of assets and deferred outflows over liabilities and deferred inflows) was $297.1 million. Of this amount $131.2 million consisted of the District's net investment in capital assets while the remaining $165.9 million was unrestricted and may be used to meet the District's ongoing obligations, fund capital projects, and meet policy-required reserves.

- The District's Fiscal Year 2022-23 net position increased by $10.2 million, compared to an increase of $17.3 million in Fiscal Year 2021-22.

- Total operating revenues in Fiscal Year 2022-23 were $64.7 million, $11.0 million (or 14.6%) below the prior year's revenues of $75.7 million. The decrease in revenues as compared to the prior year was due to a decrease in Water sales and service fees of $12.6 million (or 24.5%), offset by increases in Sanitation service fees of $1.0 million (or 4.8%) and Other income of $0.6 million (or 15.4%).

- Total operating revenues in Fiscal Year 2021-22 were $75.7 million, $1.2 million (or 1.7%) above the prior year's revenues of $74.5 million. The increase in revenues as compared to the prior year was due to an increase in Sanitation service fees of $1.5 million (or 8.3%), an increase in Other income of $0.4 million (or 13.2%), offset by a decrease in Water sales and service fees of $0.7 million (or 1.4%).

- Total operating expenses in Fiscal Year 2022-23 were $41.4 million, $3.8 million (or 8.5%) below the prior year's expenses of $45.2 million. The decrease in operating expenses as compared to the prior year was due mainly from reduced source of supply costs, down $6.5 million versus Fiscal Year 2021-22 (or 25.2%) due to lower customer potable water deliveries.

- Total operating expenses in Fiscal Year 2021-22 were $45.2 million, $2.3 million (or 5.0%) below the prior year's expenses of $47.5 million. The decrease in operating expenses as compared to the prior year was due mainly from reduced source of supply costs, down $2.2 million versus Fiscal Year 2020-21 (or 7.6%) due to lower customer potable water deliveries.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serve as an introduction to Las Virgenes Municipal Water District's basic financial statements. The District's basic financial statements include a statement of net position, statement of revenues, expenses, and changes in net position, and a statement of cash flows and notes to the basic financial statements. This report also includes other supplementary information in addition to the basic financial statements.

BASIC FINANCIAL STATEMENTS

Because the District is comprised of three business type enterprises, potable water, recycled water, and sanitation, the Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the District's assets, deferred outflow of resources, liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. This statement measures the stability of the District's operations over the past year and can be used to determine the District's credit worthiness and whether the District has successfully recovered all its costs through its user fees and other charges.

The final required financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

The Financial Statements provide information on whether the District is in a stronger or weaker financial position compared to the last year. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide a means 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. Considering other non-financial factors such as changes in economic conditions, population growth, weather, and new or changed government legislation is also vital. It is important to note that the District's goal is to have sufficient revenue to cover operating and capital expenses while maintaining affordable rates for its customers.

The District's potable water-budget based rate structure supports a conservation philosophy through an increasing tier structure and an annual incremental increase in the percentage of fixed cost recovered through fixed fees. Over time this structure reduces dependence on fluctuating water sales to meet revenue needs. The District continues to build additional reserves in preparation to construct its Pure Water Las Virgenes – Triunfo project that will take surplus recycled water and process it through an advanced treatment facility; then store it at Las Virgenes Reservoir for later use as drinking water. A total of $35.0 million has been approved by the District's Board as a designated reserve for the Pure Water project (see Note 13 – Net Position). The District is well positioned to take on the demands of a changing climate to meet its customer's water and sanitation needs.

Las Virgenes Municipal Water District operates a Joint Powers Authority (JPA) with Triunfo Water & Sanitation District for the transmission and treatment of sanitation. In conformance with GASB 61, the JPA is presented in the District's Financial Statements as a Discretely Presented Component Unit. The JPA annually issues an Independent Auditors' Report and Financial Statements that includes a Management Discussion and Analysis. It is recommended to review this document for additional information on the financial condition of the JPA.

NET POSITION

Table 1 shows a comparative analysis of the District''s Net Position. As shown below, net position increased by $10.2 million to $297.1 million in Fiscal Year 2022-23, compared to an increase in net position of $17.3 million in Fiscal Year 2021-22.

TABLE 1
Condensed Statements of Net Position
as of June 30,
(in thousands of dollars)

	2023	2022	2021
Current and other assets	$ 133,622	$ 128,583	$ 127,250
Capital assets	139,698	137,266	129,230
Investment in JPA	68,089	68,942	67,140
Total Assets	341,409	334,792	323,620
Deferred Outflow of Resources	15,473	7,277	8,765
Long-term liabilities	40,920	31,618	47,243
Other liabilities	9,838	9,686	11,470
Total Liabilities	50,758	41,304	58,712
Deferred Inflows of Resources	9,037	13,921	4,439
Net position:			
Net investment in capital assets	131,232	127,592	119,802
Unrestricted	165,854	159,251	149,432
Total Net Position	$ 297,087	$ 286,843	$ 269,234

REVENUES, EXPENSES AND CHANGES IN NET POSITION

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position provides information concerning the nature and source of these changes. As shown in Table 2 below, the income before capital contributions was $8.1 million in Fiscal Year 2022-23 versus $13.6 million in Fiscal Year 2021-22 and $16.8 million in 2020-21. The income plus capital contributions ($8.1 million income plus $2.1 million capital contributions) lead to the overall increase in net position of $10.2 million, when compared to last year's ACFR.

Fiscal Year 2022-23 Water sales and service fees of $38.9 million decreased 24.5% versus prior years fees of $51.6 million. Though potable water rates increased 5.0% versus the prior year, the impact of additional revenues from rates was offset by lower potable water deliveries to customers year-over-year. On-going drought conservation messaging along with record setting rainfall in the winter of Fiscal Year 2022-23, resulted in lower customer demand for potable water supply versus the prior year. Potable water deliveries for the fiscal year of 12,257 acre-feet were down 32.3% versus prior year deliveries of 18,105 acre-feet.

Fiscal Year 2021-22 Water sales and service fees of $51.6 million decreased 1.4% versus prior years fees of $47.7 million. This decrease was despite District Board adopted rate increases of 5.0% and 8.0% respectively in the Potable Water Enterprise and Recycled Water Enterprise. The District's targeted outreach program to increase conservation from inefficient and wasteful water users along with on-going drought conservation messaging resulted in lower customer demand for potable water supply in Fiscal Year 2021-22 versus the prior year. Potable water deliveries for the fiscal year of 18,105 acre-feet were down 18.1% versus prior year deliveries of 21,391 acre-feet.

Sanitation service fees were $21.2 million in Fiscal Year 2022-23, up $1.0 million (or 4.8%), as compared to Fiscal Year 2021-22 revenues of $20.2 million. Per the District's adopted 5-year rate study, Sanitation Enterprise rates increased 3.75% versus the prior year, driving much of the increase in revenues year-over-year. Additionally, an increase in "household size" among the District's residential customers has resulted in higher revenues generated within the Sanitation Enterprise.

Sanitation service fees were $20.2 million in Fiscal Year 2021-22, up $1.5 million (or 8.3%), as compared to Fiscal Year 2020-21 revenues of $18.7 million. The District Board adopted a rate increase of 3.75% that drove some of this increase in revenues along with an increase in "household size" among the District's residential customers.

Water operating expenses were $32.8 million in Fiscal Year 2022-23, lower than the prior year's operating expenses of $37.3 million due to reduced source of supply costs. Source of supply costs of $19.4 million were down $6.5 million (or 25.2%) from reduced customer water deliveries year over year.

Water operating expenses were $37.3 million in Fiscal Year 2021-22, lower than the prior year's operating expenses of $41.0 million due to reduced source of supply costs. Source of supply costs of $25.9 million were down $2.2 million (or 7.6%) from reduced customer water deliveries year over year.

Sanitation operating expenses were $3.4 million in Fiscal Year 2022-23, remaining consistent with prior year expenses of $3.5 million.

Sanitation operating expenses were $3.5 million in Fiscal Year 2021-22, up $0.8 million (or 28.8%) compared to the prior year. Most of this increase was driven by higher general and administrative labor costs year over year.

Share of JPA net expenses reflected in the nonoperating revenues (expenses) section were $18.6 million in Fiscal Year 2022-23, $3.3 million (or 21.6%) above prior year's expenses of $15.3 million. These expenses result from purchased sanitation services from the Las Virgenes-Triunfo Joint Powers Authority (JPA). In the prior fiscal year, during the month of March 2022, the JPA received a one-time payment of $2.8 million. Due to the billing arrangement between the District and the JPA, the one-time revenue reduced the net expenses invoiced to the District for sanitation services, resulting in lower operating expenses in Fiscal Year 2021-22 versus Fiscal Year 2022-23.

Share of JPA net expenses reflected in the nonoperating revenues (expenses) section were $15.3 million in Fiscal Year 2021-22, $2.7 million (or 14.8%) below prior year's expenses of $13.6 million. These expenses result from purchased sanitation services from the JPA. The JPA received a one-time payment of $2.8 million in March 2022 and due to the billing arrangement between the District and the JPA, the one-time revenue reduced the net expenses invoiced to the District for sanitation services, resulting in lower operating expenses year-over-year.

Capital contributions are irregular and consist primarily of capital grant contributions as well as water and sewer connection fees for capital development. In July 2019, the District adopted a new capacity fee structure that focuses contributions on maintenance and upgrading of existing infrastructure.

TABLE 2
Condensed Statements Revenues
For the years ended June 30,
Expenses and Changes in Net Position

	2023	2022	2021
Operating revenues:			
Water sales	$ 38,914	$ 51,564	$ 47,672
Sanitation and other	25,749	24,174	19,746
Total operating revenues	64,662	75,738	67,418
Non-operating revenues:			
Taxes and penalties	1,096	1,001	915
Interest income and other	2,384	(2,439)	7,507
Total non-operating revenues	3,480	(1,438)	8,422
Total Revenues	68,142	74,301	75,840
Depreciation expense	5,157	4,413	4,012
Other operating expenses	36,202	40,779	41,192
Share of JPA net expenses	18,629	15,314	13,634
Non-operating expenses	74	209	231
Total Expenses	60,062	60,715	59,069
Income (Loss) Before Capital Contributions	8,081	13,586	16,771
Capital contributions	2,163	3,698	1,419
Change in net position	10,243	17,284	18,190
Net position, beginning of year, as restated	286,843	269,559	234,021
Net position, end of year	$ 297,087	$ 286,843	$ 252,211

CAPITAL ASSETS

At the end of Fiscal Year 2022-23, the District had invested $273.4 million in a broad range of infrastructure including water and sewer lines, wastewater facilities, reservoirs, tanks, distribution facilities, compost facility, maintenance and administration facilities, vehicles and equipment, intangible right-to-use assets, and an investment in Joint Venture of $68.1 million as shown in Table 3. This amount represents a net increase (including additions, deletions, and depreciation/amortization) of $1.6 million from last year primarily due to higher Infrastructure related capital assets.

More information about the District's Capital Assets Depreciation/Amortization policy is presented in Note 2 of the Basic Financial Statements. A more detailed summary of Capital Assets is presented in Note 8 to the Basic Financial Statements.

TABLE 3
Capital Assets
(in thousands of dollars)

	2023	2022	Dollar Change	Total Percent Change
Land	$ 6,915	$ 6,915	$ -	0.0%
Buildings and improvements	22,095	22,095	-	0.0%
Machinery and equipment	12,806	12,170	636	5.23%
Infrastructure	217,525	202,644	14,882	7.34%
Construction in progress	11,989	20,242	(8,253)	-40.77%
Intangible right-to-use assets	2,024	1,798	226	12.56%
Subtotal	273,355	265,864	7,490	2.82%
Less accumulated depreciation/amortization	(133,657)	(128,598)	(5,058)	3.93%
Net Property, Plant and Equipment	139,698	137,266	2,432	1.77%
Investment in Joint Venture	68,089	68,942	(853)	-1.24%
Total Capital Assets	$ 207,787	$ 206,208	$ 1,579	0.77%

The following is a summary of some of the major improvements to the system over the last three fiscal years:

TABLE 4
Major Capital Improvement Projects
(in thousands of dollars)

		2023
Stationary Emergency Generators	$	1,483
Deerlake take construction		1,400
AMR Implementation		853
Total major projects FY 2023	$	3,736
		2022
AMR Implementation	$	6,864
Interconnection with CMWD		1,680
Woolsey Fire Repair - WFP		1,212
Total major projects FY 2022	$	9,756
		2021
Rancho LV digester/cleaning/repair	$	1,748
Pure water demonstration		1,429
Tapia pgmble log controller		1,249
Cordillera tank rehabilitation		927
Tapia hypochlorite tank replacement		619
Total major projects FY 2021	$	5,972

LONG TERM DEBT

On June 30, 2023, the District had total long-term debt including lease liability and subscription liability of $7.9 million, down from $9.2 million on June 30, 2022. Excluding the District's subscription liability of $0.5 million and minimal lease liability on the statement of net position of $47 thousand, this remaining debt is solely the obligation of the Potable Water Enterprise and is for the Advanced Meter Infrastructure project. More detailed information about the District's long-term liabilities is presented in Note 10 to the Basic Financial Statements.

TABLE 5
Debt Coverage Ratio
(in thousands of dollars)

	2023
Total operating revenues	$ 38,914
Total operating expenses (less depreciation)	32,900
Net Earnings	6,014
Maximum annual debt service	1,129
Debt Coverage Ratio	5.33

The District has outstanding debt from an installment purchase agreement entered in March 2020. The District's current average cost of capital was 2.47% at June 30, 2023, as shown on Table 6.

TABLE 6
Cost of Capital
(in thousands of dollars)

	Debt Balance	Average Coupon Rate
Installment Purchase Agreement	$ 7,370	1.95%

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

This financial report is designed to provide our residents, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Las Virgenes Municipal Water District, Department of Finance and Administration, 4232 Las Virgenes Road, Calabasas, California, 91302; or visit our website at www.lvmwd.com.

BASIC FINANCIAL STATEMENTS

Statements of Net Position
June 30, 2023 and 2022

	Primary Government		Discretely Presented Component Unit - JPA	
	2023	2022	2023	2022
ASSETS				
Current assets:				
Cash and investments (Note 3)	$ 106,276,633	$ 102,623,596	$ 9,791,972	$ 7,312,917
Receivables:				
Sales and services, net of allowance for uncollectible (Note 4)	7,263,914	7,629,895	2,242,069	5,199,331
Due from Joint Powers Authority (Note 6)	6,373,433	5,301,911	-	-
Leases (Note 7)	1,286,390	1,422,515	-	-
Interest	166,877	73,968	15,180	3,748
Taxes	-	65,616	-	-
Other	724,303	732,704	-	-
Inventories (Note 5)	9,418,043	9,037,987	-	-
Prepaid items	2,112,435	1,695,272	427,018	221,407
Total current assets	133,622,028	128,583,464	12,476,239	12,737,403
Noncurrent assets:				
Investments in Joint Powers Authority (Note 6)	68,088,841	68,941,953	-	-
Capital assets (Note 8):				
Nondepreciable	18,904,068	27,157,400	29,519,704	25,388,592
Depreciable, net of accumulated depreciation/amortization	120,016,635	108,924,048	70,813,393	75,744,919
Intangible right-to-use asset	777,632	1,184,706	-	-
Capital assets, net	139,698,335	137,266,154	100,333,097	101,133,511
Total noncurrent assets	207,787,176	206,208,107	100,333,097	101,133,511
Total assets	341,409,204	334,791,571	112,809,336	113,870,914
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows of resources (Note 11)	9,104,851	4,092,317	-	-
OPEB-related deferred outflows of resources (Note 12)	6,367,858	3,185,101	-	-
Total deferred outflows of resources	15,472,709	7,277,418	-	-

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

Statements of Net Position (Continued)
June 30, 2023 and 2022

	Primary Government		Discretely Presented Component Unit - JPA	
LIABILITIES	**2023**	**2022**	**2023**	**2022**
Current liabilities:				
Accounts and contracts payable and accrued expenses	$ 3,942,125	$ 4,867,954	$ 1,277,987	$ 1,894,716
Interest payable	27,360	27,170	-	-
Unearned capacity and developer fees	5,230,366	4,181,727	-	-
Due to other government	-	-	11,198,252	10,842,687
Deposits and other	638,218	609,300	-	-
Compensated absences - due within one year (Note 9)	676,123	922,090	-	-
Long-term debt - due within one year (Note 10)	1,342,904	994,773	-	-
Total current liabilities	11,857,095	11,603,014	12,476,239	12,737,403
Noncurrent liabilities:				
Compensated absences (Note 9)	1,490,346	1,327,473	-	-
Long-term debt - due in more than one year (Note 10)	6,578,237	8,210,914	-	-
Net pension liabilities (Note 11)	22,889,414	8,911,310	-	-
Net OPEB liabilities (Note 12)	7,943,314	11,251,628	-	-
Total noncurrent liabilities	38,901,312	29,701,325	-	-
Total liabilities	50,758,407	41,304,339	12,476,239	12,737,403
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows of resources (Note 11)	565,047	9,590,920	-	-
OPEB-related deferred inflows of resources (Note 12)	7,212,350	2,927,001	-	-
Leases (Note 7)	1,259,550	1,403,538	-	-
Total deferred inflows of resources	9,036,947	13,921,459	-	-
NET POSITION (Note 13)				
Primary government's net investment in capital assets	131,232,301	127,592,350	67,075,513	67,736,136
Other government's net investment in capital assets	-	-	33,257,584	33,397,375
Unrestricted	165,854,258	159,250,841	-	-
Total net position	$ 297,086,559	$ 286,843,191	$ 100,333,097	$ 101,133,511

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

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2023 and 2022

	Primary Government		Discretely Presented Component Unit - JPA	
	2023	2022	2023	2022
Operating revenues:				
Water sales and service fees	$ 38,913,512	$ 51,563,750	$ -	$ -
Sanitation service fees	21,208,234	20,241,160	-	-
Wholesale recycle water sales	-	-	2,943,716	2,534,154
Other income	4,540,432	3,933,293	52,714	96,797
Total operating revenues	64,662,178	75,738,203	2,996,430	2,630,951
Operating expenses:				
Water expenses:				
Source of supply	19,428,145	25,976,620	-	-
Pumping	1,777,690	2,547,982	-	-
Transmission and distribution	3,874,233	3,324,051	-	-
Meter	634,115	1,015,754	-	-
Water conservation	273,971	81,837	-	-
General and administrative	6,793,855	4,366,394	-	-
Total water expenses	32,782,009	37,312,638	-	-
Sanitation expenses:				
Other sewage treatment	737,140	652,373	-	-
Lift stations	263,029	224,904	-	-
General and administrative	2,419,699	2,589,083	-	-
Total sanitation expenses	3,419,868	3,466,360	-	-
JPA expenses:				
Operating expenses	-	-	11,972,377	10,312,238
General and administrative	-	-	11,890,640	10,533,042
Total JPA expenses	-	-	23,863,017	20,845,280
Depreciation and amortization	5,156,730	4,413,070	5,703,197	5,824,838
Total operating expenses	41,358,607	45,192,068	29,566,214	26,670,118
Billings to primary government	-	-	13,505,655	10,379,978
Billings to other government	-	-	6,446,089	4,986,536
Total JPA billings	-	-	19,951,744	15,366,514
Net Operating Income (Loss)	23,303,571	30,546,135	(6,618,040)	(8,672,653)

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

Statements of Revenues, Expenses, and Changes in Net Position (Continued)
For the Years Ended June 30, 2023 and 2022

	Primary Government		Discretely Presented Component Unit - JPA	
	2023	2022	2023	2022
Nonoperating revenues (expenses):				
Taxes and penalties	$ 1,095,914	$ 1,001,168	$ -	$ -
Lease income	97,107	81,341	-	-
Interest income	1,400,066	(3,099,429)	324,925	33,106
Facilities income (expense)	287,845	347,660	-	-
Interest expense and fiscal charges	(73,760)	(209,238)	-	-
Share of Joint Powers Authority (expense)	(18,629,347)	(15,313,520)	-	-
Gain on disposal of capital assets	7,623	-	-	-
Other revenues/(expenses)	591,696	231,659	589,918	2,814,709
Total nonoperating revenues (expenses)	(15,222,856)	(16,960,359)	914,843	2,847,815
Capital contributions:				
Capital contributions from others	2,162,653	3,698,483	-	-
Capital contributions from primary government	-	-	3,324,285	6,068,680
Capital contributions from other government	-	-	1,578,498	2,527,185
Total capital contributions	2,162,653	3,698,483	4,902,783	8,595,865
Changes in Net Position	10,243,368	17,284,259	(800,414)	2,771,027
Net position:				
Beginning of year, as restated (Note 16)	286,843,191	269,558,932	101,133,511	98,362,484
End of year	$ 297,086,559	$ 286,843,191	$ 100,333,097	$ 101,133,511

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

Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	Primary Government	
	2023	**2022**
Cash flows from operating activities:		
Cash received from customers	$ 65,907,700	$ 77,589,348
Cash payments to suppliers for operations	(27,625,413)	(35,659,978)
Cash received from (paid to) Joint Powers Authority	(1,071,522)	(2,338,135)
Cash payments for general and administrative expenses	(11,562,673)	(11,307,064)
Net cash provided by operating activities	25,648,092	28,284,171
Cash flows from noncapital financing activities:		
Property taxes and fee collected	1,161,530	998,081
Net cash provided by noncapital financing activities	1,161,530	998,081
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(7,588,911)	(11,308,971)
Proceeds from sale of capital assets	7,623	-
Capital contribution	2,162,653	3,698,483
Repayment of bonds payable and leases	(1,284,546)	(974,214)
Cash received from leases receivable	89,244	72,083
Interest payment	(75,864)	(213,903)
Net cash (used in) capital and related financing activities	(6,689,801)	(8,726,522)
Cash flows from investing activities:		
Interest received	1,309,451	(2,944,531)
Contributions to Joint Power Authority	(17,776,235)	(17,115,045)
Net cash (used in) investing activities	(16,466,784)	(20,059,576)
Net Change in Cash and Cash Equivalents	3,653,037	496,154
Cash and cash equivalents:		
Beginning of year	102,623,596	102,127,442
End of year	$ 106,276,633	$ 102,623,596
Financial statement presentation:		
Cash and cash equivalents	$ 106,276,633	$ 102,623,596
Total cash and cash equivalents	$ 106,276,633	$ 102,623,596
Noncash investing activities:		
Change in fair value of investments	$ (3,956,272)	$ 859,677

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

Statements of Cash Flows (Continued)
For the Years Ended June 30, 2023 and 2022

	Primary Government	
	2023	2022
Reconciliation of net operating income to net cash provided by operating activities:		
Net operating income	$ 23,303,571	$ 30,546,135
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	5,156,730	4,413,070
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	1,253,923	1,601,718
(Increase) decrease in due from Joint Powers Authority	(1,071,522)	(2,338,135)
(Increase) decrease in inventories	(380,056)	413,028
(Increase) decrease in prepaid items	(417,163)	(219,735)
(Increase) decrease in deferred outflows or resources - pension	(5,012,534)	1,253,102
(Increase) decrease in deferred outflows or resources - OPEB	(3,182,757)	234,360
Increase (decrease) in accounts and contracts payable and accrued expenses	122,810	(1,836,707)
Increase (decrease) in compensated absences	(83,094)	(216,736)
Increase (decrease) in deposits and other	28,918	56,384
Increase (decrease) in net pension liability	13,978,104	(12,794,375)
Increase (decrease) in net OPEB liability	(3,308,314)	(2,454,678)
Increase (decrease) in deferred inflows or resources - pension	(9,025,873)	9,590,920
Increase (decrease) in deferred inflows or resources - OPEB	4,285,349	35,820
Net cash provided by operating activities	$ 25,648,092	$ 28,284,171

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

Note 1 - Reporting Entity

Las Virgenes Municipal Water District (the "District") is organized under the Municipal Water District Act of 1911 (California Water Code 71000). A five-member board of directors, who are elected by geographic divisions, provide governance. The District was formed to secure a high quality, reliable source of water for areas that include the cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village, plus surrounding unincorporated portions of western Los Angeles County.

Discretely Presented Component Unit

The Las Virgenes-Triunfo Joint Powers Authority ("JPA") was created on October 12, 1964 between the District and Triunfo Water & Sanitation District ("TWSD") for the purpose of constructing, operating, maintaining, and providing for the replacement of a joint sewage system to serve the Malibu Canyon drainage area. The JPA consists of ten board members where five of them are the board members of the District and the other five are the board members of TWSD. The JPA is fiscally dependent in that the JPA could not issue bonded debt without approval from the District. There is a financial benefit and burden relationship between the District and the JPA. The JPA issues a separate financial report that is available upon request from the District. The financial statements of the JPA are included as a discretely presented component of the District's financial statements.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board ("GASB") commonly referred to as accounting principles generally accepted in the United States of America ("U.S. GAAP"). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the District.

The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Note 2 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Statement of Net Position reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

> **Deferred Outflows of Resources** represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.
>
> **Deferred Inflows of Resources** represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net assets from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, settlement receivable allowance, and other infrequently occurring transaction of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (“LAIF”), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and assets-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the fair value of the pool shares.

The District also participates in the California Asset Management Program ("CAMP"). CAMP is a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is managed to maintain a dollar-weighted average portfolio of 60 days or less and seeks to maintain a constant net asset value (NAV) per share of $1.00. The Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions. The Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Investments (Continued)

The District also self-manages a portfolio of securities in accordance with the District's investment policy and California government code (Sections 16429.1, 53600 et seq., and 53638). The District's policy includes investing in obligations of the U.S. Government or any of its agencies and instrumentalities, certificates of deposit, and municipal bonds. Investments are subject to credit risk and also to market risk due to fluctuating interest rates. To minimize the impact of market risk, it is intended that all investments be held to maturity.

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk

Restricted Cash and Investments

Cash and investments with fiscal agents are restricted due to limitations on their use by bond covenants or donor limitations. Fiscal agents acting on behalf of the District hold investment funds arising from the proceeds of long-term debt issuances. The funds may be used for specific capital outlays or for the payment of certain bonds, and have been invested only as permitted by specific State statutes or applicable District ordinance, resolution or bond indenture.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1	Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
Level 2	Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date
Level 3	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Note 2 - Summary of Significant Accounting Policies (Continued)

Receivables and Unbilled Revenues

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts, if any. The District also accrues an estimated amount for services that have been provided, but not yet billed as of June 30. Federal and State grants accrued as revenue when all eligibility requirements have been met. Amount earned but outstanding at year end are reported as due from other governments.

Inventories

Inventories consist of expendable materials, supplies, and water in storage and are stated at average cost. Inventory is valued the using normal average cost method.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

Capital Assets

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at their acquisition value on the date donated. The District policy has set the capitalization threshold for reporting capital assets at $5,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Primary Government		
Water Plant	Source of supply (primarily water tanks)	10-100 Years
	Plant	10-75 Years
	Structures	25-35 Years
Sanitation Plant	Plant	10-100 Years
	Machinery and equipment	3-25 Years
General Utility Plant	Building and improvements	10-50 Years
	Machinery and equipment	3-25 Years
Discretely Presented Component Unit - JPA		
Recycle Water Plans	Plant	10-100 Years
	Machinery and equipment	3-25 Years

Note 2 - Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Major outlays for capital assets are capitalized as projects, once constructed, and repairs and maintenance costs are expensed. Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

Capital Contributions

Prepayments of water and sewer capacity fees/connection fees assessed by the District are reported as unearned revenues until construction of the related projects has commenced and the District is reasonably certain they will be completed. Upon completion, the applicable amounts are recognized as capital contributions.

Compensated Absences

District's policy permits its employees to accumulate not more than 288 hours of their current annual vacation for the miscellaneous general and office units and not more than 311 hours for the supervisor, professional, confidential, and management units. General Managers are compensated five days into accrued sick leave bank at onset of employment and eight hours per month thereafter up to 96 hours per year with a maximum of 311 hours accrual. Non-represented employees are compensated eight hours per month. The annual accrual of sick leave has no maximum accrual. The combined unused vacation and sick pay will be paid to the employee or his/her beneficiary upon leaving the District's employment. The amount due will be determined using the salary/wage rate in effect at the time of separation and vesting period.

All vested vacation and compensatory leave time is recognized as an expense and as a liability at the time the benefit vests. The liability for compensated absences is included as part of compensated absences payable from unrestricted current assets.

Long-Term Debt

Debt premiums and discounts are amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable unamortized bond premium or discount. Debt issuance costs are expensed when incurred.

Note 2 - Summary of Significant Accounting Policies (Continued)

Arbitrage Rebate Requirement

The District is subject to the Internal Revenue Code ("IRC") Section 148(f), related to its tax-exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The District had no rebate liability for arbitrage as of June 30, 2023 and 2022.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently 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.

For the Year Ended	June 30, 2023
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022
For the Year Ended	June 30, 2022
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Note 2 - Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined by an actuary. Investments are reported at fair value.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

For the Year Ended	June 30, 2023
Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022
For the Year Ended	June 30, 2022
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Net Position

Net position represents the difference between all other elements in the statement of net position and is displayed in the following three components:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets and related deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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.

Note 2 - Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes are levied on March 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Los Angeles, California ("County") bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

The County is permitted by State law to levy on properties at 1% of full market value (at time of purchase) and can increase the property tax rate at no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978.

Property taxes are recognized in the fiscal year for which the taxes have been levied. No allowance for doubtful accounts was considered necessary.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Accounting Changes

During the fiscal year ended June 30, 2023, the District implemented the following accounting standards:

GASB Statement No. 96 – As of July 1, 2022, the District adopted GASB 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). The implementation of this standard establishes a single model for accounting for SBITAs. The standard requires recognition of certain right to use assets and liabilities for SBITAs. As a result of implementing this standard, the District recognized a subscription liability and right-to-use subscription asset in the amount of $1,288,782 as of July 1, 2022. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Note 8 and Note 10.

Note 2 - Summary of Significant Accounting Policies (Continued)

Upcoming New GASB Pronouncements

The District is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In April 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB No. 62* (GASB Statement No. 100) to provide guidance on accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.
- This Statement also addresses corrections of errors in previously issued financial statements. GASB Statement No. 100 is effective for the District's fiscal year ending June 30, 2023.
- In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Note 3 - Cash and Investments

As of June 30, 2023 and 2022, cash and investments are classified in the accompanying statements of net position as follows:

	2023			2022		
	Primary Government	Discretely Presented Component Unit - JPA	Total	Primary Government	Discretely Presented Component Unit - JPA	Total
Cash and cash equivalents	$ 106,276,633	$ 9,791,972	$ 116,068,605	$ 102,623,596	$ 7,312,917	$ 109,936,513
Total Cash and Investments	$ 106,276,633	$ 9,791,972	$ 116,068,605	$ 102,623,596	$ 7,312,917	$ 109,936,513

Note 3 - Cash and Investments (Continued)

As of June 30, 2023 and 2022, cash and investments consisted of the following:

	2023			2022		
	Primary Government	Discretely Presented Component Unit - JPA	Total	Primary Government	Discretely Presented Component Unit - JPA	Total
Deposits:						
Demand deposits	$ 1,389,597	$ 127,998	$ 1,517,595	$ 2,073,575	$ 147,754	$ 2,221,329
Petty cash	1,400	-	1,400	1,400	-	1,400
Total Deposits	1,390,997	127,998	1,518,995	2,074,975	147,754	2,222,729
Investments:						
Municipal bonds	21,072,918	-	21,072,918	15,465,799	-	15,465,799
U.S. Government Sponsored Agency Security	46,107,531	7,062,710	53,170,241	37,992,363	4,412,700	42,405,063
Certificate of deposit	9,464,841	-	9,464,841	8,462,669	-	8,462,669
California Asset Management Program	23,060,718	2,124,160	25,184,878	12,257,911	873,450	13,131,361
California Local Agency Investment Fund	5,179,628	477,104	5,656,732	26,369,879	1,879,013	28,248,892
Total Investments	104,885,636	9,663,974	114,549,610	100,548,621	7,165,163	107,713,784
Total Cash and Investments	$ 106,276,633	$ 9,791,972	$ 116,068,605	$ 102,623,596	$ 7,312,917	$ 109,936,513

Fair Value Measurement

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are valued using a matrix pricing model and Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 are valued using the following inputs:

- Quoted prices for similar assets or liabilities in active markets:
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; or
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

The District has no investments categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

Note 3 - Cash and Investments (Continued)

As of June 30, 2023 and 2022, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2023 and 2022:

	2023			2022		
	Significant Other Observable Input (Level 2)	Uncategorized	Total	Significant Other Observable Input (Level 2)	Uncategorized	Total
Municipal Bonds	$ 21,072,918	$ -	$ 21,072,918	$ 15,465,799	$ -	$ 15,465,799
Federal Agricultural Mortgage Corporation	13,089,310	-	13,089,310	14,303,260	-	14,303,260
Federal Farm Credit Bank	20,074,440	-	20,074,440	13,420,620	-	13,420,620
Federal Home Loan Bank	12,013,175	-	12,013,175	8,202,753	-	8,202,753
Federal Home Loan Mortgage Corporation	2,407,066	-	2,407,066	1,845,150	-	1,845,150
Federal Nation Mortgage Association	5,586,250	-	5,586,250	3,697,950	-	3,697,950
Tennessee Valley Authority	-	-	-	935,330	-	935,330
Certificate of Deposit	9,464,841	-	9,464,841	8,462,669	-	8,462,669
California Asset Management Program	-	25,184,878	25,184,878	-	13,131,361	13,131,361
California Local Agency Investment Fund	-	5,656,732	5,656,732	-	28,248,892	28,248,892
Total Investments	$ 83,708,000	$ 30,841,610	$ 114,549,610	$ 66,333,531	$ 41,380,253	$ 107,713,784

Demand Deposits

Demand deposits are held in pool by the District. The carrying amounts of cash deposits were $1,517,595 and $2,221,329 at June 30, 2023 and 2022, respectively. Bank balances at June 30, 2023 and 2022 were $2,295,216 and $3,507,298 respectively, which were fully insured and/or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The fair value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

Investment Pools

The District is a voluntary participant in the California Local Agency Investment Fund ("LAIF") that is regulated by California Government Code Section 18429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The District's investments with LAIF include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

Note 3 - Cash and Investments (Continued)

These investments include the following:

- **Structured Notes -** debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

- **Asset-Backed Securities -** the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

JPA's investment in LAIF was pooled with the District. As of June 30, 2023, and 2022, the District had \$5,656,732 and \$28,248,892 respectively, invested in LAIF, which had invested 1.46% and 1.14% of the pool investment funds in Structured Notes and Asset-Backed Securities, respectively. The value of the 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 portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are reported at net asset value.

The District is also a voluntary participant in CAMP, a Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP pool is a permitted investment for all local agencies under California Government Code Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers. There are no withdrawal limitations or restrictions.

Investments Authorized by the California Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by 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.

Note 3 - Cash and Investments (Continued)

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 than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Maximum Investment in One Issuer
United States treasury bills, bonds and notes	5 years	None	None
United States government sponsored agency securities	5 years	None	None
Time deposits	1 year	25%	None
Repurchase agreements/reverse repurchase agreement	30 days	25%/10%	None
California Asset Management Program (CAMP)	None	25%	$75,000,000
California Local Agency Investment Fund (LAIF)	None	25%	$75,000,000
Bonds issue by local agencies or states	5 years	None	None
Certificates of deposit (negotiable/non-negotiable/placement)	5 years	25%	$250,000

Disclosures Relating to 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 is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following tables that shows the distribution of the District's investments by maturity as of June 30, 2023 and 2022.

	2023					
	Remaining Maturity (in Years)					
Investment Type	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	Fair Value Total
Municipal bonds	$ 8,604,741	$ 4,216,077	$ 1,324,895	$ 4,152,530	$ 2,774,675	$ 21,072,918
Federal Agricultural Mortgage Corporation	2,974,970	2,855,050	3,624,740	2,693,970	-	12,148,730
Federal Farm Credit Bank	4,926,400	3,851,340	3,600,710	1,788,240	6,848,330	21,015,020
Federal Home Loan Bank	3,442,465	1,970,710	896,390	2,761,540	2,942,070	12,013,175
Federal Home Loan Mortgage Corporation	-	-	2,407,066	-	-	2,407,066
Federal Nation Mortgage Association	979,540	964,320	3,642,390	-	-	5,586,250
Certificate of deposit	1,930,611	2,563,179	1,762,944	1,307,536	1,900,571	9,464,841
California Asset Management Program	25,184,878	-	-	-	-	25,184,878
California Local Agency Investment Fund (LAIF)	5,656,732	-	-	-	-	5,656,732
	$ 53,700,337	$ 16,420,676	$ 17,259,135	$ 12,703,816	$ 14,465,646	$ 114,549,610

Note 3 - Cash and Investments (Continued)

	2022					
	Remaining Maturity (in Years)					
Investment Type	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	Fair Value Total
Municipal bonds	$ 4,862,554	$ 3,701,611	$ 2,781,739	$ 885,240	$ 3,234,655	15,465,799
Federal Agricultural Mortgage Corporation	1,995,990	1,991,670	3,808,180	3,687,220	2,820,200	14,303,260
Federal Farm Credit Bank	1,999,550	4,917,890	-	3,659,640	2,843,540	13,420,620
Federal Home Loan Bank	1,002,850	2,480,023	963,220	914,760	2,841,900	8,202,753
Federal Home Loan Mortgage Corporation	-	-	-	1,845,150	-	1,845,150
Federal Nation Mortgage Association	-	-	-	3,697,950	-	3,697,950
Tennessee Valley Authority	-	-	935,330	-	-	935,330
Certificate of deposit	1,716,739	1,707,437	2,333,645	1,567,735	1,137,113	8,462,669
California Asset Management Program	13,131,361	-	-	-	-	13,131,361
California Local Agency Investment Fund (LAIF)	28,248,892	-	-	-	-	28,248,892
	$ 52,957,936	$ 14,798,631	$ 10,822,114	$ 16,257,695	$ 12,877,408	$ 107,713,784

Disclosures Relating to 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. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the District's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard and Poor's, and Moody's Investors Service. Presented in the following tables are the Standard and Poor's credit ratings for the District's investments as of June 30, 2023 and 2022.

	2023				
Investment Type	Total as of June 30, 2023	Minimum Legal Requirement	AAA	AA+/-	Unrated
Municipal bonds	$ 21,072,918	AA-	$ 8,513,834	$ 12,559,084	$ -
Federal Agricultural Mortgage Corporation	13,089,310	None	13,089,310	-	-
Federal Farm Credit Bank	20,074,440	None	20,074,440	-	-
Federal Home Loan Bank	12,013,175	None	12,013,175	-	-
Federal Home Loan Mortgage Corporation	2,407,066	None	2,407,066	-	-
Federal Nation Mortgage Association	5,586,250	None	5,586,250	-	-
Certificate of deposit	9,464,841	None	-	-	9,464,841
California Asset Management Program	25,184,878	None	-	-	25,184,878
California Local Agency Investment Fund (LAIF)	5,656,732	None	-	-	5,656,732
	$ 114,549,610		$ 61,684,075	$ 12,559,084	$ 40,306,451

	2022				
Investment Type	Total as of June 30, 2022	Minimum Legal Requirement	AAA	AA+/-	Unrated
Municipal bonds	$ 15,465,799	AA-	$ 1,460,125	$ 7,985,930	$ 6,019,744
Federal Agricultural Mortgage Corporation	14,303,260	None	-	-	14,303,260
Federal Farm Credit Bank	13,420,620	None	13,420,620	-	-
Federal Home Loan Bank	8,202,753	None	8,202,753	-	-
Federal Home Loan Mortgage Corporation	1,845,150	None	1,845,150	-	-
Federal Nation Mortgage Association	3,697,950	None	3,697,950	-	-
Tennessee Valley Authority	935,330	None	935,330	-	-
Certificate of deposit	8,462,669	None	-	-	8,462,669
California Asset Management Program	13,131,361	None	-	-	13,131,361
California Local Agency Investment Fund (LAIF)	28,248,892	None	-	-	28,248,892
	$ 107,713,784		$ 29,561,928	$ 7,985,930	$ 70,165,926

Note 3 - Cash and Investments (Continued)

Concentration of Credit

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single investment. 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. Further, the District's policy allows no more than 50% of the total investment portfolio to be invested in a single security issuer or with a single financial institution, with the exception of U.S. Treasury securities and authorized pools. As of June 30, 2023 and 2022, the District had no investments exceed this limit.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the 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 the 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. 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 fair 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. As of June 30, 2023, the District's deposits with financial institutions are interest bearing, and have a limited insurance coverage with the federal deposit insurance corporation up to $250,000. Any amounts in excess of $250,000 per institution are collateralized by the bank with pledged securities.

Note 4 - Accounts Receivable

Accounts receivable primarily consist of sales and services fees as well as the District's allocation of property taxes collected but not remitted by Los Angeles County. As of June 30, 2023 and 2022, sales and services receivable, net of allowance for uncollectible accounts, were in the amount of $7,263,914 and $7,629,895 for the District and $2,242,069 and $5,199,331 for the JPA, respectively. As of June 30, 2023 and 2022, allowance for uncollectible accounts were in the amount of $151,200 and $135,000 for the District. The JPA does not have any allowance for uncollectible accounts as of June 30, 2023 and 2022.

Note 5 - Inventories

Inventories consisted of the following as of June 30, 2023 and 2022:

	2023	2022
Primary Government		
Material and supplies	$ 1,039,849	$ 993,224
Water in storage	8,378,194	8,044,763
Total	$ 9,418,043	$ 9,037,987

Water in storage was calculated by taking the volume of the reservoir and tanks times the average cost per acre foot.

Note 6 - Investment in Joint Powers Authority

The District was the designated administering agent for the Las Virgenes-Triunfo Joint Powers Authority ("JPA"). Costs and capital contributions are generally shared by the two districts in accordance with capacity rights reserved in each component of the joint system. Maintenance and operating costs are pro-rated to the districts in accordance with the average monthly flows contributed by each to the system. The allocation of construction costs related to projects in process is based upon engineering estimates of the capacity rights and is subject to increase or decrease when final costs are determined.

A summary of changes in investment in Joint Powers Authority is as follows:

	2023	2022
Beginning of year	$ 68,941,953	$ 67,140,428
Contributions	17,776,234	17,115,046
Share in income (loss):		
Sanitation expenses	(14,451,949)	(11,046,366)
Depreciation expense	(4,177,397)	(4,267,155)
End of year	$ 68,088,841	$ 68,941,953

Note 6 - Investment in Joint Powers Authority (Continued)

Investment in Joint Powers Authority includes capitalized interest for the debt issued for the JPA's facilities held under the District's name as follows:

	2023	2022
Primary government's net investment in JPA's capital assets	$ 67,093,748	$ 67,754,370
Capitalized interest, net	995,093	1,187,583
Investment in JPA	$ 68,088,841	$ 68,941,953

Condensed financial statement of the JPA as of and for the year ended June 30, 2023 and 2022 including the participants' approximate percentage shares as follows:

	2023	2022
Beginning of year	$ 5,301,911	$ 2,963,776
Additions	9,169,368	9,752,705
(Deletions)	(8,097,846)	(7,414,570)
End of year	$ 6,373,433	$ 5,301,911

The amount due from the JPA at June 30, 2023 and 2022 consisted of the following:

	2023			2022		
	Amount	Las Virgenes Municipal Water District	Triunfo Sanitation District	Amount	Las Virgenes Municipal Water District	Triunfo Sanitation District
Total assets	$ 112,809,336	67%	33%	$ 113,870,914	67%	33%
Total liabilities	12,476,239	67%	33%	12,737,403	67%	33%
Total equity	100,333,097	70%	30%	101,133,511	70%	30%
Billings to participants	19,951,744	67%	33%	15,366,514	67%	33%
Depreciation	5,703,197	70%	30%	5,824,838	70%	30%
Capital contributions	4,902,783	71%	29%	8,595,865	71%	29%

Note 7 - Lease Receivable

On July 1, 2020, the District entered into several leases from 64 to 209-month lease as Lessor. As of June 30, 2023 and 2022, the value of the lease receivable is $1,286,390 and $1,422,515, respectively. The lessee is required to make monthly variable principal and interest payments ranging from $1,967 to $3,120. The leases have an interest rate ranging from 0.3870 to 0.8060%. The value of the deferred inflow of resources as of June 30, 2023 ranges from $43,328 to $391,068, and the District recognized lease revenues ranging from $2,999 to $32,644 during the fiscal year.

Note 8 - Capital Assets

Primary Government

A summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Reclassification	Balance June 30, 2023
Capital assets, not depreciated					
Land and land rights:					
Water plant	$ 6,804,123	$ -	$ -	$ -	$ 6,804,123
Sanitation plant	111,235	-	-	-	111,235
Construction in progress	20,242,042	7,325,931	-	(15,579,263)	11,988,710
Total capital assets, not depreciated	27,157,400	7,325,931	-	(15,579,263)	18,904,068
Capital assets, being depreciated/amortized					
Water plant:					
Source of supply	43,114,241	-	-	2,528,686	45,642,927
Plant	130,519,437	-	(4,868)	816,100	131,330,669
Structure	21,537,571	-	-	11,541,584	33,079,155
Sanitation plant:					
Plant	7,472,620	-	-	-	7,472,620
Machinery and equipment	17,318	-	-	-	17,318
General utility plant:					
Building and improvements	22,094,928	-	-	-	22,094,928
Machinery and equipment	12,152,655		(56,402)	692,893	12,789,146
Intangible right-to-use-assets	1,798,315	253,184	(27,387)	-	2,024,112
Total capital assets, being depreciated/ amortized	238,707,085	253,184	(88,657)	15,579,263	254,450,875
Less accumulated depreciation/amortization					
Water plant:					
Source of supply	(15,003,514)	(1,021,426)	-	-	(16,024,940)
Plant	(63,402,801)	(1,857,814)	-	-	(65,260,615)
Structure	(19,630,980)	(613,997)	-	-	(20,244,977)
Sanitation plant:					
Plant	(4,465,511)	(103,276)	-	-	(4,568,787)
Machinery and equipment	(17,318)	-	-	-	(17,318)
General utility plant:					
Building and improvements	(14,783,152)	(480,983)	-	-	(15,264,135)
Machinery and equipment	(10,681,446)	(418,976)	71,066	-	(11,029,356)
Intangible right-to-use-assets	(613,609)	(660,258)	27,387	-	(1,246,480)
Total accumulated depreciation/amortization	(128,598,331)	(5,156,730)	98,453	-	(133,656,608)
Total capital assets, being depreciated amortized, net	110,108,754	(4,903,546)	9,796	15,579,263	120,794,267
Total capital assets, net	$ 137,266,154	$ 2,422,385	$ 9,796	$ -	$ 139,698,335

Note 8 - Capital Assets (Continued)

Primary Government (Continued)

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance June 30, 2022
Capital assets, not depreciated					
Land and land rights:					
Water plant	$ 6,804,123	$ -	$ -	$ -	$ 6,804,123
Sanitation plant	111,235	-	-	-	111,235
Construction in progress	11,593,166	11,308,376	-	(2,659,500)	20,242,042
Total capital assets, not depreciated	18,508,524	11,308,376	-	(2,659,500)	27,157,400
Capital assets, being depreciated/amortized					
Water plant:					
Source of supply	42,947,848	-	-	166,393	43,114,241
Plant	128,496,665	-		2,022,772	130,519,437
Structure	21,397,622	595	-	139,354	21,537,571
Sanitation plant:					
Plant	7,472,620	-	-	-	7,472,620
Machinery and equipment	17,318	-	-	-	17,318
General utility plant:					
Building and improvements	22,094,928	-	-	-	22,094,928
Machinery and equipment	11,821,674		-	330,981	12,152,655
Intangible right-to-use-assets	83,283	1,715,032	-	-	1,798,315
Total capital assets, being depreciated/ amortized	234,331,958	1,715,627	-	2,659,500	238,707,085
Less accumulated depreciation/amortization					
Water plant:					
Source of supply	(14,078,903)	(924,611)	-	-	(15,003,514)
Plant	(62,151,409)	(1,251,392)	-	-	(63,402,801)
Structure	(18,340,572)	(1,290,408)	-	-	(19,630,980)
Sanitation plant:					
Plant	(4,334,950)	(130,561)	-	-	(4,465,511)
Machinery and equipment	(17,318)	-	-	-	(17,318)
General utility plant:					
Building and improvements	(14,360,794)	(422,358)	-	-	(14,783,152)
Machinery and equipment	(10,307,164)	(374,282)	-	-	(10,681,446)
Intangible right-to-use-assets	(19,457)	(594,152)	-	-	(613,609)
Total accumulated depreciation/amortization	(123,610,567)	(4,987,764)	-	-	(128,598,331)
Total capital assets, being depreciated amortized, net	110,721,391	(3,272,137)	-	2,659,500	110,108,754
Total capital assets, net	$ 129,229,915	$ 8,036,239	$ -	$ -	$ 137,266,154

Note 8 - Capital Assets (Continued)

Discretely Presented Component Unit - JPA

A summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Reclassification	Balance June 30, 2023
Capital assets, not depreciated					
Land and land rights	$ 14,368,150	$ -	$ -	$ -	$ 14,368,150
Construction in progress	11,020,442	4,902,783	-	(771,671)	15,151,554
Total capital assets, not depreciated	25,388,592	4,902,783	-	(771,671)	29,519,704
Capital assets, being depreciated					
Sewer and treatment plant	130,696,258	-	-	480,167	131,176,425
Compost plant and farm	83,891,943	-	-	(202,260)	83,689,683
Recycled water system	35,511,617	-	-	493,764	36,005,381
Advanced water system	4,420,623	-	-	-	4,420,623
Total capital assets, being depreciated	254,520,441	-	-	771,671	255,292,112
Less accumulated depreciation					
Sewer and treatment plant	(96,834,778)	(3,043,029)	-	-	(99,877,807)
Compost plant and farm	(56,827,414)	(1,653,057)	-	-	(58,480,471)
Recycled water system	(24,944,384)	(918,699)	-	-	(25,863,083)
Advanced water system	(168,946)	(88,412)	-	-	(257,358)
Total accumulated depreciation	(178,775,522)	(5,703,197)	-	-	(184,478,719)
Total capital assets, being depreciated, net	75,744,919	(5,703,197)	-	771,671	70,813,393
Total capital assets, net	$ 101,133,511	$ (800,414)	$ -	$ -	$ 100,333,097

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance June 30, 2022
Capital assets, not depreciated					
Land and land rights	$ 14,368,150	$ -	$ -	$ -	$ 14,368,150
Construction in progress	7,738,580	8,595,865	-	(5,314,003)	11,020,442
Total capital assets, not depreciated	22,106,730	8,595,865	-	(5,314,003)	25,388,592
Capital assets, being depreciated					
Sewer and treatment plant	130,623,917	-	-	72,341	130,696,258
Compost plant and farm	78,707,298	-	-	5,184,645	83,891,943
Recycled water system	35,509,083	-	-	2,534	35,511,617
Advanced water system	4,366,140	-	-	54,483	4,420,623
Total capital assets, being depreciated	249,206,438	-	-	5,314,003	254,520,441
Less accumulated depreciation					
Sewer and treatment plant	(93,841,866)	(2,992,912)	-	-	(96,834,778)
Compost plant and farm	(55,062,807)	(1,764,607)	-	-	(56,827,414)
Recycled water system	(24,002,350)	(942,034)	-	-	(24,944,384)
Advanced water system	(43,661)	(125,285)	-	-	(168,946)
Total accumulated depreciation	(172,950,684)	(5,824,838)	-	-	(178,775,522)
Total capital assets, being depreciated, net	76,255,754	(5,824,838)	-	5,314,003	75,744,919
Total capital assets, net	$ 98,362,484	$ 2,771,027	$ -	$ -	$ 101,133,511

Note 9 - Compensated Absences

A summary of changes in compensated absences for the year ended June 30, 2023 is as follows:

Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More than One Year
$ 2,249,563	$ 531,563	$ (614,657)	$ 2,166,469	$ 676,123	$ 1,490,347

A summary of changes in compensated absences for the year ended June 30, 2022 is as follows:

Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More than One Year
$ 2,466,299	$ 621,528	$ (838,264)	$ 2,249,563	$ 922,090	$ 1,327,473

Note 10 - Long-Term Liabilities

A summary of changes in long-term debt for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More than One Year
Direct borrowing:						
2020 Installment purchase agreement	$ 8,345,000	$ -	$ (975,000)	$ 7,370,000	$ 995,000	$ 6,375,000
Lease liability	45,248	29,522	(27,766)	47,004	28,386	18,618
Subscription liability	815,439	223,251	(534,553)	504,137	319,518	184,619
Total Long-Term Debt	$ 9,205,687	$ 252,773	$ (1,537,319)	$ 7,921,141	$ 1,342,904	$ 6,578,237

A summary of changes in long-term debt for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More than One Year
Direct borrowing:						
2020 Installment purchase agreement	$ 9,300,000	$ -	$ (955,000)	$ 8,345,000	$ 975,000	$ 7,370,000
Lease liability	64,462	-	(19,214)	45,248	19,773	25,475
Subscription liability	-	1,288,782	(473,343)	815,439	-	815,439
Total Long-Term Debt	$ 9,364,462	$ 1,288,782	$ (1,447,557)	$ 9,205,687	$ 994,773	$ 8,210,914

2020 Installment Purchase Agreement

The District entered into an installment purchase agreement as of June 1, 2020 with the Key Government Finance, Inc. totaling $10,100,000. The purpose of the installment purchase agreement was to finance the acquisition and installation of smart meters and other water system improvements.

The installment purchase agreement has an interest rate of 1.95% and is scheduled to be paid in full on November 1, 2029 and Interest is payable semiannually on May 1 and

November 1, beginning November 1, 2020. The installment purchase agreement is subject to prepayment provisions set forth in the installment agreement.

Note 10 - Long-Term Liabilities (Continued)

2020 Installment Purchase Agreement (Continued)

The annual debt service requirements at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 995,000	$ 134,014	$ 1,129,014
2025	1,010,000	113,465	1,123,465
2026	1,030,000	94,575	1,124,575
2027	1,050,000	74,295	1,124,295
2028	1,075,000	53,576	1,128,576
2029 - 2030	2,210,000	43,290	2,253,290
Total	$ 7,370,000	$ 513,215	$ 7,883,215

Lease Liability

The District has entered several leases ranging from 48 to 60-months. An initial lease liability was recorded in the amount of $101,935. As of June 30, 2023, the value of the lease liability is $47,004. The District is required to make monthly fixed payments ranging from $325 to $1,014. The lease has interest rates ranging from 0.5420% to 0.6000%. The value of the right to use asset as of June 30, 2023 is $112,215 with accumulated amortization of $66,263.

The annual debt service requirements as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 28,386	$ 193	$ 28,578
2025	13,207	66	13,273
2026	5,411	11	5,422
Total	$ 47,004	$ 270	$ 47,274

Note 10 - Long-Term Liabilities (Continued)

Subscription Liability

The District has entered into several subscriptions ranging from 30 to 60 months. An initial subscription liability was recorded in the amount of $1,288,782. As of June 30, 2023, the value of the subscription liability is $504,137. The District is required to make monthly fixed payments ranging from $1,850 to $186,524. The subscription has interest rates ranging from 0.2580% to 2.7960%. The value of the right to use asset as of June 30, 2023 is $1,911,897 with accumulated amortization of $1,180,217.

The annual debt service requirements as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 319,518	$ 5,645	$ 325,163
2025	127,199	3,174	130,373
2026	35,477	1,177	36,654
2027	21,944	556	22,500
Total	$ 504,137	$ 10,553	$ 514,690

Note 11 - Pension Plan - Defined Benefit Plan

General Information about the Pension Plan

<u>*Plan Description*</u>

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2021 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

<u>*Benefits Provided*</u>

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 5 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 adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Note 11 - Pension Plan - Defined Benefit Plan (Continued)

General Information about the Pension Plan (Continued)

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 62	52 - 67
Monthly benefits, as a % of eligible compensation	1.0% to 2.0%	1.0% to 2.5%
Required employer contribution rates	10.20%	7.00%

Employees Covered

As of June 30, 2021 and 2020 (valuation dates), the following employees were covered by the benefit terms:

	2021	2020
Inactive employees or beneficiaries currently receiving benefits	170	161
Inactive employees entitled to but not yet receiving benefits	73	74
Active	111	107
Total	243	235

Note 11 - Pension Plan - Defined Benefit Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were $3,394,789.

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	7.00% net of pension plan investment and administrative expenses; includes inflation
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015
Mortality Rate Table (1)	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rate include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Note 11 - Pension Plan - Defined Benefit Plan (Continued)

Long-term Expected Rate of Return

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 returns of all of the 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.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return[1,2]
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

Note 11 - Pension Plan - Defined Benefit Plan (Continued)

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Note 11 - Pension Plan - Defined Benefit Plan (Continued)

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2021 to June 30, 2022.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)=(a)-(b)
Balance at June 30, 2021 (Valuation Date)	$ 112,606,575	$ 103,695,265	$ 8,911,310
Changes Recognized for the Measurement Period:			
Service cost	2,090,119	-	2,090,119
Interest on the total pension liability	7,665,701	-	7,665,701
Difference between expected and actual experience	(821,886)	-	(821,886)
Changes of assumptions	1,201,981	-	1,201,981
Contributions from the employer	-	3,121,268	(3,121,268)
Contributions from employees	-	861,955	(861,955)
Net investment income, net of administrative expense	-	(7,760,816)	7,760,816
Benefit payments, including refunds of employee contributions	(5,869,237)	(5,869,237)	-
Administrative expense	-	(64,596)	64,596
Net Changes during July 1, 2021 to June 30, 2022	4,266,678	(9,711,426)	13,978,104
Balance at June 30, 2022 (Measurement Date)	$ 116,873,253	$ 93,983,839	$ 22,889,414

Note 11 - Pension Plan - Defined Benefit Plan (Continued)

Changes in the Net Pension Liability (Continued)

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2020 to June 30, 2021.

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (c)=(a)-(b)**
Balance at June 30, 2020 (Valuation Date)	$ 107,875,821	$ 86,170,136	$ 21,705,685
Changes Recognized for the Measurement Period:			
Service cost	1,890,607	-	1,890,607
Interest on the total pension liability	7,629,771	-	7,629,771
Difference between expected and actual experience	567,566	-	567,566
Contributions from the employer	-	2,784,221	(2,784,221)
Contributions from employees	-	829,015	(829,015)
Net investment income, net of administrative expense	-	19,355,162	(19,355,162)
Benefit payments, including refunds of employee contributions	(5,357,190)	(5,357,190)	-
Administrative expense	-	(86,079)	86,079
Other miscellaneous income	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	4,730,754	17,525,129	(12,794,375)
Balance at June 30, 2021 (Measurement Date)	$ 112,606,575	$ 103,695,265	$ 8,911,310

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent for 2022 Plan's Net Pension Liability and 7.15 percent for 2021 Plan's Net Pension Liability, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

2022 Plan's Net Pension	**Discount Rate - 1% (5.9%)**	**Current Discount Rate (6.9%)**	**Discount Rate + 1% (7.9%)**
Liability/(Asset)	$ 37,459,222	$ 22,889,414	$ 10,740,828

2021 Plan's Net Pension	**Discount Rate - 1% (6.15%)**	**Current Discount Rate (7.15%)**	**Discount Rate + 1% (8.15%)**
Liability/(Asset)	$ 22,775,617	$ 8,911,310	$ (2,679,132)

Note 11 - Pension Plan - Defined Benefit Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

For the measurement periods ended June 30, 2022 and 2021, the District incurred a pension expense of $3,334,484 and $1,170,915

As of June 30, 2023 and 2022, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 176,142	$ (565,047)	$ 971,049	$ -
Changes of Assumptions	826,362	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan	4,707,558			
Investments	-	-	-	(9,590,920)
Pension Contributions Subsequent to Measurement Date	3,394,789	-	3,121,268	-
Total	$ 9,104,851	$ (565,047)	$ 4,092,317	$ (9,590,920)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

$3,394,789 and $3,121,268 were reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date during the years ended June 30, 2023 and 2022, respectively, was recognized as a reduction of the net pension liability in the years ended June 30, 2023 and 2022 respectively. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

2023	
Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 1,044,294
2025	791,706
2026	339,940
2027	2,969,075
2028	-
Total	$ 5,145,015

Note 11 - Pension Plan - Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

2022		
Year Ended June 30,		**Deferred Outflows/(Inflows) of Resources**
2023	$	(1,627,266)
2024		(2,043,563)
2025		(2,296,151)
2026		(2,652,891)
2027		-
Total	$	(8,619,871)

Note 12 - Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The District contributes to an agent multiple-employer defined benefit plan to provide post-employment medical benefits. Specifically, the District provides postretirement medical benefits to all employees who retire from the District. The level of benefit and vesting time varies based on the entry date and employee bargaining unit. Benefits range from 100% coverage for employee plus one dependent after five years of service to 75% of the lowest cost plan for employee only after ten years of service. The plan does not provide a publicly available financial report.

The District has elected to join the *California Employers' Retiree Benefit Trust* (the "Trust") in accordance with GASB Statement No. 75, which provides a means to fund the annual OPEB costs, referred to as the *Actuarially Determined Contribution* (ADC). The ADC includes the normal cost (current accrual for benefits being earned) plus an amortization of the unfunded accrued liability or net OPEB liability over 15 years on level-percentage of pay basis. The ADC for fiscal year ended 2023 and 2022 was $1,089,158 and $1,285,084 respectively.

Note 12 - Other Postemployment Benefits (Continued)

Eligibility

Employees of the District are eligible for retiree health benefits if they retire from the District and commence pension benefits under PERS (typically on or after age 50 with at least five years of PERS eligible service). Membership in the plan consisted of the following at June 30, 2022 and 2021, the dates of the latest actuarial valuations, respectively.

	2022	2021
Active employees	116	108
Retired employees and beneficiaries	104	94
Total	220	202

Actuarial Assumptions

The net OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Net OPEB Liability

Actuarial Assumptions:	
Actuarial cost method	Entry Age, Level Percent of Pay
Discount Rate	5.50%
Inflation	2.75% - Per annum
Salary Increases	3.00%
Investment Rate of Return	Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).
Mortality Rate	Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).
Healthcare Trend Rate	6.50% for 2022, 6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2022-2069 and 4.00% for 2070 and later years.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2022.

Change in Assumptions

Effective with the June 30 2022 valuation date, the accounting discount rate was reduced from 6.00% to 5.50% and the inflation rate was reduced from 3.00% to 2.75%.

Note 12 - Other Postemployment Benefits (Continued)

Net OPEB Liability (Continued)

The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Actuarial cost method	Entry Age, Level Percent of Pay
Discount Rate	6.00%
Inflation	3.00%
Salary Increases	3.00% - Per annum
Investment Rate of Return	6.00%
Mortality Rate	Mortality Rates from CalPERS Experience Study (1997-2015)
Healthcare Trend Rate	3.50% for 2021-2023, 5.20% for 2024-2069, and 4.00% for 2070 and later years.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2020.

<u>*Discount Rate*</u>

The discount rate used to measure the net OPEB liability was 5.50%. This discount rate assumes the District continues to fully fund for its retiree health benefits through the California Employers' Retiree Benefit Trust (CERBT) under its investment allocation strategy 3. The rate reflects the CERBT published median interest rate for strategy 3 of 5.00% with an additional margin for adverse deviation. The tables below reflect long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Measurement date June 30, 2022:

Asset Class	Percentage of Portfolio	Real Return
Global ex-U.S. Equity	22%	5.3%
U.S. Fixed	49%	1.8%
Treasury Inflation Protected Securities (TIPS)	16%	1.7%
Real Estate	8%	3.0%
Commodities	5%	1.9%
	100%	

Note 12 - Other Postemployment Benefits (Continued)

Net OPEB Liability (Continued)

Measurement date June 30, 2021:

Asset Class	Percentage of Portfolio	Real Return
Global ex-U.S. Equity	22%	5.5%
U.S. Fixed	49%	1.5%
Treasury Inflation Protected Securities (TIPS)	16%	1.2%
Real Estate	8%	3.7%
Commodities	5%	0.6%
	100%	

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)=(a)-(b)
Balance at June 30, 2021 (Measurement Date)	$ 24,584,584	$ 13,332,956	$ 11,251,628
Changes recognized for the measurement period:			
Service cost	369,911		369,911
Interest on the total OPEB liability	1,460,484		1,460,484
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(6,570,430)	-	(6,570,430)
Changes of assumptions	2,702,224	-	2,702,224
Contributions from the employer	-	2,845,102	(2,845,102)
Contributions from employees	-	(1,571,067)	1,571,067
Benefit payments, including refunds of employee	(1,244,298)	(1,244,298)	-
contributions		(3,532)	3,532
Administrative expense	-		-
Net changes during July 1, 2021 to June 30, 2022	(3,282,109)	26,205	(3,308,314)
Balance at June 30, 2022 (Measurement Date)	$ 21,302,475	$ 13,359,161	$ 7,943,314

Note 12 - Other Postemployment Benefits (Continued)

Change in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District at measurement date June 30, 2022, as well as what the District's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (4.50%) or 1-percentage point higher (6.50%) than the current discount rate:

	Discount Rate - 1% (4.50%)	Current Discount Rate (5.50%)	Discount Rate + 1% (6.50%)
Net OPEB Liability	$ 10,271,200	$ 7,943,314	$ 5,968,647

The following presents the net OPEB liability of the District at measurement date June 30, 2022, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	Healthcare Trend - 1% Decrease	Current Healthcare Cost Trend Rates	Healthcare Trend + 1% Increase
Net OPEB Liability	$ 5,777,536	$ 7,943,314	$ 10,534,696

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)=(a)-(b)
Balance at June 30, 2020 (Valuation Date)	$ 23,960,183	$ 10,253,877	$ 13,706,306
Changes recognized for the measurement period:			
Service cost	539,986	-	539,986
Interest on the total OPEB liability	1,430,224	-	1,430,224
Contributions from the employer	-	2,960,833	(2,960,833)
Contributions from employees	-	1,467,876	(1,467,876)
Benefit payments, including refunds of employee contributions	(1,345,809)	(1,345,809)	-
Administrative expense	-	(3,821)	3,821
Net changes during July 1, 2020 to June 30, 2021	624,401	3,079,079	(2,454,678)
Balance at June 30, 2021 (Measurement Date)	$ 24,584,584	$ 13,332,956	$ 11,251,628

Note 12 - Other Postemployment Benefits (Continued)

Change in the Net OPEB Liability (Continued)

The following presents the net OPEB liability of the District at measurement date June 30, 2021, as well as what the District's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current discount rate:

	Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
Net OPEB Liability	$ 13,756,126	$ 11,251,628	$ 9,106,195

The following presents the net OPEB liability of the District at measurement date June 30, 2021, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	Healthcare Trend - 1% Decrease	Healthcare Cost Trend Rate	Healthcare Trend + 1% Increase
Net OPEB Liability	$ 8,656,228	$ 11,251,628	$ 14,330,898

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB

For the years ended June 30, 2023 and 2022, the District recognized OPEB expense of $265,641 and $1,600,804, respectively, for the District Plan. At June 30, 2023 and 2022 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 2,488,637	$ -	$ 2,862,376	$ -
Changes of assumptions	2,468,827	(847,770)	322,725	(1,121,245)
Differences between expected and actual experience	-	(6,364,580)	-	(1,062,096)
Difference between projected and actual return on investments	1,410,394	-	-	(743,660)
Total	$ 6,367,858	$ (7,212,350)	$ 3,185,101	$ (2,927,001)

Note 12 - Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB (Continued)

The $2,488,637 and $2,862,376 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date during the years ended June 30, 2023 and 2022, respectively will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2023 and 2022, respectively. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future expenses as follows:

2023		2022	
Year Ended June 30,	**Deferred Outflows/(Inflows) of Resources**	**Year Ended June 30,**	**Deferred Outflows/(Inflows) of Resources**
2024	$ (695,008)	2023	$ (618,965)
2025	(766,312)	2024	(592,490)
2026	(779,843)	2025	(663,794)
2027	(154,220)	2026	(677,325)
2028	(586,092)	2027	(51,702)
Thereafter	(351,654)	Thereafter	-
Total	$ (3,333,129)	**Total**	$ (2,604,276)

Note 13 - Net Position

As of June 30, 2023, and 2022, the net position for the District consisted of the following:

	2023		2022	
	Primary Government	Discretely Presented Component Unit - JPA	Primary Government	Discretely Presented Component Unit - JPA
Net investment in capital assets:				
Capital assets,				
net of accumulated depreciation	$ 139,698,335	$ 100,333,097	$ 137,266,154	$ 101,133,511
Less:				
Contract retainage	(544,893)		(468,117)	
2020 Installment purchase agreement	(7,370,000)	-	(8,345,000)	-
Lease liability	(47,004)	-	(45,248)	-
Subscription liability	(504,137)	-	(815,439)	-
Total net investment in capital assets	131,232,301	100,333,097	127,592,350	101,133,511
Unrestricted:				
Designated for:				
Investment in JPA	68,088,841	-	68,941,953	-
Rate stabilization	8,000,000	-	8,000,000	-
Insurance	8,873,789	-	8,035,219	-
Operating emergencies	16,199,610	-	14,726,470	-
Pure water	35,000,000	-	35,000,000	-
Undesignated	29,692,018	-	24,547,199	-
Total unrestricted	165,854,258	-	159,250,841	-
Total Net Position	$ 297,086,559	$ 100,333,097	$ 286,843,191	$ 101,133,511

Note 14 - Risk Management

The District has contracted with Allied World Assurance Company/CalMutuals Joint Powers Risk Management Authority (JPRIMA) as its primary insurance provider for general liability, property, inverse condemnation, auto, and physical damage. The coverage for the general liability provides $11 million per occurrence and $61 million in the aggregate with a $100,000 self-insured retention per occurrence. The District's premiums were $2,645,172 and $1,968,610 for the years ended June 30, 2023 and 2022, respectively.

Effective August 1, 2012, the District retained the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) for its workers' compensation insurance coverage. The District paid premiums of $248,278 and $277,227 for the years ended June 30, 2023 and 2022, respectively.

Note 15 - Construction and Other Significant Commitments

Lawsuits

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel and the District's management that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Contractual Commitments

As of June 30, 2023, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of $4,667,664.

Project Name	Contractual Commitment
LV Calleguas Interconnection	$ 1,941,285
Stationary emergency generator	820,433
Various construction projects	1,905,946
Total	$ 4,667,664

As of June 30, 2023, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of $4,272,460.

Project Name	Contractual Commitment
Rancho Scada improvements	$ 1,092,050
Rancho agitators replacement	961,191
Pure Water Project	876,382
Various construction projects	1,342,837
Total	$ 4,272,460

As of June 30, 2022, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of $4,601,749.

Project Name	Contractual Commitment
AMR / AMI	$ 1,891,400
LV - Calleguas Interconnection	1,437,806
Various construction projects	1,272,543
Total	$ 4,601,749

Note 15 - Construction and Other Significant Commitments (Continued)

Contractual Commitments (Continued)

As of June 30, 2022, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of $4,940,036.

Project Name	Contractual Commitment
Pure Water Project Demonstration	$ 2,428,139
SCADA Upgrade for Tapia	1,618,097
Various construction projects	893,800
Total	$ 4,940,036

Note 16 - Change in Accounting Principle

The District's net position was restated as follows due to the implementation of GASB 96 – Subscription-Based Information Technology Arrangements, resulting in an increase to beginning balances of capital assets and debt:

Beginning net position	$ 269,234,033
Restatement due to change in accounting principle	324,899
Beginning net position as restated	$ 269,558,932

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Measurement period	2022	2021	2020	2019	2018
Total pension liability					
Service cost	$ 2,090,119	$ 1,890,607	$ 1,744,616	$ 1,783,579	$ 1,744,796
Interest	7,665,701	7,629,771	7,306,938	6,894,754	6,486,599
Differences between expected and actual experience	(821,886)	567,566	1,884,476	1,883,971	(1,061,287)
Changes of assumptions	1,201,981	-	-	-	(2,708,692)
Benefit payments, including refunds of employee contributions	(5,869,237)	(5,357,190)	(4,996,713)	(4,560,334)	(4,292,253)
Net change in total pension liability	4,266,678	4,730,754	5,939,317	6,001,970	169,163
Total pension liability - beginning	112,606,575	107,875,821	101,936,504	95,934,534	95,765,371
Total pension liability - ending (a)	116,873,253	112,606,575	107,875,821	101,936,504	95,934,534
Pension fiduciary net position					
Contributions - employer	3,121,268	2,784,221	2,588,930	2,414,889	2,100,676
Contributions - employee	861,955	829,015	849,386	766,262	815,450
Net investment income[2]	(7,760,816)	19,355,162	4,134,868	5,268,968	6,323,046
Benefit payments, including refunds of employee contributions	(5,869,237)	(5,357,190)	(4,996,713)	(4,560,334)	(4,292,253)
Other	(64,596)	(86,079)	(118,013)	(56,818)	(340,224)
Net change in plan fiduciary net position	(9,711,426)	17,525,129	2,458,458	3,832,967	4,606,695
Plan fiduciary net position - beginning	103,695,265	86,170,136	83,711,678	79,878,711	75,272,016
Plan fiduciary net position - ending (b)	93,983,839	103,695,265	86,170,136	83,711,678	79,878,711
District's net pension liability - ending (a) - (b)	$ 22,889,414	$ 8,911,310	$ 21,705,685	$ 18,224,826	$ 16,055,823
Plan fiduciary net position as a percentage of the total pension liability	80.42%	92.09%	78.88%	82.12%	83.26%
Covered payroll	$ 12,498,168	$ 11,919,217	$ 11,200,332	$ 10,997,736	$ 10,354,515
District's net pension liability as a percentage of covered payroll	183.14%	74.76%	193.80%	165.71%	155.06%

[1] Historical information is presented only for measurement periods for which GASB 68 is applicable.

[2] Net of administrative expenses in 2013-14.

Notes to Schedule:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Measurement period	2017	2016	2015	2014
Total pension liability				
Service cost	$ 1,813,978	$ 1,511,819	$ 1,593,701	$ 1,694,463
Interest	6,456,858	6,362,749	6,129,355	6,040,285
Differences between expected and actual experience	(211,229)	(600,876)	(2,996,239)	-
Changes of assumptions	5,214,612	-	(1,492,369)	-
Benefit payments, including refunds of employee contributions	(3,808,359)	(3,984,639)	(4,076,072)	(3,145,116)
Net change in total pension liability	9,465,860	3,289,053	(841,624)	4,589,632
Total pension liability - beginning	88,299,511	85,010,458	85,852,082	81,262,450
Total pension liability - ending (a)	97,765,371	88,299,511	85,010,458	85,852,082
Pension fiduciary net position				
Contributions - employer	1,992,743	1,888,232	1,701,878	1,780,006
Contributions - employee	741,264	694,766	700,118	919,090
Net investment income[2]	7,711,377	341,006	1,610,606	10,570,584
Benefit payments, including refunds of employee contributions	(3,808,359)	(3,984,639)	(4,076,072)	(3,145,116)
Other	(101,485)	(42,564)	(78,615)	-
Net change in plan fiduciary net position	6,535,540	(1,103,199)	(142,085)	10,124,564
Plan fiduciary net position - beginning	68,736,476	69,839,675	69,981,760	59,857,196
Plan fiduciary net position - ending (b)	75,272,016	68,736,476	69,839,675	69,981,760
District's net pension liability - ending (a) - (b)	$ 20,493,355	$ 19,563,035	$ 15,170,783	$ 15,870,322
Plan fiduciary net position as a percentage of the total pension liability	78.60%	77.84%	82.15%	81.51%
Covered payroll	$ 10,502,928	$ 9,775,690	$ 9,545,681	$ 10,635,596
District's net pension liability as a percentage of covered payroll	195.12%	200.12%	158.93%	149.22%

Required Supplementary Information (Unaudited)
Schedule of Pension Plan Contributions
Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 3,394,789	$ 3,121,268	$ 2,784,221	$ 2,588,931	$ 2,414,889
Contributions in relation to the actuarially determined contribution	(3,394,789)	(3,121,268)	(2,784,221)	(2,588,931)	(2,414,889)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll[2]	$ 13,170,993	$ 12,498,168	$ 11,919,217	$ 11,200,332	$ 10,997,736
Contributions as a percentage of covered-employee payroll[2]	25.77%	24.97%	23.36%	23.11%	21.96%

[2] Payroll from 2019-20 in the amount of $10,459,327 was assumed to increase by the 2.875 percent payroll growth assumption.

Notes to Schedule:

Valuation date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were from the June 30, 2021 public agency valuations.

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	7.00% net of pension plan investment and administrative expenses; includes inflation
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015
Mortality Rate Table (1)	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rate include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Preretirement Mortality	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015
Postretirement Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rate include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Required Supplementary Information (Unaudited)
Schedule of Pension Plan Contributions (Continued)
Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 2,100,676	$ 1,992,743	$ 1,888,232	$ 1,701,878	$ 1,780,006
Contributions in relation to the actuarially determined contribution	(2,100,676)	(1,992,743)	(1,888,232)	(1,701,878)	(1,780,006)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll[2]	$ 10,354,515	$ 10,502,928	$ 9,775,690	$ 9,545,681	$ 9,497,783
Contributions as a percentage of covered-employee payroll[2]	20.29%	18.97%	19.32%	17.83%	18.74%

Notes to Schedule:

Valuation date:	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

Las Virgenes Municipal Water District

Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years

Measurement period[1]	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	$ 369,911	$ 539,986	$ 560,131	$ 722,811	$ 650,429	$ 174,032
Interest	1,460,484	1,430,224	1,572,177	1,494,153	1,424,176	1,412,981
Differences between expected and actual experience	(6,570,430)	-	(1,485,687)	-	(179,003)	-
Changes of assumptions	2,702,224	-	(1,668,195)	-	909,501	-
Benefit payments, including refunds of employee contributions	(1,244,298)	(1,345,809)	(1,303,141)	(1,645,263)	(1,632,555)	(1,022,844)
Net change in total OPEB liability	(3,282,109)	624,401	(2,324,715)	571,701	1,172,548	564,169
Total OPEB liability - beginning	24,584,584	23,960,183	26,284,898	25,713,197	24,540,649	23,976,480
Total OPEB liability - ending (a)	21,302,475	24,584,584	23,960,183	26,284,898	25,713,197	24,540,649
OPEB fiduciary net position						
Contributions - employer	2,845,102	2,960,833	2,696,541	2,975,568	2,216,227	1,657,742
Net investment income[2]	(1,571,067)	1,467,876	587,187	544,469	470,926	472,252
Benefit payments, including refunds of employee contributions	(1,244,298)	(1,345,809)	(1,303,141)	(1,645,263)	(1,632,955)	(1,022,844)
Other	(3,532)	(3,821)	(7,704)	(5,931)	-	(3,938)
Net change in plan fiduciary net position	26,205	3,079,079	1,972,883	1,868,843	1,054,198	1,103,212
Plan fiduciary net position - beginning	13,332,956	10,253,877	8,280,994	6,412,151	5,357,553	4,254,341
Plan fiduciary net position - ending (b)	13,359,161	13,332,956	10,253,877	8,280,994	6,411,751	5,357,553
District's net OPEB liability - ending (a) - (b)	$ 7,943,314	$ 11,251,628	$ 13,706,306	$ 18,003,904	$ 19,301,446	$ 19,183,096
Plan fiduciary net position as a percentage of the total OPEB liability	62.71%	54.23%	44.80%	31.50%	24.94%	21.83%
Covered payroll	$ 12,498,168	$ 11,919,217	$ 11,200,332	$ 10,997,736	$ 10,354,515	$ 10,502,928
District's net OPEB liability as a percentage of covered payroll	213.66%	213.66%	112.36%	157.09%	180.60%	191.23%

[1] Ten year historical information is not available.

Required Supplementary Information (Unaudited)
Schedule of OPEB Plan Contributions
Last Ten Fiscal Years[1]

	2023	2022	2021	2020	2019	2018
Actuarially determined employer contribution	$ 1,089,158	$ 1,285,084	$ 2,950,042	$ 3,038,663	$ 2,216,227	$ 1,657,743
Actual employer contribution	(1,089,158)	(1,285,084)	(2,950,042)	(3,038,663)	(2,216,227)	(1,657,743)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 13,170,993	$ 12,498,168	$ 11,919,217	$ 11,200,332	$ 10,997,736	$ 10,354,515
Contributions as a percentage of covered-employee payroll	8.27%	10.28%	24.75%	26.51%	20.74%	16.53%

[1]Ten year historical information is not available.

Index to Statistical Section
June 30, 2023

This part of the Las Virgenes Municipal Water District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial states, note disclosures, and required supplementary information say about the District's overall financial health.

Contents: Pages

Financial Trends - These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity - These schedule contain information to help the reader assess the District's most significant revenue source.

Debt Capacity - These schedule present information to help the reader assess the affordability of the district's current levels of outstanding debt and the District's ability to issue additional debt in the future.

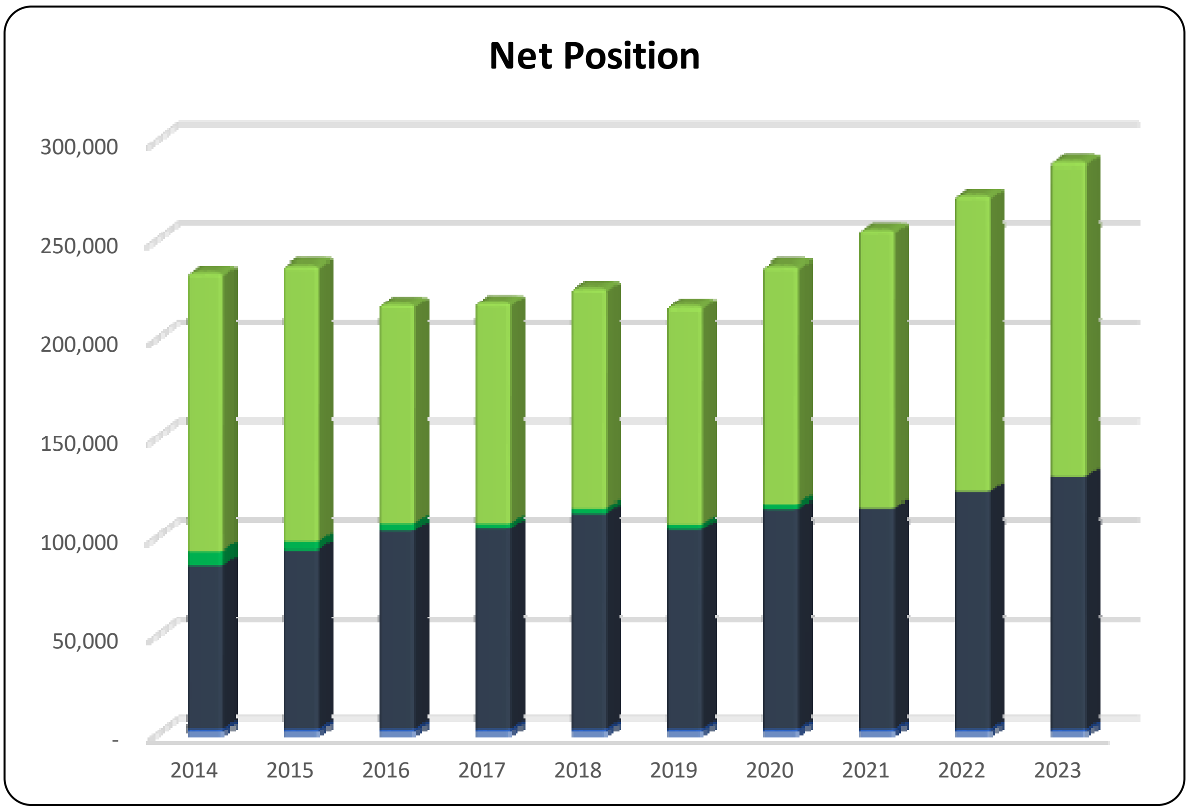
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Note: The District has no governmental funds; therefore, does not present information about changes in fund balances. Also, the District has no legal debt limitations.

Net Position
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Net Investment in Capital Assets	Restricted Net Position	Unrestricted Net Position (deficit)	Total Net Position
2014	$ 90,476	$ 4,106	$ 139,671	$ 234,253
2015	100,170	3,881	110,269	214,320
2016	101,272	2,634	111,195	215,101
2017	108,930	2,654	110,928	222,512
2018	109,794	2,683	105,866	218,343
2019	111,254	2,734	120,033	234,021
2020	111,697	19	140,495	252,211
2021	119,802	-	149,432	269,234
2022	127,592	-	159,251	286,843
2023	131,232	-	165,854	297,087



Source: Las Virgenes Municipal Water District

Changes in Net Position
Last Ten Fiscal Years
(in thousands of dollars)

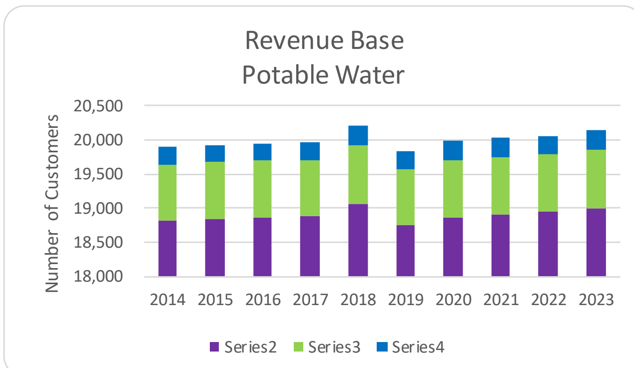
	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
OPERATING REVENUES:										
Water sales and service fees	$ 38,914	$ 51,564	$ 52,306	$ 45,431	$ 43,370	$ 45,257	$ 39,113	$ 32,949	$ 37,547	$ 41,177
Sanitation service fees	21,208	20,241	18,695	18,836	18,923	18,818	18,614	17,050	16,726	16,552
Other income	4,540	3,933	3,475	3,151	2,681	2,642	2,068	3,030	1,911	951
Total operating revenues	**64,662**	**75,738**	**74,476**	**67,418**	**64,974**	**66,717**	**59,795**	**53,029**	**56,184**	**58,680**
OPERATING EXPENSES:										
Water expenses:										
Source of supply	19,428	25,977	28,128	24,762	24,375	25,575	23,609	21,575	25,302	26,197
Pumping	1,778	2,548	1,979	1,738	1,615	1,669	1,618	1,491	1,582	1,754
Transmission and distribution	3,874	3,324	2,868	3,299	3,998	2,834	2,808	2,956	2,976	2,858
Meter	634	1,016	1,018	832	760	735	851	898	572	778
Water conservation	274	82	166	635	618	265	395	2,280	1,964	444
Rental	-	-	31	14	28	7	4	21	3	4
General and administrative	6,794	4,366	6,832	7,357	6,441	6,208	5,645	5,155	5,668	5,768
Total water expenses	**32,782**	**37,313**	**41,022**	**38,637**	**37,835**	**37,293**	**34,930**	**34,376**	**38,067**	**37,803**
Sanitation expenses:										
Other sewage treatment	737	652	514	384	484	447	381	474	227	309
Lift stations	263	225	264	255	190	198	199	277	241	410
General and administrative	2,420	2,589	1,914	1,916	1,362	1,231	991	1,292	1,005	1,010
Total sanitation expenses	**3,420**	**3,466**	**2,692**	**2,555**	**2,036**	**1,876**	**1,571**	**2,043**	**1,473**	**1,729**
Depreciation and amortization	5,157	4,976	3,832	4,012	4,016	3,943	4,076	4,712	4,579	4,616
Total operating expenses	**41,359**	**45,755**	**47,546**	**45,204**	**43,887**	**43,112**	**40,577**	**41,131**	**44,119**	**44,148**
NET OPERATING INCOME (LOSS)	23,304	29,983	26,930	22,214	21,087	23,605	19,218	11,898	12,065	14,532
NONOPERATING REVENUES (EXPENSES):										
Taxes and penalties	1,096	1,001	929	915	984	946	953	926	904	892
Lease income	97	81	83	-	-	-	-	-	-	-
Interest income	1,400	(3,099)	223	3,158	3,096	452	274	572	478	496
Facilities income/ (expense)	288	348	358	355	378	352	371	336	345	389
Interest expense and fiscal charges	(74)	(209)	(194)	(232)	(531)	(642)	(748)	(825)	(909)	(992)
Share of Joint Powers Authority (expense)	(18,629)	(15,314)	(17,969)	(13,633)	(13,958)	(13,718)	(13,157)	(12,955)	(13,828)	(13,602)
Gain (Loss) on disposal of capital assets	8	-	52	8	-	(73)	(46)	51	10	(2)
Other revenues/(expenses)	592	232	1,103	3,986	722	408	(74)	401	(362)	128
Nonoperating revenues (expenses)	**(15,223)**	**(16,960)**	**(15,415)**	**(5,443)**	**(9,309)**	**(12,275)**	**(12,427)**	**(11,494)**	**(13,362)**	**(12,691)**
Capital contributions	2,163	3,698	5,498	1,419	3,900	2,566	620	377	990	1,541
Change in Net Position	**10,243**	**16,721**	**17,013**	**18,190**	**15,678**	**13,896**	**7,411**	**781**	**(307)**	**3,382**
NET POSITION:										
Beginning of year, as restated	286,843	270,122	252,231	234,031	218,343	204,447	215,101	214,320	214,627	230,871
Ending Net Position	**$297,086**	**$286,843**	**$269,244**	**$252,221**	**$234,021**	**$218,343**	**$222,512**	**$215,101**	**$214,320**	**$234,253**

Source: Las Virgenes Municipal Water District

Revenue Base
Last Ten Fiscal Years

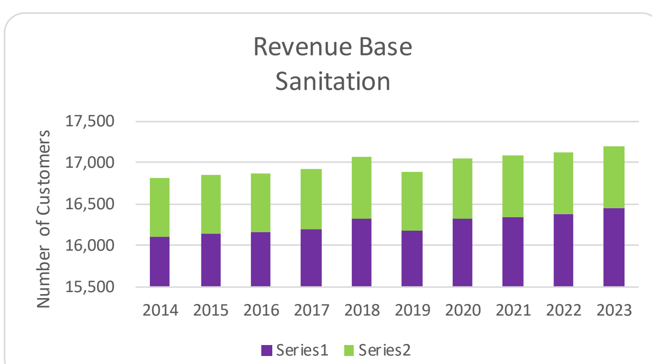
Potable Water

Fiscal Year	Operating Revenue in thousand $	Number of Customers: Residential	Commercial	Irrigation	Total
2014	$ 41,177	18,820	820	253	19,893
2015	37,547	18,853	825	257	19,935
2016	34,019	18,873	825	255	19,953
2017	39,962	18,881	832	257	19,970
2018	46,250	19,053	874	287	20,214
2019	44,316	18,745	836	266	19,847
2020	45,511	18,863	845	279	19,987
2021	54,790	18,908	850	279	20,037
2022	51,564	18,943	849	275	20,067
2023	38,914	19,007	854	275	20,136



Sanitation

Fiscal Year	Operating Revenue in thousand $	Number of Customers: Residential	Commercial	Total
2014	$ 16,552	16,113	704	16,817
2015	16,726	16,133	712	16,845
2016	17,050	16,157	711	16,868
2017	18,614	16,202	715	16,917
2018	18,818	16,328	749	17,077
2019	18,923	16,171	724	16,895
2020	18,836	16,323	734	17,057
2021	18,695	16,350	740	17,090
2022	20,274	16,383	740	17,123
2023	21,208	16,449	743	17,192



Source: Las Virgenes Municipal Water District

Revenue Rates
Last Ten Fiscal Years

NOTE: Effective January 1, 2016, the District implemented a new water budget based rate structure. "-" indicates no rate established										
Potable Water Rates for Residential and Commercial Customers:										
Readiness to Serve Charge										
									Monthly	Monthly
Meter Size	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023
3/4"	$ 30.21	$ 31.73	$ 18.30	$ 21.73	$ 25.43	$ 29.42	$ 33.72	$ 35.86	$ 37.66	$ 39.55
1"	44.49	46.72	29.47	35.14	41.25	47.87	54.97	58.14	61.05	64.11
1-1/2"	80.17	84.18	57.39	68.65	80.80	90.95	108.07	113.82	119.52	125.50
2"	123.48	129.66	90.89	108.86	128.26	149.25	171.80	180.66	189.70	199.19
3"	237.04	248.90	196.97	236.20	278.55	324.37	373.61	392.27	411.89	432.49
4"	366.03	384.34	353.30	423.85	500.02	582.48	671.00	704.12	739.33	776.30
6"	722.14	758.25	894.89	1,073.94	1,267.29	1,476.47	1,701.28	1,784.47	1,873.70	1,967.39
8"	1,151.01	1,208.57	1,564.89	1,878.17	2,216.48	2,582.49	2,975.84	3,120.98	3,277.03	3,440.89
10"	1,650.45	1,732.98	2,346.55	2,816.44	3,323.86	3,872.84	4,462.83	4,680.25	4,914.27	5,159.99
Volume Charges (per 100 cubic feet of water use)										
	1/1/2014*	1/1/2015*	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023
Resdiential Rates										
Tier 1	$ 2.19	$ 2.31	$ 2.36	$ 2.46	$ 2.59	$ 2.71	$ 2.85	$ 3.14	$ 3.39	$ 3.76
Tier 2	2.60	2.80	3.18	3.24	3.32	3.41	3.50	3.91	4.20	4.61
Tier 3	3.56	3.81	3.96	4.00	4.06	4.16	4.20	4.58	4.90	5.35
Tier 4	5.02	5.34	4.98	5.02	5.08	5.14	5.22	5.74	6.12	6.63
Commercial Rates										
Tier 1	N/A	N/A	3.18	3.21	3.29	3.37	3.33	3.66	3.94	4.34
Tier 2	N/A	N/A	3.96	3.97	4.03	4.11	4.20	4.20	4.50	4.93
Tier 3	N/A	N/A	4.98	4.99	5.05	5.14	5.22	6.43	6.84	7.38
*Prior to 2016, commercial tier rates were the same as residential tiers.										
Elevation Surcharges (per 100 cubic feet of water use)										
	01/01/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023
Zone 1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Zone 2	0.40	0.42	0.42	0.44	0.46	0.52	0.52	0.47	0.50	0.53
Zone 3	0.70	0.74	0.98	1.03	1.08	1.19	1.19	1.10	1.16	1.22
Zone 4	1.21	1.28	1.56	1.64	1.72	1.82	1.82	1.88	1.89	1.99
Zone 5	2.42	2.55	-	-	-	-	-	-	-	-
Monthly Recycled Water Charges:										
Readiness to Serve Charge										
Meter Size	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023
3/4"	-	-	$ 9.15	$ 13.04	$ 19.08	$ 25.01	$ 33.72	$ 28.79	$ 31.10	$ 33.59
1"	-	-	14.74	21.09	30.94	40.69	54.97	46.31	50.02	54.03
1-1/2"	-	-	28.70	41.19	60.60	79.86	108.07	90.09	97.30	105.09
2"	-	-	45.45	65.32	96.20	126.87	171.80	142.64	154.06	166.39
3"	-	-	98.49	141.72	208.92	275.72	373.61	309.03	333.76	360.74
4"	-	-	176.65	254.31	375.02	495.07	671.00	554.24	598.58	646.47
6"	-	-	447.45	644.37	950.47	1,255.00	1,701.28	1,403.71	1,516.01	1,637.30
8"	-	-	782.45	1,126.91	1,662.36	2,195.12	2,975.84	2,454.60	2,650.97	2,863.05
10"	-	-	1,173.28	1,689.87	2,492.90	3,291.92	4,462.83	3,680.64	3,975.10	4,293.11

Revenue Rates (Continued)
Last Ten Fiscal Years

Volume Charges (per 100 cubic feet of water use)	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023
Tier 1	$ 1.09	$ 1.18	$ 1.19	$ 1.19	$ 1.18	$ 1.16	$ 1.24	$ 1.34	$ 1.45
Tier 2	1.42	2.91	2.83	2.67	2.52	2.27	2.61	2.82	3.05
Tier 3	2.26	3.73	3.67	3.52	3.37	3.13	4.97	5.37	5.80
Tier 4	3.51	-	-	-	-	-	-	-	-

Elevation Surcharges (per 100 cubic feet of water use)	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023
L.V. Valley	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
East/West	0.24	0.33	0.34	0.35	0.36	0.37	0.30	0.33	0.36

Residential	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023
Household Size:						
1	$ 21.82	$ 22.27	$ 22.73	$ 23.59	$ 24.48	$ 25.40
2	36.51	37.27	38.04	39.47	40.96	42.50
3	51.20	52.27	53.35	55.36	57.44	59.60
4	65.89	67.27	68.66	71.24	73.92	76.70
5	80.58	82.27	83.97	87.12	90.39	93.78
6 or more	95.27	97.27	99.28	103.01	106.88	110.89
Commercial						
Account Charge	$ 7.12	$ 7.27	$7.42	$7.70	varies	8.29
Base Charge, inclusive of 6.6 hcf/ERU						
Class 1	$ 42.78	$ 43.64	$ 44.52	$ 46.19	$ 47.93	$ 49.73
Class 2	58.98	60.16	61.37	63.68	66.07	68.55
Class 3	78.10	79.67	81.27	84.32	87.49	90.78
Class 4	98.29	100.26	102.27	106.11	110.09	114.22
Per Excess ERU						
Class 1	$ 6.48	$ 6.61	$ 6.75	$ 7.01	$ 7.28	$ 7.56
Class 2	8.93	9.11	9.30	9.65	10.02	10.40
Class 3	11.82	12.06	12.31	12.78	13.26	13.76
Class 4	14.88	15.18	15.49	16.08	16.69	17.32

Principal Revenue Payers
Current Fiscal Year and Nine Years Ago

Potable Water Customer Name	2023 Potable Water Revenue	2023 Rank	2023 Percentage of Total Operating Revenue	2014 Potable Water Revenue	2014 Rank	2014 Percentage of Total Operating Revenue
Malibu Canyon Apartments	$ 274,386	1	0.80%	$ 68,171	10	0.18%
City of Calabasas	235,750	2	0.69%			
California West HOA	201,475	3	0.59%			
Westlake Wellbeing Properties	190,457	4	0.55%			
ERP-Operating LTD Partnership	186,745	5	0.54%	93,802	4	0.25%
Forestar Chatsworth, LLC	182,079	6	0.53%			
LVUSD	180,500	7	0.53%	83,503	7	0.22%
Archstone Communities	144,775	8	0.42%			
Calabasas Crest LTD	144,335	9	0.42%	89,513	6	0.24%
Malibu Conference Center	124,742	10	0.36%	71,647	9	0.19%
Mountain View Mobile Estate				109,324	2	0.29%
LACO Internal Service Department				138,897	1	0.37%
Ronnie Semlers Saddlerock Ranch				107,514	3	0.29%
Summit Mobile Park				92,512	5	0.25%
The Cheesecake Factory				78,011	8	0.21%
Total	$ 1,865,244		5.43%	$ 932,894		2.50%

Sanitation Customer Name	2023 Sanitation Revenue	2023 Rank	2023 Percentage of Total Operating Revenue	2014 Sanitation Revenue	2014 Rank	2014 Percentage of Total Operating Revenue
Archstone Communities Calabasas	$ 425,235	1	2.03%	$ 197,628	1	0.52%
Westlake Wellbeing Properties	333,121	2	1.59%			
Malibu Canyon Apartments	331,775	3	1.58%	68,220	10	0.18%
Archstore Oak Creek I LLC	238,242	4	1.14%	112,031	2	0.30%
Annandale II HOA	216,369	5	1.03%			
LVUSD	185,304	6	0.89%	108,668	3	0.29%
The Cheesecake Factory	174,358	7	0.83%	83,613	6	0.22%
Woodland Park Mobile	139,737	8	0.67%	87,491	5	0.23%
Pepperdine University	134,375	9	0.64%	97,478	4	0.26%
Summit Mobile Park	130,448	10	0.62%			
Town & Country HOA				74,646	7	0.20%
Calabasas Crest LTD				74,479	8	0.20%
Steeplechase HOA				68,642	9	0.18%
Total	$ 2,308,964		11.03%	$ 972,896		2.58%

Source: Las Virgenes Municipal Water District

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities: Refunding Revenue Bonds	Capital Lease Payable	Installment Purchase Agreement	Lease Liability	Subscription Liability	Total	Percentage of Personal Income (1)
2014	$ 22,585	$ 61	$ -	$ -	$ -	$ 22,646	0.64%
2015	20,745	36	-	-	-	20,781	0.56%
2016	18,820	105	-	-	-	18,925	0.53%
2017	16,795	84	-	-	-	16,879	0.46%
2018	14,670	63	-	-	-	14,733	0.38%
2019	12,460	40	-	-	-	12,500	0.33%
2020	- (2)	16	10,115 (3)	83 (4)	-	10,214	0.25%
2021	-	-	9,300	64	-	9,364	0.18%
2022	-	-	8,345	75	815	9,235	0.22%
2023	-	-	7,370	47	504 (5)	7,921	0.18%

Note:
(1) Per Capita is based on number of customers for the District.
(2) Refunding Revenue Bonds Paid in Full in FY 2020.
(3) The District entered into an installment purchase agreement on June 1, 2020
(4) For year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87
(5) For year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96

Source: Las Virgenes Municipal Water District

Ratios of General Bonded Debt Outstanding
June 30, 2023

Fiscal Year	Business-Type Activities Refunding Revenue Bonds	Total	Percentage of Gross Revenue for Bond Coverage	Per Capita (1)
2014	$ 22,585	$ 22,585	124.44%	$ 1,343
2015	20,745	20,745	119.95%	1,232
2016	18,820	18,820	108.17%	1,116
2017	16,795	16,795	90.23%	993
2018	14,670	14,670	77.96%	859
2019	12,460	12,460	65.85%	737
2020	-	-	0.00%	-
2021	-	-	0.00%	-
2022	-	-	0.00%	-
2023	-	-	0.00%	-

Note:
(1) Per Capita is based on number of customers for the District.
(2) Refunding Revenue Bonds Paid in Full in FY 2020.

Source: Las Virgenes Municipal Water District

Direct and Overlapping District Debt
June 30, 2023

2022-23 Assessed Valuation: $ 29,002,629,369

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2023	% Applicable (1)	District's Share of Debt 6/30/23	
Metropolitan Water District	$ 19,215,000	0.798%	$ 153,336	
Los Angeles Community College District	$ 4,500,730,000	2.591%	$ 116,613,914	
Santa Monica Community College District	$ 711,042,430	1.754%	$ 12,471,684	
Las Virgenes Joint Unified School District	$ 98,247,606	95.173%	$ 93,505,194	
Los Angeles Unified School District	$ 10,704,725,000	0.129%	$ 13,809,095	
Santa Monica-Malibu Unified School District	$ 534,277,688	1.751%	$ 9,355,202	
Santa Monica-Malibu Unified School District School Facilities Improvement District No. 2	$ 93,100,000	5.159%	$ 4,803,029	
City of Los Angeles	$ 1,039,680,000	0.023%	$ 239,126	(2)
Las Virgenes Municipal Water District	**$ -**	**100.000%**	**$ -**	
City of Calabasas Community Facilities District No. 1998-1	$ 1,919,341	100.000%	$ 1,919,341	
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$ 264,980,281	
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005 Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Aside for Repayment			$ 386,325	
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$ 264,593,956	
OVERLAPPING GENERAL FUND DEBT:				
Los Angeles County General Fund Obligations	$ 2,601,551,282	1.531%	$ 39,829,750	
Los Angeles County Superintendent of Schools Certificates of Participation	$ 3,403,487	1.531%	$ 52,107	
Las Virgenes Joint Unified School District Certificates of Participation	$ 8,572,605	95.173%	$ 8,158,805	
Los Angeles Unified School District Certificates of Participation	$ 97,870,000	0.129%	$ 126,252	
Santa Monica-Malibu Unified School District Certificates of Participation	$ 25,573,669	1.751%	$ 447,795	
City of Agoura Hills General Fund Obligations	$ 11,310,000	100.000%	$ 11,310,000	
City of Calabasas Certificates of Participation	$ 35,270,000	99.184%	$ 34,982,197	
City of Los Angeles General Fund Obligations	$ 1,291,521,414	0.023%	$ 297,050	
City of Westlake Village Certificates of Participation	$ 13,515,000	100.000%	$ 13,515,000	
TOTAL OVERLAPPING GENERAL FUND DEBT			$ 108,718,956	
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	$ 5,620,000	100.000%	$ 5,620,000	
TOTAL DIRECT DEBT			**$ -**	
TOTAL GROSS OVERLAPPING DEBT			$ 379,319,237	
TOTAL NET OVERLAPPING DEBT			$ 378,923,912	
GROSS COMBINED TOTAL DEBT			$ 379,319,237	(3)
NET COMBINED TOTAL DEBT			$ 378,932,912	

(1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the district divided by the overlapping district's total taxable assessed value.
(2) Excludes revenue issues.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:	
Direct Debt	**0.00%**
Total Gross Direct and Overlapping Tax and Assessment Debt	0.91%
Total Net Direct and Overlapping Tax and Assessment Debt	0.91%
Gross Combined Total Debt	1.31%
Net Combined Total Debt	1.31%
Ratios to Redevelopment Successor Agency Incremental Valuation	$971,591,036
Total Overlapping Tax Increment Debt	0.58%

Source: California Municipal Statistics, Inc.

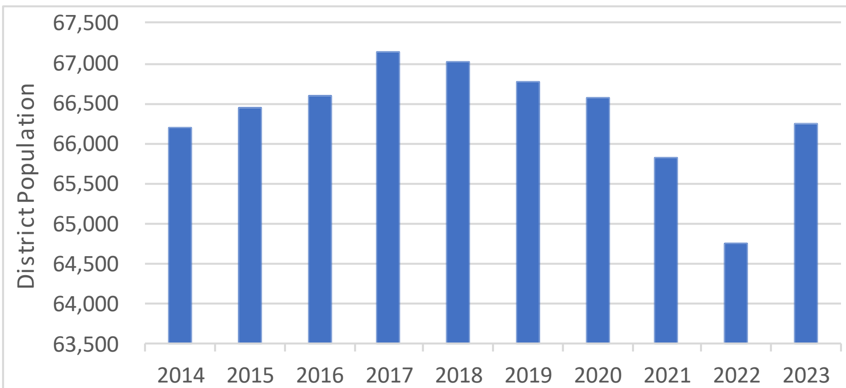
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands except coverage)

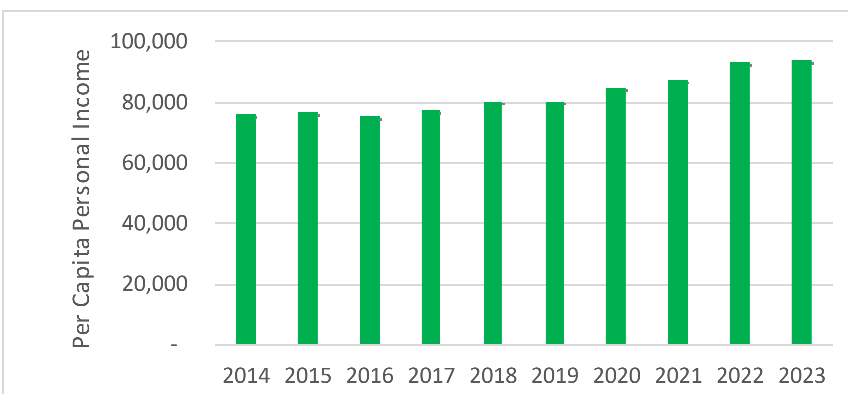
	Refunding Revenue Bonds						
		Less:	Net	Debt Service			
Fiscal Year	Gross Revenues (1)		Operating Expenses (2)	Available Revenue	Principal	Interest	Coverage
2014	$ 18,149		$ 10,692	$ 7,457	$ 1,765	$ 987	2.71
2015	17,429		10,653	6,776	1,840	903	2.47
2016	17,398		10,260	7,138	1,925	814	2.61
2017	18,613		10,584	8,029	2,025	731	2.91
2018	18,818		11,449	7,369	2,125	610	2.69
2019	18,923		11,803	7,120	2,210	531	2.60
2020	-	(3)	-	-	-	-	-
2021	52,249	(4)	41,018	11,231	800	171	11.57
2022	51,564		37,191	14,373	955	172	12.75
2023	38,914		32,337	6,577	975	153	5.83

Note:
(1) Gross revenues include operating, non-operating, and capacity fee revenues.
(2) Operating expenses exclude depreciation and amortization.
(3) On December 1, 2009, the District issued 2009 Sanitation Refunding Revenue Bonds to advance refund 1998 Bonds. From fiscal year 2010 and going forward, gross revenue and operating expenses are for sanitation operations only, and the debt service expense shown is maximum debt service for the Bond. This was paid in full in FY2020.
(4) On June 1, 2020 the District entered into a ten-year insallment purchase agreement with the Key Government Finance for the acquisition and installation of smart meters and other water system improvements (see Note 10 - Long Term Liabilities) for further information.

Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population within District	Total Personal Income (dollars in thousands)	Per Capita Personal Income	Unemployment Rate
2014	66,197	3,549,122	75,837	3.7%
2015	66,439	3,689,946	76,963	5.2%
2016	66,598	3,541,560	75,538	4.3%
2017	67,133	3,683,941	77,343	3.6%
2018	67,014	3,874,981	79,931	3.1%
2019	66,771	3,821,856	80,325	3.1%
2020	66,573	4,154,791	84,912	3.5%
2021	65,820	5,279,435	87,459	4.4%
2022	64,744	4,159,420	93,115	5.0%
2023	66,233	4,510,983	93,733	5.4%





Note:
(1) Data is for the District's service area and includes City of Calabasas, City of Hidden Hills, City of Agoura Hills, City of Westlake Village.
(2) Amounts for prior years are restated with the most recent available information.
(3) Includes unincorporated service area.

Sources:
Cities of Calabasas, Hidden Hills, Agoura Hills, Westlake Village Annual Financial Reports
California Department of Finance, Bureau of Economic Analysis
Bureau of Labor Statistics

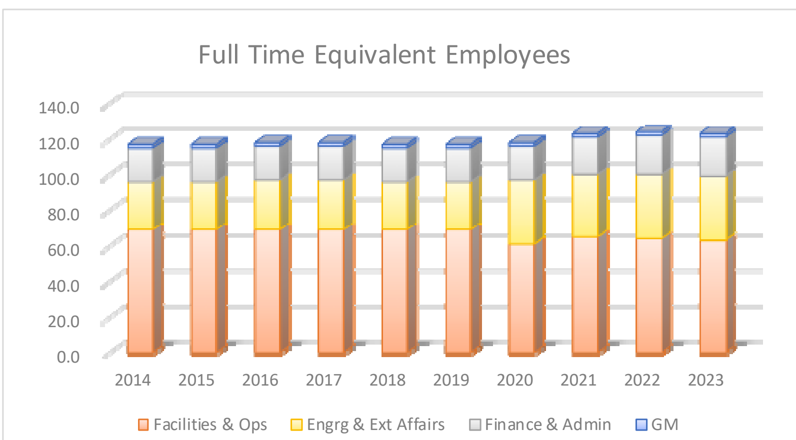
Principal Employers
Current Fiscal Year and Nine Years Ago

Employer by Industry	2023 Number of	2023 Rank	2023 Percentage of Total Area Employment	2014 Number of	2014 Rank	2014 Percentage of Total Area Employment
Government & Education	2,263	1	8.51%	1,799	8	6.43%
Finance and Insurance	1,922	2	7.23%	4,296	2	15.35%
Retail Trade	1,046	3	3.93%	2,961	5	10.58%
Restaurants	915	4	3.44%			
Professional and Technical Services	851	5	3.20%	5,553	1	19.85%
Technology	807	6	3.03%			
Hotel & Tourism	704	7	2.65%		9	0.00%
Health Care and Social Assistance	660	8	2.48%	1,524	4	5.45%
Wholesale	300	9	1.13%		6	0.00%
Manufacturing	210	10	0.79%	2,268		
Information				1,659	10	5.93%
Administrative, Support, Waste Management				2,390	3	8.54%
Accommodation and Food Services				3,521	7	12.58%
Educational Services				2,007		
Total	9,678		36.38%	27,978		100.00%

Notes:
Includes City of Calabasas, City of Hidden Hills, City of Agoura Hills, City of Westlake Village
Source for Cities of Calabasas, Agoura Hills and Westlake Village based on city's published ACFR.
City of Hidden Hills Source California EDD

Full-Time Equivalent District Employees by Functions
Last Ten Fiscal Years

Function	Fiscal Year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Manager Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Facilities and Operations:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Facilities Maintenance	16.2	16.2	16.2	16.2	16.7	16.7	16.7	18.0	17.0	17.0
Water Treatment and Production	11.8	11.8	11.8	11.8	11.3	11.3	11.3	13.0	13.0	13.0
Reclamation	24.0	24.0	24.0	24.0	24.0	24.0	24.0	25.0	25.0	24.0
Construction	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
Technical Service	8.0	8.0	8.0	8.0	9.0	9.0	-	-	-	-
Subtotal	*69.0*	*69.0*	*69.0*	*69.0*	*69.0*	*69.0*	*61.0*	*65.0*	*64.0*	*63.0*
Finance and Administration:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance and Accounting	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Human Resources	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Information System	6.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0
Subtotal	*19.0*	*19.0*	*19.0*	*19.0*	*19.0*	*19.0*	*19.0*	*21.0*	*22.0*	*22.0*
Engineering & External Affairs										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Customer Service	19.0	19.0	20.0	20.0	19.0	19.0	19.0	18.0	18.0	18.0
Water Conservation	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Information	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Planning/New Customer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Services	-	-	-	-	-	-	9.0	9.0	10.0	10.0
Subtotal	*27.0*	*27.0*	*28.0*	*28.0*	*27.0*	*27.0*	*36.0*	*35.0*	*36.0*	*36.0*
Total	117.0	117.0	118.0	118.0	117.0	117.0	118.0	123.0	124.0	123.0



Operating Indicators by Function
Last Ten Fiscal Years

Water	New Connections	Water Main Leak Repairs	Avg Daily Consumption (thousands of gallons
2014	18	47	$ 21,310
2015	15	83	18,132
2016	15	67	15,316
2017	11	48	16,202
2018	32	49	17,227
2019	19	51	16,566
2020	11	58	19,294
2021	12	58	22,173
2022	6	92	16,068
2023	7	87	11,437

Potable Water	Connections	Deliveries (acre-feet)	Realized Capacity Fee Revenues
2014	19,893	23,867	$ 359,934
2015	19,935	20,307	342,868
2016	19,953	17,153	143,068
2017	19,970	18,146	138,833
2018	20,214	19,294	386,226
2019	19,847	18,553	641,334
2020	19,858	18,280	329,748
2021	20,037	20,478	2,230,498
2022	19,918	17,999	539,777
2023	20,137	12,343	37,572

		Average Daily Sewage Flow Dry Weather Flow (thousands of gallons)			
Wastewater	Connections	Tapia Plant	LVMWD	Triunfo Sanitation District	Realized Capacity Fee Revenues
2014	16,817	7,281	4,880	2,401	$ 1,124,550
2015	16,845	6,397	3,956	2,441	462,000
2016	16,868	6,109	3,667	2,442	224,000
2017	16,917	6,029	3,688	2,341	458,590
2018	17,077	6,246	3,941	2,305	790,921
2019	16,895	6,118	3,815	2,303	553,000
2020	17,057	6,340	3,890	2,450	1,089,141
2021	17,090	6,352	3,898	2,455	3,082,896
2022	16,971	6,417	4,245	2,172	50,580
2023	17,192	6,873	4,738	2,135	278,045

Source: Las Virgenes Municipal Water District

Capital Asset Statistics by Function
Last Ten Fiscal Years

Potable Water	Water Main (miles)	Fire Hydrants (#)	Valves (#)	Storage Capacity (millions of gallons) Reservoirs	Tanks
2014	389.1	3,167	4,477	3,100	33.3
2015	389.3	3,172	4,485	3,100	33.3
2016	388.8	3,171	4,472	3,100	38.8
2017	389.2	3,175	4,447	3,100	38.8
2018	390.3	3,181	4,461	3,100	38.8
2019	391.5	3,192	4,489	3,100	38.8
2020	392.8	3,212	4,503	3,100	38.8
2021	383.0	3,215	4,497	3,100	38.8
2022	395.3	3,227	4,546	3,100	38.95
2023	395.2	3,227	4,550	3,100	38.95

Recycled Water	Water Main (miles)	Valves (#)	Storage Capacity (millions of gallons) Reservoirs	Tanks
2014	66.2	342	19.3	5.6
2015	66.2	342	19.3	5.6
2016	67.1	359	19.3	5.6
2017	68.1	365	19.3	5.6
2018	68.1	366	19.3	5.6
2019	68.1	367	19.3	5.6
2020	68.1	367	19.3	5.6
2021	68.3	371	19.3	5.6
2022	68.6	374	19.3	5.6
2023	68.6	376	19.3	5.6

Wastewater	Sanitary Sewers (miles)	Treatment Capacity (millions of gallons)
2014	56.9	16
2015	56.9	16
2016	56.9	16
2017	56.9	16
2018	56.8	16
2019	57.4	16
2020	57.4	16
2021	58.0	16
2022	58.0	16
2023	58.0	16

Source: Las Virgenes Municipal Water District

Annual Water & Sewer Capacity Fee Deposits Report
Per Government Code Section 66013 (d) and (e)
Fiscal Year Ended June 30, 2023

Beginning Balance:			
Capacity Fees		$4,489,515	
Developer Fees		146,104	
Interest		276,676	
Total Beginning Balance			$4,912,295
Fees Collected:			
Capacity Fees	$1,507,621		
Developer Fees	401,018		
Total Fees Collected		1,908,639	
Interest Earned		117,577	
Fees Available		2,026,216	
Applied to:			
Capital Costs Funded by:			
Capacity Fees	785,686		
Meter Installation	22,001		
Developer Fees	426,698		
Interest Earned	61,719		
Total Capital Costs		1,296,104	
Refunds		75,032	
Total Funds Applied		1,371,136	
Net Changes for the Year			655,080
Ending Balance:			
Capacity Fees		5,114,418	
Developer Fees		120,423	
Interest (1)		332,534	
Total Ending Balance			$5,567,375

(1): Interest earned is not reflected as a liability on the Statement of Net Position.

California Government Code (CGC) Section 66013(c) requires the District to place capital facilities connection fees received and any interest income earned from the investment of these monies in a separate capital facilities fund. These monies are to be used solely for the purposes for which they were collected and not commingled with other District funds.

CGC Section 66013(d) requires the District to make certain information available to the public within 180 days after the close of each fiscal year. CGC Section 66013(e) allows the required information to be included in the District's annual financial report. The Annual Connection Fee Report shown above meets this requirement.

Capacity fees are imposed for initiating water and sewer connection service by the District at the request of the customer. No fees are imposed upon real property or upon persons as an incident of property ownership, but rather as a condition of service.

Developer fees are imposed for other services such as plan check, right-of-way, inspection and coring fees.

Source: Las Virgenes Municipal Water District