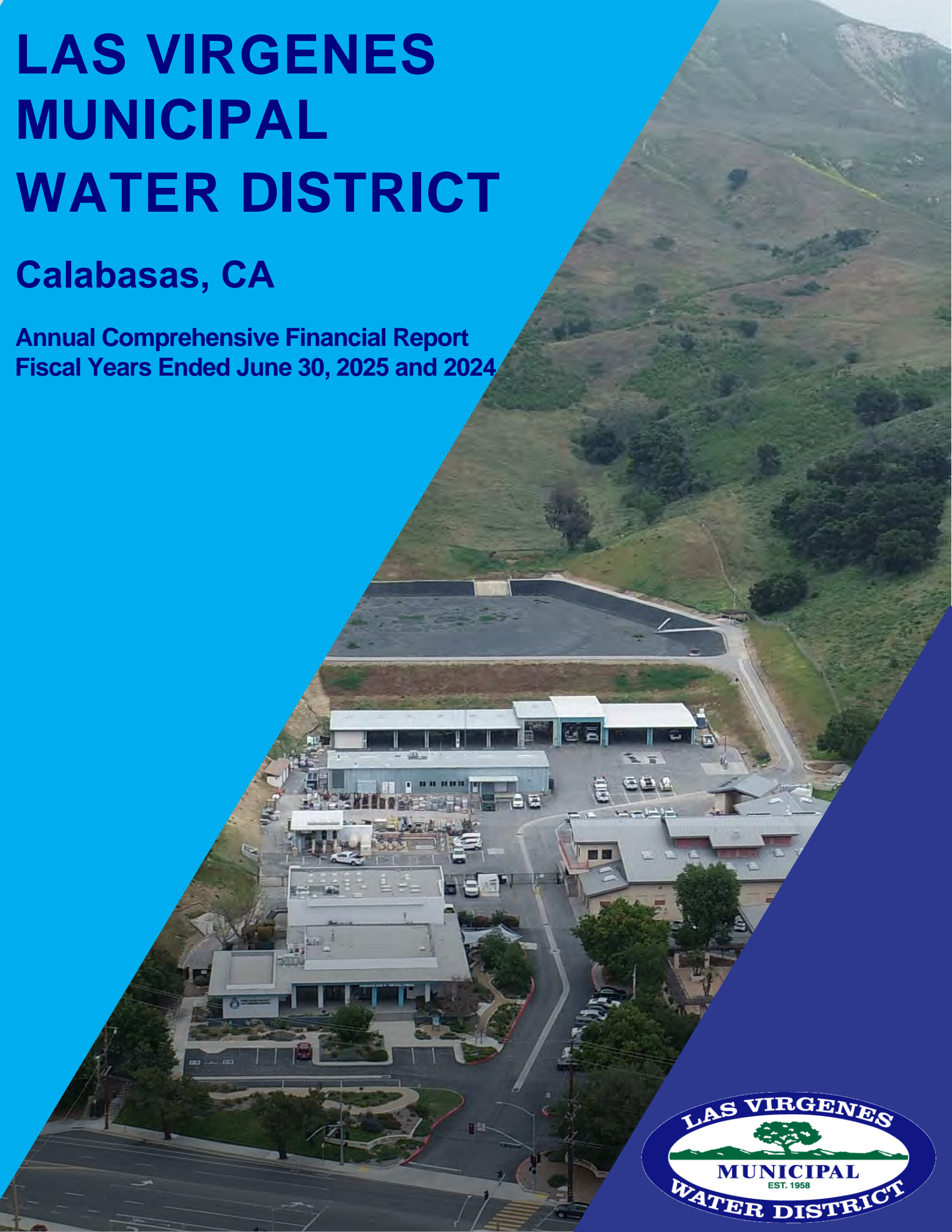


LAS VIRGENES MUNICIPAL WATER DISTRICT

Calabasas, CA

Annual Comprehensive Financial Report
Fiscal Years Ended June 30, 2025 and 2024



Annual Comprehensive Financial Report

For the Years Ended June 30, 2025 and 2024



Prepared by:
The Finance and Technology Department

Brian Richie, CPA Director of Finance & Technology
Debbie Rosales Finance Manager
Jessica Cortez Accounting Supervisor

Calabasas, California

This page left intentionally blank

Las Virgenes Municipal Water District

BOARD OF DIRECTORS

Andy Coradeschi	President
Jay Lewitt	Vice President
Gary Burns	Secretary
Randy Levine	Treasurer
Leonard E. Polan	Director

EXECUTIVE TEAM

David W. Pedersen	General Manager
Donald Patterson	Assistant General Manager
Joe McDermott	Assistant General Manager
Eric Schlageter	Director of Engineering & Facilities
Darrell Johnson	Director of Water Operations
Adrienne Burns	Director of External Affairs
Brian Richie	Director of Finance & Technology

LEGAL COUNSEL

W. Keith Lemieux	Counsel
------------------	---------

This page left intentionally blank

Las Virgenes Municipal Water District

Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION (Unaudited)</u>	
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
Organization Chart.....	vii
Maps of Service Area.....	viii
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	14
Statements of Cash Flows	16
Notes to the Basic Financial Statements	18
Required Supplementary Information (Unaudited):	
Schedule of Changes in Net Pension Liability and Related Ratios	56
Schedule of Pension Plan Contributions.....	58
Schedule of Changes in Net OPEB Liability and Related Ratios	60
Schedule of OPEB Plan Contributions.....	61
<u>STATISTICAL SECTION (Unaudited)</u>	
Index to Statistical Section	62
Net Position	63
Changes in Net Position	64
Revenue Base	65
Revenue Rates	66
Principal Revenue Payers	68
Ratios of Outstanding Debt by Type	69
Ratios of General Bonded Debt Outstanding	70
Pledged-Revenue Coverage	71
Demographic and Economic Statistics	72
Principal Employers	73
Full-Time Equivalent District Employees by Functions	74
Operating Indicators by Function	75
Capital Assets Statistics by Function	76
Annual Water and Sewer Capacity Fee Deposits Report	77

This page left intentionally blank



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

OFFICERS

President
Andy Coradeschi
Director, Division 2

Vice President
Jay Lewitt
Director, Division 5
MWD Representative

Secretary
Gary Burns
Director, Division 3

Treasurer
Randy Levine
Director, Division 1

Leonard E. Polan
Director, Division 4

David W. Pedersen, P. E.
General Manager

W. Keith Lemieux
Counsel

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

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

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

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

www.LVMWD.com

MEMBER AGENCY OF THE
METROPOLITAN WATER
DISTRICT
OF SOUTHERN CALIFORNIA

October 24, 2025

To: The Honorable Board of Directors and Customers of the
Las Virgenes Municipal Water District

From: David W. Pedersen, General Manager
Brian Richie, Director of Finance and Technology

Subject: **ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR
FISCAL YEAR 2024-25**

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, 2025.

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, 2025. 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 JPA. The average age of the District's infrastructure is 45 years old.

Although not required by law, the Board adopts a final budget for the next fiscal year by the close of the current fiscal year. This annual budget serves as the foundation for LVMWD's financial planning and control. The budget is prepared by enterprise, function (e.g. system operations) and department (e.g. Engineering and Facilities). 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

During Fiscal Year 2024-25, LVMWD demonstrated strong financial stewardship by advancing key strategic investments, including significant progress on the \$466 million Pure Water Project Las Virgenes-Triunfo and the successful adoption of new water, recycled water, and sanitation

rates. These initiatives are central to ensuring diversification of water supply, long-term water reliability, financial sustainability, and compliance with regulatory and policy objectives.

The District has established a robust and adaptable financial foundation, ensuring resilience in both drought and non-drought conditions. In 2016, LVMWD implemented budget-based water rates and wasteful water use penalties to support the necessity of making conservation a way of life. Over the past 10 years, the District has also increased the percentage of its fixed cost recovered through fixed fees, now at approximately 60%, in addition to maintaining an \$8 million Rate Stabilization Fund to support any revenue shortfall.

During Fiscal Year 2024-25, the District undertook a comprehensive financial analysis and cost of service study to update its potable water, recycled water, and sanitation rates. This process replaced the previous rates adopted in early 2021, following a five-year rate plan established through a Proposition 218 process. The analysis encompassed a thorough review of projected operating expenses, capital expenditures, the approved 10-year Infrastructure Improvement Program (IIP), reserve requirements, and debt service projections. The resulting rates are structured to ensure the District recovers the full cost of providing services through December 31, 2030, while supporting the financial requirements of major capital projects, including the Pure Water Project Las Virgenes-Triunfo. This approach aligns with the District's long-term financial strategy to maintain reliable service, meet regulatory obligations, and invest in critical infrastructure for the benefit of its customers and the region.

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 2025-26 through 2034-35, which looks ahead over a 10-year time horizon to project long-term capital requirements.

On October 9, 2025, the Board successfully adopted proposed rate adjustments for the Potable Water Enterprise, Recycled Water Enterprise and Sanitation Enterprise. The new rates become effective January 1, 2026, and annually thereafter on January 1, 2027, through 2030, which will ensure the District continues to collect sufficient funds to support its on-going capital and operational needs.

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 \$6 million. This debt is solely the obligation of the Potable Water Enterprise.

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

LVMWD has historically been entirely dependent on imported potable water, primarily from the Metropolitan Water District of Southern California (MWD) via the State Water Project. This reliance has made the District vulnerable to drought, climate change, and supply interruptions. Recognizing these risks, LVMWD has prioritized the development of local water supplies, with a major focus in Fiscal Year 2024-25 on projects that will diversify and secure its water portfolio for the future.

The centerpiece of LVMWD's local supply development is the Pure Water Project Las Virgenes–Triunfo, a \$466 million indirect potable reuse initiative in partnership with the Triunfo Water and Sanitation District (TWSD) through their Joint Powers Authority (JPA). This project will purify highly treated recycled water from the Tapia Water Reclamation Facility using a three-step advanced treatment process (ultrafiltration, reverse osmosis, and advanced oxidation). The purified water will be stored in the Las Virgenes Reservoir and, after further treatment, delivered to customers as a new, local source of drinking water. At full buildout, the project is expected to meet up to 30% of LVMWD's potable water demand, providing a significant buffer against imported water shortages and enhancing drought resilience.

During Fiscal Year 2024-25, the District worked towards securing federal funding for the Pure Water Project Las-Virgenes Triunfo through the United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA). WIFIA Funding accounts for 49% of the estimated project cost. 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. Both financing sources are expected to close during Fiscal Year 2025-26. Moving forward, the District will continue to develop this project and move towards construction in 2026.

Other current and future major initiatives include:

- Continuing an established public-private partnership with 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.
- Initiating a water supply diversification study to identify the best combination of alternative water sources—such as desalination and other innovative approaches—to improve long-term reliability.
- Continuing to support conservation initiatives like the Landscape Transformation Program, which helps customers reduce outdoor water use.
- Initiating opportunities for “water banking” with local partners to store surplus water during wet years for use during future droughts.
- 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 is proactively meeting future challenges head-on, ensuring that customers can continue to count on exceptional, dependable service 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, 2024. This was the 27th 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 2024-26 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



Brian Richie
Director of Finance and Technology



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

**Las Virgenes Municipal Water
District California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

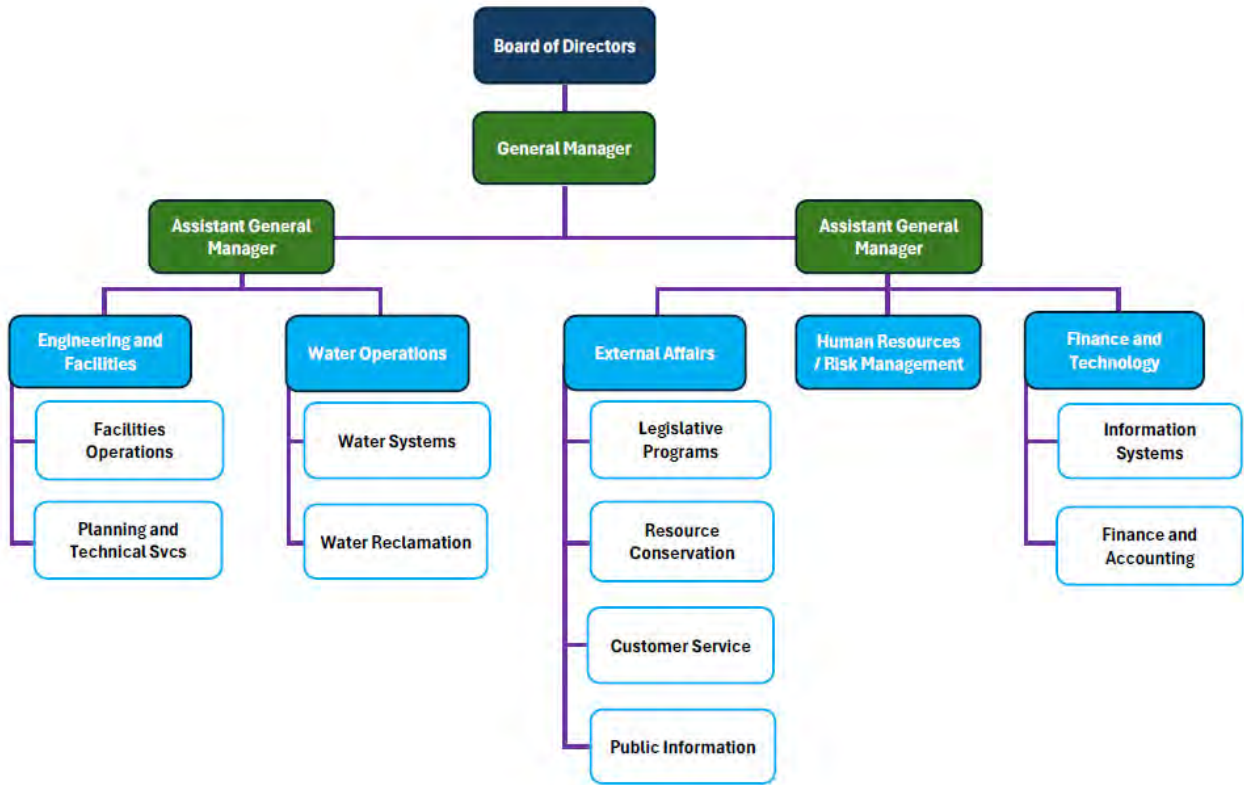
June 30, 2024

Christopher P. Morrill

Executive Director/CEO

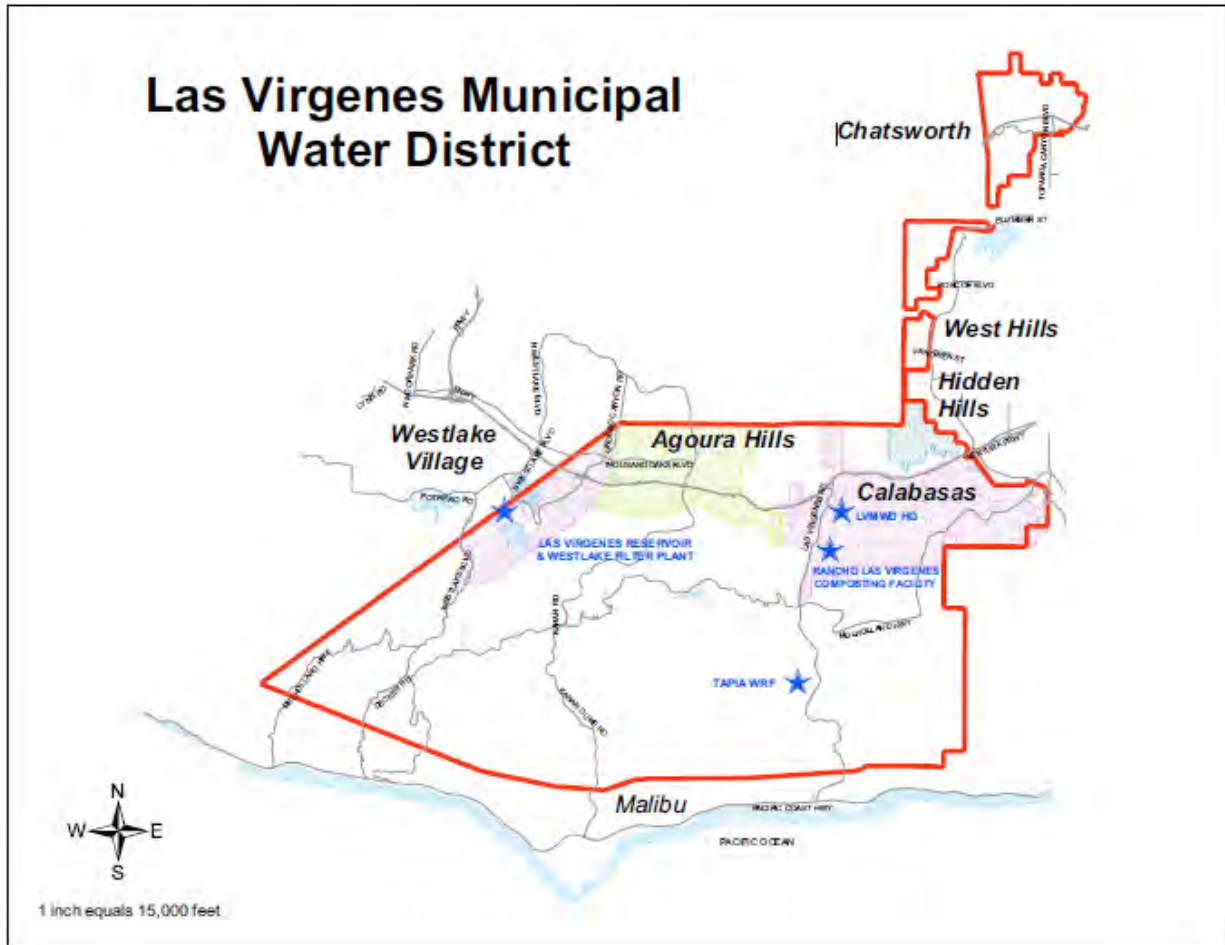
Las Virgenes Municipal Water District

Organizational Chart



Las Virgenes Municipal Water District

Maps of Service Area



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Las Virgenes Municipal Water District (the District), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the District, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America 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.

Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2025, the District adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. Our opinions are not modified with respect to this matter.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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. 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 24, 2025 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 24, 2025

Las Virgenes Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025 and 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, 2025. 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, 2025, the District's net position (excess of assets and deferred outflows over liabilities and deferred inflows) was \$329.5 million. Of this amount \$135.4 million consisted of the District's net investment in capital assets while the remaining \$194.1 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 2024-25 net position increased by \$13.9 million, compared to an increase of \$18.6 million in Fiscal Year 2023-24.
- Total operating revenues in Fiscal Year 2024-25 were \$81.8 million, \$12.1 million (or 17.31%) above the prior year's revenues of \$69.8 million. The increase in revenues as compared to the prior year was due to increases in Water sales and service fees of \$10.6 million (or 23.3%), Sanitation service fees of \$0.9 million (or 3.8%), and Other income of \$0.6 million (or 30.3%).
- 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 expenses in Fiscal Year 2024-25 were \$57.6 million, \$11.2 million (or 24.1%) above the prior year's expenses of \$46.4 million. The increase in operating expenses as compared to the prior year was due mainly to an increase in source of supply costs, up \$6.3 million (or 28.8%) over Fiscal Year 2023-24 as a result of continued increase in potable water deliveries. Districtwide general and administrative (G&A) costs also saw an increase of \$3.2 million (or 36.4%) due to higher staff salaries year over year.
- 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.

**Management's Discussion and Analysis
For the Year Ended June 30, 2025 and 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

Because the District is comprised of three business type enterprises, potable water, recycled water, and sanitation, the Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the District's assets, deferred outflow of resources, liabilities and deferred inflows of resources, 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 For the Year Ended June 30, 2025 and 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 \$13.9 million to \$329.5 million in Fiscal Year 2024-25, compared to an increase in net position of \$18.6 million in Fiscal Year 2023-24.

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

	2025	2024	2023
Current and other assets	\$ 152,328	\$ 152,114	\$ 133,622
Capital assets	141,175	137,167	139,698
Investment in JPA	86,467	70,666	68,089
Total Assets	379,970	359,948	341,409
Deferred Outflow of Resources	15,118	15,327	15,473
Long-term liabilities	41,766	40,905	40,920
Other liabilities	17,850	11,541	9,838
Total Liabilities	59,616	52,446	50,758
Deferred Inflows of Resources	5,927	7,140	9,037
Net position:			
Net investment in capital assets	135,400	129,955	131,232
Unrestricted	194,145	185,734	165,854
Total Net Position	\$ 329,545	\$ 315,689	\$ 297,086

Las Virgenes Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025 and 2024

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 \$13.3 million in Fiscal Year 2024-25 versus \$13.4 million in Fiscal Year 2023-24 and \$8.1 million in 2022-23. The income plus capital contributions (\$13.3 million income plus \$0.6 million capital contributions) led to the overall increase in net position of \$13.9 million, when compared to last year.

Fiscal Year 2024-25 Water sales and service fees of \$56.2 million increased 23.3% versus prior years fees of \$45.6 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 6.7% percent year-over-year (15,459 acre-feet for Fiscal Year 2024-25 versus 14,490 acre-feet during Fiscal Year 2023-24). This was an expected increase as a result

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.

Sanitation service fees were \$23.1 million in Fiscal Year 2024-25, up \$0.9 million (or 3.8%), as compared to Fiscal Year 2023-24 revenues of \$22.2 million. The increase continues to be driven by District's adopted 5-year rate study, Sanitation Enterprise rates increased 3.75% versus the prior year.

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.

Las Virgenes Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025 and 2024

Water operating expenses were \$48.7 million in Fiscal Year 2024-25, higher than Fiscal Year 2023-24 operating expenses of \$37.6 million due to increased source of supply costs. Source of supply costs of \$28.4 million an increase of \$6.3 million (or 28.8%) from increased customer water deliveries year over year.

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.

Sanitation operating expenses were \$3.9 million in Fiscal Year 2024-25, consistent with Fiscal Year 2023-24 operating expenses of \$3.6 million and Fiscal Year 2022-23 operating expenses of \$3.4 million.

Share of JPA net expenses reflected in the nonoperating revenues (expenses) section were \$20.2 million in Fiscal Year 2024-25, \$0.7 million (or 3.3%) above Fiscal Year 2023-24 expenses of \$19.5 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 continue to increase year over year due to higher chemical costs at the Tapia Water Reclamation Facility, increased maintenance costs to pumps and generators as well as increased general and administrative costs.

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.

Las Virgenes Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025 and 2024

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

	2025	2024	2023
Operating revenues:			
Water sales	\$ 56,192	\$ 45,569	\$ 38,914
Sanitation	23,068	22,217	21,208
Other	2,586	1,984	4,540
Total operating revenues	<u>81,846</u>	<u>69,770</u>	<u>64,662</u>
Non-operating revenues:			
Taxes and penalties	1,101	1,092	1,096
Lease income	92	93	97
Interest income	6,602	5,644	1,400
Facilities income (expense)	366	334	288
Gain (loss) on disposal of capital assets	19	(716)	8
Interest income and other	824	3,083	592
Total non-operating revenues	<u>9,006</u>	<u>9,530</u>	<u>3,480</u>
Total Revenues	<u>90,852</u>	<u>79,300</u>	<u>68,142</u>
Depreciation expense	5,000	5,225	5,157
Water expenses	48,692	37,624	32,782
Sanitation expenses	3,945	3,590	3,420
Non-operating expenses:			
Share of JPA net expenses	20,177	19,526	18,629
Interest expense and fiscal charges	(225)	(49)	74
Total Expenses	<u>77,589</u>	<u>65,916</u>	<u>60,062</u>
Income (Loss) Before Capital Contributions	13,263	13,384	8,080
Capital contributions	<u>593</u>	<u>5,218</u>	<u>2,163</u>
Change in net position	13,856	18,602	10,243
Net position, beginning of year	<u>315,689</u>	<u>297,087</u>	<u>286,843</u>
Net position, end of year	<u>\$ 329,545</u>	<u>\$ 315,689</u>	<u>\$ 297,086</u>

CAPITAL ASSETS

At the end of Fiscal Year 2024-25, the District had invested \$283.4 million in a broad range of infrastructure including water and sewer lines, wastewater facilities, reservoirs, tanks, distribution facilities, compost facility, maintenance and administration facilities, vehicles and equipment, intangible right-to-use assets, and an investment in Joint Venture of \$86.5 million as shown in Table 3. Total capital assets in Fiscal Year 2024-25 (including additions, deletions, and depreciation/amortization) of \$227.6 million were in line with Fiscal year 2023-24 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.

Las Virgenes Municipal Water District

**Management's Discussion and Analysis
For the Year Ended June 30, 2025 and 2024**

**TABLE 3
Capital Assets
(in thousands of dollars)**

	2025	2024	Dollar Change	Total Percent Change
Land	\$ 6,915	\$ 6,915	\$ -	0.0%
Buildings and improvements	22,095	22,095	-	0.0%
Machinery and equipment	13,892	13,207	684	5.18%
Infrastructure	221,790	221,188	603	0.27%
Construction in progress	17,410	10,110	7,301	72.21%
Leased Equipment	39	77	(38)	-48.92%
SBITA	1,273	876	397	45.24%
Subtotal	283,415	274,469	8,946	3.26%
Less accumulated depreciation/amortization	(142,240)	(137,301)	(4,939)	3.60%
Net Property, Plant and Equipment	141,175	137,167	4,008	2.92%
Investment in Joint Venture	86,467	70,666	15,801	22.36%
Total Capital Assets	\$ 227,642	\$ 207,834	\$ 19,809	9.53%

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)**

	2025
Cornell Pump Station Upgrades	\$ 1,244
Water Tank Rehabilitation	678
Calabasas Park Main Extension	1,761
Total major projects FY 2025	\$ 3,683
	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

Las Virgenes Municipal Water District

Management's Discussion and Analysis For the Year Ended June 30, 2025 and 2024

LONG TERM DEBT

On June 30, 2025, the District had total long-term debt of \$5.8 million, down from \$6.7 million on June 30, 2024. Excluding the District's subscription liability of \$0.4 million and minimal lease liability on the balance sheet of \$5 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)

	2025
Total operating revenues	\$ 56,192
Total operating expenses (less depreciation)	48,692
Net Earnings	7,500
Maximum annual debt service	1,129
Debt Coverage Ratio	6.64

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, 2025, as reflected on Table 6.

TABLE 6
Cost of Capital
(in thousands of dollars)

	Debt Balance	Average Coupon Rate
Installment Purchase Agreement	\$ 5,365	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 Technology, 4232 Las Virgenes Road, Calabasas, California, 91302; or visit our website at www.lvmwd.com.

This page left intentionally blank

BASIC FINANCIAL STATEMENTS

This page left intentionally blank

Las Virgenes Municipal Water District

Statements of Net Position June 30, 2025 and 2024

ASSETS	Primary Government		Discretely Presented Component Unit - JPA	
	2025	2024	2025	2024
Current assets:				
Cash and investments (Note 3)	\$ 123,057,917	\$ 123,556,891	\$ 7,127,350	\$ 9,058,046
Receivables:				
Sales and services, net of allowance for uncollectible (Note 4)	10,435,874	8,582,456	4,336,465	1,367,751
Due from Joint Powers Authority (Note 6)	-	4,863,790	-	-
Leases (Note 7)	1,173,817	1,193,185	-	-
Interest	191,453	226,286	10,986	15,831
Other	428,539	385,101	-	-
Inventories (Note 5)	10,624,554	10,776,606	-	-
Prepaid items	6,415,628	2,529,931	513,622	489,611
Total current assets	152,327,782	152,114,246	11,988,423	10,931,239
Noncurrent assets:				
Investments in Joint Powers Authority (Note 6)	86,467,332	70,666,275	-	-
Capital assets (Note 8):				
Nondepreciable	24,325,828	17,025,124	51,417,149	35,534,371
Depreciable, net of accumulated depreciation/amortization	116,849,199	120,142,257	75,229,280	70,276,656
Capital assets, net	141,175,027	137,167,381	126,646,429	105,811,027
Total noncurrent assets	227,642,359	207,833,656	126,646,429	105,811,027
Total assets	379,970,141	359,947,902	138,634,852	116,742,266
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows of resources (Note 11)	9,916,093	9,498,844	-	-
OPEB-related deferred outflows of resources (Note 12)	5,201,596	5,828,124	-	-
Total deferred outflows of resources	15,117,689	15,326,968	-	-

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

Las Virgenes Municipal Water District

Statements of Net Position (Continued) June 30, 2025 and 2024

LIABILITIES	Primary Government		Discretely Presented Component Unit - JPA	
	2025	2024	2025	2024
Current liabilities:				
Accounts and contracts payable and accrued expenses	\$ 10,612,067	\$ 8,834,104	\$ 3,123,220	\$ 3,477,338
Interest payable	28,509	28,535	-	-
Unearned capacity and developer fees	6,410,931	2,028,284	-	-
Due to other government	-	-	8,865,203	7,453,901
Due to Joint Powers Authority (Note 6)	127,152	-	-	-
Deposits and other	671,235	650,233	-	-
Compensated absences - due within one year (Note 9)	329,854	523,630	-	-
Long-term debt - due within one year (Note 10)	1,256,253	1,220,364	-	-
Total current liabilities	19,436,001	13,285,150	11,988,423	10,931,239
Noncurrent liabilities:				
Compensated absences (Note 9)	3,273,672	1,574,730	-	-
Long-term debt - due in more than one year (Note 10)	4,497,394	5,504,816	-	-
Net pension liabilities (Note 11)	27,973,039	25,280,399	-	-
Net OPEB liabilities (Note 12)	4,435,534	6,801,270	-	-
Total noncurrent liabilities	40,179,639	39,161,215	-	-
Total liabilities	59,615,640	52,446,365	11,988,423	10,931,239
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows of resources (Note 11)	51,369	308,208	-	-
OPEB-related deferred inflows of resources (Note 12)	4,740,215	5,670,929	-	-
Leases (Note 7)	1,135,529	1,160,430	-	-
Total deferred inflows of resources	5,927,113	7,139,567	-	-
NET POSITION (Note 13)				
Primary government's net investment in capital assets	135,399,980	129,954,974	85,791,120	69,845,438
Other government's net investment in capital assets	-	-	40,855,309	35,965,589
Unrestricted	194,145,097	185,733,964	-	-
Total net position	\$ 329,545,077	\$ 315,688,938	\$ 126,646,429	\$ 105,811,027

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, 2025 and 2024

	Primary Government		Discretely Presented Component Unit - JPA	
	2025	2024	2025	2024
Operating revenues:				
Water sales and service fees	\$ 56,191,843	\$ 45,568,903	\$ -	\$ -
Sanitation service fees	23,068,019	22,216,507	-	-
Wholesale recycle water sales	-	-	3,681,284	2,342,051
Other income	2,585,856	1,984,298	60,770	55,124
Total operating revenues	81,845,718	69,769,708	3,742,054	2,397,175
Operating expenses:				
Water expenses:				
Source of supply	28,421,333	22,072,596	-	-
Pumping	2,925,163	2,329,440	-	-
Transmission and distribution	5,120,552	4,036,503	-	-
Meter	180,291	290,577	-	-
Water conservation	150,907	174,209	-	-
General and administrative	11,894,016	8,720,911	-	-
Total water expenses	48,692,262	37,624,236	-	-
Sanitation expenses:				
Other sewage treatment	650,072	754,389	-	-
Lift stations	456,272	269,208	-	-
General and administrative	2,838,810	2,566,181	-	-
Total sanitation expenses	3,945,154	3,589,778	-	-
JPA expenses:				
Operating expenses	-	-	12,273,209	11,492,402
General and administrative	-	-	14,393,734	12,907,231
Total JPA expenses	-	-	26,666,943	24,399,633
Depreciation and amortization	4,999,592	5,224,675	5,657,310	5,579,368
Total operating expenses	57,637,008	46,438,689	32,324,253	29,979,001
Billings to primary government	-	-	15,276,616	14,550,618
Billings to other government	-	-	7,143,080	6,624,614
Total JPA billings	-	-	22,419,696	21,175,232
Net Operating Income (Loss)	24,208,710	23,331,019	(6,162,503)	(6,406,594)

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, 2025 and 2024

	Primary Government		Discretely Presented Component Unit - JPA	
	2025	2024	2025	2024
Nonoperating revenues (expenses):				
Taxes and penalties	\$ 1,101,415	\$ 1,092,487	\$ -	\$ -
Lease income	91,967	92,860	-	-
Interest income	6,602,274	5,643,689	284,251	724,199
Facilities income (expense)	366,493	333,842	-	-
Interest expense and fiscal charges	224,631	48,606	9,936	17,969
Share of Joint Powers Authority (expense)	(20,176,535)	(19,525,704)	-	-
Gain (loss) on disposal of capital assets	19,327	(715,802)	-	-
Other revenues/(expenses)	824,380	3,083,402	211,011	85,058
Total nonoperating revenues (expenses)	(10,946,048)	(9,946,620)	505,198	827,226
Capital contributions:				
Capital contributions from others	593,477	5,217,980	-	-
Capital contributions from primary government	-	-	15,975,102	6,667,550
Capital contributions from other government	-	-	10,517,605	4,389,747
Total capital contributions	593,477	5,217,980	26,492,707	11,057,297
Changes in Net Position	13,856,139	18,602,379	20,835,402	5,477,929
Net position:				
Beginning of year	315,688,938	297,086,559	105,811,027	100,333,098
End of year	\$ 329,545,077	\$ 315,688,938	\$ 126,646,429	\$ 105,811,027

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, 2025 and 2024

	Primary Government	
	2025	2024
Cash flows from operating activities:		
Cash received from customers	\$ 81,183,173	\$ 71,868,410
Cash payments to suppliers for operations	(35,521,461)	(30,149,094)
Cash received from Joint Powers Authority	4,990,942	1,509,643
Cash payments for general and administrative expenses	(13,879,030)	(11,758,779)
Net cash provided by operating activities	<u>36,773,624</u>	<u>31,470,180</u>
Cash flows from noncapital financing activities:		
Property taxes and fee collected	1,101,415	1,092,487
Net cash provided by noncapital financing activities	<u>1,101,415</u>	<u>1,092,487</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(8,598,542)	(2,752,252)
Proceeds from sale of capital assets	28,538	56,624
Capital contribution	593,477	5,217,980
Repayment of bonds payable and leases/subscriptions	(1,368,040)	(1,422,629)
Cash received from leases receivable	86,434	86,945
Interest payment	223,706	49,115
Net cash provided by (used in) capital and related financing activities	<u>(9,034,427)</u>	<u>1,235,783</u>
Cash flows from investing activities:		
Interest received	6,638,006	5,584,946
Contributions to Joint Power Authority	(35,977,592)	(22,103,138)
Net cash (used in) investing activities	<u>(29,339,586)</u>	<u>(16,518,192)</u>
Net Change in Cash and Cash Equivalents	(498,974)	17,280,258
Cash and cash equivalents:		
Beginning of year	123,556,891	106,276,633
End of year	<u>\$ 123,057,917</u>	<u>\$ 123,556,891</u>
Financial statement presentation:		
Cash and cash equivalents	\$ 123,057,917	\$ 123,556,891
Total cash and cash equivalents	<u>\$ 123,057,917</u>	<u>\$ 123,556,891</u>
Noncash investing activities:		
Change in fair value of investments	<u>\$ (2,268,657)</u>	<u>\$ (1,642,637)</u>
Noncash capital and related financing activities:		
Lease/subscription acquisition	\$ (396,507)	\$ (228,264)
Loss on disposal	(9,211)	(772,426)
Contract retainage	21,400	487,227
	<u>\$ (384,318)</u>	<u>\$ (513,463)</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, 2025 and 2024

	Primary Government	
	2025	2024
Reconciliation of net operating income to net cash provided by operating activities:		
Net operating income	\$ 24,208,710	\$ 23,331,019
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	4,999,592	5,224,675
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	(705,983)	2,437,904
(Increase) decrease in due from Joint Powers Authority	4,863,790	1,509,643
(Increase) decrease in inventories	152,052	(1,358,563)
(Increase) decrease in prepaid items	(3,885,697)	(417,496)
(Increase) decrease in deferred outflows or resources - pension	(417,249)	(393,993)
(Increase) decrease in deferred outflows or resources - OPEB	626,528	539,734
Increase (decrease) in accounts and contracts payable and accrued expenses, net of retainage payable	6,139,210	1,202,670
Increase (decrease) in compensated absences	1,505,166	(68,109)
Increase (decrease) in deposits and other	21,002	12,015
Increase (decrease) in due to Joint Powers Authority	127,152	-
Increase (decrease) in net pension liability	2,692,640	2,390,985
Increase (decrease) in net OPEB liability	(2,365,736)	(1,142,044)
Increase (decrease) in deferred inflows or resources - pension	(256,839)	(256,839)
Increase (decrease) in deferred inflows or resources - OPEB	(930,714)	(1,541,421)
Net cash provided by operating activities	\$ 36,773,624	\$ 31,470,180

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, 2025 and 2024

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, 2025 and 2024

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, 2025 and 2024

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, 2025 and 2024

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 \$10,000, 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, 2025 and 2024

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, 2025 and 2024

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, 2025 and 2024.

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, 2025
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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

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, 2025 and 2024

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, 2025
Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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

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, 2025 and 2024

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 ending June 30, 2025, the District implemented the following accounting standard:

GASB Statement No. 101 - As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. This Statement establishes accounting and financial reporting guidance for compensated absences, which are leave benefits that are attributable to services already rendered, relate to rights that accumulate, and are more likely than not to be used for time off or otherwise paid to employees. The Statement requires governments to recognize a liability for certain types of compensated absences, such as vacation, sick leave, and paid time off, when the leave is earned rather than when it is taken.

The adoption of GASB Statement No. 101 did not result in a restatement of beginning net position, as the District's existing policies and practices for compensated absences were consistent with the provisions of the Statement. The District has updated its disclosures to conform with the new requirements.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

Accounting Changes (Continued)

GASB Statement No. 102 – As of July 1, 2024, the District adopted GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires governments to disclose certain risks and uncertainties that could significantly affect their financial position, balance, or operations. These risks include concentrations in revenue sources, investments, or loans; constraints imposed by external parties or legislation; and other conditions that may expose the entity to significant vulnerabilities. The Statement's objective is to provide users of financial statements with better insight into risks that could have a material impact on the government's ability to provide services or meet obligations.

Upon evaluation, management determined that there were no concentrations, constraints, or vulnerabilities that met the disclosure criteria under GASB Statement No. 102 for the current fiscal year. The District has incorporated the applicable disclosure considerations in accordance with the new requirements.

Upcoming New GASB Pronouncements

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

- In April 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.
- In June 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement establishes disclosure requirements related to a government's capital assets, including information on major classes of assets, restrictions, and changes in those assets. The Statement is intended to enhance the usefulness and consistency of capital asset information presented in the notes to the financial statements. The 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, 2025 and 2024

Note 3 - Cash and Investments

As of June 30, 2025 and 2024, cash and investments are classified in the accompanying statements of net position as follows:

	2025			2024		
	Primary Government	Discretely Presented Component Unit - JPA		Primary Government	Discretely Presented Component Unit - JPA	
		Total	Total		Total	
Cash and cash equivalents	\$ 123,057,917	\$ 7,127,350	\$ 130,185,267	\$ 123,556,891	\$ 9,058,046	\$ 132,614,937
Total Cash and Investments	\$ 123,057,917	\$ 7,127,350	\$ 130,185,267	\$ 123,556,891	\$ 9,058,046	\$ 132,614,937

As of June 30, 2025 and 2024, cash and investments consisted of the following:

	2025			2024		
	Primary Government	Discretely Presented Component Unit - JPA		Primary Government	Discretely Presented Component Unit - JPA	
		Total	Total		Total	
Deposits:						
Demand deposits	\$ 3,096,424	\$ 179,348	\$ 3,275,772	\$ 2,069,190	\$ 151,696	\$ 2,220,886
Petty cash	700	-	700	700	-	700
Total Deposits	3,097,124	179,348	3,276,472	2,069,890	151,696	2,221,586
Investments:						
US Treasuries	3,094,380	179,223	3,273,603	5,097,483	373,680	5,471,163
Municipal bonds	11,507,906	666,526	12,174,432	13,351,286	978,798	14,330,084
US Government sponsored agency securities	55,107,498	3,191,768	58,299,266	55,610,620	4,076,900	59,687,520
Certificates of deposit	10,481,911	607,101	11,089,012	10,267,159	752,697	11,019,856
California Asset Management Program	31,831,419	1,843,642	33,675,061	30,481,589	2,234,640	32,716,229
California Local Agency Investment Fund	7,706,093	446,329	8,152,422	6,593,263	483,360	7,076,623
Money market mutual funds	231,586	13,413	244,999	85,601	6,275	91,876
Total Investments	119,960,793	6,948,002	126,908,795	121,487,001	8,906,350	130,393,351
Total Cash and Investments	\$ 123,057,917	\$ 7,127,350	\$ 130,185,267	\$ 123,556,891	\$ 9,058,046	\$ 132,614,937

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

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 3 - Cash and Investments (Continued)

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.

As of June 30, 2025 and 2024, 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, 2025 and 2024:

	2025			2024		
	Significant Other Observable Input (Level 2)	Uncategorized	Total	Significant Other Observable Input (Level 2)	Uncategorized	Total
US Treasuries	\$ 3,273,603	\$ -	\$ 3,273,603	\$ 5,471,163	\$ -	\$ 5,471,163
Municipal bonds	12,174,432	-	12,174,432	14,330,084	-	14,330,084
US Government sponsored agency securities	58,299,266	-	58,299,266	59,687,520	-	59,687,520
Certificates of deposit	11,089,012	-	11,089,012	11,019,856	-	11,019,856
California Asset Management Program	-	33,675,061	33,675,061	-	32,716,229	32,716,229
California Local Agency Investment Fund	-	8,152,422	8,152,422	-	7,076,623	7,076,623
Money market mutual funds	-	244,999	244,999	-	91,876	91,876
Total Investments	\$ 84,836,313	\$ 42,072,482	\$ 126,908,795	\$ 90,508,623	\$ 39,884,728	\$ 130,393,351

Demand Deposits

Demand deposits are held in pool by the District. The carrying amounts of cash deposits were \$3,096,424 and \$2,069,190 at June 30, 2025 and 2024, respectively. Bank balances at June 30, 2025 and 2024 were \$5,686,395 and \$4,239,836 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.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 3 - Cash and Investments (Continued)

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.

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, 2025, and 2024, the District had \$8,152,422 and \$7,076,623 respectively, invested in LAIF, which had invested 2.02% and 1.40% 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, 2025 and 2024

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, 2025 and 2024.

Investment Type	2025					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	\$ -	\$ -	\$ 466,445	\$ 1,655,148	\$ 1,152,010	\$ 3,273,603
Municipal bonds	948,598	5,382,345	1,443,635	2,742,837	1,657,017	12,174,432
US Government sponsored agency securities	14,385,526	8,765,660	8,995,740	13,160,650	12,991,690	58,299,266
Certificates of deposit	2,190,131	1,929,744	1,735,804	2,259,959	2,973,374	11,089,012
California Asset Management Program	33,675,061	-	-	-	-	33,675,061
California Local Agency Investment Fund (LAIF)	8,152,422	-	-	-	-	8,152,422
Money market mutual funds	244,999	-	-	-	-	244,999
	\$ 59,596,737	\$ 16,077,749	\$ 12,641,624	\$ 19,818,594	\$ 18,774,091	\$ 126,908,795

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 3 - Cash and Investments (Continued)

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>

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, 2025 and 2024.

Investment Type	2025			
	Total as of June 30, 2025	Minimum Legal Requirement	AAA	A/AA+/-
US Treasury	\$ 3,273,603	None	\$ -	\$ -
Municipal bonds	12,174,432	AA-	3,477,543	7,220,885
US Government sponsored agency securities	58,299,266	None	-	43,395,446
Certificates of deposit	11,089,012	None	-	-
California Asset Management Program	33,675,061	None	33,675,061	-
California Local Agency Investment Fund (LAIF)	8,152,422	None	-	-
Money market mutual funds	244,999	None	-	-
	<u>\$ 126,908,795</u>		<u>\$ 37,152,604</u>	<u>\$ 50,616,331</u>

Investment Type	2024			
	Total as of June 30, 2024	Minimum Legal Requirement	AAA	AA+/-
US Treasury	\$ 5,471,163	None	\$ 2,383,530	\$ 3,087,633
Municipal bonds	14,330,084	AA-	3,181,258	11,148,826
US Government sponsored agency securities	59,687,520	None	57,747,270	1,940,250
Certificates of deposit	11,019,856	None	-	-
California Asset Management Program	32,716,229	None	32,716,229	-
California Local Agency Investment Fund (LAIF)	7,076,623	None	-	-
Money market mutual funds	91,876	None	-	-
	<u>\$ 130,393,351</u>		<u>\$ 96,028,287</u>	<u>\$ 16,176,709</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

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, 2025 and 2024, the District had Federal Agriculture Mortgage Corporation, Federal Farm Credit Bank and Federal Home Loan Bank exceed 5% of total portfolio.

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, 2025, 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, 2025 and 2024, sales and services receivable, net of allowance for uncollectible accounts, were in the amount of \$10,435,874 and \$8,582,456 for the District and \$4,336,465 and \$1,367,751 for the JPA, respectively. As of June 30, 2025 and 2024, allowance for uncollectible accounts were in the amount of \$119,340 and \$111,968 for the District. The JPA does not have any allowance for uncollectible accounts as of June 30, 2025 and 2024.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 5 - Inventories

Inventories consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<u>Primary Government</u>		
Material and supplies	\$ 1,298,481	\$ 1,103,898
Water in storage	9,326,073	9,672,708
Total	<u>\$ 10,624,554</u>	<u>\$ 10,776,606</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>2025</u>	<u>2024</u>
Beginning of year	\$ 70,666,275	\$ 68,088,841
Contributions	35,977,592	22,103,138
Share in income (loss):		
Sanitation expenses	(16,030,651)	(15,435,711)
Depreciation expense	(4,145,884)	(4,089,993)
End of year	<u>\$ 86,467,332</u>	<u>\$ 70,666,275</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

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>2025</u>	<u>2024</u>
Primary government's net investment in JPA's capital assets	\$ 85,857,220	\$ 69,863,672
Capitalized interest, net	610,112	802,603
Investment in JPA	<u>\$ 86,467,332</u>	<u>\$ 70,666,275</u>

Condensed financial statement of the JPA as of and for the year ended June 30, 2025 and 2024 including the participants' approximate percentage shares as follows:

	<u>2025</u>	<u>2024</u>
Beginning of year	\$ 4,863,790	\$ 6,373,433
Additions	14,956,000	5,522,704
(Deletions)	(19,946,942)	(7,032,347)
End of year	<u>\$ (127,152)</u>	<u>\$ 4,863,790</u>

The amount due from the JPA at June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>			<u>2024</u>		
	<u>Amount</u>	Las Virgenes Municipal Water District	Triunfo Sanitation District	<u>Amount</u>	Las Virgenes Municipal Water District	Triunfo Sanitation District
Total assets	\$ 138,634,852	67%	33%	\$ 116,742,266	67%	33%
Total liabilities	11,988,423	67%	33%	10,931,239	67%	33%
Total equity	126,646,429	70%	30%	105,811,027	70%	30%
Billings to participants	22,419,696	67%	33%	21,175,232	67%	33%
Depreciation	5,657,310	70%	30%	5,579,368	70%	30%
Capital contributions	26,492,711	71%	29%	11,057,297	71%	29%

Note 7 - Lease Receivable

As of June 30, 2025 and 2024, the District had 7 active leases. The leases receivables have a value of \$1,173,817 and \$1,193,185, respectively. The leases have receipts that range from \$3,120 to \$79,642 and interest rates ranging from 0.3870 to 3.1770%. The value of the deferred inflow of resources as of June 30, 2025 and 2024 is \$1,135,529 and \$1,160,430, respectively.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 8 - Capital Assets

Primary Government

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Reclassification	Balance June 30, 2025
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	10,109,766	8,619,942	-	(1,319,238)	17,410,470
Total capital assets, not depreciated	<u>17,025,124</u>	<u>8,619,942</u>	<u>-</u>	<u>(1,319,238)</u>	<u>24,325,828</u>
Capital assets, being depreciated/amortized					
Water plant:					
Source of supply	45,725,287	-	-	72,090	45,797,377
Plant	134,830,935	-	-	989,578	135,820,513
Structure	33,158,750	-	-	(459,013)	32,699,737
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	13,190,043	-	(32,215)	716,583	13,874,411
Leased Assets:					
Equipment and other assets	77,238	-	(37,786)	-	39,452
SBITA	876,427	396,507	-	-	1,272,934
Total capital assets, being depreciated/ amortized	<u>257,443,546</u>	<u>396,507</u>	<u>(70,001)</u>	<u>1,319,238</u>	<u>259,089,290</u>
Less accumulated depreciation/amortization					
Water plant:					
Source of supply	(17,048,747)	(1,029,499)	-	-	(18,078,246)
Plant	(67,178,640)	(1,924,661)	-	-	(69,103,301)
Structure	(20,930,908)	(638,548)	-	-	(21,569,456)
Sanitation plant:					
Plant	(4,641,641)	(72,854)	-	-	(4,714,495)
Machinery and equipment	(17,318)	-	-	-	(17,318)
General utility plant:					
Building and improvements	(15,744,202)	(466,165)	-	-	(16,210,367)
Machinery and equipment	(11,206,425)	(514,649)	24,158	-	(11,696,916)
Leased Assets:					
Equipment and other assets	(57,611)	(13,212)	36,632	-	(34,191)
SBITA	(475,797)	(340,004)	-	-	(815,801)
Total accumulated depreciation/amortization	<u>(137,301,289)</u>	<u>(4,999,592)</u>	<u>60,790</u>	<u>-</u>	<u>(142,240,091)</u>
Total capital assets, being depreciated amortized, net	<u>120,142,257</u>	<u>(4,603,085)</u>	<u>(9,211)</u>	<u>1,319,238</u>	<u>116,849,199</u>
Total capital assets, net	<u>\$ 137,167,381</u>	<u>\$ 4,016,857</u>	<u>\$ (9,211)</u>	<u>\$ -</u>	<u>\$ 141,175,027</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 8 - Capital Assets (Continued)

Primary Government (Continued)

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	<u>18,904,068</u>	<u>3,229,289</u>	<u>(772,426)</u>	<u>(4,335,807)</u>	<u>17,025,124</u>
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
Leased Assets:					
Building	51,434	-	(51,434)	-	-
Equipment and other assets	75,557	1,681	-	-	77,238
SBITA	1,897,121	235,177	(1,255,871)	-	876,427
Total capital assets, being depreciated/ amortized	<u>254,450,875</u>	<u>236,858</u>	<u>(1,579,994)</u>	<u>4,335,807</u>	<u>257,443,546</u>
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)
Leased Assets:					
Building	(38,576)	(12,858)	51,434	-	-
Equipment and other assets	(41,112)	(16,499)	-	-	(57,611)
SBITA	(1,166,792)	(564,876)	1,255,871	-	(475,797)
Total accumulated depreciation/amortization	<u>(133,656,608)</u>	<u>(5,224,675)</u>	<u>1,579,994</u>	<u>-</u>	<u>(137,301,289)</u>
Total capital assets, being depreciated amortized, net	<u>120,794,267</u>	<u>(4,987,817)</u>	<u>-</u>	<u>4,335,807</u>	<u>120,142,257</u>
Total capital assets, net	<u>\$ 139,698,335</u>	<u>\$ (1,758,528)</u>	<u>\$ (772,426)</u>	<u>\$ -</u>	<u>\$ 137,167,381</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 8 - Capital Assets (Continued)

Discretely Presented Component Unit - JPA

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Reclassification	Balance June 30, 2025
Capital assets, not depreciated					
Land and land rights	\$ 14,368,150	\$ -	\$ -	\$ -	\$ 14,368,150
Construction in progress	21,166,221	26,492,712	-	(10,609,934)	37,048,999
Total capital assets, not depreciated	35,534,371	26,492,712	-	(10,609,934)	51,417,149
Capital assets, being depreciated					
Sewer and treatment plant	134,465,039	-	-	10,194,506	144,659,545
Compost plant and farm	85,443,699	-	-	415,428	85,859,127
Recycled water system	36,005,381	-	-	-	36,005,381
Advanced water system	4,420,623	-	-	-	4,420,623
Total capital assets, being depreciated	260,334,742	-	-	10,609,934	270,944,676
Less accumulated depreciation					
Sewer and treatment plant	(103,175,545)	(3,396,778)	-	-	(106,572,323)
Compost plant and farm	(60,261,682)	(1,771,298)	-	-	(62,032,980)
Recycled water system	(26,275,089)	(400,822)	-	-	(26,675,911)
Advanced water system	(345,770)	(88,412)	-	-	(434,182)
Total accumulated depreciation	(190,058,086)	(5,657,310)	-	-	(195,715,396)
Total capital assets, being depreciated, net	70,276,656	(5,657,310)	-	10,609,934	75,229,280
Total capital assets, net	\$ 105,811,027	\$ 20,835,402	\$ -	\$ -	\$ 126,646,429

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	29,519,704	11,057,297	-	(5,042,630)	35,534,371
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	255,292,112	-	-	5,042,630	260,334,742
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	(184,478,718)	(5,579,368)	-	-	(190,058,086)
Total capital assets, being depreciated, net	70,813,394	(5,579,368)	-	5,042,630	70,276,656
Total capital assets, net	\$ 100,333,098	\$ 5,477,929	\$ -	\$ -	\$ 105,811,027

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 9 - Compensated Absences

A summary of changes (shown net) in compensated absences for the year ended June 30, 2025 is as follows:

Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Due in More than One Year
\$ 2,098,360	\$ 1,505,166	\$ -	\$ 3,603,526	\$ 329,854	\$ 3,273,672

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	\$ -	\$ (68,109)	\$ 2,098,360	\$ 523,630	\$ 1,574,730

Note 10 - Long-Term Liabilities

A summary of changes in long-term debt for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year	Due in More than One Year
Direct borrowing:						
2020 Installment purchase agreement	\$ 6,375,000	\$ -	\$ (1,010,000)	\$ 5,365,000	\$ 1,030,000	\$ 4,335,000
Lease liability	20,900	-	(15,489)	5,411	5,411	-
Subscription liability	329,280	396,507	(342,551)	383,236	220,842	162,394
Total Long-Term Debt	\$ 6,725,180	\$ 396,507	\$ (1,368,040)	\$ 5,753,647	\$ 1,256,253	\$ 4,497,394

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

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, 2025 and 2024

Note 10 - Long-Term Liabilities (Continued)

2020 Installment Purchase Agreement (Continued)

The annual debt service requirements at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
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	\$ 5,365,000	\$ 265,736	\$ 5,630,736

Lease Liability

The District has 1 active lease with a lease payment of \$5,411 and interest rate at 0.5420%. As of June 30, 2025, the combined value of the lease liability is \$5,411. The combined value of the right to use asset, as of June 30, 2025, is \$39,452 with accumulated amortization of \$34,191.

The annual debt service requirements as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 5,411	\$ 11	\$ 5,422
Total	\$ 5,411	\$ 11	\$ 5,422

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 10 - Long-Term Liabilities (Continued)

Subscription Liability

The District has 10 active subscriptions. The subscriptions have payments that range from \$6,000 to \$106,665 and interest rates that range from 0.5550% to 3.7640%. As of June 30, 2025, the value of the subscription liability is \$383,236. The value of the right to use asset as of June 30, 2025 is \$1,272,934 with accumulated amortization of \$815,801.

The annual debt service requirements as of June 30, 2025 are as follows:

Year Ending				
June 30,	Principal	Interest	Total	
2026	\$ 220,842	\$ 9,862	\$ 230,704	
2027	162,394	3,254	165,648	
Total	\$ 383,236	\$ 13,116	\$ 396,352	

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, 2023 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, 2025 and 2024

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 as of June 30, 2025 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, 2023 and 2022 (valuation dates), the following employees were covered by the benefit terms:

	2023	2022
Inactive employees or beneficiaries currently receiving benefits	186	173
Inactive employees entitled to but not yet receiving benefits	78	74
Active	114	115
Total	378	362

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

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, 2025 and 2024 were \$3,829,800 and \$3,132,552, 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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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, 2023
Measurement Date	June 30, 2024
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 Allowance floor on purchasing power applies, 2.30% thereafter.

⁽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, 2025 and 2024

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:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.85%
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, 2025 and 2024

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

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, 2025 and 2024

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, 2023 to June 30, 2024:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)=(a)-(b)
Balance at June 30, 2023 (Valuation Date)	\$ 122,640,839	\$ 97,360,440	\$ 25,280,399
Changes Recognized for the Measurement Period:			
Service cost	2,248,718	-	2,248,718
Interest on the total pension liability	8,630,419	-	8,630,419
Difference between expected and actual experience	5,048,998	-	5,048,998
Contributions from the employer	-	3,132,553	(3,132,553)
Contributions from employees	-	936,175	(936,175)
Net investment income, net of administrative expense	-	9,245,989	(9,245,989)
Benefit payments, including refunds of employee contributions	(7,471,347)	(7,471,347)	-
Administrative expense	-	(79,222)	79,222
Net Changes during July 1, 2023 to June 30, 2024	8,456,788	5,764,148	2,692,640
Balance at June 30, 2024 (Measurement Date)	\$ 131,097,627	\$ 103,124,588	\$ 27,973,039

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
Difference between expected and actual experience	2,139,641	-	2,139,641
Changes in benefit terms	114,822	-	114,822
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

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

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 measurement date June 30, 2024 and 2023 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% (5.9%)	Current Discount Rate (6.9%)	Discount Rate + 1% (7.9%)
2024 Plan's Net Pension Liability/(Asset)	\$ 44,032,899	\$ 27,973,039	\$ 14,606,169
2023 Plan's Net Pension Liability/(Asset)	\$ 40,502,588	\$ 25,280,399	\$ 12,607,559

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

As of the start of the measurement period (July 1, 2023), the District's net pension liability was \$25,280,399. For the measurement periods ending June 30, 2024 and 2023 (the measurement date), the District incurred a pension expense of \$5,848,352 and \$4,872,707.

As of fiscal year June 30, 2025 and 2024, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 4,523,416	\$ (51,369)	\$ 1,528,315	\$ (308,208)
Changes of Assumptions	75,124	-	450,743	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,487,753	-	4,387,234	-
Pension Contributions Subsequent to Measurement Date	3,829,800	-	3,132,552	-
Total	\$ 9,916,093	\$ (51,369)	\$ 9,498,844	\$ (308,208)

Las Virgenes Municipal Water District

**Notes to the Basic Financial Statements
For the Years Ended June 30, 2025 and 2024**

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

These amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date of \$3,829,800 and \$3,132,552 in during the years ended June 30, 2025 and 2024, respectively, reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2026 and June 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

2025		2024	
Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 1,971,275	2025	\$ 1,510,293
2027	4,294,748	2026	1,058,528
2028	298,725	2027	3,382,000
2029	(529,824)	2028	107,263
2030	-	2029	-
Total	\$ 6,034,924	Total	\$ 6,058,084

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 2025 and 2024 was \$706,803 and \$1,121,833 respectively.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

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, 2024 and 2023, the dates of the latest actuarial valuations, respectively.

	<u>2024</u>	<u>2023</u>
Active employees	118	116
Retired employees and beneficiaries	115	104
Total	<u>233</u>	<u>220</u>

Actuarial Assumptions

The net OPEB liability in the June 30, 2024 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
Asset valuation	Fair value of assets
Discount Rate	5.50%
Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	5.50% net of OPEB plan investment expense
Mortality Rate	Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).
Healthcare Trend Rate	7.50 percent for 2024 decreasing to 5.40 percent for 2029, 5.25 percent for 2030-2034, 4.60 percent for 2035-2049, 4.50 percent for 2050-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for all years.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2023 to June 30, 2024.

Change in Assumptions

Effective with the June 30 2024 valuation date, the accounting discount rate remained the same and the inflation rate was reduced from 2.75% to 2.50%.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

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 dates June 30, 2024 and 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>	

The remainder of this page was left intentionally blank

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

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, 2023 (Measurement Date)	\$ 21,704,991	\$ 14,903,721	\$ 6,801,270
Changes recognized for the measurement period:			
Service cost	323,820	-	323,820
Interest on the total OPEB liability	1,175,302	-	1,175,302
Difference between expected and actual experience	(685,549)	-	(685,549)
Changes of assumptions	245,563	-	245,563
Contributions from the employer	-	2,459,094	(2,459,094)
Contributions from employees	-	970,682	(970,682)
Benefit payments, including refunds of employee contributions	(1,337,261)	(1,337,261)	-
Administrative expense	-	(4,904)	4,904
Net changes during July 1, 2022 to June 30, 2023	<u>(278,125)</u>	<u>2,087,611</u>	<u>(2,365,736)</u>
Balance at June 30, 2024 (Measurement Date)	<u>\$ 21,426,866</u>	<u>\$ 16,991,332</u>	<u>\$ 4,435,534</u>

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, 2024, 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	\$ 6,850,337	\$ 4,435,534	\$ 2,402,391

The following presents the net OPEB liability of the District at measurement date June 30, 2024, 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	\$ 2,280,132	\$ 4,435,534	\$ 7,020,116

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 12 - Other Postemployment Benefits (Continued)

Change in the Net OPEB Liability (Continued)

	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
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

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, 2025 and 2024

Note 12 - Other Postemployment Benefits (Continued)

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

For the years ended June 30, 2025 and 2024, the District recognized OPEB (income)/expense of \$(97,990) and \$241,445, respectively, for the District Plan. At June 30, 2025 and 2024 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,503,508	\$ -	\$ 2,390,670	\$ -
Changes of assumptions	1,684,423	(300,820)	1,912,705	(574,295)
Differences between expected and actual experience	-	(4,439,395)	-	(5,096,634)
Difference between projected and actual return on investments	1,013,665	-	1,524,749	-
Total	<u>\$ 5,201,596</u>	<u>\$ (4,740,215)</u>	<u>\$ 5,828,124</u>	<u>\$ (5,670,929)</u>

The \$2,503,508 and \$2,390,670 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, 2025 and 2024, respectively will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026 and 2025. 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,	2025	Year Ended June 30,	2024
	Deferred Outflows/(Inflows) of Resources		Deferred Outflows/(Inflows) of Resources
2026	\$ (765,706)	2025	\$ (665,151)
2027	(140,083)	2026	(678,682)
2028	(571,953)	2027	(53,059)
2029	(438,679)	2028	(484,929)
2030	(62,856)	2029	(351,654)
Thereafter	(62,850)	Thereafter	-
Total	<u>\$ (2,042,127)</u>	Total	<u>\$ (2,233,475)</u>

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

Note 13 - Net Position

As of June 30, 2025, and 2024, the net position for the District consisted of the following:

	2025		2024	
	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	\$ 141,175,027	\$ 126,646,429	\$ 137,167,381	\$ 105,811,027
Less:				
Contract retainage	(21,400)	-	(487,227)	-
2020 Installment purchase agreement	(5,365,000)	-	(6,375,000)	-
Lease liability	(5,411)	-	(20,900)	-
Subscription liability	(383,236)	-	(329,280)	-
Total net investment in capital assets	135,399,980	126,646,429	129,954,974	105,811,027
Unrestricted:				
Designated for:				
Investment in JPA	86,467,332	-	70,666,275	-
Rate stabilization	8,000,000	-	8,000,000	-
Insurance	8,672,937	-	8,672,937	-
Operating emergencies	16,359,729	-	16,359,729	-
Pure water	35,000,000	-	35,000,000	-
Undesignated	39,645,099	-	47,035,023	-
Total unrestricted	194,145,097	-	185,733,964	-
Total Net Position	\$ 329,545,077	\$ 126,646,429	\$ 315,688,938	\$ 105,811,027

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 \$3,082,493 and \$2,736,764 for the years ended June 30, 2025 and 2024, respectively.

Effective July 1, 2024, the District retained Zenith Insurance Company for its workers' compensation insurance coverage. The District paid premiums of \$201,549 and \$239,027 for the years ended June 30, 2025 and 2024, respectively.

Las Virgenes Municipal Water District

Notes to the Basic Financial Statements For the Years Ended June 30, 2025 and 2024

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, 2025, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of \$9,165,569.

	Contractual Commitment
Cornell Pump Station Upgrades	\$ 4,656,744
Water Tank Rehab	1,584,545
Emergency Generators	786,710
Building 1 Improvements	671,448
Various construction projects	1,466,122
	<u>\$ 9,165,569</u>

As of June 30, 2025, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$19,146,317.

	Contractual Commitment
Pure Water Project	\$ 17,937,441
Rancho New Flare	406,200
Tapia Aluminum Sulfate Tank	359,405
Various construction projects	443,271
	<u>\$ 19,146,317</u>

As of June 30, 2024, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of \$9,627,991.

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

Las Virgenes Municipal Water District

**Notes to the Basic Financial Statements
For the Years Ended June 30, 2025 and 2024**

Note 15 - Construction and Other Significant Commitments (Continued)

Contractual Commitments (Continued)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

This page left intentionally blank

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	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 2,248,718	\$ 2,170,113	\$ 2,090,119	\$ 1,890,607	\$ 1,744,616
Interest	8,630,419	8,062,847	7,665,701	7,629,771	7,306,938
Changes of Benefit Terms	-	114,822	-	-	-
Differences between expected and actual experience	5,048,998	2,139,641	(821,886)	567,566	1,884,476
Changes of assumptions	-	-	1,201,981	-	-
Benefit payments, including refunds of employee contributions	(7,471,347)	(6,719,837)	(5,869,237)	(5,357,190)	(4,996,713)
Net change in total pension liability	8,456,788	5,767,586	4,266,678	4,730,754	5,939,317
Total pension liability - beginning	122,640,839	116,873,253	112,606,575	107,875,821	101,936,504
Total pension liability - ending (a)	131,097,627	122,640,839	116,873,253	112,606,575	107,875,821
Pension fiduciary net position					
Contributions - employer	3,132,553	3,394,789	3,121,268	2,784,221	2,588,930
Contributions - employee	936,175	909,902	861,955	829,015	849,386
Net investment income	9,245,989	5,860,858	(7,760,816)	19,355,162	4,134,868
Benefit payments, including refunds of employee contributions	(7,471,347)	(6,719,837)	(5,869,237)	(5,357,190)	(4,996,713)
Other	(79,222)	(69,111)	(64,596)	(86,079)	(118,013)
Net change in plan fiduciary net position	5,764,148	3,376,601	(9,711,426)	17,525,129	2,458,458
Plan fiduciary net position - beginning	97,360,440	93,983,839	103,695,265	86,170,136	83,711,678
Plan fiduciary net position - ending (b)	103,124,588	97,360,440	93,983,839	103,695,265	86,170,136
District's net pension liability - ending (a) - (b)	\$ 27,973,039	\$ 25,280,399	\$ 22,889,414	\$ 8,911,310	\$ 21,705,685
Plan fiduciary net position as a percentage of the total pension liability	78.66%	79.39%	80.42%	92.09%	78.88%
Covered payroll	\$ 13,625,884	\$ 13,170,993	\$ 12,498,168	\$ 11,919,217	\$ 11,200,332
District's net pension liability as a percentage of covered payroll	205.29%	191.94%	183.14%	74.76%	193.80%

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.

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	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 1,783,579	\$ 1,744,796	\$ 1,813,978	\$ 1,511,819	\$ 1,593,701
Interest	6,894,754	6,486,599	6,456,858	6,362,749	6,129,355
Changes of Benefit Terms	-	-	-	-	-
Differences between expected and actual experience	1,883,971	(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	<u>(4,560,334)</u>	<u>(4,292,253)</u>	<u>(3,808,359)</u>	<u>(3,984,639)</u>	<u>(4,076,072)</u>
Net change in total pension liability	6,001,970	169,163	9,465,860	3,289,053	(841,624)
Total pension liability - beginning	<u>95,934,534</u>	<u>95,765,371</u>	<u>88,299,511</u>	<u>85,010,458</u>	<u>85,852,082</u>
Total pension liability - ending (a)	<u>101,936,504</u>	<u>95,934,534</u>	<u>97,765,371</u>	<u>88,299,511</u>	<u>85,010,458</u>
Pension fiduciary net position					
Contributions - employer	2,414,889	2,100,676	1,992,743	1,888,232	1,701,878
Contributions - employee	766,262	815,450	741,264	694,766	700,118
Net investment income ²	5,268,968	6,323,046	7,711,377	341,006	1,610,606
Benefit payments, including refunds of employee contributions	<u>(4,560,334)</u>	<u>(4,292,253)</u>	<u>(3,808,359)</u>	<u>(3,984,639)</u>	<u>(4,076,072)</u>
Other	<u>(56,818)</u>	<u>(340,224)</u>	<u>(101,485)</u>	<u>(42,564)</u>	<u>(78,615)</u>
Net change in plan fiduciary net position	3,832,967	4,606,695	6,535,540	(1,103,199)	(142,085)
Plan fiduciary net position - beginning	<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>
Plan fiduciary net position - ending (b)	<u>83,711,678</u>	<u>79,878,711</u>	<u>75,272,016</u>	<u>68,736,476</u>	<u>69,839,675</u>
District's net pension liability - ending (a) - (b)	<u>\$ 18,224,826</u>	<u>\$ 16,055,823</u>	<u>\$ 22,493,355</u>	<u>\$ 19,563,035</u>	<u>\$ 15,170,783</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>82.12%</u>	<u>83.26%</u>	<u>78.60%</u>	<u>77.84%</u>	<u>82.15%</u>
Covered payroll	<u>\$ 10,997,736</u>	<u>\$ 10,354,515</u>	<u>\$ 10,502,928</u>	<u>\$ 9,775,690</u>	<u>\$ 9,545,681</u>
District's net pension liability as a percentage of covered payroll	<u>165.71%</u>	<u>155.06%</u>	<u>214.16%</u>	<u>200.12%</u>	<u>158.93%</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 3,829,800	\$ 3,132,552	\$ 3,394,789	\$ 3,121,268	\$ 2,784,221
Contributions in relation to the actuarially determined contribution	<u>(3,829,800)</u>	<u>(3,132,552)</u>	<u>(3,394,789)</u>	<u>(3,121,268)</u>	<u>(2,784,221)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 15,494,778	\$ 13,625,884	\$ 13,170,993	\$ 12,498,168	\$ 11,919,217
Contributions as a percentage of covered payroll ¹	24.72%	22.99%	25.77%	24.97%	23.36%

Notes to Schedule:

Valuation date: 6/30/2023 6/30/2022 6/30/2021 6/30/2020 6/30/2019

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2024-25 were from the June 30, 2023 public agency valuations.

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 2,588,931	\$ 2,414,889	\$ 2,100,676	\$ 1,992,743	\$ 1,888,232
Contributions in relation to the actuarially determined contribution	<u>(2,588,931)</u>	<u>(2,414,889)</u>	<u>(2,100,676)</u>	<u>(1,992,743)</u>	<u>(1,888,232)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 11,200,332	\$ 10,997,736	\$ 10,354,515	\$ 10,502,928	\$ 9,775,690
Contributions as a percentage of covered payroll ¹	23.11%	21.96%	20.29%	18.97%	19.32%

Notes to Schedule:

Valuation date:	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
-----------------	-----------	-----------	-----------	-----------	-----------

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	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability								
Service cost	\$ 323,820	\$ 437,388	\$ 369,911	\$ 539,986	\$ 560,131	\$ 722,811	\$ 650,429	\$ 174,032
Interest	1,175,302	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	(685,549)	-	(6,570,430)	-	(1,485,687)	-	(179,003)	-
Changes of assumptions	245,563	-	2,702,224	-	(1,668,195)	-	909,501	-
Benefit payments, including refunds of employee contributions	(1,337,261)	(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	(278,125)	402,516	(3,282,109)	624,401	(2,324,715)	571,701	1,172,548	564,169
Total OPEB liability - beginning	<u>21,704,991</u>	<u>21,302,475</u>	<u>24,584,584</u>	<u>23,960,183</u>	<u>26,284,898</u>	<u>25,713,197</u>	<u>24,540,649</u>	<u>23,976,480</u>
Total OPEB liability - ending (a)	<u>21,426,866</u>	<u>21,704,991</u>	<u>21,302,475</u>	<u>24,584,584</u>	<u>23,960,183</u>	<u>26,284,898</u>	<u>25,713,197</u>	<u>24,540,649</u>
OPEB fiduciary net position								
Contributions - employer	2,459,094	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	970,682	263,416	(1,571,067)	1,467,876	587,187	544,469	470,926	472,252
Benefit payments, including refunds of employee contributions	(1,337,261)	(1,198,059)	(1,244,298)	(1,345,809)	(1,303,141)	(1,645,263)	(1,632,955)	(1,022,844)
Other	(4,904)	(3,940)	(3,532)	(3,821)	(7,704)	(5,931)	-	(3,938)
Net change in plan fiduciary net position	2,087,611	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	<u>14,903,721</u>	<u>13,359,161</u>	<u>13,332,956</u>	<u>10,253,877</u>	<u>8,280,994</u>	<u>6,412,151</u>	<u>5,357,553</u>	<u>4,254,341</u>
Plan fiduciary net position - ending (b)	<u>16,991,332</u>	<u>14,903,721</u>	<u>13,359,161</u>	<u>13,332,956</u>	<u>10,253,877</u>	<u>8,280,994</u>	<u>6,411,751</u>	<u>5,357,553</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 4,435,534</u>	<u>\$ 6,801,270</u>	<u>\$ 7,943,314</u>	<u>\$ 11,251,628</u>	<u>\$ 13,706,306</u>	<u>\$ 18,003,904</u>	<u>\$ 19,301,446</u>	<u>\$ 19,183,096</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>79.30%</u>	<u>68.66%</u>	<u>62.71%</u>	<u>54.23%</u>	<u>44.80%</u>	<u>31.50%</u>	<u>24.94%</u>	<u>21.83%</u>
Covered payroll	<u>\$ 13,625,884</u>	<u>\$ 13,170,993</u>	<u>\$ 12,498,168</u>	<u>\$ 11,919,217</u>	<u>\$ 11,200,332</u>	<u>\$ 10,997,736</u>	<u>\$ 10,354,515</u>	<u>\$ 10,502,928</u>
District's net OPEB liability as a percentage of covered payroll	<u>32.55%</u>	<u>51.64%</u>	<u>213.66%</u>	<u>213.66%</u>	<u>112.36%</u>	<u>157.09%</u>	<u>180.60%</u>	<u>191.23%</u>

¹ Ten year historical information is not available.

Actuarial Assumptions:

Actuarial cost method	Entry Age, Level
Amortization method	Level of percent of pay, closed 30 years
Asset valuation method	Fair value of assets
Salary Increases	3.00% - Per annum
Inflation	2.50% - Per annum
Investment Rate of Return	5.50% net of OPEB plan investment expense
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	7.50 percent for 2024 decreasing to 5.40 percent for 2029, 5.25 percent for 2030-2034, 4.60 percent for 2035-2049, 4.50 percent for 2050-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for all years.

Las Virgenes Municipal Water District

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

Fiscal Year ¹	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined employer contribution	\$ 706,803	\$ 1,121,833	\$ 1,089,158	\$ 1,285,084	\$ 2,950,042	\$ 3,038,663	\$ 2,216,227	\$ 1,657,743
Actual employer contribution	(2,503,508)	(2,390,670)	(1,089,158)	(1,285,084)	(2,950,042)	(3,038,663)	(2,216,227)	(1,657,743)
Contribution deficiency (excess)	\$ (1,796,705)	\$ (1,268,837)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,626,321	\$ 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	18.37%	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, 2025

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.

- | | |
|----------------------------|----|
| 1. Net Position | 63 |
| 2. Changes in Net Position | 64 |

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

- | | |
|-----------------------------|----|
| 3. Revenue Base | 65 |
| 4. Revenue Rates | 66 |
| 5. Principal Revenue Payers | 68 |

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.

- | | |
|--|----|
| 6. Ratios of Outstanding Debt by Type | 70 |
| 7. Ratios of General Bonded Debt Outstanding | 70 |
| 8. Pledged-Revenue Coverage | 71 |

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.

- | | |
|--|----|
| 9. Demographic and Economic Statistics | 72 |
| 10. Principal Employers | 73 |

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.

- | | |
|--|----|
| 11. Full-Time Equivalent District Employees by Function | 74 |
| 12. Operating Indicators by Function | 75 |
| 13. Capital Assets Statistics by Function | 76 |
| 14. Annual Water and Sewer Capacity Fee Deposits Reports | 77 |

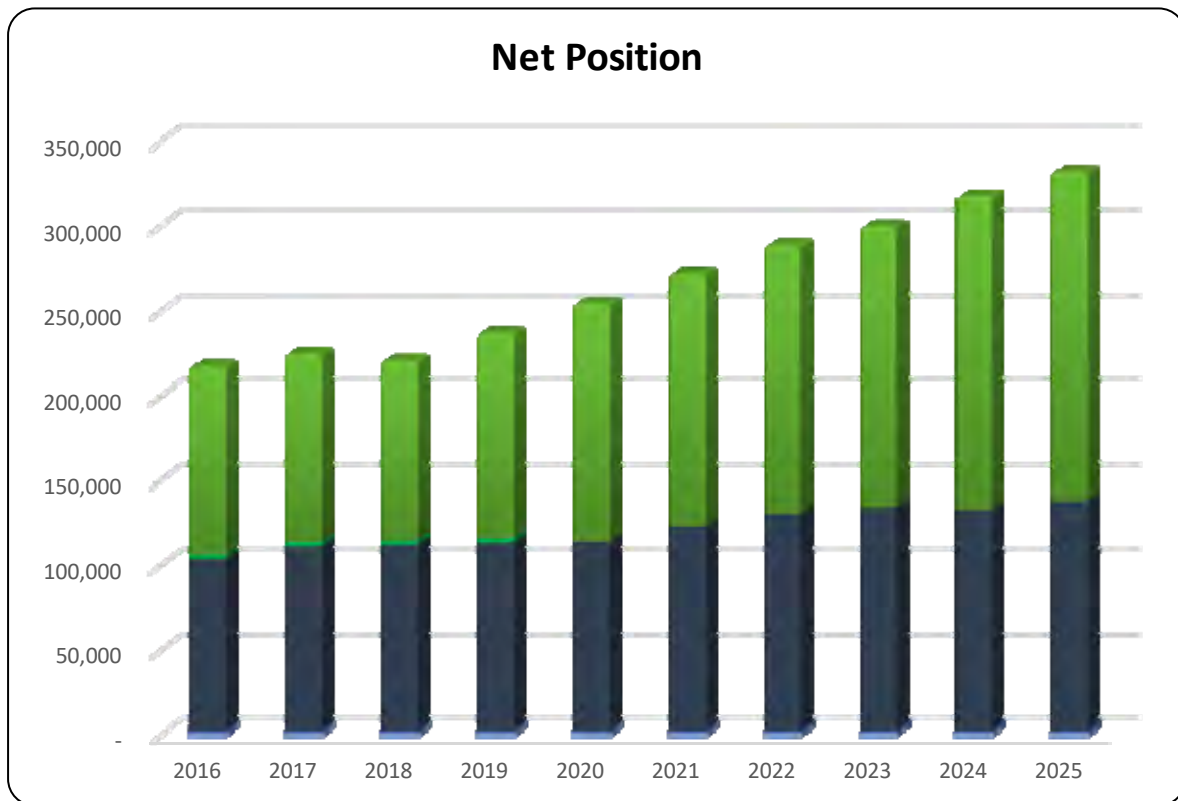
Note: The District has no governmental funds; therefore, does not present information about changes in fund balances. Also, the District has no legal debt limitations.

This page left intentionally blank

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
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	297,086
2024	129,955	-	185,734	315,689
2025	135,400	-	194,145	329,545



Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

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

	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
OPERATING REVENUES:										
Water sales and service fees	\$ 56,192	\$ 45,569	\$ 38,914	\$ 51,564	\$ 52,306	\$ 45,431	\$ 43,370	\$ 45,257	\$ 39,113	\$ 32,949
Sanitation service fees	23,068	22,217	21,208	20,241	18,695	18,836	18,923	18,818	18,614	17,050
Other income	2,586	1,984	4,540	3,933	3,475	3,151	2,681	2,642	2,068	3,030
Total operating revenues	81,846	69,770	64,662	75,738	74,476	67,418	64,974	66,717	59,795	53,029
OPERATING EXPENSES:										
Water expenses:										
Source of supply	28,421	22,073	19,428	25,977	28,128	24,762	24,375	25,575	23,609	21,575
Pumping	2,925	2,329	1,778	2,548	1,979	1,738	1,615	1,669	1,618	1,491
Transmission and distribution	5,121	4,037	3,874	3,324	2,868	3,299	3,998	2,834	2,808	2,956
Meter	180	291	634	1,016	1,018	832	760	735	851	898
Water conservation	151	174	274	82	166	635	618	265	395	2,280
Rental	-	-	-	-	31	14	28	7	4	21
General and administrative	11,894	8,720	6,794	4,366	6,832	7,357	6,441	6,208	5,645	5,155
Total water expenses	48,692	37,624	32,782	37,313	41,022	38,637	37,835	37,293	34,930	34,376
Sanitation expenses:										
Other sewage treatment	650	754	737	652	514	384	484	447	381	474
Lift stations	456	269	263	225	264	255	190	198	199	277
General and administrative	2,839	2,566	2,420	2,589	1,914	1,916	1,362	1,231	991	1,292
Total sanitation expenses	3,945	3,589	3,420	3,466	2,692	2,555	2,036	1,876	1,571	2,043
Depreciation and amortization	5,000	5,225	5,157	4,976	3,832	4,012	4,016	3,943	4,076	4,712
Total operating expenses	57,637	46,438	41,359	45,755	47,546	45,204	43,887	43,112	40,577	41,131
NET OPERATING INCOME (LOSS)	24,209	23,332	23,304	29,983	26,930	22,214	21,087	23,605	19,218	11,898
NONOPERATING REVENUES (EXPENSES):										
Taxes and penalties	1,101	1,092	1,096	1,001	929	915	984	946	953	926
Lease income	92	93	97	81	83	-	-	-	-	-
Interest income	6,602	5,644	1,400	(3,099)	223	3,158	3,096	452	274	572
Facilities income/ (expense)	366	334	288	348	358	355	378	352	371	336
Interest expense and fiscal charges	225	49	(74)	(209)	(194)	(232)	(531)	(642)	(748)	(825)
Share of Joint Powers Authority (expense)	(20,177)	(19,526)	(18,629)	(15,314)	(17,969)	(13,633)	(13,958)	(13,718)	(13,157)	(12,955)
Gain (Loss) on disposal of capital assets	19	(716)	8	-	52	8	-	(73)	(46)	51
Other revenues/(expenses)	824	3,083	592	232	1,103	3,986	722	408	(74)	401
Nonoperating revenues (expenses)	(10,946)	(9,947)	(15,223)	(16,960)	(15,415)	(5,443)	(9,309)	(12,275)	(12,427)	(11,494)
Capital contributions	593	5,218	2,163	3,698	5,498	1,419	3,900	2,566	620	377
Change in Net Position	13,856	18,603	10,243	16,721	17,013	18,190	15,678	13,896	7,411	781
NET POSITION:										
Beginning of year, as restated	315,689	297,086	286,843	270,122	252,231	234,031	218,343	204,447	215,101	214,320
Ending Net Position	\$329,545	\$315,689	\$297,086	\$286,843	\$269,244	\$252,221	\$234,021	\$218,343	\$222,512	\$215,101

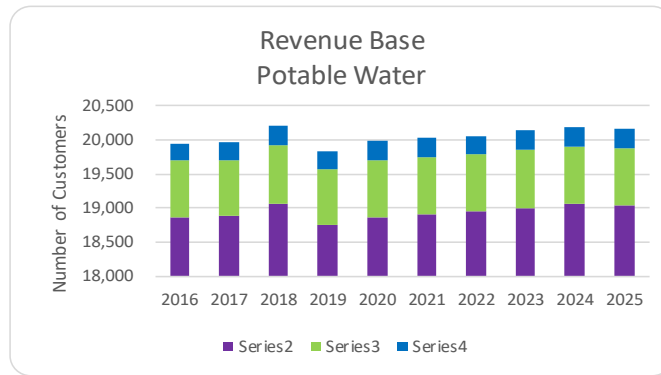
Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

Revenue Base Last Ten Fiscal Years

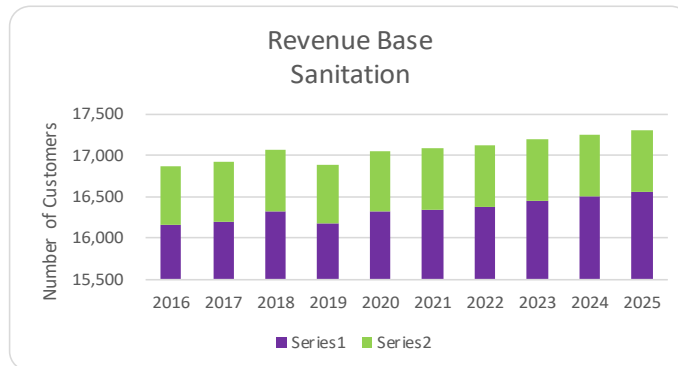
Potable Water

Fiscal Year	Operating Revenue in thousand \$	Number of Customers			Total
		Residential	Commercial	Irrigation	
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
2025	56,192	19,038	848	290	20,176



Sanitation

Fiscal Year	Operating Revenue in thousand \$	Number of Customers		Total
		Residential	Commercial	
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
2025	23,068	16,567	739	17,306



Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

Revenue Rates Last Ten Fiscal Years

Potable Water Rates for Residential and Commercial Customers: Readiness to Serve Charge

Meter Size	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022	1/1/2023	Monthly 1/1/2024	Monthly 1/1/2025
3/4"	\$ 18.30	\$ 21.73	\$ 25.43	\$ 29.42	\$ 33.72	\$ 35.86	\$ 37.66	\$ 39.55	\$ 41.53	\$ 43.61
1"	29.47	35.14	41.25	47.87	54.97	58.14	61.05	64.11	67.32	70.69
1-1/2"	57.39	68.65	80.80	90.95	108.07	113.82	119.52	125.50	131.78	138.37
2"	90.89	108.86	128.26	149.25	171.80	180.66	189.70	199.19	209.15	219.61
3"	196.97	236.20	278.55	324.37	373.61	392.27	411.89	432.49	454.12	476.83
4"	353.30	423.85	500.02	582.48	671.00	704.12	739.33	776.30	815.12	855.88
6"	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	2,169.05
8"	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	3,793.59
10"	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	5,688.89

Volume Charges (per 100 cubic feet of water use)

	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	1/1/2025
Residential Rates										
Tier 1	\$ 2.36	\$ 2.46	\$ 2.59	\$ 2.71	\$ 2.85	\$ 3.14	\$ 3.39	\$ 3.76	\$ 4.06	\$ 4.76
Tier 2	3.18	3.24	3.32	3.41	3.50	3.91	4.20	4.61	4.95	5.69
Tier 3	3.96	4.00	4.06	4.16	4.20	4.58	4.90	5.35	5.75	6.51
Tier 4	4.98	5.02	5.08	5.14	5.22	5.74	6.12	6.63	7.07	7.92
Commercial Rates										
Tier 1	3.18	3.21	3.29	3.37	3.33	3.66	3.94	4.34	4.67	5.40
Tier 2	3.96	3.97	4.03	4.11	4.20	4.20	4.50	4.93	5.29	6.05
Tier 3	4.98	4.99	5.05	5.14	5.22	6.43	6.84	7.38	7.86	8.75

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

Elevation Surcharges (per 100 cubic feet of water use)

	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	1/1/2025
Zone 2	\$ 0.42	\$ 0.44	\$ 0.46	\$ 0.52	\$ 0.52	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.56	\$ 0.59
Zone 3	0.98	1.03	1.08	1.19	1.19	1.10	1.16	1.22	1.29	1.36
Zone 4	1.56	1.64	1.72	1.82	1.82	1.88	1.89	1.99	2.09	2.20

Monthly Recycled Water Charges: Readiness to Serve Charge

Meter Size	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	1/1/2025
3/4"	\$ 9.15	\$ 13.04	\$ 19.08	\$ 25.01	\$ 33.72	\$ 28.79	\$ 31.10	\$ 33.59	\$ 36.28	\$ 39.19
1"	14.74	21.09	30.94	40.69	54.97	46.31	50.02	54.03	58.36	63.03
1-1/2"	28.70	41.19	60.60	79.86	108.07	90.09	97.30	105.09	113.50	122.58
2"	45.45	65.32	96.20	126.87	171.80	142.64	154.06	166.39	179.71	194.09
3"	98.49	141.72	208.92	275.72	373.61	309.03	333.76	360.74	389.31	420.46
4"	176.65	254.31	375.02	495.07	671.00	554.24	598.58	646.47	698.19	754.05
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	1,909.76
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	3,339.47
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	5,007.49

Las Virgenes Municipal Water District

Revenue Rates (Continued) Last Ten Fiscal Years

Volume Charges (per 100 cubic feet of water use)										
	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	1/1/2025
Tier 1	\$ 1.18	\$ 1.19	\$ 1.19	\$ 1.18	\$ 1.16	\$ 1.24	\$ 1.34	\$ 1.45	\$ 1.57	\$ 1.70
Tier 2	2.91	2.83	2.67	2.52	2.27	2.61	2.82	3.05	3.30	3.57
Tier 3	3.73	3.67	3.52	3.37	3.13	4.97	5.37	5.80	6.27	6.78
Elevation Surcharges (per 100 cubic feet of water use)										
	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	1/1/2025
East/West	\$ 0.33	\$ 0.34	\$ 0.35	\$ 0.36	\$ 0.37	\$ 0.30	\$ 0.33	\$ 0.36	\$ 0.39	\$ 0.43
Residential										
Household Size:	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	1/1/2025
1	\$ 21.37	\$ 21.37	\$ 21.82	\$ 22.27	\$ 22.73	\$ 23.59	\$ 24.48	\$25.40	26.36	27.35
2	35.75	35.75	36.51	37.27	38.04	39.47	40.96	\$42.50	44.1	45.76
3	50.13	50.13	51.20	52.27	53.35	55.36	57.44	\$59.60	61.84	64.16
4	64.51	64.51	65.89	67.27	68.66	71.24	73.92	\$76.70	79.58	82.57
5	78.90	78.90	80.58	82.27	83.97	87.12	90.39	\$93.78	97.3	100.95
6 or more	93.28	93.28	95.27	97.27	99.28	103.01	106.88	\$110.89	115.05	119.37
Commercial										
Account Charge	\$ 6.98	\$ 6.98	\$7.12	\$7.27	7.42	7.70	varies	\$8.29	8.61	8.94
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	51.6	53.54
Class 2	57.82	57.82	58.98	60.16	61.37	63.68	66.07	68.55	71.13	73.8
Class 3	76.56	76.56	78.10	79.67	81.27	84.32	87.49	\$90.78	94.19	97.73
Class 4	96.36	96.36	98.29	100.26	102.27	106.11	110.09	\$114.22	118.51	122.96
Per Excess ERU										
Class 1	\$ 6.35	\$ 6.35	\$ 6.48	\$ 6.61	\$ 6.75	\$ 7.01	\$ 7.28	\$7.56	7.85	8.15
Class 2	8.75	8.75	8.93	9.11	9.30	9.65	10.02	\$10.40	10.79	11.2
Class 3	11.58	11.58	11.82	12.06	12.31	12.78	13.26	\$13.76	14.28	14.82
Class 4	14.58	14.58	14.88	15.18	15.49	16.08	16.69	\$17.32	17.97	18.65

Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

Principal Revenue Payers Current Fiscal Year and Nine Years Ago

Potable Water Customer Name	2025			2016		
	Potable Water Revenue	Rank	Percentage of Total Operating Revenue	Potable Water Revenue	Rank	Percentage of Total Operating Revenue
Calabasas Crest LTD	\$ 152,701	1	0.44%	\$ 105,061	9	0.21%
City of Calabasas	132,214	2	0.38%			
Westlake Wellbeing Properties	114,366	3	0.33%	226,420	1	0.44%
Town & Country HOA	91,887	4	0.27%			
Summit Mobile Park	100,049	5	0.29%			
Westpark Condominiums	73,383	6	0.21%			
Seminole Springs Mobile Home	72,583	7	0.21%			
Woodland Park Mobile Estates	71,059	8	0.21%			
Mountain View-Venture II LLC	66,097	9	0.19%			
Calabasas Blue LLC	63,167	10	0.18%			
Malibu Canyon Apartments				122,288	5	0.24%
LVUSD				115,452	7	0.23%
Malibu Conference Center				130,354	3	0.26%
Mountain View Mobile Estate				101,334	10	0.20%
Valley Industrial				112,077	8	0.22%
ERP-Operating LTD Partnership				134,226	2	0.26%
Ronnie Semlers Saddlerock Ranch				129,122	4	0.25%
LACO Internal Service Dept.				116,979	6	0.23%
Total	<u>\$ 937,506</u>		<u>2.73%</u>	<u>\$ 1,293,313</u>		<u>2.55%</u>

Sanitation Customer Name	2025			2016		
	Sanitation Revenue	Rank	Percentage of Total Operating Revenue	Sanitation Revenue	Rank	Percentage of Total Operating Revenue
Westlake Wellbeing Properties	\$ 214,562	1	1.02%	\$ 376,929	1	0.74%
The Cheesecake Factory	147,065	2	0.70%	152,318	6	0.30%
Summit Mobile Park	131,588	3	0.63%			
Woodland Park Mobile	128,596	4	0.61%			
Westpark Condominiums	116,855	5	0.56%			
Calabasas Crest LTD	107,293	6	0.51%			
Pepperdine University	101,619	7	0.49%			
Mountain View-Venture II LLC	100,474	8	0.48%			
Town Country HOA	96,273	9	0.46%	127,814	10	0.25%
Kahnna Enterprises	90,046	10	0.43%			
Malibu Canyon Apartments				301,284	2	0.59%
Archstore Oak Creek I LLC				169,186	5	0.33%
Annandale II HOA				145,700	7	0.29%
LVUSD				186,094	4	0.36%
ERP-Operating LTD Partnership				140,562	8	0.28%
Oak Park Calabasas HOA				136,780	9	0.27%
Archstone Communities				300,582	3	0.59%
Total	<u>\$ 1,234,371</u>		<u>5.90%</u>	<u>\$ 2,037,249</u>		<u>4.00%</u>

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		
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%
2025	-	-	5,365	5	383	5,753	0.12%

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>
2016	\$ 18,820	\$ 18,820	108.17%	\$ 1,116
2017	16,795	16,795	90.23%	993
2018	12,460	12,460	66.21%	730
2019	-	-	0.00%	-
2020	-	-	0.00%	-
2021	-	-	0.00%	-
2022	-	-	0.00%	-
2023	-	-	0.00%	-
2024	-	-	0.00%	-
2025	-	-	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

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		
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	
2025	56,192	48,692	7,500	1,010	114	6.67	

Note:

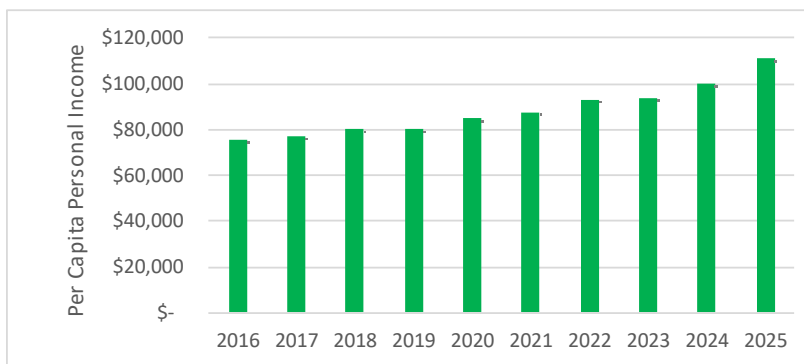
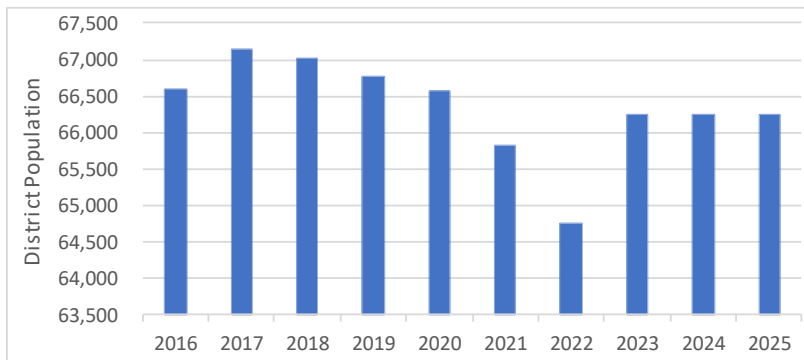
- (1) Gross revenues include operating, non-operating, and capacity fee revenues.
- (2) Operating expenses exclude depreciation and amortization.
- (3) On December 1, 2009, the District issued 2009 Sanitation Refunding Revenue Bonds to advance refund 1998 Bonds. From fiscal year 2010 and going forward, 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
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%
2025	66,233	5,026,973	110,795	5.5%



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) Does not include 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	2025			2016		
	Number of	Rank	Percentage of Total Area Employment	Number of	Rank	Percentage of Total Area Employment
Technology	1,695	1	6.37%			
Government & Education	1,683	2	6.33%	1,866	8	4.90%
Professional and Technical Services	1,353	3	5.09%	5,476	1	14.39%
Retail Trade	1,220	4	4.59%	2,507	5	6.59%
Educational Services	1,007	5	3.79%	1,962	7	5.15%
Hotel & Tourism	962	6	3.62%			
Accommodation and Food Services	881	7	3.31%	4,488	3	11.79%
Finance and Insurance	650	8	2.44%	5,120	2	13.45%
Administrative, Support, Waste Management	582	9	2.19%	2,574	4	6.76%
Manufacturing	205	10	0.77%	2,436	6	6.40%
Information						
Health Care and Social Assistance				1,839	9	4.83%
Construction				1,655	10	4.35%
Total	<u>10,238</u>		<u>38.49%</u>	<u>29,923</u>		<u>78.61%</u>

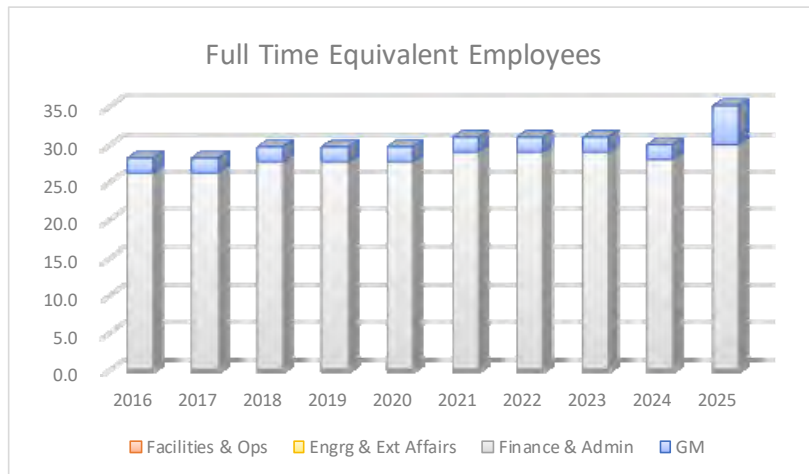
Notes:

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Manager Office:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	5.0
Human Resources	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	4.0
<i>Subtotal</i>	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	9.0
Finance and Technology:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Finance and Accounting	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0
Information System Division	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0	8.0	9.0
<i>Subtotal</i>	17.0	17.0	17.0	17.0	17.0	19.0	19.0	19.0	19.0	20.0
Engineering & Facilities:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	3.0
Engineering Division	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
Technical Services Division	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Facilities Maintenance Division	9.2	9.2	9.7	9.7	9.7	12.0	11.0	11.0	11.0	11.0
Electrical/Instrumentation Maintenance	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0
<i>Subtotal</i>	26.2	26.2	27.7	27.7	27.7	29.0	29.0	29.0	28.0	30.0
External Affairs:										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Customer Service Division	19.0	19.0	18.0	18.0	18.0	17.0	17.0	17.0	17.0	16.0
Public Affairs & Communications D	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Resource/Watershed Conservator	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Legislative Program	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<i>Subtotal</i>	27.0	27.0	26.0	26.0	26.0	25.0	25.0	25.0	26.0	25.0
Water Operations:										
Administration	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Water Systems Division	11.8	11.8	11.3	11.3	11.3	13.0	13.0	13.0	14.0	13.0
Water Reclamation Division	24.0	24.0	24.0	24.0	24.0	25.0	25.0	24.0	24.0	24.0
Construction	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<i>Subtotal</i>	43.8	43.8	42.3	42.3	43.3	46.0	46.0	45.0	46.0	45.0
Total	118.0	118.0	117.0	117.0	118.0	123.0	124.0	123.0	124.0	129.0



Source: Las Virgenes Municipal Water District

Las Virgenes Municipal Water District

Operating Indicators by Function Last Ten Fiscal Years

Water	New Connections	Water Main Leak Repairs	Avg Daily
			Consumption (thousands of gallons)
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
2025	40	80	15,078

Potable Water	Connections	Deliveries (acre-feet)	Realized
			Capacity Fee Revenues
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
2025	19,892	15,459	27,690

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

Wastewater	Connections	Tapia Plant	LVMWD	Triunfo	Realized
				Sanitation District	Capacity Fee Revenues
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
2025	17,295	6,810	4,680	2,130	116,262

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
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
2025	395.0	3,229	4,544	3,100	39.65

Recycled Water	Water Main (miles)	Valves (#)	Storage Capacity (millions of gallons)	
			Reservoirs	Tanks
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
2025	68.6	377	19.3	5.6

Wastewater	Sanitary Sewers (miles)	Treatment Capacity (millions of gallons)
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
2025	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, 2025

Beginning Balance:			
Capacity Fees		\$ 1,978,612	
Developer Fees		48,673	
Interest		78,881	
Total Beginning Balance			\$2,106,166
Fees Collected:			
Capacity Fees	\$ 5,025,877		
Developer Fees	34,906		
Total Fees Collected		5,060,783	
Interest Earned		99,489	
Fees Available		5,160,272	
Applied to:			
Capital Costs Funded by:			
Capacity Fees	556,392		
Meter Installation	20,580		
Developer Fees	99,168		
Interest Earned	19,048		
Total Capital Costs		695,188	
Refunds		1,146	
Total Funds Applied		696,334	
Net Changes for the Year			4,463,938
Ending Balance:			
Capacity Fees		6,426,371	
Developer Fees		(15,589)	
Interest (1)		159,322	
Total Ending Balance			<u>\$6,570,104</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

This page left intentionally blank