

LAS VIRGENES MUNICIPAL WATER DISTRICT



Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023



Annual Comprehensive Financial Report

For the Years Ended June 30, 2024 and 2023



Prepared by:
The Finance and Administration Department

Donald Patterson Director of Finance & Administration
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Calabasas, California

Las Virgenes Municipal Water District

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LEGAL COUNSEL

W. Keith Lemieux	Counsel
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Las Virgenes Municipal Water District

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MEMBER AGENCY OF THE
METROPOLITAN WATER
DISTRICT
OF SOUTHERN CALIFORNIA

October 21, 2024

To: Board of Directors and Residents

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

Subject: **ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR
FISCAL YEAR 2023-24**

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, 2024.

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, 2024. 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 an indefinite term.

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 the Las Virgenes – Triunfo Joint Powers Authority.

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 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 proximity 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 Associates; 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. Because the District has no local water source and is completely dependent on imported potable water, the District focused its efforts in Fiscal Year 2023-24 on the development of local water supplies. During

Fiscal Year 2023-24, the District continued its efforts to develop a \$466 million indirect potable reuse project with its JPA partner, the Triunfo Water and Sanitation District. This project is projected to provide up to 30% of the District's potable water demand at full buildout and is expected to be operational by 2028. During Fiscal Year 2023-24, the District was invited to submit an application for Water Infrastructure Finance and Innovation Act funding for 49% of the estimated project cost. The loan is expected to close during Fiscal Year 2024-25. Additionally, the District completed an application for Clean Water State Revolving Fund (CWSRF) and other State Water Resources Control Board water recycling loans and grants. The District also established a new public-private partnership with a company called "OceanWell" to develop and test deep seawater harvesting as a potential cost-effective ocean desalination technique to provide additional local water supply in the future. Further, the District continued 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 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 budget-based water 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 the percentage of its fixed cost recovered 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 with updated rates implemented every January 1st.

District staffing levels continue to be stable, and a compensation study "refresh" was completed to help ensure the District remains competitive in the market compared to other agencies. The District also completed an organizational structure and staffing analysis that evaluated current staffing levels, workforce risks and future staffing needs based on anticipated changes to District operations over the next 10 years. Right sizing the organization and optimizing the reporting structure is essential to providing excellent service. Phased implementation of the plan is included in the Fiscal Years 2024-25 and 2025-26 budgets. 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 \$7 million. This debt is solely the obligation of the Potable Water Enterprise.

Long Term Financial Planning

The District presented a two-year budget plan on June 18, 2024 for Fiscal Years 2024-26. 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 development of the Fiscal Years 2024-26 budget coincided with drastically improved supplies from the State Water Project following two years of above normal precipitation and snowfall. Despite this wet period, it remains imperative that customers of the District continue to utilize water as efficiently as possible. The District's Board of Directors met on February 13, 2024, to review the current Strategic Plan and discuss the priorities of the District over the next several years. A major component of the District's Strategic Plan is to educate customers and provide them with tools to help them make conservation a way of life to meet the demands of a changing and increasingly variable climate. The meeting formed the basis for some of the "one-time" costs included in the Fiscal

Year 2024-25 Adopted Budget such as a Water Supply Reliability and Diversification Study. In addition, the District prepared its Infrastructure Investment Plan for Fiscal Years 2024-25 through 2033-34, which looks ahead over a 10-year time horizon to project long-term capital requirements. 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, District staff began developing the design criteria for the Pure Water Project Las Virgenes-Triunfo (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, staff 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.

During Fiscal Year 2023-24, staff began negotiating terms with the U.S. Environmental Protection Agency to close the WIFIA loan by an anticipated date of January 2025, and with the State Water Resources Control Board to close loans and grants for the Clean Water State Revolving Fund (SRF) loan by an anticipated date of March 2025. These actions will significantly contribute to the funds needed to complete the Pure Water Project. 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 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.
- Construction of a flow equalization tank at the Tapia Water Reclamation Facility and improvements to both the effluent pump station and recycled water pump stations to

provide increased reliability, capacity and conveyance of recycled water as source water to the Pure Water Project

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, 2023. This was the 26th 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
General Manager



Donald Patterson
Director of Finance & Administration



Government Finance Officers Association

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Presented to

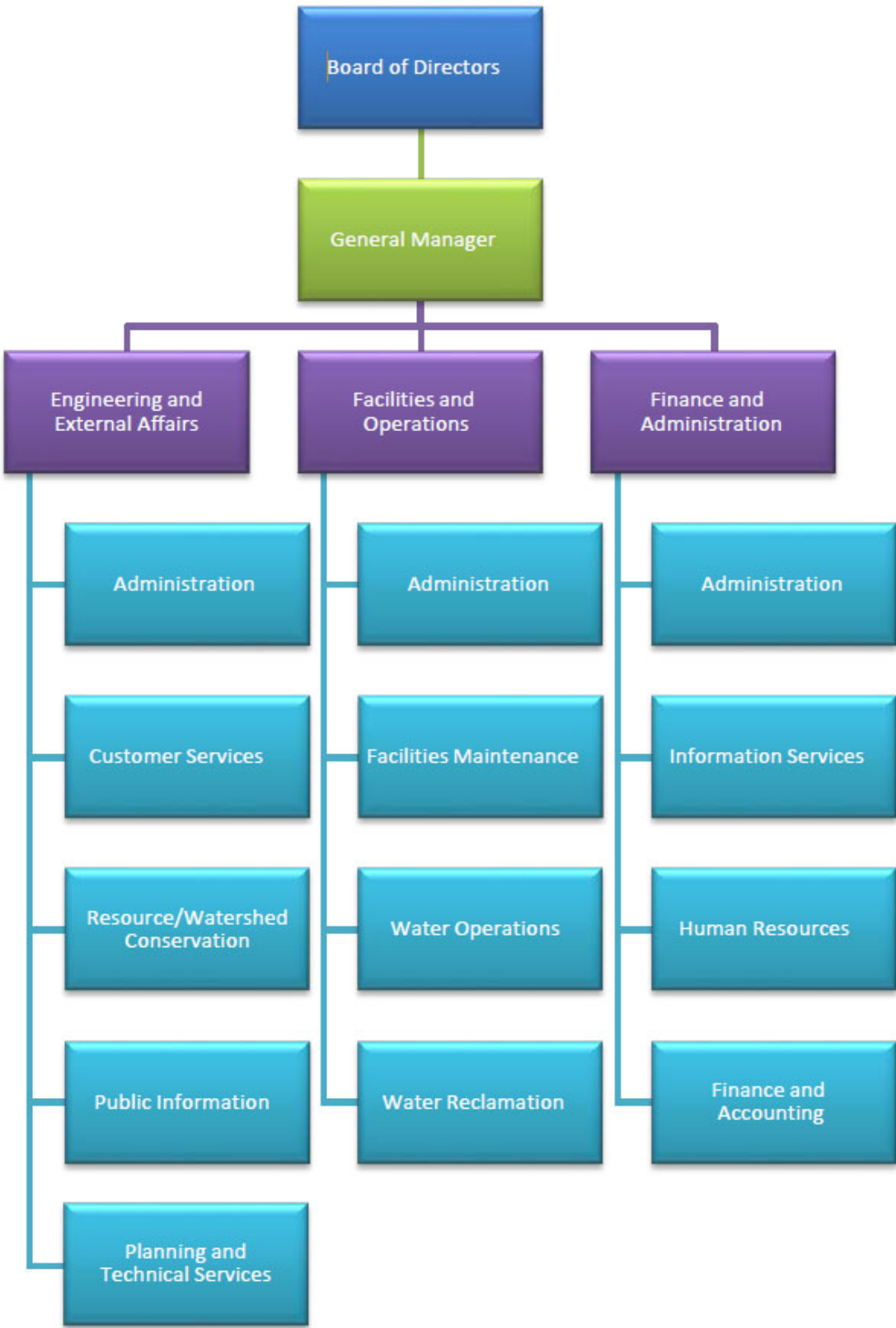
**Las Virgenes Municipal Water
District California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

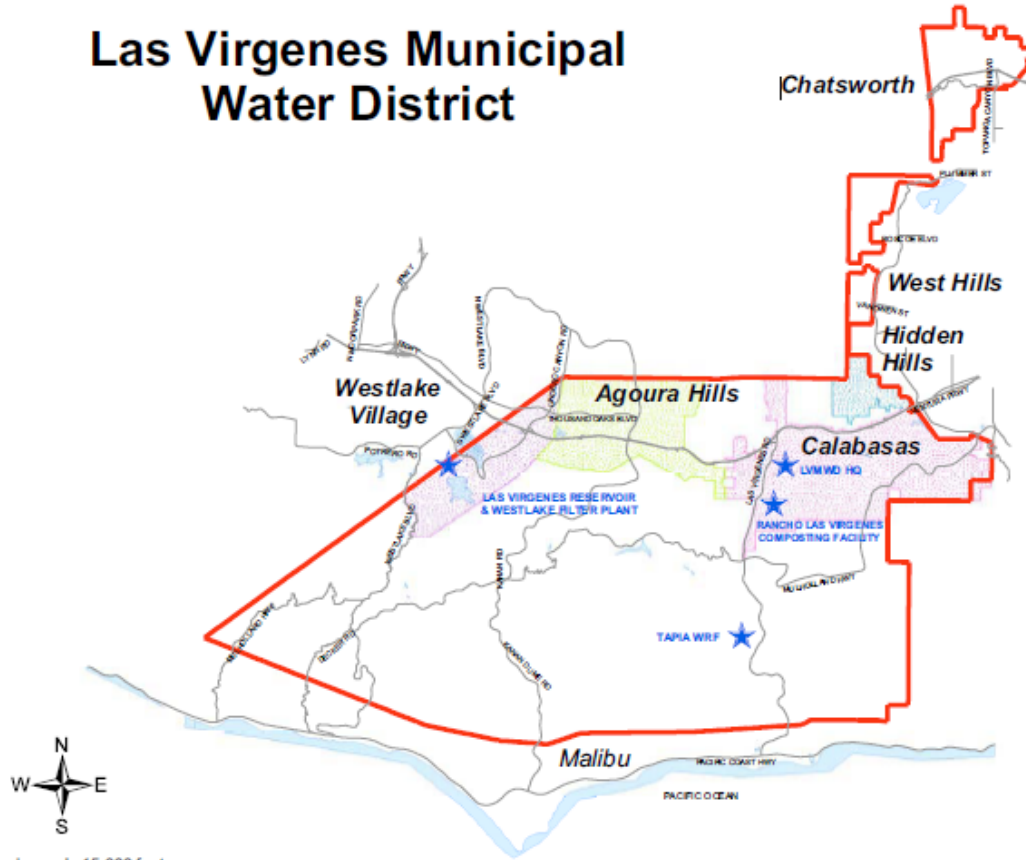
June 30, 2023

Christopher P. Morrill

Executive Director/CEO



Las Virgenes Municipal Water District





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

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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 entity) and the discretely presented component unit, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the entity'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 entity and the discretely presented component unit, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California 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 (*Government Auditing Standards*) 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 entity 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.



Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about entity'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 entity'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 entity'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 management's discussion and analysis and supplementary schedules, as 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 GAAS, 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 comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024 on our consideration of entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering entity's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 21, 2024

Las Virgenes Municipal Water District

Management's Discussion and Analysis June 30, 2024

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, 2024. 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, 2024, the District's net position (excess of assets and deferred outflows over liabilities and deferred inflows) was \$315.7 million. Of this amount \$130.0 million consisted of the District's net investment in capital assets while the remaining \$185.7 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 2023-24 net position increased by \$18.6 million, compared to an increase of \$10.2 million in Fiscal Year 2022-23.
- Total operating revenues in Fiscal Year 2023-24 were \$69.8 million, \$5.1 million (or 7.9%) above the prior year's revenues of \$64.7 million. The increase in revenues as compared to the prior year was due to increases in Water sales and service fees of \$6.7 million (or 17.1%), and Sanitation service fees of \$1.0 million (or 4.8%) offset by a decrease in Other income of \$2.6 million (or 56.3%).
- 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 expenses in Fiscal Year 2023-24 were \$46.4 million, \$5.1 million (or 12.3%) above the prior year's expenses of \$41.4 million. The increase in operating expenses as compared to the prior year was due mainly to higher source of supply costs, up \$2.6 million versus Fiscal Year 2022-23 (or 13.6%) from increased customer potable water deliveries year over year. Districtwide general and administrative (G&A) costs also increased by \$2.1 million (or 23.1%) versus Fiscal Year 2022-23. \$0.5 million (or 4.8%) of the G&A increase was due to higher staff salaries year over year. The remaining increase was due primarily to higher pension expenses in Fiscal Year 2023-24 versus the prior year. Pension expenses can fluctuate up or down from year to year depending on multiple factors including the recognition of differences between projected and actual earnings on pension plan investments as well as changes in actuarial assumptions.
- 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 to reduced source of supply costs, down \$6.5 million versus Fiscal Year 2021-22 (or 25.2%) 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 and liabilities which provide 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 rates 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 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.

Las Virgenes Municipal Water District

Management's Discussion and Analysis June 30, 2024

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 customers' 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 \$18.6 million to \$315.7 million in Fiscal Year 2023-24, compared to an increase in net position of \$10.2 million in Fiscal Year 2022-23.

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

	2024	2023	2022
Current and other assets	\$ 152,114	\$ 133,622	\$ 128,583
Capital assets	137,167	139,698	137,266
Investment in JPA	70,666	68,089	68,942
Total Assets	359,948	341,409	334,791
Deferred Outflow of Resources	15,327	15,473	7,277
Long-term liabilities	40,905	40,920	31,618
Other liabilities	11,541	9,838	9,686
Total Liabilities	52,446	50,758	41,304
Deferred Inflows of Resources	7,140	9,037	13,921
Net position:			
Net investment in capital assets	129,955	131,232	127,592
Unrestricted	185,734	165,854	159,251
Total Net Position	\$ 315,689	\$ 297,087	\$ 286,843

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 \$13.4 million in Fiscal Year 2023-24 versus \$8.1 million in Fiscal Year 2022-23 and \$13.6 million in 2021-22. The income plus capital contributions (\$13.4 million income plus \$5.2 million capital contributions) led to the overall increase in net position of \$18.6 million, when compared to last year's ACFR.

Fiscal Year 2023-24 Water sales and service fees of \$45.6 million increased 17.1% versus prior years fees of \$38.9 million. Potable water rates increased 5.0% and recycled water rates increased 8.0% respectively year over year. Water sales also increased from higher "efficient outdoor" water use from residential customers versus the prior year. Overall, potable water use by customers increased 13.1% percent year-over-year (14,490 acre-feet for Fiscal Year 2023-24 versus 12,811 acre-feet during Fiscal Year 2022-23). The increase was expected and due to the District being in Stage 3 of its Water Shortage Contingency Plan during the first seven months of the prior fiscal year, resulting in customer outdoor water budgets being reduced by 50 percent. The District has since transitioned back to Stage 2 of its Water Shortage Contingency Plan, which allows for increased customer outdoor water use.

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 Fiscal Year 2022-23 of 12,811 acre-feet were down 31.6% versus Fiscal Year 2021-22 deliveries of 18,105 acre-feet.

Sanitation service fees were \$22.2 million in Fiscal Year 2023-24, up \$1.0 million (or 4.8%), as compared to Fiscal Year 2022-23 revenues of \$21.2 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 \$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.

Water operating expenses were \$37.6 million in Fiscal Year 2023-24, higher than Fiscal Year 2022-23 operating expenses of \$32.8 million due to increased source of supply costs. Source of supply costs of \$22.1 million were up \$2.6 million (or 13.6%) from increased customer water deliveries year over year.

Las Virgenes Municipal Water District

Management's Discussion and Analysis June 30, 2024

Water operating expenses were \$32.8 million in Fiscal Year 2022-23, lower than Fiscal Year 2021-22 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.

Sanitation operating expenses were \$3.6 million in Fiscal Year 2023-24, consistent with Fiscal Year 2022-23 operating expenses of \$3.4 million and Fiscal Year 2021-22 operating expenses of \$3.5 million.

Share of JPA net expenses reflected in the nonoperating revenues (expenses) section were \$19.5 million in Fiscal Year 2023-24, \$0.9 million (or 4.8%) above Fiscal Year 2022-23 expenses of \$18.6 million. Share of JPA net expenses result from purchasing sanitation services from the Las Virgenes-Triunfo Joint Powers Authority (JPA). JPA operating expenses billed to the District's sanitation enterprise increased year over year mainly from higher chemical costs for the purchase of sodium hypochlorite in the Tapia Water Reclamation Facility as well as increased general and administrative costs.

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.

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

	2024	2023	2022
Operating revenues:			
Water sales	\$ 45,569	\$ 38,914	\$ 51,564
Sanitation and other	24,201	25,749	24,174
Total operating revenues	<u>69,770</u>	<u>64,662</u>	<u>75,738</u>
Non-operating revenues:			
Taxes and penalties	1,092	1,096	1,001
Interest income and other	8,438	2,384	(2,439)
Total non-operating revenues	<u>9,530</u>	<u>3,480</u>	<u>(1,438)</u>
Total Revenues	<u>79,300</u>	<u>68,142</u>	<u>74,300</u>
Depreciation expense	5,225	5,157	4,413
Other operating expenses	41,214	36,202	40,779
Share of JPA net expenses	19,526	18,629	15,314
Non-operating expenses	(49)	74	209
Total Expenses	<u>65,916</u>	<u>60,062</u>	<u>60,715</u>
Income (Loss) Before Capital Contributions	13,384	8,081	13,586
Capital contributions	5,218	2,163	3,698
Change in net position	18,602	10,243	17,284
Net position, beginning of year, as restated	<u>297,087</u>	<u>286,843</u>	<u>269,559</u>
Net position, end of year	<u>\$ 315,689</u>	<u>\$ 297,087</u>	<u>\$ 286,843</u>

Las Virgenes Municipal Water District

Management's Discussion and Analysis June 30, 2024

CAPITAL ASSETS

At the end of Fiscal Year 2023-24, the District had invested \$274.5 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 \$70.7 million as shown in Table 3. Total capital assets in Fiscal Year 2023-24 (including additions, deletions, and depreciation/amortization) of \$207.9 million were in line with Fiscal year 2022-23 total capital assets of \$207.8 million.

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)

	2024	2023	Dollar Change	Total Percent Change
Land	\$ 6,915	\$ 6,915	\$ -	0.0%
Buildings and improvements	22,095	22,095	-	0.0%
Machinery and equipment	13,207	12,806	401	3.13%
Infrastructure	221,188	217,525	3,662	1.68%
Construction in progress	10,110	11,989	(1,879)	-15.67%
Intangible right-to-use assets	954	2,024	(1,070)	-52.88%
Subtotal	274,469	273,355	1,114	0.41%
Less accumulated depreciation/amortization	(137,301)	(133,657)	(3,645)	2.73%
Net Property, Plant and Equipment	137,167	139,698	(2,531)	-1.81%
Investment in Joint Venture	70,666	68,089	2,577	3.79%
Total Capital Assets	\$ 207,834	\$ 207,787	\$ 46	0.02%

Las Virgenes Municipal Water District

**Management's Discussion and Analysis
June 30, 2024**

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)**

	2024
Stationary Emergency Generators	\$ 969
Lift Station Improvements	235
Cornell Pump Station Upgrades	200
Total major projects FY 2024	\$ 1,404
	2023
Stationary Emergency Generators	\$ 1,483
Deerlake Tank 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

LONG TERM DEBT

On June 30, 2024, the District had total long-term debt of \$6.7 million, down from \$7.9 million on June 30, 2023. Excluding the District's subscription liability of \$0.3 million and minimal lease liability on the balance sheet of \$21 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)**

	2024
Total operating revenues	\$ 45,569
Total operating expenses (less depreciation)	37,624
Net Earnings	7,945
Maximum annual debt service	1,129
Debt Coverage Ratio	7.04

Las Virgenes Municipal Water District

**Management’s Discussion and Analysis
June 30, 2024**

The District has outstanding debt from an installment purchase agreement entered in March 2020. The District’s average coupon rate was 1.95% on June 30, 2024, as reflected on Table 6.

**TABLE 6
Cost of Capital
(in thousands of dollars)**

	<u>Debt Balance</u>	<u>Average Coupon Rate</u>
Installment Purchase Agreement	\$ 6,375	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

Las Virgenes Municipal Water District

Statements of Net Position June 30, 2024 and 2023

ASSETS	Primary Government		Discretely Presented Component Unit - JPA	
	2024	2023	2024	2023
Current assets:				
Cash and investments (Note 3)	\$ 123,556,891	\$ 106,276,633	\$ 9,058,046	\$ 9,791,972
Receivables:				
Sales and services, net of allowance for uncollectible (Note 4)	8,582,456	7,263,914	1,367,751	2,242,069
Due from Joint Powers Authority (Note 6)	4,863,790	6,373,433	-	-
Leases (Note 7)	1,193,185	1,286,390	-	-
Interest	226,286	166,877	15,831	15,180
Other	385,101	724,303	-	-
Inventories (Note 5)	10,776,606	9,418,043	-	-
Prepaid items	2,529,931	2,112,435	489,611	427,015
Total current assets	152,114,246	133,622,028	10,931,239	12,476,236
Noncurrent assets:				
Investments in Joint Powers Authority (Note 6)	70,666,275	68,088,841	-	-
Capital assets (Note 8):				
Nondepreciable	17,025,124	18,904,068	35,534,371	29,519,704
Depreciable, net of accumulated depreciation/amortization	120,142,257	120,794,267	70,276,656	70,813,394
Capital assets, net	137,167,381	139,698,335	105,811,027	100,333,098
Total noncurrent assets	207,833,656	207,787,176	105,811,027	100,333,098
Total assets	359,947,902	341,409,204	116,742,266	112,809,334
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows of resources (Note 11)	9,498,844	9,104,851	-	-
OPEB-related deferred outflows of resources (Note 12)	5,828,124	6,367,858	-	-
Total deferred outflows of resources	15,326,968	15,472,709	-	-

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

Las Virgenes Municipal Water District

Statements of Net Position (Continued) June 30, 2024 and 2023

LIABILITIES	Primary Government		Discretely Presented Component Unit - JPA	
	2024	2023	2024	2023
Current liabilities:				
Accounts and contracts payable and accrued expenses	\$ 8,834,104	\$ 3,942,125	\$ 3,477,338	\$ 1,277,984
Interest payable	28,535	27,360	-	-
Unearned capacity and developer fees	2,028,284	5,230,366	-	-
Due to other government	-	-	7,453,901	11,198,252
Deposits and other	650,233	638,218	-	-
Compensated absences - due within one year (Note 9)	523,630	676,123	-	-
Long-term debt - due within one year (Note 10)	1,220,364	1,342,904	-	-
Total current liabilities	13,285,150	11,857,096	10,931,239	12,476,236
Noncurrent liabilities:				
Compensated absences (Note 9)	1,574,730	1,490,346	-	-
Long-term debt - due in more than one year (Note 10)	5,504,816	6,578,237	-	-
Net pension liabilities (Note 11)	25,280,399	22,889,414	-	-
Net OPEB liabilities (Note 12)	6,801,270	7,943,314	-	-
Total noncurrent liabilities	39,161,215	38,901,311	-	-
Total liabilities	52,446,365	50,758,407	10,931,239	12,476,236
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows of resources (Note 11)	308,208	565,047	-	-
OPEB-related deferred inflows of resources (Note 12)	5,670,929	7,212,350	-	-
Leases (Note 7)	1,160,430	1,259,550	-	-
Total deferred inflows of resources	7,139,567	9,036,947	-	-
NET POSITION (Note 13)				
Primary government's net investment in capital assets	129,954,974	131,232,301	69,845,438	67,075,514
Other government's net investment in capital assets	-	-	35,965,589	33,257,584
Unrestricted	185,733,964	165,854,258	-	-
Total net position	\$ 315,688,938	\$ 297,086,559	\$ 105,811,027	\$ 100,333,098

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

Las Virgenes Municipal Water District

Statements of Revenues, Expenses, and Changes in Net Position For the Years Ended June 30, 2024 and 2023

	Primary Government		Discretely Presented Component Unit - JPA	
	2024	2023	2024	2023
Operating revenues:				
Water sales and service fees	\$ 45,568,903	\$ 38,913,512	\$ -	\$ -
Sanitation service fees	22,216,507	21,208,234	-	-
Wholesale recycle water sales	-	-	2,342,051	2,943,715
Other income	1,984,298	4,540,432	55,124	52,714
Total operating revenues	69,769,708	64,662,178	2,397,175	2,996,429
Operating expenses:				
Water expenses:				
Source of supply	22,072,596	19,428,145	-	-
Pumping	2,329,440	1,777,690	-	-
Transmission and distribution	4,036,503	3,874,233	-	-
Meter	290,577	634,115	-	-
Water conservation	174,209	273,971	-	-
General and administrative	8,720,911	6,793,855	-	-
Total water expenses	37,624,236	32,782,009	-	-
Sanitation expenses:				
Other sewage treatment	754,389	737,140	-	-
Lift stations	269,208	263,029	-	-
General and administrative	2,566,181	2,419,699	-	-
Total sanitation expenses	3,589,778	3,419,868	-	-
JPA expenses:				
Operating expenses	-	-	11,492,402	11,972,376
General and administrative	-	-	12,907,231	11,890,640
Total JPA expenses	-	-	24,399,633	23,863,016
Depreciation and amortization	5,224,675	5,156,730	5,579,368	5,703,196
Total operating expenses	46,438,689	41,358,607	29,979,001	29,566,212
Billings to primary government	-	-	14,550,618	13,505,655
Billings to other government	-	-	6,624,614	6,446,089
Total JPA billings	-	-	21,175,232	19,951,744
Net Operating Income (Loss)	23,331,019	23,303,571	(6,406,594)	(6,618,039)

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

Las Virgenes Municipal Water District

Statements of Revenues, Expenses, and Changes in Net Position (Continued) For the Years Ended June 30, 2024 and 2023

	Primary Government		Discretely Presented	
			Component Unit - JPA	
	2024	2023	2024	2023
Nonoperating revenues (expenses):				
Taxes and penalties	\$ 1,092,487	\$ 1,095,914	\$ -	\$ -
Lease income	92,860	97,107	-	-
Interest income	5,643,689	1,400,066	742,168	324,925
Facilities income (expense)	333,842	287,845	-	-
Interest expense and fiscal charges	48,606	(73,760)	-	-
Share of Joint Powers Authority (expense)	(19,525,704)	(18,629,347)	-	-
Gain (loss) on disposal of capital assets	(715,802)	7,623	-	-
Other revenues/(expenses)	3,083,402	591,696	85,058	589,918
Total nonoperating revenues (expenses)	(9,946,620)	(15,222,856)	827,226	914,843
Capital contributions:				
Capital contributions from others	5,217,980	2,162,653	-	-
Capital contributions from primary government	-	-	7,850,681	3,324,285
Capital contributions from other government	-	-	3,206,616	1,578,498
Total capital contributions	5,217,980	2,162,653	11,057,297	4,902,783
Changes in Net Position	18,602,379	10,243,368	5,477,929	(800,413)
Net position:				
Beginning of year	297,086,559	286,843,191	100,333,098	101,133,511
End of year	<u>\$ 315,688,938</u>	<u>\$ 297,086,559</u>	<u>\$ 105,811,027</u>	<u>\$ 100,333,098</u>

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

Las Virgenes Municipal Water District

Statements of Cash Flows For the Years Ended June 30, 2024 and 2023

	Primary Government	
	2024	2023
Cash flows from operating activities:		
Cash received from customers	\$ 71,868,410	\$ 65,907,700
Cash payments to suppliers for operations	(29,661,867)	(27,625,413)
Cash received from (paid to) Joint Powers Authority	1,509,643	(1,071,522)
Cash payments for general and administrative expenses	(11,758,779)	(11,562,673)
Net cash provided by operating activities	<u>31,957,407</u>	<u>25,648,092</u>
Cash flows from noncapital financing activities:		
Property taxes and fee collected	1,092,487	1,161,530
Net cash provided by noncapital financing activities	<u>1,092,487</u>	<u>1,161,530</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(3,237,883)	(7,336,138)
Proceeds from sale of capital assets	56,624	7,623
Capital contribution	5,217,980	2,162,653
Repayment of bonds payable and leases/subscriptions	(1,424,225)	(1,537,319)
Cash received from leases receivable	86,945	89,244
Interest payment	49,115	(75,864)
Net cash provided by (used in) capital and related financing activities	<u>748,556</u>	<u>(6,689,801)</u>
Cash flows from investing activities:		
Interest received	5,584,946	1,309,451
Contributions to Joint Power Authority	(22,103,138)	(17,776,235)
Net cash (used in) investing activities	<u>(16,518,192)</u>	<u>(16,466,784)</u>
Net Change in Cash and Cash Equivalents	17,280,258	3,653,037
Cash and cash equivalents:		
Beginning of year	106,276,633	102,623,596
End of year	<u>\$ 123,556,891</u>	<u>\$ 106,276,633</u>
Financial statement presentation:		
Cash and cash equivalents	<u>\$ 123,556,891</u>	<u>\$ 106,276,633</u>
Total cash and cash equivalents	<u>\$ 123,556,891</u>	<u>\$ 106,276,633</u>
Noncash investing activities:		
Change in fair value of investments	<u>\$ (1,642,637)</u>	<u>\$ (3,956,272)</u>
Noncash capital and related financing activities:		
Lease/subscription acquisition	\$ (228,264)	\$ (252,773)
Loss on disposal	(772,426)	-
	<u>\$ (1,000,690)</u>	<u>\$ (252,773)</u>

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

Las Virgenes Municipal Water District

Statements of Cash Flows (Continued) For the Years Ended June 30, 2024 and 2023

	Primary Government	
	2024	2023
Reconciliation of net operating income to net cash provided by operating activities:		
Net operating income	\$ 23,331,019	\$ 23,303,571
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	5,224,675	5,156,730
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	2,437,904	1,253,923
(Increase) decrease in due from Joint Powers Authority	1,509,643	(1,071,522)
(Increase) decrease in inventories	(1,358,563)	(380,056)
(Increase) decrease in prepaid items	(417,496)	(417,163)
(Increase) decrease in deferred outflows or resources - pension	(393,993)	(5,012,534)
(Increase) decrease in deferred outflows or resources - OPEB	539,734	(3,182,757)
Increase (decrease) in accounts and contracts payable and accrued expenses	1,689,897	122,810
Increase (decrease) in compensated absences	(68,109)	(83,094)
Increase (decrease) in deposits and other	12,015	28,918
Increase (decrease) in net pension liability	2,390,985	13,978,104
Increase (decrease) in net OPEB liability	(1,142,044)	(3,308,314)
Increase (decrease) in deferred inflows or resources - pension	(256,839)	(9,025,873)
Increase (decrease) in deferred inflows or resources - OPEB	(1,541,421)	4,285,349
Net cash provided by operating activities	\$ 31,957,407	\$ 25,648,092

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

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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).

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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. |

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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, 2024 and 2023.

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.

U.S. GAAP 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, 2024
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023
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

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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.

U.S. GAAP 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, 2024
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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 standard:

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Accounting Changes (Continued)

During the fiscal year ended June 30, 2024, the District implemented the following accounting standard:

GASB Statement No. 100 - As of July 1, 2023, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides 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. The entity had no changes or error corrections in the year ended June 30, 2024, that would require disclosure under this Statement.

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 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. This statement is effective for the District's fiscal year ending June 30, 2025.
- In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for the District's fiscal year ending June 30, 2025.
- In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement is effective for the District's fiscal year ending June 30, 2026.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 3 - Cash and Investments

As of June 30, 2024 and 2023, cash and investments are classified in the accompanying statements of net position as follows:

	2024			2023		
	Primary Government	Discretely Presented Component Unit - JPA	Total	Primary Government	Discretely Presented Component Unit - JPA	Total
Cash and cash equivalents	\$ 123,556,891	\$ 9,058,046	\$ 132,614,937	\$ 106,276,633	\$ 9,791,972	\$ 116,068,605
Total Cash and Investments	\$ 123,556,891	\$ 9,058,046	\$ 132,614,937	\$ 106,276,633	\$ 9,791,972	\$ 116,068,605

As of June 30, 2024 and 2023, cash and investments consisted of the following:

	2024			2023		
	Primary Government	Discretely Presented Component Unit - JPA	Total	Primary Government	Discretely Presented Component Unit - JPA	Total
Deposits:						
Demand deposits	\$ 2,069,190	\$ 151,696	\$ 2,220,886	\$ 1,389,597	\$ 127,998	\$ 1,517,595
Petty cash	700	-	700	1,400	-	1,400
Total Deposits	2,069,890	151,696	2,221,586	1,390,997	127,998	1,518,995
Investments:						
US Treasuries	5,097,483	373,680	5,471,163	-	-	-
Municipal bonds	13,351,286	978,798	14,330,084	21,072,918	-	21,072,918
US Government sponsored agency securities	55,610,620	4,076,900	59,687,520	46,107,531	7,062,710	53,170,241
Certificates of deposit	10,267,159	752,697	11,019,856	9,464,841	-	9,464,841
California Asset Management Program	30,481,589	2,234,640	32,716,229	23,060,718	2,124,160	25,184,878
California Local Agency Investment Fund	6,593,263	483,360	7,076,623	5,179,628	477,104	5,656,732
Money market mutual funds	85,601	6,275	91,876	-	-	-
Total Investments	121,487,001	8,906,350	130,393,351	104,885,636	9,663,974	114,549,610
Total Cash and Investments	\$ 123,556,891	\$ 9,058,046	\$ 132,614,937	\$ 106,276,633	\$ 9,791,972	\$ 116,068,605

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 3 - Cash and Investments (Continued)

As of June 30, 2024 and 2023, 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, 2024 and 2023:

	2024			2023		
	Significant Other Observable Input (Level 2)	Uncategorized	Total	Significant Other Observable Input (Level 2)	Uncategorized	Total
US Treasuries	\$ 5,471,163	\$ -	\$ 5,471,163	\$ -	\$ -	\$ -
Municipal bonds	14,330,084	-	14,330,084	21,072,918	-	21,072,918
US Government sponsored agency securities	59,687,520	-	59,687,520	53,170,241	-	53,170,241
Certificates of deposit	11,019,856	-	11,019,856	9,464,841	-	9,464,841
California Asset Management Program	-	32,716,229	32,716,229	-	25,184,878	25,184,878
California Local Agency Investment Fund	-	7,076,623	7,076,623	-	5,656,732	5,656,732
Money market mutual funds	-	91,876	91,876	-	-	-
Total Investments	\$ 90,508,623	\$ 39,884,728	\$ 130,393,351	\$ 83,708,000	\$ 30,841,610	\$ 114,549,610

Demand Deposits

Demand deposits are held in pool by the District. The carrying amounts of cash deposits were \$2,069,190 and \$1,389,597 at June 30, 2024 and 2023, respectively. Bank balances at June 30, 2024 and 2023 were \$4,239,836 and \$2,295,216 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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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, 2024, and 2023, the District had \$7,076,623 and \$5,656,732 respectively, invested in LAIF, which had invested 1.40% and 1.46% 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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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%	None
California Local Agency Investment Fund (LAIF)	None	None	\$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
Money market mutual funds	None	20%	10%

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, 2024 and 2023.

Investment Type	2024					Fair Value Total
	Remaining Maturity (in Years)					
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
US Treasuries	\$ 3,442,013	\$ -	\$ -	\$ 443,280	\$ 1,585,870	\$ 5,471,163
Municipal bonds	3,395,382	1,385,892	5,182,615	1,383,335	2,982,860	14,330,084
US Government sponsored agency securities	11,814,160	14,716,320	10,435,230	8,793,450	13,928,360	59,687,520
Certificates of deposit	2,403,810	2,346,088	1,859,484	1,946,216	2,464,258	11,019,856
California Asset Management Program	32,716,229	-	-	-	-	32,716,229
California Local Agency Investment Fund (LAIF)	7,076,623	-	-	-	-	7,076,623
Money market mutual funds	91,876	-	-	-	-	91,876
	<u>\$ 60,940,093</u>	<u>\$ 18,448,300</u>	<u>\$ 17,477,329</u>	<u>\$ 12,566,281</u>	<u>\$ 20,961,348</u>	<u>\$ 130,393,351</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 3 - Cash and Investments (Continued)

Investment Type	2023					Fair Value Total
	Remaining Maturity (in Years)					
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
Municipal bonds	\$ 8,604,741	\$ 4,216,077	\$ 1,324,895	\$ 4,152,530	\$ 2,774,675	\$ 21,072,918
US Government sponsored agency securities	12,323,375	9,641,420	14,171,296	7,243,750	9,790,400	53,170,241
Certificates 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
	<u>\$ 53,700,337</u>	<u>\$ 16,420,676</u>	<u>\$ 17,259,135</u>	<u>\$ 12,703,816</u>	<u>\$ 14,465,646</u>	<u>\$ 114,549,610</u>

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, 2024 and 2023.

Investment Type	2024				
	Total as of	Minimum Legal Requirement	AAA	AA+/-	Unrated
	June 30, 2024				
US Treasury	\$ 5,471,163	None	\$ 443,280	\$ 5,027,883	\$ -
Municipal bonds	14,330,084	AA-	3,181,258	11,148,826	-
US Government sponsored agency securities	59,687,520	None	59,687,520	-	-
Certificates of deposit	11,019,856	None	-	-	11,019,856
California Asset Management Program	32,716,229	None	32,716,229	-	-
California Local Agency Investment Fund (LAIF)	7,076,623	None	-	-	7,076,623
Money market mutual funds	91,876	None	-	-	91,876
	<u>\$ 130,393,351</u>		<u>\$ 96,028,287</u>	<u>\$ 16,176,709</u>	<u>\$ 18,188,355</u>

Investment Type	2023				
	Total as of	Minimum Legal Requirement	AAA	AA+/-	Unrated
	June 30, 2023				
Municipal bonds	\$ 21,072,918	AA-	\$ 8,513,834	\$ 12,559,084	\$ -
US Government sponsored agency securities	53,170,241	None	53,170,241	-	-
Certificates 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
	<u>\$ 114,549,610</u>		<u>\$ 86,868,953</u>	<u>\$ 12,559,084</u>	<u>\$ 15,121,573</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, sales and services receivable, net of allowance for uncollectible accounts, were in the amount of \$8,582,456 and \$7,263,914 for the District and \$1,367,751 and \$2,242,069 for the JPA, respectively. As of June 30, 2024 and 2023, allowance for uncollectible accounts were in the amount of \$111,968 and \$151,200 for the District. The JPA does not have any allowance for uncollectible accounts as of June 30, 2024 and 2023.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 5 - Inventories

Inventories consisted of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<u>Primary Government</u>		
Material and supplies	\$ 1,103,898	\$ 1,039,849
Water in storage	9,672,708	8,378,194
Total	<u>\$ 10,776,606</u>	<u>\$ 9,418,043</u>

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:

	<u>2024</u>	<u>2023</u>
Beginning of year	\$ 68,088,841	\$ 68,941,953
Contributions	22,103,138	17,776,234
Share in income (loss):		
Sanitation expenses	(15,435,711)	(14,451,949)
Depreciation expense	(4,089,993)	(4,177,397)
End of year	<u>\$ 70,666,275</u>	<u>\$ 68,088,841</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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:

	<u>2024</u>	<u>2023</u>
Primary government's net investment in JPA's capital assets	\$ 69,863,672	\$ 67,093,748
Capitalized interest, net	802,603	995,093
Investment in JPA	<u>\$ 70,666,275</u>	<u>\$ 68,088,841</u>

Condensed financial statement of the JPA as of and for the year ended June 30, 2024 and 2023 including the participants' approximate percentage shares as follows:

	<u>2024</u>	<u>2023</u>
Beginning of year	\$ 6,373,433	\$ 5,301,911
Additions	5,522,704	9,169,368
(Deletions)	<u>(7,032,347)</u>	<u>(8,097,846)</u>
End of year	<u>\$ 4,863,790</u>	<u>\$ 6,373,433</u>

The amount due from the JPA at June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>			<u>2023</u>		
	<u>Amount</u>	<u>Las Virgenes Municipal Water District</u>	<u>Triunfo Sanitation District</u>	<u>Amount</u>	<u>Las Virgenes Municipal Water District</u>	<u>Triunfo Sanitation District</u>
Total assets	\$ 116,742,266	67%	33%	\$ 112,809,334	67%	33%
Total liabilities	10,931,239	67%	33%	12,476,236	67%	33%
Total equity	105,811,027	70%	30%	100,333,098	70%	30%
Billings to participants	21,175,232	67%	33%	19,951,744	67%	33%
Depreciation	5,579,368	70%	30%	5,703,196	70%	30%
Capital contributions	11,057,297	71%	29%	4,902,783	71%	29%

Note 7 - Lease Receivable

On July 1, 2020, the District entered into several leases from 64 to 209-months as Lessor. As of June 30, 2024 and 2023, the value of the lease receivable is \$1,193,185 and \$1,286,390, respectively. The leases have receipts that range from \$3,120 to \$35,473 and interest rates ranging from 0.3870 to 0.8060%. The value of the deferred inflow of resources as of June 30, 2024 and 2023 is \$1,160,430 and \$1,259,550, respectively.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 8 - Capital Assets

Primary Government

A summary of changes in capital assets for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Reclassification	Balance June 30, 2024
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	11,988,710	3,229,289	(772,426)	(4,335,807)	10,109,766
Total capital assets, not depreciated	18,904,068	3,229,289	(772,426)	(4,335,807)	17,025,124
Capital assets, being depreciated/amortized					
Water plant:					
Source of supply	45,642,927	-	-	82,360	45,725,287
Plant	131,330,669	-	-	3,500,266	134,830,935
Structure	33,079,155	-	-	79,595	33,158,750
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	12,789,146	-	(272,689)	673,586	13,190,043
Intangible right-to-use-assets	2,024,112	236,858	(1,307,305)	-	953,665
Total capital assets, being depreciated/ amortized	254,450,875	236,858	(1,579,994)	4,335,807	257,443,546
Less accumulated depreciation/amortization					
Water plant:					
Source of supply	(16,024,940)	(1,023,807)	-	-	(17,048,747)
Plant	(65,260,615)	(1,918,025)	-	-	(67,178,640)
Structure	(20,244,977)	(685,931)	-	-	(20,930,908)
Sanitation plant:					
Plant	(4,568,787)	(72,854)	-	-	(4,641,641)
Machinery and equipment	(17,318)	-	-	-	(17,318)
General utility plant:					
Building and improvements	(15,264,135)	(480,067)	-	-	(15,744,202)
Machinery and equipment	(11,029,356)	(449,758)	272,689	-	(11,206,425)
Intangible right-to-use-assets	(1,246,480)	(594,233)	1,307,305	-	(533,408)
Total accumulated depreciation/amortization	(133,656,608)	(5,224,675)	1,579,994	-	(137,301,289)
Total capital assets, being depreciated amortized, net	120,794,267	(4,987,817)	-	4,335,807	120,142,257
Total capital assets, net	\$ 139,698,335	\$ (1,758,528)	\$ (772,426)	\$ -	\$ 137,167,381

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 8 - Capital Assets (Continued)

Primary Government (Continued)

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	<u>27,157,400</u>	<u>7,325,931</u>	<u>-</u>	<u>(15,579,263)</u>	<u>18,904,068</u>
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	<u>238,707,085</u>	<u>253,184</u>	<u>(88,657)</u>	<u>15,579,263</u>	<u>254,450,875</u>
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	<u>(128,598,331)</u>	<u>(5,156,730)</u>	<u>98,453</u>	<u>-</u>	<u>(133,656,608)</u>
Total capital assets, being depreciated amortized, net	<u>110,108,754</u>	<u>(4,903,546)</u>	<u>9,796</u>	<u>15,579,263</u>	<u>120,794,267</u>
Total capital assets, net	<u>\$ 137,266,154</u>	<u>\$ 2,422,385</u>	<u>\$ 9,796</u>	<u>\$ -</u>	<u>\$ 139,698,335</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 8 - Capital Assets (Continued)

Discretely Presented Component Unit - JPA

A summary of changes in capital assets for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Reclassification	Balance June 30, 2024
Capital assets, not depreciated					
Land and land rights	\$ 14,368,150	\$ -	\$ -	\$ -	\$ 14,368,150
Construction in progress	15,151,554	11,057,297	-	(5,042,630)	21,166,221
Total capital assets, not depreciated	<u>29,519,704</u>	<u>11,057,297</u>	<u>-</u>	<u>(5,042,630)</u>	<u>35,534,371</u>
Capital assets, being depreciated					
Sewer and treatment plant	131,176,425	-	-	3,288,614	134,465,039
Compost plant and farm	83,689,683	-	-	1,754,016	85,443,699
Recycled water system	36,005,381	-	-	-	36,005,381
Advanced water system	4,420,623	-	-	-	4,420,623
Total capital assets, being depreciated	<u>255,292,112</u>	<u>-</u>	<u>-</u>	<u>5,042,630</u>	<u>260,334,742</u>
Less accumulated depreciation					
Sewer and treatment plant	(99,877,807)	(3,297,738)	-	-	(103,175,545)
Compost plant and farm	(58,480,471)	(1,781,211)	-	-	(60,261,682)
Recycled water system	(25,863,082)	(412,007)	-	-	(26,275,089)
Advanced water system	(257,358)	(88,412)	-	-	(345,770)
Total accumulated depreciation	<u>(184,478,718)</u>	<u>(5,579,368)</u>	<u>-</u>	<u>-</u>	<u>(190,058,086)</u>
Total capital assets, being depreciated, net	<u>70,813,394</u>	<u>(5,579,368)</u>	<u>-</u>	<u>5,042,630</u>	<u>70,276,656</u>
Total capital assets, net	<u>\$ 100,333,098</u>	<u>\$ 5,477,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,811,027</u>

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	<u>25,388,592</u>	<u>4,902,783</u>	<u>-</u>	<u>(771,671)</u>	<u>29,519,704</u>
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	<u>254,520,441</u>	<u>-</u>	<u>-</u>	<u>771,671</u>	<u>255,292,112</u>
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)	(918,698)	-	-	(25,863,082)
Advanced water system	(168,946)	(88,412)	-	-	(257,358)
Total accumulated depreciation	<u>(178,775,522)</u>	<u>(5,703,196)</u>	<u>-</u>	<u>-</u>	<u>(184,478,718)</u>
Total capital assets, being depreciated, net	<u>75,744,919</u>	<u>(5,703,196)</u>	<u>-</u>	<u>771,671</u>	<u>70,813,394</u>
Total capital assets, net	<u>\$ 101,133,511</u>	<u>\$ (800,413)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,333,098</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 9 - Compensated Absences

A summary of changes in compensated absences for the year ended June 30, 2024 is as follows:

Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More than One Year
\$ 2,166,469	\$ 407,918	\$ (476,027)	\$ 2,098,360	\$ 523,630	\$ 1,574,730

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	\$ 1,490,346

Note 10 - Long-Term Liabilities

A summary of changes in long-term debt for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More than One Year
Direct borrowing:						
2020 Installment purchase agreement	\$ 7,370,000	\$ -	\$ (995,000)	\$ 6,375,000	\$ 1,010,000	\$ 5,365,000
Lease liability	47,004	3,790	(29,894)	20,900	15,489	5,411
Subscription liability	504,137	222,878	(397,735)	329,280	194,875	134,405
Total Long-Term Debt	\$ 7,921,141	\$ 226,668	\$ (1,422,629)	\$ 6,725,180	\$ 1,220,364	\$ 5,504,816

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

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 10 - Long-Term Liabilities (Continued)

2020 Installment Purchase Agreement (Continued)

The annual debt service requirements at June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,010,000	\$ 114,465	\$ 1,124,465
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	1,095,000	32,419	1,127,419
2030	1,115,000	10,871	1,125,871
Total	\$ 6,375,000	\$ 380,201	\$ 6,755,201

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, 2024, the value of the lease liability is \$20,900. The District is required to make payments ranging from \$4,236 to \$13,421. The leases have interest rates ranging from 0.5420% to 0.6000%. The value of the right to use asset as of June 30, 2024 is \$77,238 with accumulated amortization of \$57,611.

The annual debt service requirements as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 15,489	\$ 88	\$ 15,577
2026	5,411	11	5,422
Total	\$ 20,900	\$ 99	\$ 20,999

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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, 2024, the value of the subscription liability is \$329,280. The District is required to make payments ranging from \$6,000 to \$101,041. The subscriptions have interest rates ranging from 0.3080% to 3.7640%. The value of the right to use asset as of June 30, 2024 is \$876,427 with accumulated amortization of \$475,797.

The annual debt service requirements as of June 30, 2024 are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2025	\$ 194,875	\$ 7,653	\$ 202,528
2026	105,346	3,463	108,809
2027	29,059	576	29,635
Total	\$ 329,280	\$ 11,692	\$ 340,972

Note 11 - Pension Plan - Defined Benefit Plan

General Information about the Pension Plan

Plan Description

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, 2022 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.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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, 2024 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
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 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employer contribution rates	10.98%	7.00%

Employees Covered

As of June 30, 2022 and 2021 (valuation dates), the following employees were covered by the benefit terms:

	2022	2021
Inactive employees or beneficiaries currently receiving benefits	173	170
Inactive employees entitled to but not yet receiving benefits	74	73
Active	115	111
Total	362	354

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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, 2024 and 2023 were \$3,132,552 and \$3,394,789, respectively.

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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

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

There were no subsequent events that would materially affect the results presented in this disclosure.

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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2022 to June 30, 2023.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)=(a)-(b)
Balance at June 30, 2022 (Valuation Date)	\$ 116,873,253	\$ 93,983,839	\$ 22,889,414
Changes Recognized for the Measurement Period:			
Service cost	2,170,113	-	2,170,113
Interest on the total pension liability	8,062,847	-	8,062,847
Changes of benefit terms	114,822	-	114,822
Difference between expected and actual experience	2,139,641	-	2,139,641
Contributions from the employer	-	3,394,789	(3,394,789)
Contributions from employees	-	909,902	(909,902)
Net investment income, net of administrative expense	-	5,860,858	(5,860,858)
Benefit payments, including refunds of employee contributions	(6,719,837)	(6,719,837)	-
Administrative expense	-	(69,111)	69,111
Net Changes during July 1, 2022 to June 30, 2023	5,767,586	3,376,601	2,390,985
Balance at June 30, 2023 (Measurement Date)	\$ 122,640,839	\$ 97,360,440	\$ 25,280,399

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)
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
Other miscellaneous income	-	-	-
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

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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

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 the 2023 and 2022 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:

	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(5.9%)	Rate (6.9%)	(7.9%)
2023 Plan's Net Pension Liability/(Asset)	<u>\$ 40,502,588</u>	<u>\$ 25,280,399</u>	<u>\$ 12,607,559</u>
2022 Plan's Net Pension Liability/(Asset)	<u>\$ 37,459,222</u>	<u>\$ 22,889,414</u>	<u>\$ 10,740,828</u>

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Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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

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

As of the start of the measurement period (July 1, 2022), the District's net pension liability was \$22,889,414. For the measurement periods ending June 30, 2023 and 2022 (the measurement date), the District incurred a pension expense of \$4,872,707 and \$3,334,484.

As of June 30, 2024 and 2023, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,528,315	\$ (308,208)	\$ 176,142	\$ (565,047)
Changes of Assumptions	450,743	-	826,362	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,387,234	-	4,707,558	-
Pension Contributions Subsequent to Measurement Date	3,132,552	-	3,394,789	-
Total	\$ 9,498,844	\$ (308,208)	\$ 9,104,851	\$ (565,047)

These amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$3,132,552 and \$3,394,789 in during the years ended June 30, 2024 and 2023, respectively, reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

2024	
Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 1,510,293
2026	1,058,528
2027	3,382,000
2028	107,263
2029	-
Total	\$ 6,058,084

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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

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

	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 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 2024 and 2023 was \$1,121,833 and \$1,089,158 respectively.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 12 - Other Postemployment Benefits (Continued)

General Information about the OPEB Plan (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, 2023 and 2022, the dates of the latest actuarial valuations, respectively.

	<u>2023</u>	<u>2022</u>
Active employees	116	116
Retired employees and beneficiaries	104	104
Total	<u>220</u>	<u>220</u>

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	6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2023-2069 and 4.00 percent 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%.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 12 - Other Postemployment Benefits (Continued)

Net OPEB Liability (Continued)

Discount Rate

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, 2023:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Real Return</u>
Global ex-U.S. Equity	23%	4.8%
U.S. Fixed	51%	1.8%
Treasury Inflation Protected Securities (TIPS)	9%	1.6%
Real Estate	14%	3.7%
Commodities	3%	1.9%
	<u>100%</u>	

Measurement date June 30, 2022:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Real Return</u>
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%
	<u>100%</u>	

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 12 - Other Postemployment Benefits (Continued)

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, 2022 (Measurement Date)	\$ 21,302,475	\$ 13,359,161	\$ 7,943,314
Changes recognized for the measurement period:			
Service cost	437,388	-	437,388
Interest on the total OPEB liability	1,163,187	-	1,163,187
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	2,483,143	(2,483,143)
Contributions from employees	-	263,416	(263,416)
Benefit payments, including refunds of employee contributions	(1,198,059)	(1,198,059)	-
Administrative expense	-	(3,940)	3,940
Net changes during July 1, 2022 to June 30, 2023	402,516	1,544,560	(1,142,044)
Balance at June 30, 2023 (Measurement Date)	\$ 21,704,991	\$ 14,903,721	\$ 6,801,270

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, 2023, 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	\$ 9,134,895	\$ 6,801,270	\$ 4,819,951

The following presents the net OPEB liability of the District at measurement date June 30, 2023, 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	\$ 4,443,756	\$ 6,801,270	\$ 9,628,711

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 12 - Other Postemployment Benefits (Continued)

Change in the Net OPEB Liability (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c)=(a)-(b)
Balance at June 30, 2021 (Valuation 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 contributions	(1,244,298)	(1,244,298)	-
Administrative expense	-	(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

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

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 12 - Other Postemployment Benefits (Continued)

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

For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of \$241,445 and \$265,641, respectively, for the District Plan. At June 30, 2024 and 2023 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,390,670	\$ -	\$ 2,488,637	\$ -
Changes of assumptions	1,912,705	(574,295)	2,468,827	(847,770)
Differences between expected and actual experience	-	(5,096,634)	-	(6,364,580)
Difference between projected and actual return on investments	1,524,749		1,410,394	-
Total	\$ 5,828,124	\$ (5,670,929)	\$ 6,367,858	\$ (7,212,350)

The \$2,390,670 and \$2,488,637 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, 2024 and 2023, respectively will be recognized as a reduction of the net OPEB liability in future years. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future expenses as follows:

Year Ended June 30,	2024	Year Ended June 30,	2023
	Deferred Outflows/(Inflows) of Resources		Deferred Outflows/(Inflows) of Resources
2025	\$ (665,151)	2024	\$ (695,008)
2026	(678,682)	2025	(766,312)
2027	(53,059)	2026	(779,843)
2028	(484,929)	2027	(154,220)
2029	(351,654)	2028	(586,092)
Thereafter	-	Thereafter	(351,654)
Total	\$ (2,233,475)	Total	\$ (3,333,129)

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

Note 13 - Net Position

As of June 30, 2024, and 2023, the net position for the District consisted of the following:

	2024		2023	
	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	\$ 137,167,381	\$ 105,811,027	\$ 139,698,335	\$ 100,333,098
Less:				
Contract retainage	(487,227)	-	(544,893)	-
2020 Installment purchase agreement	(6,375,000)	-	(7,370,000)	-
Lease liability	(20,900)	-	(47,004)	-
Subscription liability	(329,280)	-	(504,137)	-
Total net investment in capital assets	129,954,974	105,811,027	131,232,301	100,333,098
Unrestricted:				
Designated for:				
Investment in JPA	70,666,275	-	68,088,841	-
Rate stabilization	8,000,000	-	8,000,000	-
Insurance	8,672,937	-	8,873,789	-
Operating emergencies	16,359,729	-	16,199,610	-
Pure water	35,000,000	-	35,000,000	-
Undesignated	47,035,023	-	29,692,018	-
Total unrestricted	185,733,964	-	165,854,258	-
Total Net Position	\$ 315,688,938	\$ 105,811,027	\$ 297,086,559	\$ 100,333,098

Note 14 - Risk Management

The District has contracted with Allied World Assurance Company/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 \$3,018,556 and \$2,645,172 for the years ended June 30, 2024 and 2023, 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 \$239,027 and \$248,278 for the years ended June 30, 2024 and 2023, respectively.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

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, 2024, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of \$9,627,991.

	<u>Contractual Commitment</u>
Cornell Pump Station Upgrades	\$ 5,586,647
LV Calleguas Interconnection	1,911,658
Various construction projects	<u>2,129,686</u>
	<u>\$ 9,627,991</u>

As of June 30, 2024, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$31,296,105.

	<u>Contractual Commitment</u>
Pure Water Project	\$ 27,474,125
Malibou Siphon Lake	1,571,064
Various construction projects	<u>2,250,916</u>
	<u>\$ 31,296,105</u>

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	<u>Commitment</u>
LV Calleguas Interconnection	\$ 1,941,285
Stationary emergency generator	820,433
Various construction projects	<u>1,905,946</u>
Total	<u>\$ 4,667,664</u>

Las Virgenes Municipal Water District

**Notes to the Basic Financial Statements
For the Years Ended June 30, 2024 and 2023**

Note 15 - Construction and Other Significant Commitments (Continued)

Contractual Commitments (Continued)

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 Supervisory Control and Data Acquisition improvements	\$ 1,092,050
Rancho Agitators Replacement	961,191
Pure Water Project	876,382
Various construction projects	1,342,837
Total	<u>\$ 4,272,460</u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Las Virgenes Municipal Water District

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	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 2,170,113	\$ 2,090,119	\$ 1,890,607	\$ 1,744,616	\$ 1,783,579
Interest	8,062,847	7,665,701	7,629,771	7,306,938	6,894,754
Changes of Benefit Terms	114,822	-	-	-	-
Differences between expected and actual experience	2,139,641	(821,886)	567,566	1,884,476	1,883,971
Changes of assumptions	-	1,201,981	-	-	-
Benefit payments, including refunds of employee contributions	(6,719,837)	(5,869,237)	(5,357,190)	(4,996,713)	(4,560,334)
Net change in total pension liability	5,767,586	4,266,678	4,730,754	5,939,317	6,001,970
Total pension liability - beginning	116,873,253	112,606,575	107,875,821	101,936,504	95,934,534
Total pension liability - ending (a)	122,640,839	116,873,253	112,606,575	107,875,821	101,936,504
Pension fiduciary net position					
Contributions - employer	3,394,789	3,121,268	2,784,221	2,588,930	2,414,889
Contributions - employee	909,902	861,955	829,015	849,386	766,262
Net investment income ¹	5,860,858	(7,760,816)	19,355,162	4,134,868	5,268,968
Benefit payments, including refunds of employee contributions	(6,719,837)	(5,869,237)	(5,357,190)	(4,996,713)	(4,560,334)
Other	(69,111)	(64,596)	(86,079)	(118,013)	(56,818)
Net change in plan fiduciary net position	3,376,601	(9,711,426)	17,525,129	2,458,458	3,832,967
Plan fiduciary net position - beginning	93,983,839	103,695,265	86,170,136	83,711,678	79,878,711
Plan fiduciary net position - ending (b)	97,360,440	93,983,839	103,695,265	86,170,136	83,711,678
District's net pension liability - ending (a) - (b)	\$ 25,280,399	\$ 22,889,414	\$ 8,911,310	\$ 21,705,685	\$ 18,224,826
Plan fiduciary net position as a percentage of the total pension liability	79.39%	80.42%	92.09%	78.88%	82.12%
Covered payroll	\$ 13,170,993	\$ 12,498,168	\$ 11,919,217	\$ 11,200,332	\$ 10,997,736
District's net pension liability as a percentage of covered payroll	191.94%	183.14%	74.76%	193.80%	165.71%

¹ Net of administrative expenses in 2013-14.

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in 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. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

Las Virgenes Municipal Water District

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	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 1,744,796	\$ 1,813,978	\$ 1,511,819	\$ 1,593,701	\$ 1,694,463
Interest	6,486,599	6,456,858	6,362,749	6,129,355	6,040,285
Changes of Benefit Terms	-	-	-	-	-
Differences between expected and actual experience	(1,061,287)	(211,229)	(600,876)	(2,996,239)	-
Changes of assumptions	(2,708,692)	5,214,612	-	(1,492,369)	-
Benefit payments, including refunds of employee contributions	(4,292,253)	(3,808,359)	(3,984,639)	(4,076,072)	(3,145,116)
Net change in total pension liability	169,163	9,465,860	3,289,053	(841,624)	4,589,632
Total pension liability - beginning	<u>95,765,371</u>	<u>88,299,511</u>	<u>85,010,458</u>	<u>85,852,082</u>	<u>81,262,450</u>
Total pension liability - ending (a)	<u>95,934,534</u>	<u>97,765,371</u>	<u>88,299,511</u>	<u>85,010,458</u>	<u>85,852,082</u>
Pension fiduciary net position					
Contributions - employer	2,100,676	1,992,743	1,888,232	1,701,878	1,780,006
Contributions - employee	815,450	741,264	694,766	700,118	919,090
Net investment income ²	6,323,046	7,711,377	341,006	1,610,606	10,570,584
Benefit payments, including refunds of employee contributions	(4,292,253)	(3,808,359)	(3,984,639)	(4,076,072)	(3,145,116)
Other	(340,224)	(101,485)	(42,564)	(78,615)	-
Net change in plan fiduciary net position	4,606,695	6,535,540	(1,103,199)	(142,085)	10,124,564
Plan fiduciary net position - beginning	<u>75,272,016</u>	<u>68,736,476</u>	<u>69,839,675</u>	<u>69,981,760</u>	<u>59,857,196</u>
Plan fiduciary net position - ending (b)	<u>79,878,711</u>	<u>75,272,016</u>	<u>68,736,476</u>	<u>69,839,675</u>	<u>69,981,760</u>
District's net pension liability - ending (a) - (b)	<u>\$ 16,055,823</u>	<u>\$ 20,493,355</u>	<u>\$ 19,563,035</u>	<u>\$ 15,170,783</u>	<u>\$ 15,870,322</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.26%</u>	<u>78.60%</u>	<u>77.84%</u>	<u>82.15%</u>	<u>81.51%</u>
Covered payroll	<u>\$ 10,354,515</u>	<u>\$ 10,502,928</u>	<u>\$ 9,775,690</u>	<u>\$ 9,545,681</u>	<u>\$ 10,635,596</u>
District's net pension liability as a percentage of covered payroll	<u>155.06%</u>	<u>195.12%</u>	<u>200.12%</u>	<u>158.93%</u>	<u>149.22%</u>

Las Virgenes Municipal Water District

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

California Public Employees' Retirement System ("CalPERS")

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 3,132,552	\$ 3,394,789	\$ 3,121,268	\$ 2,784,221	\$ 2,588,931
Contributions in relation to the actuarially determined contribution	<u>(3,132,552)</u>	<u>(3,394,789)</u>	<u>(3,121,268)</u>	<u>(2,784,221)</u>	<u>(2,588,931)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 13,625,884	\$ 13,170,993	\$ 12,498,168	\$ 11,919,217	\$ 11,200,332
Contributions as a percentage of covered payroll ¹	22.99%	25.77%	24.97%	23.36%	23.11%

¹ 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: 6/30/2022 6/30/2021 6/30/2020 6/30/2019 6/30/2018

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2023-24 were from the June 30, 2022 public agency valuations.

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

Las Virgenes Municipal Water District

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,414,889	\$ 2,100,676	\$ 1,992,743	\$ 1,888,232	\$ 1,701,878
Contributions in relation to the actuarially determined contribution	<u>(2,414,889)</u>	<u>(2,100,676)</u>	<u>(1,992,743)</u>	<u>(1,888,232)</u>	<u>(1,701,878)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 10,997,736	\$ 10,354,515	\$ 10,502,928	\$ 9,775,690	\$ 9,545,681
Contributions as a percentage of covered payroll ¹	21.96%	20.29%	18.97%	19.32%	17.83%

Notes to Schedule:

Valuation date:	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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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	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$ 437,388	\$ 369,911	\$ 539,986	\$ 560,131	\$ 722,811	\$ 650,429	\$ 174,032
Interest	1,163,187	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	(1,198,059)	(1,244,298)	(1,345,809)	(1,303,141)	(1,645,263)	(1,632,555)	(1,022,844)
Net change in total OPEB liability	402,516	(3,282,109)	624,401	(2,324,715)	571,701	1,172,548	564,169
Total OPEB liability - beginning	21,302,475	24,584,584	23,960,183	26,284,898	25,713,197	24,540,649	23,976,480
Total OPEB liability - ending (a)	21,704,991	21,302,475	24,584,584	23,960,183	26,284,898	25,713,197	24,540,649
OPEB fiduciary net position							
Contributions - employer	2,483,143	2,845,102	2,960,833	2,696,541	2,975,568	2,216,227	1,657,742
Net investment income ²	263,416	(1,571,067)	1,467,876	587,187	544,469	470,926	472,252
Benefit payments, including refunds of employee contributions	(1,198,059)	(1,244,298)	(1,345,809)	(1,303,141)	(1,645,263)	(1,632,955)	(1,022,844)
Other	(3,940)	(3,532)	(3,821)	(7,704)	(5,931)	-	(3,938)
Net change in plan fiduciary net position	1,544,560	26,205	3,079,079	1,972,883	1,868,843	1,054,198	1,103,212
Plan fiduciary net position - beginning	13,359,161	13,332,956	10,253,877	8,280,994	6,412,151	5,357,553	4,254,341
Plan fiduciary net position - ending (b)	14,903,721	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)	\$ 6,801,270	\$ 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	68.66%	62.71%	54.23%	44.80%	31.50%	24.94%	21.83%
Covered payroll	\$ 13,170,993	\$ 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	51.64%	213.66%	213.66%	112.36%	157.09%	180.60%	191.23%

¹ Ten year historical information is not available.

Actuarial Assumptions:

Actuarial cost method	Entry Age, Level Percent of Pay
Inflation	2.75% - Per annum
Salary Increases	3.00% - Per annum
Investment Rate of Return	5.50%
Preretirement Mortality	Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).
Postretirement Mortality	Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).
Healthcare Trend Rate	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 2023-2069 and 4.00% for 2070 and later years.

Las Virgenes Municipal Water District

Required Supplementary Information (Unaudited) Schedule of OPEB Plan Contributions Last Ten Fiscal Years¹

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined employer contribution	\$ 1,121,833	\$ 1,089,158	\$ 1,285,084	\$ 2,950,042	\$ 3,038,663	\$ 2,216,227	\$ 1,657,743
Actual employer contribution	(2,390,670)	(1,089,158)	(1,285,084)	(2,950,042)	(3,038,663)	(2,216,227)	(1,657,743)
Contribution deficiency (excess)	\$ (1,268,837)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,625,884	\$ 13,170,993	\$ 12,498,168	\$ 11,919,217	\$ 11,200,332	\$ 10,997,736	\$ 10,354,515
Contributions as a percentage of covered payroll	17.55%	8.27%	10.28%	24.75%	26.51%	20.74%	16.53%

¹Ten year historical information is not available.

Las Virgenes Municipal Water District

Index to Statistical Section June 30, 2024

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.

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| 1. Net Position | 65 |
| 2. Changes in Net Position | 66 |

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

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| 4. Revenue Rates | 68 |
| 5. Principal Revenue Payers | 70 |

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.

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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.

- | | |
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| 10. Demographic and Economic Statistics | 75 |
| 11. Principal Employers | 76 |

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.

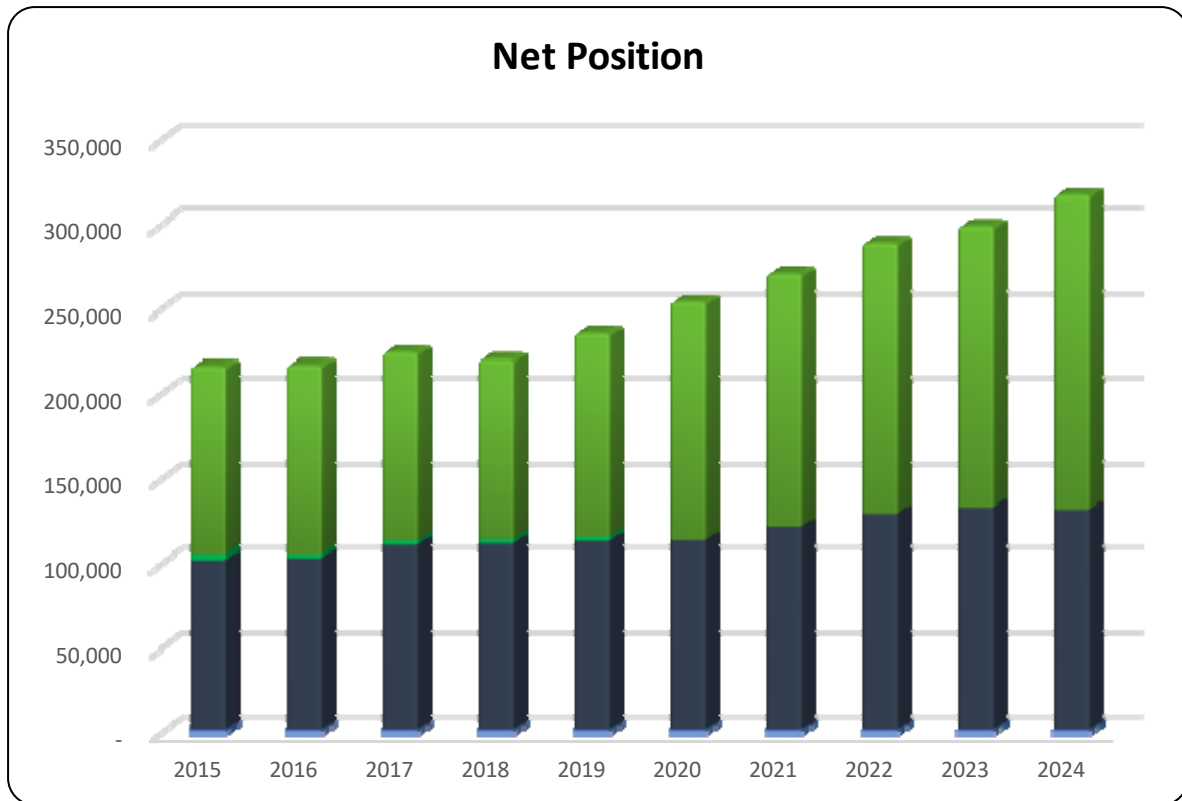
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Note: The District has no governmental funds; therefore, does not present information about changes in fund balances. Also, the District has no legal debt limitations.

Las Virgenes Municipal Water District

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
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
2024	129,955	-	185,734	315,689



Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

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

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
OPERATING REVENUES:										
Water sales and service fees	\$ 45,569	\$ 38,914	\$ 51,564	\$ 52,306	\$ 45,431	\$ 43,370	\$ 45,257	\$ 39,113	\$ 32,949	\$ 37,547
Sanitation service fees	22,217	21,208	20,241	18,695	18,836	18,923	18,818	18,614	17,050	16,726
Other income	1,984	4,540	3,933	3,475	3,151	2,681	2,642	2,068	3,030	1,911
Total operating revenues	69,770	64,662	75,738	74,476	67,418	64,974	66,717	59,795	53,029	56,184
OPERATING EXPENSES:										
Water expenses:										
Source of supply	22,073	19,428	25,977	28,128	24,762	24,375	25,575	23,609	21,575	25,302
Pumping	2,329	1,778	2,548	1,979	1,738	1,615	1,669	1,618	1,491	1,582
Transmission and distribution	4,037	3,874	3,324	2,868	3,299	3,998	2,834	2,808	2,956	2,976
Meter	291	634	1,016	1,018	832	760	735	851	898	572
Water conservation	174	274	82	166	635	618	265	395	2,280	1,964
Rental	-	-	-	31	14	28	7	4	21	3
General and administrative	8,721	6,794	4,366	6,832	7,357	6,441	6,208	5,645	5,155	5,668
Total water expenses	37,624	32,782	37,313	41,022	38,637	37,835	37,293	34,930	34,376	38,067
Sanitation expenses:										
Other sewage treatment	754	737	652	514	384	484	447	381	474	227
Lift stations	269	263	225	264	255	190	198	199	277	241
General and administrative	2,566	2,420	2,589	1,914	1,916	1,362	1,231	991	1,292	1,005
Total sanitation expenses	3,589	3,420	3,466	2,692	2,555	2,036	1,876	1,571	2,043	1,473
Depreciation and amortization	5,225	5,157	4,976	3,832	4,012	4,016	3,943	4,076	4,712	4,579
Total operating expenses	46,438	41,359	45,755	47,546	45,204	43,887	43,112	40,577	41,131	44,119
NET OPERATING INCOME (LOSS)	23,332	23,304	29,983	26,930	22,214	21,087	23,605	19,218	11,898	12,065
NONOPERATING REVENUES (EXPENSES):										
Taxes and penalties	1,092	1,096	1,001	929	915	984	946	953	926	904
Lease income	93	97	81	83	-	-	-	-	-	-
Interest income	5,644	1,400	(3,099)	223	3,158	3,096	452	274	572	478
Facilities income/ (expense)	334	288	348	358	355	378	352	371	336	345
Interest expense and fiscal charges	49	(74)	(209)	(194)	(232)	(531)	(642)	(748)	(825)	(909)
Share of Joint Powers Authority (expense)	(19,526)	(18,629)	(15,314)	(17,969)	(13,633)	(13,958)	(13,718)	(13,157)	(12,955)	(13,828)
Gain (Loss) on disposal of capital assets	(716)	8	-	52	8	-	(73)	(46)	51	10
Other revenues/(expenses)	3,083	592	232	1,103	3,986	722	408	(74)	401	(362)
Nonoperating revenues (expenses)	(9,947)	(15,223)	(16,960)	(15,415)	(5,443)	(9,309)	(12,275)	(12,427)	(11,494)	(13,362)
Capital contributions	5,218	2,163	3,698	5,498	1,419	3,900	2,566	620	377	990
Change in Net Position	18,603	10,243	16,721	17,013	18,190	15,678	13,896	7,411	781	(307)
NET POSITION:										
Beginning of year, as restated	297,086	286,843	270,122	252,231	234,031	218,343	204,447	215,101	214,320	214,627
Ending Net Position	\$315,690	\$297,086	\$286,843	\$269,244	\$252,221	\$234,021	\$218,343	\$222,512	\$215,101	\$214,320

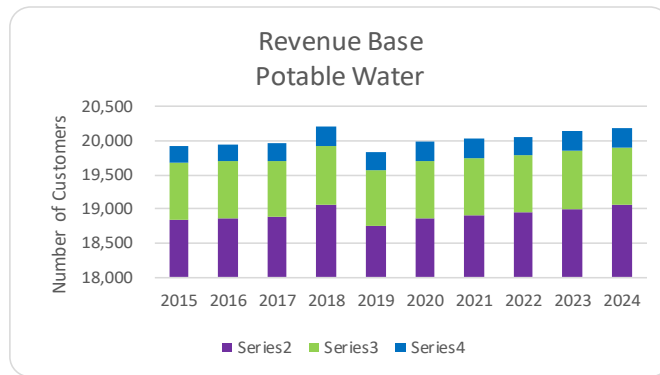
Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

Revenue Base Last Ten Fiscal Years

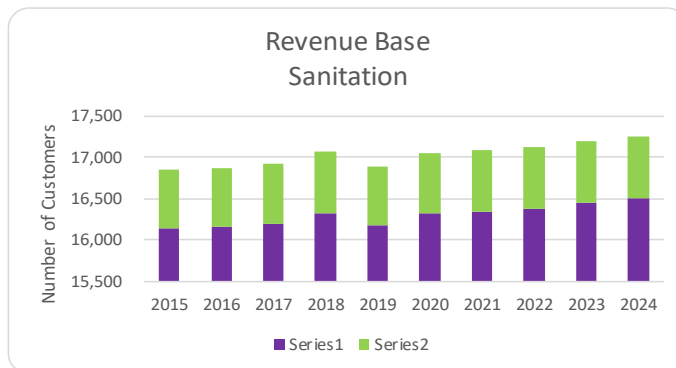
Potable Water

Fiscal Year	Operating Revenue in thousand \$	Number of Customers			
		Residential	Commercial	Irrigation	Total
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
2024	45,569	19,055	854	280	20,189



Sanitation

Fiscal Year	Operating Revenue in thousand \$	Number of Customers		
		Residential	Commercial	Total
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
2024	22,217	16,513	745	17,258



Source: Las Virgenes Municipal Water District

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

Meter Size	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	Monthly	Monthly
									1/1/2023	1/1/2024
3/4"	\$ 31.73	\$ 18.30	\$ 21.73	\$ 25.43	\$ 29.42	\$ 33.72	\$ 35.86	\$ 37.66	\$ 39.55	\$ 41.53
1"	46.72	29.47	35.14	41.25	47.87	54.97	58.14	61.05	64.11	67.32
1-1/2"	84.18	57.39	68.65	80.80	90.95	108.07	113.82	119.52	125.50	131.78
2"	129.66	90.89	108.86	128.26	149.25	171.80	180.66	189.70	199.19	209.15
3"	248.90	196.97	236.20	278.55	324.37	373.61	392.27	411.89	432.49	454.12
4"	384.34	353.30	423.85	500.02	582.48	671.00	704.12	739.33	776.30	815.12
6"	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	2,065.76
8"	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	3,612.94
10"	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	5,417.99

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	1/1/2024
Residential Rates										
Tier 1	\$ 2.31	\$ 2.36	\$ 2.46	\$ 2.59	\$ 2.71	\$ 2.85	\$ 3.14	\$ 3.39	\$ 3.76	\$ 4.06
Tier 2	2.80	3.18	3.24	3.32	3.41	3.50	3.91	4.20	4.61	4.95
Tier 3	3.81	3.96	4.00	4.06	4.16	4.20	4.58	4.90	5.35	5.75
Tier 4	5.34	4.98	5.02	5.08	5.14	5.22	5.74	6.12	6.63	7.07
Commercial Rates										
Tier 1	N/A	3.18	3.21	3.29	3.37	3.33	3.66	3.94	4.34	4.67
Tier 2	N/A	3.96	3.97	4.03	4.11	4.20	4.20	4.50	4.93	5.29
Tier 3	N/A	4.98	4.99	5.05	5.14	5.22	6.43	6.84	7.38	7.86

*Prior to 2016, commercial tier rates were the same as residential tiers.

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	1/1/2024
Zone 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Zone 2	0.42	0.42	0.44	0.46	0.52	0.52	0.47	0.50	0.53	0.56
Zone 3	0.74	0.98	1.03	1.08	1.19	1.19	1.10	1.16	1.22	1.29
Zone 4	1.28	1.56	1.64	1.72	1.82	1.82	1.88	1.89	1.99	2.09
Zone 5	2.55	-	-	-	-	-	-	-	-	-

Monthly Recycled Water Charges:

Readiness to Serve Charge

Meter Size	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	1/1/2024
3/4"	-	\$ 9.15	\$ 13.04	\$ 19.08	\$ 25.01	\$ 33.72	\$ 28.79	\$ 31.10	\$ 33.59	\$ 36.28
1"	-	14.74	21.09	30.94	40.69	54.97	46.31	50.02	54.03	58.36
1-1/2"	-	28.70	41.19	60.60	79.86	108.07	90.09	97.30	105.09	113.50
2"	-	45.45	65.32	96.20	126.87	171.80	142.64	154.06	166.39	179.71
3"	-	98.49	141.72	208.92	275.72	373.61	309.03	333.76	360.74	389.31
4"	-	176.65	254.31	375.02	495.07	671.00	554.24	598.58	646.47	698.19
6"	-	447.45	644.37	950.47	1,255.00	1,701.28	1,403.71	1,516.01	1,637.30	1,768.29
8"	-	782.45	1,126.91	1,662.36	2,195.12	2,975.84	2,454.60	2,650.97	2,863.05	3,092.10
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	4,636.56

Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

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	1/1/2024
Tier 1	\$ 1.09	\$ 1.18	\$ 1.19	\$ 1.19	\$ 1.18	\$ 1.16	\$ 1.24	\$ 1.34	\$ 1.45	\$ 1.57
Tier 2	1.42	2.91	2.83	2.67	2.52	2.27	2.61	2.82	3.05	3.30
Tier 3	2.26	3.73	3.67	3.52	3.37	3.13	4.97	5.37	5.80	6.27
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	1/1/2024
L.V. Valley	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
East/West	0.24	0.33	0.34	0.35	0.36	0.37	0.30	0.33	0.36	0.39

Residential	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023	1/1/2024
Household Size:									
1	\$ 21.37	\$ 21.37	\$ 21.82	\$ 22.27	\$ 22.73	\$ 23.59	\$ 24.48	\$ 25.40	\$ 26.36
2	35.75	35.75	36.51	37.27	38.04	39.47	40.96	42.50	44.10
3	50.13	50.13	51.20	52.27	53.35	55.36	57.44	59.60	61.84
4	64.51	64.51	65.89	67.27	68.66	71.24	73.92	76.70	79.58
5	78.90	78.90	80.58	82.27	83.97	87.12	90.39	93.78	97.30
6 or more	93.28	93.28	95.27	97.27	99.28	103.01	106.88	110.89	115.05
Commercial									
Account Charge	\$ 6.98	\$ 6.98	\$ 7.12	\$ 7.27	\$ 7.42	\$ 7.70	varies	8.29	8.61
Base Charge, inclusive of 6.6 hcf/ERU									
Class 1	\$ 41.94	\$ 41.94	\$ 42.78	\$ 43.64	\$ 44.52	\$ 46.19	\$ 47.93	\$ 49.73	\$ 51.60
Class 2	57.82	57.82	58.98	60.16	61.37	63.68	66.07	68.55	71.13
Class 3	76.56	76.56	78.10	79.67	81.27	84.32	87.49	90.78	94.19
Class 4	96.36	96.36	98.29	100.26	102.27	106.11	110.09	114.22	118.51
Per Excess ERU									
Class 1	\$ 6.35	\$ 6.35	\$ 6.48	\$ 6.61	\$ 6.75	\$ 7.01	\$ 7.28	\$ 7.56	\$ 7.85
Class 2	8.75	8.75	8.93	9.11	9.30	9.65	10.02	10.40	10.79
Class 3	11.58	11.58	11.82	12.06	12.31	12.78	13.26	13.76	14.28
Class 4	14.58	14.58	14.88	15.18	15.49	16.08	16.69	17.32	17.97

Las Virgenes Municipal Water District

Principal Revenue Payers Current Fiscal Year and Nine Years Ago

Potable Water Customer Name	2024			2015		
	Potable Water Revenue	Rank	Percentage of Total Operating Revenue	Potable Water Revenue	Rank	Percentage of Total Operating Revenue
Malibu Canyon Apartments	\$ 309,912	1	0.90%	\$ 111,933	10	0.22%
Forestar Chatsworth, LLC	233,019	2	0.68%			
Westlake Wellbeing Properties	217,930	3	0.63%	167,965	2	0.33%
LVUSD	212,470	4	0.62%			
California West HOA	211,891	5	0.62%			
City of Calabasas	196,944	6	0.57%			
Calabasas Crest LTD	150,656	7	0.44%	101,667	9	0.20%
Archstone Communities	150,344	8	0.44%			
Malibu Conference Center	145,735	9	0.42%	130,592	6	0.25%
Archstone Oak Creek I LLC	134,806	10	0.39%			
Malibu Golf Club, LLC				176,333	1	0.34%
Mountain View Mobile Estate				163,060	3	0.32%
Valley Industrial				133,439	5	0.26%
ERP-Operating LTD Partnership				136,706	4	0.27%
Ronnie Semlers Saddlerock Ranch				113,440	8	0.22%
The Cheesecake Factory				123,272	7	0.24%
Total	\$ 1,963,707		5.71%	\$ 1,358,407		2.66%

Sanitation Customer Name	2024			2015		
	Sanitation Revenue	Rank	Percentage of Total Operating Revenue	Sanitation Revenue	Rank	Percentage of Total Operating Revenue
Archstone Communities Calabasas	\$ 441,205	1	2.11%			
Westlake Wellbeing Properties	351,033	2	1.68%	240,566	3	0.47%
Malibu Canyon Apartments	344,274	3	1.64%	293,874	1	0.57%
Archstone Oak Creek I LLC	248,920	4	1.19%	142,554	5	0.28%
Annandale II HOA	225,497	5	1.08%	123,427	7	0.24%
LVUSD	213,589	6	1.02%	186,554	4	0.36%
The Cheesecake Factory	162,460	7	0.78%	140,244	6	0.27%
Summit Mobile Park	159,550	8	0.76%			
Pepperdine University	153,679	9	0.73%			
Woodland Park Mobile	144,546	10	0.69%			
ERP-Operating LTD Partnership				119,421	8	0.23%
Oak Park Calabasas HOA				115,870	9	0.22%
Archstone Communities				254,871	2	0.49%
Steeplechase HOA				101,421	10	0.20%
Total	\$ 2,444,754		11.68%	\$ 1,718,802		3.33%

Source: Las Virgenes Municipal Water District

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					Total	Percentage of Personal Income (2)
	Refunding Revenue Bonds	Capital Lease Payable	Installment Purchase Agreement	Lease Liability	Subscription Liability		
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%
2024	-	-	6,375	21	329	6,725	0.15%

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

Las Virgenes Municipal Water District

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Business-Type Activities Refunding Revenue Bonds</u>	<u>Total</u>	<u>Percentage of Gross Revenue for Bond Coverage</u>	<u>Per Capita (1)</u>
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%	-
2024	-	-	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

Las Virgenes Municipal Water District

Direct and Overlapping District Debt June 30, 2024

<u>2023-24 Assessed Valuation:</u>	\$ 30,610,721,808		
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u>	<u>% Applicable (1)</u>	<u>District's Share of</u>
	<u>6/30/2024</u>		<u>Debt 6/30/24</u>
Metropolitan Water District	\$ 18,210,000	0.791%	\$ 144,041
Los Angeles Community College District	\$ 5,155,845,000	2.581%	\$ 133,072,359
Santa Monica Community College District	\$ 689,453,241	1.731%	\$ 11,934,436
Las Virgenes Joint Unified School District	\$ 174,910,208	95.192%	\$ 166,500,525
Los Angeles Unified School District	\$ 10,723,385,000	0.132%	\$ 14,154,868
Santa Monica-Malibu Unified School District	\$ 513,360,000	1.728%	\$ 8,870,861
Santa Monica-Malibu Unified School District School Facilities Improvement District No. 2	\$ 90,025,000	5.018%	\$ 4,517,455
City of Los Angeles	\$ 948,610,000	0.025%	\$ 237,153
Las Virgenes Municipal Water District	\$ -	100.000%	\$ - (2)
City of Calabasas Community Facilities District No. 1998-1	\$ 1,621,131	100.000%	\$ 1,621,131
City of Calabasas Community Facilities District No. 2001-1	\$ 10,899,880	100.000%	\$ 10,899,880
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 351,952,709
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			\$ 395,309
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 351,557,400
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$ 2,479,229,730	1.527%	\$ 37,857,838
Los Angeles County Superintendent of Schools Certificates of Participation	\$ 2,857,300	1.527%	\$ 43,631
Las Virgenes Joint Unified School District Certificates of Participation	\$ 8,079,398	95.192%	\$ 7,690,941
Los Angeles Unified School District Certificates of Participation	\$ 471,590,000	0.132%	\$ 622,499
Santa Monica-Malibu Unified School District Certificates of Participation	\$ 24,143,969	1.728%	\$ 417,208
City of Agoura Hills General Fund Obligations	\$ 22,880,000	100.000%	\$ 22,880,000
City of Calabasas Certificates of Participation	\$ 33,990,000	99.205%	\$ 33,719,780
City of Los Angeles General Fund Obligations	\$ 1,339,426,819	0.025%	\$ 334,857
City of Westlake Village Certificates of Participation	\$ 12,855,000	100.000%	\$ 12,855,000
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 116,421,754
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$ 5,470,000	100.000%	\$ 5,470,000
TOTAL DIRECT DEBT			\$ -
TOTAL GROSS OVERLAPPING DEBT			\$ 473,844,463
TOTAL NET OVERLAPPING DEBT			\$ 473,449,154
GROSS COMBINED TOTAL DEBT			\$ 473,844,463 (3)
NET COMBINED TOTAL DEBT			\$ 473,449,154
<u>Ratios to 2023-24 Assessed Valuation:</u>			
Direct Debt		0.00%	
Total Gross Direct and Overlapping Tax and Assessment Debt		1.15%	
Total Net Direct and Overlapping Tax and Assessment Debt		1.15%	
Gross Combined Total Debt		1.55%	
Net Combined Total Debt		1.55%	
<u>Ratios to Redevelopment Successor Agency Incremental Valuation</u>	<u>\$989,252,306</u>		
Total Overlapping Tax Increment Debt		0.55%	

Source: California Municipal Statistics, Inc.

Las Virgenes Municipal Water District

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

Fiscal Year	Refunding Revenue Bonds						Coverage
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			
				Principal	Interest		
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
2024	45,569		37,624	7,945	995	134	7.04

Note:

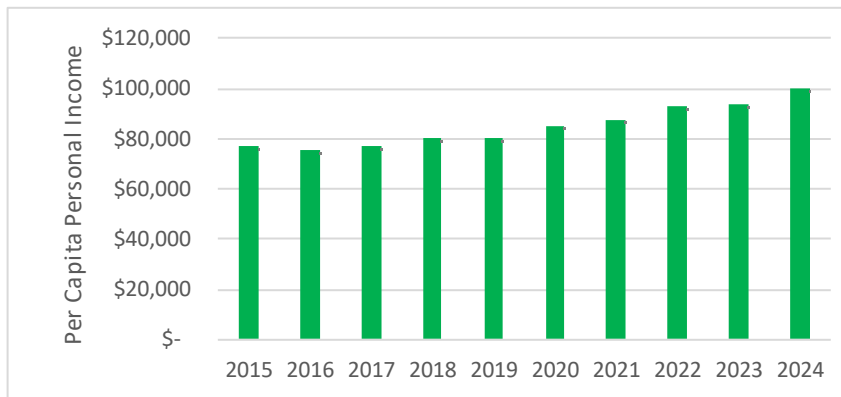
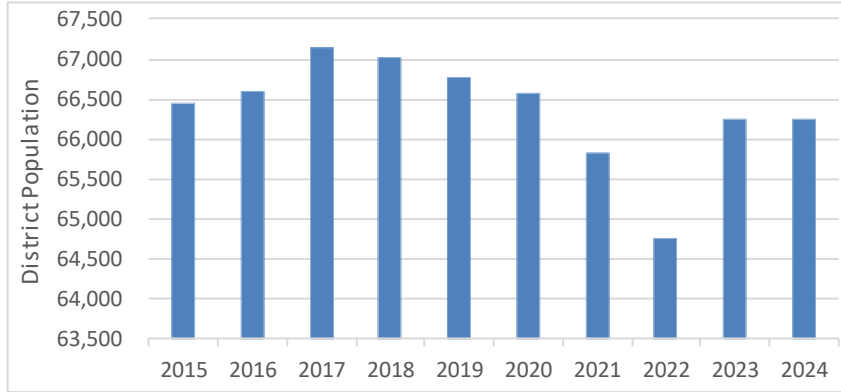
- (1) Gross revenues include operating, non-operating, and capacity fee revenues.
- (2) Operating expenses exclude depreciation and amortization.
- (3) On December 1, 2009, the District issued 2009 Sanitation Refunding Revenue Bonds to advance refund 1998 Bonds. From fiscal year 2010 and going forward, 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 installment 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.

Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population within District	Total Personal Income (dollars in thousands)	Per Capita Personal Income	Unemployment Rate
2015	66,439	\$ 3,689,946	\$ 76,963	3.7%
2016	66,598	3,541,560	75,538	5.2%
2017	67,133	3,683,941	77,343	4.3%
2018	67,014	3,874,981	79,931	3.6%
2019	66,771	3,821,856	80,325	3.1%
2020	66,573	4,154,791	84,912	3.1%
2021	65,820	5,279,435	87,459	3.5%
2022	64,744	4,159,420	93,115	4.4%
2023	66,233	4,510,983	93,733	5.0%
2024	66,233	4,612,552	100,077	5.8%



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

Las Virgenes Municipal Water District

Principal Employers Current Fiscal Year and Nine Years Ago

Employer by Industry	2024			2015		
	Number of	Rank	Percentage of Total Area Employment	Number of	Rank	Percentage of Total Area Employment
Government & Education	1,664	1	6.33%	1,824	9	4.85%
Accommodation and Food Services	1,559	2	5.93%	4,413	3	11.73%
Information	1,457	3	5.54%	1,565	10	4.16%
Finance and Insurance	1,422	4	5.41%	4,864	2	12.93%
Professional and Technical Services	1,077	5	4.10%	5,722	1	15.21%
Retail Trade	1,075	6	4.09%	2,951	4	7.85%
Educational Services	1,002	7	3.81%	2,004	7	5.33%
Health Care and Social Assistance	676	8	2.57%	1,848	8	4.91%
Administrative, Support, Waste Management	408	9	1.55%	2,495	5	6.63%
Manufacturing	209	10	0.79%	2,328	6	6.19%
Total	10,549		40.11%	30,014		79.79%

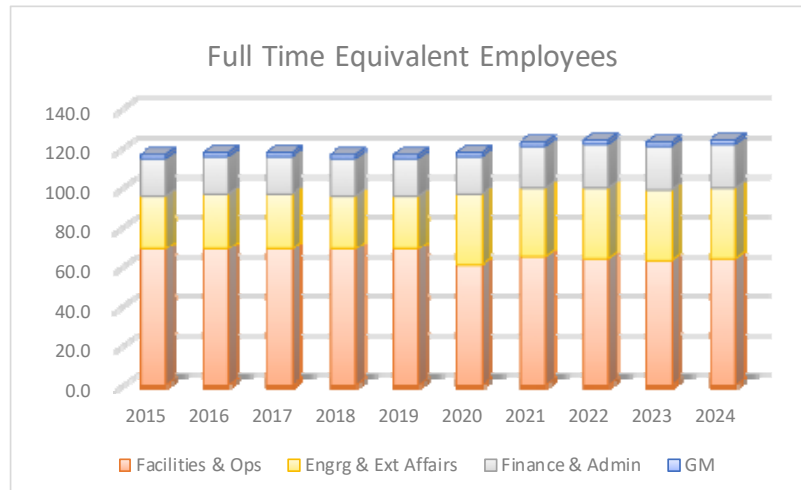
Notes:

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

Las Virgenes Municipal Water District

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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	3.0	3.0	3.0	3.0	3.0
Facilities Maintenance	16.2	16.2	16.2	16.7	16.7	16.7	18.0	17.0	17.0	17.0
Water Treatment and Production	11.8	11.8	11.8	11.3	11.3	11.3	13.0	13.0	13.0	14.0
Reclamation	24.0	24.0	24.0	24.0	24.0	24.0	25.0	25.0	24.0	24.0
Construction	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Technical Service	8.0	8.0	8.0	9.0	9.0	-	-	-	-	-
Subtotal	69.0	69.0	69.0	69.0	69.0	61.0	65.0	64.0	63.0	64.0
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	3.0	3.0	3.0
Information System	6.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0	8.0
Subtotal	19.0	19.0	19.0	19.0	19.0	19.0	21.0	22.0	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	1.0
Customer Service	19.0	20.0	20.0	19.0	19.0	19.0	18.0	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	4.0
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	10.0
Subtotal	27.0	28.0	28.0	27.0	27.0	36.0	35.0	36.0	36.0	36.0
Total	117.0	118.0	118.0	117.0	117.0	118.0	123.0	124.0	123.0	124.0



Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

Operating Indicators by Function Last Ten Fiscal Years

Water	<u>New Connections</u>	<u>Water Main Leak Repairs</u>	<u>Avg Daily Consumption (thousands of gallons)</u>
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
2024	53	59	12,471

Potable Water	<u>Connections</u>	<u>Deliveries (acre-feet)</u>	<u>Realized Capacity Fee Revenues</u>
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
2024	19,905	12,471	95,772

Average Daily Sewage Flow
Dry Weather Flow
(thousands of gallons)

Wastewater	<u>Connections</u>	<u>Tapia Plant</u>	<u>LVMWD</u>	<u>Triunfo Sanitation District</u>	<u>Realized Capacity Fee Revenues</u>
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
2024	17,238	7,510	5,280	2,230	982,545

Source: Las Virgenes Municipal Water District

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
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
2024	395.0	3,229	4,543	3,100	39.65

Recycled Water	Water Main (miles)	Valves (#)	Storage Capacity (millions of gallons)	
			Reservoirs	Tanks
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
2024	68.6	376	19.3	5.6

Wastewater	Sanitary Sewers (miles)	Treatment Capacity (millions of gallons)
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
2024	58.0	16

Source: Las Virgenes Municipal Water District

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, 2024

Beginning Balance:			
Capacity Fees		\$5,114,417	
Developer Fees		120,423	
Interest		332,534	
Total Beginning Balance			\$5,567,374
Fees Collected:			
Capacity Fees	\$1,330,252		
Developer Fees	371,073		
Total Fees Collected		1,701,325	
Interest Earned		140,573	
Fees Available		1,841,898	
Applied to:			
Capital Costs Funded by:			
Capacity Fees	4,425,372		
Meter Installation	38,594		
Developer Fees	442,823		
Interest Earned	394,226		
Total Capital Costs		5,301,015	
Refunds		2,091	
Total Funds Applied		5,303,106	
Net Changes for the Year			(3,461,208)
Ending Balance:			
Capacity Fees		1,978,612	
Developer Fees		48,673	
Interest (1)		78,881	
Total Ending Balance			<u>\$2,106,166</u>

(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