

# **CRESCENTA VALLEY WATER DISTRICT, CA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**for the fiscal years ended**

**June 30, 2025 and 2024**



**Prepared by:**

**Finance and Administration Department**

# CRESCENTA VALLEY WATER DISTRICT

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## **INTRODUCTORY SECTION**



## Crescenta Valley Water District

2700 Foothill Boulevard, La Crescenta, California 91214  
Phone (818) 248-3925 Fax (818) 248-1659

### Directors

James D. Bodnar  
Kerry D. Erickson  
Jeffery W. Johnson  
Sharon S. Raghavachary  
Jennifer T. Valdez

### General Manager

James K. Lee

December 30, 2025

To the Board of Directors of the Crescenta Valley Water District and Citizens of La Crescenta:

It is our pleasure to submit the Annual Financial Report for the Crescenta Valley Water District (District) for the fiscal year ended June 30, 2025, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control 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.

Singer Lewak Accountants and Consultants, have issued an unmodified (“clean”) opinion on the Crescenta Valley Water District’s financial statements for the year ended June 30, 2025. The independent auditor’s report is located at the front of the financial section of this report.

Generally Accepted Accounting Principles (U.S. GAAP) require that management provide a section that includes a narrative introduction, an overview, and an analysis to accompany the financial statements. This section is the Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately after the Independent Auditors’ Report.

### **District Structure and Leadership**

The Crescenta Valley Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Crescenta Valley Water District has been providing services to area residents since 1950. The District is governed by a five-member Board of Directors, elected at-large from within the District boundaries. The District’s General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs a full-time staff of 22 employees. The District’s Board of Directors regularly scheduled meetings are on the second and fourth Tuesday of each month. Meetings are publicly noticed and customers are encouraged to attend.

The District is located in the Crescenta Valley area of Los Angeles County in the foothills of the San Gabriel Mountains, between the San Fernando and San Gabriel Valleys. The District provides water distribution and sewage collection within its boundaries to the unincorporated communities of La Crescenta, Montrose, and Verdugo City as well as a portion of the City of La Cañada-Flintridge. The District also serves a portion of the City of Glendale in Montrose and La Crescenta outside District boundaries.

The District serves an area of approximately 4 square miles in relatively steep terrain ranging from 1,200 feet to almost 3,000 feet above sea level. The customer base is primarily residential with some light commercial along Foothill Boulevard in La Crescenta and Honolulu Avenue in Montrose. The District currently provides water to over 8,300 accounts representing a population of approximately 33,000.

## **Economic Condition and Outlook**

The District's administrative office is located in Los Angeles County, in the community of La Crescenta, and the District serves La Crescenta, and portions of Montrose and La Canada-Flintridge. The economic outlook for the area is expected to be stable. Although the Crescenta Valley area is nearly built out, residential growth continues through increased housing density in the multiple-unit zoned areas (primarily Montrose), as well as limited in-fill housing development on parcels in La Crescenta and La Canada-Flintridge as they become available.

The District enjoys a sustainable water supply due to its diverse sources: local groundwater, imported water from the State Water Project, and water from the Colorado River. However, the region is facing significant challenges, primarily from prolonged droughts, new water efficiency regulations, and increasing costs for imported water. California's 2018 water efficiency laws (SB 606 & AB 1668), which focus on eliminating water waste, enhancing water use efficiency, and boosting drought resilience, have had a major impact. These laws were fully implemented in 2020 and are designed to increase conservation gradually over time.

Additionally, frequent drought conditions and state-imposed conservation mandates have forced the District to adapt. District customers have already exceeded the state's required consumption levels due to proactive conservation measures, such as installing low-flow toilets and using drought-tolerant landscaping. This proactive approach has led to a permanent reduction in water demand known as "demand hardening." As a result, even with new mandates in place, the District may not see further significant reductions in water consumption patterns until 2030 or later.

Despite the frequent drought conditions, the District saw an increase in water sales. However, District staff was diligent with adjusting operations to maintain a balanced budget. Through careful financial planning, operational efficiencies, and a focus on cost-saving measures, the District remains financially stable.

In FY 2025 the District initiated a pilot In-House Pipeline program. This program utilizes District staff's knowledge and skills to replace the aging pipeline instead of contracting the work out. If successful, this initiative will help the District save funds and allow staff to pursue other projects with the savings. In terms of supply, the District relies heavily on local groundwater (60%) and imported water from the Metropolitan Water District (40%). While this diversified water portfolio supports long-term sustainability goals, the growing regulatory pressures and higher costs of imported water are creating operational challenges. The District will need to continue adapting to the evolving landscape of water management, balancing efficient resource use with the financial sustainability of its operations.

The District remains committed to addressing challenges from drought and rising imported water costs by proactively diversifying its water portfolio. Key initiatives include stormwater capture, recycled water planning, and completing the automated metering infrastructure (AMI). AMI provides customers with greater insight into their water use and timely alerts related to leaks or unusual consumption. Other initiatives include collaboration on innovative projects like the Data-Driven Resource Optimization and Planning System (DROPS) and active participation in the CA Data Collaborative (CADC). These efforts aim to increase water supply reliability and reduce costs.

The District also completed a rate study that included moving to a Budget-Based Rate Structure in the following fiscal year. During the rate study process, staff held multiple "Office Hours at The Library" where staff held workshops to inform and educate its customers on how rates were being affected, and how the Budget-Based Rate Structure works. Along with the completion of the rate study, staff successfully completed the required Prop 218 notice to customers to inform them of the change in rates and rate structure.

In February of 2024, the District issued a \$12 million bond financing, secured with its AA- level credit rating. The funds will be used to enhance infrastructure sustainability such as pipeline improvement projects emphasizing the District's commitment to catching up on pipeline infrastructure while smoothing rate increases over time. The proceeds are scheduled to be used by December 2026.

City of Los Angeles wastewater treatment costs continue to represent a significant portion of the District's wastewater operating expenses. The District has recently completed a wastewater master plan that has led to a wastewater treatment and disposal study to evaluate alternative sewer treatment options as a strategy for mitigating the rising costs of wastewater treatment while increasing ground water sustainability.

## **Major Initiatives**

The activities of the Board and staff of the District are driven by its Mission Statement: "The mission of the Crescenta Valley Water District is to provide quality water and wastewater services to the Crescenta Valley community in a dependable and economically responsible manner."

Crescenta Valley Water District works to provide a stable supply of high-quality, safe drinking water at a fair price to all customers of the District. In addition, the District aims to provide reliable sewer service that is collected through the District's wastewater collection system and treated through the City of Los Angeles Sanitation Department. The Board, the staff, and all employees of Crescenta Valley Water District are committed to providing its customers with high-quality, cost-effective, and environmentally sensitive customer service. The following summarizes the District's strategic goals that translate to its major initiatives:

1. To develop long-term water supply reliability and ensure infrastructure reliability and performance;
2. To increase customer awareness, improve customer experience, improve emergency preparedness, and improve community stewardship;
3. Develop energy efficiency measures, optimize business software to maximize functionality, effectively manage the supervisory control and data acquisition (SCADA) program, improve communication reliability, improve database management, develop a graphical information system (GIS), and develop decision-support modeling tools;
4. To improve financial stability, ensure equitable cost of service, implement asset management, enhance financial reporting, and identify cost-recovery or cost-saving measures;
5. To ensure water quality compliance, ensure District-wide regulatory compliance, and evaluate green power alternatives;
6. To develop and participate in programs to maximize regional collaboration;
7. To develop best-in-class culture, develop a safety-oriented workforce, and productivity and mission efficacy; and
8. Research and develop a Budget-Based Rate Structure.

All programs and operations of the District are developed and performed to provide the highest level of services to its customers.

## **Internal Control Structure**

District management is responsible for the establishment and maintenance of the internal control structure that ensures that the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with U.S. GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management. District management takes internal control seriously, and improvements based on the balance between internal control and staff resources are an ongoing conscious effort.

## **Budgetary Control**

The District Board of Directors adopts an operating and capital budget every year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis and the financial statement basis of accounting.

## **Investment Policy**

The Board of Directors has adopted an investment policy that conforms to state law, District ordinances and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity, and yield. The Investment Policy is reviewed at a minimum annually to ensure it remains current and compliant.

## **Water and Sewer Rates and District Revenues**

It is District policy that all revenues from user charges and surcharges generated from District customers must support all District operations including capital project funding in accordance with cost-of-service principles. Accordingly, water and sewer rates are reviewed annually by District staff and periodically reviewed externally to ensure that revenues collected reflect the cost of providing service. Water and wastewater rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water and wastewater rates are composed of a commodity (usage) charge and a fixed (readiness-to-serve) charge to all residential dwelling units.

## **Water Conservation Programs**

Although conservation impacts the District's revenues, as public stewards, the District recognizes the value of preserving our natural resources. The District has implemented conservation management practices that include District staff participating in community events and distributing materials to encourage water conservation. The District has offered the following conservation programs:

- 
- Low-Flow Retrofit Program
- Hi-Efficiency Washers Program
- Rain Barrel Program

## **Audit and Financial Reporting**

State Law and bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of SingerLewak LLP, has conducted the audit for the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

## **Risk Management**

The District participates in a joint powers agreement with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA). The District participates in the Liability, Property and Workers' Compensation program. The property program includes Fidelity Coverage, Cyber Security Coverage, and Boiler & Machinery Coverage.

## **Other References**

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

## **Acknowledgements**

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Crescenta Valley Water District's fiscal policies.

Respectfully submitted,



Arturo Montes,  
Director of Finance and Administration

**CRESCENTA VALLEY WATER DISTRICT**  
**OFFICERS AND MEMBERS OF THE GOVERNING BODY**  
**AS OF JUNE 30, 2025**

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**BOARD OF DIRECTORS**

Jeffery W. Johnson – Board President

James D. Bodnar – Board Vice President

Kerry D. Erickson – Board Member

Jennifer T. Valdez – Board Member

Sharon S. Raghavachary – Board Member

**ADMINISTRATIVE OFFICIALS**

James Lee, General Manager

Arturo Montes, Interim Director of Finance and Administration

**ADDRESS:**

2700 Foothill Boulevard  
La Crescenta, California 91214  
(818) 248-3925 – [www.cwwd.com](http://www.cwwd.com)



## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Crescenta Valley Water District  
La Crescenta, California

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Crescenta Valley 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 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.

#### Basis for Opinion

We conducted our audits 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*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

***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 on pages a - e and the pension and OPEB schedules on pages 34 - 37 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining schedule of net position, combining schedule of revenues, expenses and changes in net position, and the detailed schedules of revenues, expenses and changes in net position for the water and wastewater operations are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining schedule of net position, combining schedule of revenues, expenses and changes in net position, and the detailed schedules of revenues, expenses and changes in net position for the water and wastewater operations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual 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.

Crescenta Valley Water District  
Independent Auditor's Report  
December 30, 2025

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*Singer Lewak LLP*

December 30, 2025

# CRESCENTA VALLEY WATER DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Crescenta Valley Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2024 and 2025. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

### Financial Highlights

- The District's net position increased 3.63%, or \$1.58M to \$47.2M in fiscal year 2025, primarily due to drought limitations being lifted, leading to more water consumption. The District's net position increased 3.92%, or \$1.72M to \$45.6M in fiscal year 2024 to due to an implementation of a Capital Charge designated for capital improvements.
- The District's operating revenues increased 8.34% or \$1.44M in fiscal year 2025. In 2024, the District's operating revenues increased 7.91% or \$1.26M.
- The District's operating expenses increased 9.21 %, or \$1.63M in fiscal year 2025. In 2024, the District's operating expenses increased 6.74%, or \$1.12M.

### Required Financial Statements

This annual report consists of a series of financial statements. The statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows provide information about the activities and performance of the District using accounting methods similar to those used by private-sector companies.

The District's statements consist of two funds, the Water Fund and the Sewer Fund. The District's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water and sewer services to the customers of the District are financed primarily through user charges.

The statement of net position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position, and are taken into account regardless of when the cash is received or paid. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate sustainability and creditworthiness. The final required financial statement is the statement of cash flows, which provides information about the District's cash receipts and cash payments during the reporting period. The statement of cash flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, noncapital financing, and capital and related financing activities, as well as providing answers to such questions as the source of cash, the use of it, and the change in cash balance during the reporting period.

### Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found beginning on page 4.

# CRESCENTA VALLEY WATER DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The statements of net position found on page 1 and the statements of revenues, expenses, and changes in net position on page 2 report information about the District in a manner that helps answer this question. These two statements report the District's net position and changes in them. One can think of the District's net position (the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources), as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other nonfinancial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in federal and state water quality standards.

### Condensed Statements of Net Position

Current and other assets increased by \$362K in 2025 primarily because of increases in cash and cash equivalents and investments. Total liabilities increased by approximately \$723K in 2025, primarily as a result an increase in other postemployment benefits liability. Current and other assets increased by \$11.6M in 2024 primarily because of an increase in cash and cash equivalents and investments resulting from the proceeds of \$12.1M in certificates of participation issued by the District during 2024. Similarly, total liabilities increased by approximately \$12.7M in 2024, primarily as a result of the issuance of the certificates of participation.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47.2M and \$45.6M as of June 30, 2025 and 2024, respectively.

	2025	Change	2024	Change	2023
Current and other assets	\$ 29,116,169	\$ 362,113	\$ 28,754,056	\$ 11,585,330	\$ 17,168,726
Capital assets, net	58,720,647	1,526,798	57,193,849	2,612,330	54,581,519
Total assets	87,836,816	1,888,911	85,947,905	14,197,660	71,750,245
Deferred outflow of resources	3,200,004	72,387	3,127,617	(176,170)	3,303,787
Long-term liabilities	37,381,168	606,323	36,774,845	12,765,547	24,009,298
Other liabilities	4,886,472	116,261	4,770,211	184,723	4,585,488
Total liabilities	42,267,640	722,584	41,545,056	12,950,270	28,594,786
Deferred inflow of resources	1,469,691	(416,661)	1,886,352	(649,185)	2,535,537
Net position:					
Net investment in capital assets	44,431,878	573,922	43,857,956	1,872,966	41,984,990
Unrestricted	2,788,027	1,001,869	1,786,158	(152,561)	1,938,719
Total net position	\$ 47,219,905	\$ 1,575,791	\$ 45,644,114	\$ 1,720,405	\$ 43,923,709

The largest portion of the District's net position (94.10% and 96.09% as of June 30, 2025 and 2024, respectively) reflects the District's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding and added back the unspent bond proceeds. The District uses these capital assets to provide services to customers within the District boundaries; consequently, these assets are not available for future spending.

**CRESCENTA VALLEY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Financial Analysis of the District (Continued)**

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2025</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	
<b>Revenues</b>					
Charges for Services	\$ 18,676,684	1,438,150	\$ 17,238,534	1,263,920	\$ 15,974,614
Investment income (loss)	1,204,537	408,030	796,507	700,584	95,923
Gain on sale of assets	-	(7,000)	7,000	7,000	-
Rental income	84,127	2,636	81,491	(1,372)	82,863
Total revenues	<u>19,965,348</u>	<u>1,841,816</u>	<u>18,123,532</u>	<u>1,970,132</u>	<u>16,153,400</u>
<b>Expenses</b>					
Operating expenses	19,390,055	1,634,557	17,755,498	1,120,936	16,634,562
Nonoperating expenses	880,013	307,585	572,428	212,646	359,782
Total expenses	<u>20,270,068</u>	<u>1,942,142</u>	<u>18,327,926</u>	<u>1,333,582</u>	<u>16,994,344</u>
Net income(loss) before capital contributions	(304,720)	(100,326)	(204,394)	636,550	(840,944)
Capital contributions	<u>1,880,511</u>	<u>(44,288)</u>	<u>1,924,799</u>	<u>1,793,426</u>	<u>131,373</u>
Change in net position	1,575,791	(144,614)	1,720,405	2,429,976	(709,571)
Net position, beginning	<u>45,644,114</u>	<u>1,720,405</u>	<u>43,923,709</u>	<u>(709,571)</u>	<u>44,633,280</u>
Net position, ending	<u>\$ 47,219,905</u>	<u>\$ 1,575,791</u>	<u>\$ 45,644,114</u>	<u>\$ 1,720,405</u>	<u>\$ 43,923,709</u>

The statements of revenues, expenses and changes in net position show how the District's net position increased 3.45%, or \$1.58M to \$47.3M in fiscal year 2025, primarily due to more water consumption. The District's net position increased 3.92%, or \$1.72M to \$45.6M in fiscal year 2024 due to the implementation of a Capital Charge designated for capital improvements. A closer examination of the sources of changes in net position reveals that:

In 2025, the District's total revenues increased by 10.16%, or \$1.8M. Various factors led to the increase primarily due to more water consumption. In 2024, the District's total revenues increased by 12.2%, or \$1.97M. Various factors led to the increase, including an increase in water sales, a rate increase and the addition of the Capital Charge.

In 2025, the District's operating expenses increased 9.21%, or \$1.6M. The increase was driven by our increased operating expenses for our maintenance programs and by supply chain shortages and general inflationary pressures that increased most operating expenses. In 2024, the District's operating expenses increased by \$1.12M, or 6.74%. The increase was driven by supply chain shortages and general inflationary pressures that increased most operating expenses.

In 2025, nonoperating expenses increased by 50.60%, or \$290K, due primarily to an increase in interest expense and investment premiums. In 2024, nonoperating expenses increased by 59.10%, or \$213K, due primarily to an increase in interest expense and investment premiums.

**CRESCENTA VALLEY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Financial Analysis of the District (Continued)**

In 2025, capital contributions decreased by 3.23%, or \$62.2K. In 2024, capital contributions increased by 1365.14%, or \$1.79M due primarily to the implementation of the Capital Charge.

**Capital Asset Administration**

At the end of fiscal years 2025 and 2024, the District's capital assets amounted to \$58.7M and \$57.2M respectively (net of accumulated depreciation). This investment in capital assets includes land, transmission and distribution systems, collection systems, buildings and structures, equipment, and vehicles, etc. Major capital assets additions during the year included upgrades to the District's water production system and transmission and distribution systems.

Capital asset at 2025 and 2024 consisted of the following:

	2025	2024
Land	\$ 1,158,526	\$ 1,158,526
Construction in process	7,495,160	5,707,947
Buildings and building improvements	492,715	439,757
Vehicles and equipment	838,530	551,254
Infrastructure	48,483,729	49,037,230
Right to use - lease infrastructure	251,987	299,135
Capital assets, net of accumulated depreciation	\$ 58,720,647	\$ 57,193,849

Additional information regarding the District's capital assets is located within Note 6 of the financial statements.

**Debt Administration**

At June 30, 2025 and 2024, the District reported long-term debt of \$24.3M and \$24.6M, respectively. The long-term debt balance at June 30, 2025 decreased when compared to the balances at June 30, 2024 by approximately \$322K, primarily as a result of the District's payments on their debt.

Long-term debt at 2025 and 2024 consisted of the following:

	2025	2024
Cerificates of participation	\$ 22,300,000	\$ 22,535,000
Unamortized premium	790,834	846,955
Infrastructure loan	894,935	913,199
Leases	308,595	321,593
Total long-term debt	\$ 24,294,364	\$ 24,616,747

Additional information pertaining to the City's long-term debt is located within Note 7 of the financial statements.

# CRESCENTA VALLEY WATER DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Conditions Affecting Current Financial Position**

Management is unaware of any conditions at June 30, 2025, that would have a significant impact on the District's financial position, net position, or operating results in terms of past, present and future.

### **Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact James Lee, General Manager of Crescenta Valley Water District, at 2700 Foothill Blvd., La Crescenta, California, 91214.

**CRESCENTA VALLEY WATER DISTRICT**  
**STATEMENTS OF NET POSITION**  
**June 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 3,232,186	\$ 4,092,493
Accounts receivable:		
Water and wastewater, net	3,874,949	3,341,409
Other	1,471	1,471
Interest receivable	85,321	94,742
Prepaid expenses	1,886,271	145,531
Inventory	<u>755,568</u>	<u>1,170,662</u>
Total current assets	<u>9,835,766</u>	<u>8,846,308</u>
Noncurrent assets		
Restricted cash and cash equivalents	1,279,015	4,345,750
Investments	17,921,804	15,561,998
Capital assets:		
Capital assets, nondepreciable	8,653,687	6,866,473
Capital assets, net of accumulated depreciation	<u>50,066,960</u>	<u>50,327,376</u>
Total noncurrent assets	<u>77,921,466</u>	<u>77,101,597</u>
Total assets	<u>87,757,232</u>	<u>85,947,905</u>
<b>Deferred outflows of resources</b>		
Bond refunding related	160,202	176,222
Pension related	1,906,828	2,456,928
Other post employment benefits related	<u>1,132,974</u>	<u>494,467</u>
Total deferred outflows of resources	<u>3,200,004</u>	<u>3,127,617</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	3,129,524	3,256,838
Accrued payroll liabilities	299,953	196,885
Retainage payable	16,870	59,161
Customer deposits	1,142,506	956,571
Accrued interest expense	297,619	300,756
Compensated absences - current portion	67,963	89,636
Lease payable - current portion	12,999	12,998
Loans payable - current portion	<u>468,297</u>	<u>256,917</u>
Total current liabilities	<u>5,435,731</u>	<u>5,129,762</u>
Noncurrent liabilities		
Lease payable	295,596	308,595
Net pension liability	6,149,902	6,188,395
Net other postemployment benefits liability	6,599,300	5,614,389
Compensated absences	269,639	265,678
Loans payable	<u>23,517,472</u>	<u>24,038,237</u>
Total noncurrent liabilities	<u>36,831,909</u>	<u>36,415,294</u>
Total liabilities	<u>42,267,640</u>	<u>41,545,056</u>
<b>Deferred inflows of resources</b>		
Pension related	327,819	299,580
Other post employment benefits related	<u>1,141,872</u>	<u>1,586,772</u>
Total deferred inflows of resources	<u>1,469,691</u>	<u>1,886,352</u>
<b>Net position</b>		
Net investment in capital assets	44,431,878	43,857,956
Unrestricted	<u>2,788,027</u>	<u>1,786,158</u>
Total net position	<u>\$ 47,219,905</u>	<u>\$ 45,644,114</u>

See notes to financial statements

**CRESCENTA VALLEY WATER DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Operating revenues</b>		
Water operations - consumption sales	\$ 10,486,690	\$ 8,868,130
Water operations - service charges	4,025,719	3,984,826
Water operations - other charges	252,966	548,135
Wastewater operations - user and standby charges	3,911,309	3,837,443
Total operating revenues	18,676,684	17,238,534
<b>Operating expenses</b>		
Source of supply	3,672,305	3,073,767
Plant operations	2,616,578	2,174,972
Distribution system	1,870,452	1,929,388
City of Los Angeles wastewater system	1,250,272	1,591,030
Collection system	329,670	305,359
General and administrative expenses	7,382,043	6,358,006
Depreciation and amortization	2,268,735	2,322,976
Total operating expenses	19,390,055	17,755,498
Operating income (loss)	(713,371)	(516,964)
<b>Nonoperating revenues (expenses)</b>		
Investment income (loss)	1,204,537	796,507
Rental income	84,127	81,491
Interest expense	(861,126)	(571,720)
Gain on sale of assets	-	7,000
Other income (expense), net	(958)	(708)
Total nonoperating revenues (expenses)	426,580	312,570
Income (loss) before capital contributions	(286,791)	(204,394)
<b>Capital contributions</b>		
Assessments	1,862,582	1,924,799
Total capital contributions	1,862,582	1,924,799
Change in net position	1,575,791	1,720,405
Net position - beginning of year	45,644,114	43,923,709
<b>Net position - end of year</b>	<b>\$ 47,219,905</b>	<b>\$ 45,644,114</b>

See notes to financial statements

**CRESCENTA VALLEY WATER DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 18,329,079	\$ 17,013,482
Cash paid to employees for services	(5,821,373)	(5,210,483)
Cash paid to suppliers and others	(12,226,201)	(10,578,940)
Net cash provided by (used in) operating activities	281,505	1,224,059
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(3,837,824)	(4,928,232)
Proceeds from property owner assessments	1,862,582	1,924,799
Proceeds from sale of capital assets	-	7,000
Principal payments on leases	(12,998)	(36,984)
Proceeds from debt issuance	-	12,213,895
Principal payments on long-term debt	(253,264)	(246,917)
Interest paid	(904,364)	(430,446)
Net cash provided by (used in) capital and related financing activities	(3,145,868)	8,503,115
<b>Cash flows from investing activities</b>		
Purchase of investments	(12,017,110)	(15,575,707)
Proceeds from sale of investments	9,657,304	8,635,019
Interest earned	1,213,958	501,200
Proceeds from rental properties	84,127	81,491
Cash paid for rentals	(958)	(708)
Net cash provided by (used in) investing activities	(1,062,679)	(6,358,705)
Net increase (decrease) in cash and cash equivalents	(3,927,042)	3,368,469
Cash and cash equivalents, beginning of year	8,438,243	5,069,774
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,511,201</b>	<b>\$ 8,438,243</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>		
Operating income (loss)	\$ (713,371)	\$ (516,964)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	2,268,735	2,322,976
(Increase) decrease in assets and deferred outflows		
Accounts receivable	(533,540)	(374,394)
Prepaid expenses	(1,740,740)	(92,085)
Inventory	415,094	(514,387)
Deferred outflows - pension related	550,100	138,816
Deferred outflows - OPEB related	(638,507)	21,334
Increase (decrease) in liabilities and deferred inflows		
Accounts payable	(127,314)	(56,138)
Accrued payroll liabilities	103,068	(19,003)
Compensated absences liability	(17,712)	17,899
Customer deposits	185,935	149,342
Net pension liability	(38,493)	439,199
Net OPEB liability	984,911	356,649
Deferred inflows - pension related	28,239	(203,742)
Deferred inflows - OPEB related	(444,900)	(445,443)
Net cash provided by (used in) operating activities	\$ 281,505	\$ 1,224,059

See notes to financial statements

# CRESCENTA VALLEY WATER DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1 – ORGANIZATION AND REPORTING ENTITY

#### Organization and Operations of the Reporting Entity

The Crescenta Valley Water District (the District) is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Crescenta Valley Water District has been providing water and sewer service to the residents of the La Crescenta/ Montrose area since 1950. The District is governed by a five-member board of directors who serve overlapping four-year terms.

#### The Reporting Entity

These financial statements present the District (the primary government) and its blended component unit, the Crescenta Valley Water District Financing Corporation (the “Corporation”). As defined by GASBS No. 14, *The Financial Reporting Entity*, component units are legally separate entities that are included in the District’s reporting entity because of the significance of the operating or financial relationships with the District. The District is not included as a component unit in any other primary government’s financial statements.

The Corporation was created through articles of incorporation dated December 1, 2006, between the District and the Corporation for the purpose of providing assistance to public agencies in the State of California in the financing, refinancing, acquiring, constructing, and rehabilitation of facilities, land and equipment, and in the sale or leasing of facilities, land and equipment for the use, benefit, and enjoyment of the public served by such agencies.

The Corporation is an integral part of the District’s financial reporting entity. The board of directors of the District also serves as the board of directors of the Corporation. The Corporation is governed by the same five-member board of directors as the District. The general manager of the District has been designated as CEO of the Corporation. The board composition and the financial benefit relationship with the Corporation make the District financially accountable for the Corporation and require that the District report the Corporation in its financial statements as if it were a District agency. Also, the District is legally responsible for all of the Corporation’s debt. Separate financial statements for the Corporation are not issued.

Condensed financial information about the Corporation as of June 30, is as follows:

#### **Condensed Statement of Net Position**

	2025	2024
Deferred outflows of resources		
Debt refunding related	\$ 160,202	\$ 176,222
Liabilities		
Current liabilities	285,742	288,832
Long-term debt	23,090,834	23,381,955
Total liabilities	23,376,576	23,670,787
Net position		
Unrestricted (deficit)	\$ (23,216,374)	\$ (23,494,565)

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – ORGANIZATION AND REPORTING ENTITY (Continued)**

**Condensed Statement of Activities**

	<b>2025</b>	<b>2024</b>
Expenses	\$ 830,539	\$ 535,897
Nonoperating revenues and (expenses)		
Revenues	1,108,731	619,669
Expenses	-	(12,213,895)
Change in net position	278,192	(12,130,123)
Net position (deficit), beginning balance	(23,494,566)	(11,364,443)
Net position (deficit), ending balance	\$(23,216,374)	\$(23,494,566)

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the District is that the costs of providing water to its service areas on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water deliveries result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expense not included in the above categories are reported as nonoperating revenues and expenses.

The District recognizes revenue from water and sewer service charges based on cycle billings performed bi-monthly. The District accrues revenues with respect to water and sewer service sold but not billed at the end of a fiscal period.

Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

# CRESCENTA VALLEY WATER DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

#### Investments and Investment Policy

The District has adopted an investment policy directing the Treasurer to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

#### Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

*Level 1* – This valuation level is based on quoted prices in active markets for identical assets.

*Level 2* – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.

*Level 3* – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

#### Restricted Assets

Amounts shown as restricted assets are to be used for specified purposes, such as servicing general obligation bond debt and the construction of capital assets. Such assets have been restricted by bond indenture, law, or contractual obligations. As of June 30, 2025 and 2024, the District had restricted assets in the amounts of \$1,279,015 and \$4,345,750, respectively.

#### Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. The District uses the allowance method for recording the bad debt. Management regularly reviews its outstanding accounts receivable for collectability and has established an allowance for uncollectible accounts based upon its collection history and knowledge of its customers.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounts Receivable and Allowance for Uncollectible Accounts (Continued)

When an account is deemed uncollectible, it is written off against the allowance.

Inventory

Inventory consists primarily of materials and supplies used in construction and maintenance of the water and sewer system and is stated at cost using the average-cost method.

Prepaid expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are recorded at acquisition cost at the date of contribution. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset Type</u>	<u>Useful Life</u>
Buildings and Building improvements	40 Years
Vehicles and Equipment	3 to 15 Years
Infrastructure-Sewer Facilities	40 to 50 Years
Infrastructure-Water Facilities	40 Years
Infrastructure-Joint-Use-Facilities	40 to 50 Years
Infrastructure-Maintenance Facilities	5 to 15 Years

*Lease assets* are assets which the District leases for term of more than one year. The value of the leases is determined by the net value of the leases using the interest rate implicit in the lease or, if not determinable, at the District's incremental borrowing rate at the time of the lease agreement and are amortized over the term of the agreement.

Customer Deposits

The District collects two types of deposits, as follows:

- Customer deposits for starting a new account requires a \$100 deposit if proof of ownership is not provided.
- Work that the district performs (e.g., meter upgrades and new service installation) and is then charged to the customer. The deposit is converted to revenue upon the completion of the project.

# CRESCENTA VALLEY WATER DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Compensated Absences

The District's policy is to permit employees to accumulate earned vacation and sick leave according to the number of years of service with the District. The liability for vested vacation and sick leave is recorded as an expense when earned and become vested, in accordance with District policy.

#### Long-term Debt

Long-term debt obligations are reported as liabilities in the statement of net position. Premiums and discounts on a refunding are amortized over the life of the related debt. Loan payable is reported net of unamortized premiums or discounts. Debt payments are reported as a reduction of the related liability.

A deferred outflow from a loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

#### Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (the Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Postemployment Benefits Other than Pensions (OPEB)

The District participates in an agent multiple-employer defined benefit postemployment healthcare plan. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense information about the fiduciary net position of the District Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Deferred outflow / inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District reports deferred outflows of resources related to deferred charges related to loss on refunding, pensions and OPEB.

# CRESCENTA VALLEY WATER DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Deferred outflow / inflows of resources (Continued)

In addition to liabilities the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to pensions and OPEB.

#### Net Position

The District classified equity as net position and it can be displayed in three components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position.
- *Restricted net position* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation. The District did not have a restricted net position balance at June 30, 2025 or 2024.
- *Unrestricted net position* – is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for particular purpose from both restricted and unrestricted resources. 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.

#### Water and Sewer Service Charges

The District recognizes water and sewer services charges based on cycle billings rendered to the customers on a bi-monthly basis.

#### Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners or real estate developers desiring services that require capital expenses or capacity commitment.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Reclassifications

Certain reclassifications have been made to the amounts previously reported in prior year financial statements to conform with the presentation in current year financial statements.

Budgetary Policies

The District adopts a one-year nonappropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of June 30, 2025 and 2024 are classified in the statement of net position as follows:

	2025	2024
Cash and cash equivalents, unrestricted	\$ 3,232,186	\$ 4,092,493
Cash and cash equivalents, restricted	1,279,015	4,345,750
Total cash and cash equivalents	\$ 4,511,201	\$ 8,438,243

Cash and cash equivalents as of June 30, 2025 and 2024 are as follows:

	2025	2024
Deposits with financial institutions	\$ 2,847,497	\$ 6,711,841
Local District Investment Fund	1,662,904	1,725,602
Cash on hand	800	800
Total cash and cash equivalents	\$ 4,511,201	\$ 8,438,243

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. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

# CRESCENTA VALLEY WATER DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

#### Custodial Credit Risk (Continued)

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 market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the California Government Code; however, the collateralized securities are not held in the District's name.

#### Investment in State Investment Pool

The District is a voluntary participant in the Local District Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the state of California. The fair value of the District's 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 LAIF 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 recorded on an amortized cost basis.

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit -15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000.
- Withdrawals of \$10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

#### 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 matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 – INVESTMENTS**

Investments and future maturities at June 30, 2025 were as follows:

Investment Type	Total	Remaining Maturity (in months)			
		12 months or less	13 to 24 months	25 to 60 months	61 to 120 months
U.S. Treasury	\$ 12,105,880	\$ 8,571,191	\$ -	\$ 3,534,689	\$ -
U.S. Government agencies	1,079,575	-	-	1,079,575	-
Corporate notes	4,736,349	175,000	343,018	4,218,331	-
<b>Total</b>	<b>\$ 17,921,804</b>	<b>\$ 8,746,191</b>	<b>\$ 343,018</b>	<b>\$ 8,832,595</b>	<b>\$ -</b>

Investments and future maturities at June 30, 2024 were as follows:

Investment Type	Total	Remaining Maturity (in months)			
		12 months or less	13 to 24 months	25 to 60 months	61 to 120 months
U.S. Treasury	\$ 10,253,833	\$ 4,030,180	\$ 3,854,882	\$ 2,368,771	\$ -
U.S. Government agencies	1,820,005	404,052	288,745	1,127,208	-
Corporate notes	3,488,160	296,008	1,190,127	2,002,025	-
<b>Total</b>	<b>\$ 15,561,998</b>	<b>\$ 4,730,240</b>	<b>\$ 5,333,754</b>	<b>\$ 5,498,004</b>	<b>\$ -</b>

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit rating of investments as of June 30, 2025, were as follows:

Investment Type	Total	Minimum Legal Rating	Rating at Yearend							
			AAA	AA+	AA	AA-	A+	A	A-	Not Rated
U.S. Treasury	\$ 12,105,880	A		\$ 12,105,880						
U.S. Government age	1,079,575	A		1,079,575						
Corporate notes	4,736,349	A	1,308,898	386,569	447,305	480,265	780,463	743,491		589,358
<b>Total</b>	<b>\$ 17,921,804</b>		<b>\$ 1,308,898</b>	<b>\$ 13,572,024</b>	<b>\$ 447,305</b>	<b>\$ 480,265</b>	<b>\$ 780,463</b>	<b>\$ 743,491</b>	<b>\$ -</b>	<b>\$ 589,358</b>

Credit rating of investments as of June 30, 2024, were as follows:

Investment Type	Total	Minimum Legal Rating	Rating at Yearend							
			AAA	AA+	AA	AA-	A+	A	A-	Not Rated
U.S. Treasury	\$ 10,253,833	A	\$ -	\$ 10,253,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government age	1,820,005	A		1,820,005						
Corporate notes	3,488,160	A	974,994	99,286	198,656	202,368	421,130	940,980	529,794	120,952
<b>Total</b>	<b>\$ 15,561,998</b>		<b>\$ 974,994</b>	<b>\$ 12,173,124</b>	<b>\$ 198,656</b>	<b>\$ 202,368</b>	<b>\$ 421,130</b>	<b>\$ 940,980</b>	<b>\$ 529,794</b>	<b>\$ 120,952</b>

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 – INVESTMENTS (Continued)**

Concentration of Credit Risk

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. As of June 30, 2025 and 2024, none of the Districts investments in any one issuer exceeded 5%.

Fair Value Measurements

Investments measured at fair value on a recurring and nonrecurring basis at June 30, 2025:

Investment Type	Total	Rating at Yearend		
		Level 1	Level 2	Level 3
U.S. Treasury	\$ 12,105,880	\$ 12,105,880	\$ -	\$ -
U.S. Government agencies	1,079,575	-	1,079,575	-
Corporate notes	4,736,349	-	4,736,349	-
<b>Total</b>	<b>\$ 17,921,804</b>	<b>\$ 12,105,880</b>	<b>\$ 5,815,924</b>	<b>\$ -</b>

Fair Value Measurements

Investments measured at fair value on a recurring and nonrecurring basis at June 30, 2024:

Investment Type	Total	Rating at Yearend		
		Level 1	Level 2	Level 3
U.S. Treasury	\$ 10,253,833	\$ 10,253,833	\$ -	\$ -
U.S. Government agencies	1,820,005	-	1,820,005	-
Corporate notes	3,488,160	-	3,488,160	-
<b>Total</b>	<b>\$ 15,561,998</b>	<b>\$ 10,253,833</b>	<b>\$ 5,308,165</b>	<b>\$ -</b>

**NOTE 5 – ACCOUNTS RECEIVABLE – WATER AND WASTEWATER, NET**

Accounts receivable – water and wastewater, net consisted of the following at June 30:

	2025	2024
Accounts Receivable:		
Water user charges	\$ 3,111,385	\$ 2,633,263
Wastewater user charges	801,950	804,281
Allowance for uncollectible accounts	(38,386)	(96,135)
<b>Total accounts receivable - water and wastewater, net</b>	<b>\$ 3,874,949</b>	<b>\$ 3,341,409</b>

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025 is as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 1,158,526	\$ -	\$ -	\$ 1,158,526
Construction in process	<u>5,707,947</u>	<u>3,562,399</u>	<u>1,775,185</u>	<u>7,495,161</u>
Totals capital assets, not being depreciated	<u>6,866,473</u>	<u>3,562,399</u>	<u>1,775,185</u>	<u>8,653,687</u>
Capital assets, being depreciated:				
Buildings and building improvements	1,222,921	69,694	-	1,292,615
Vehicles and equipment	4,130,210	472,749	-	4,602,959
Infrastructure	100,116,805	1,465,876	-	101,582,681
Right to use - lease infrastructure	356,417	-	-	356,417
Right to use - lease equipment	<u>122,713</u>	<u>-</u>	<u>-</u>	<u>122,713</u>
Totals capital assets, being depreciated	<u>105,949,066</u>	<u>2,008,319</u>	<u>-</u>	<u>107,957,385</u>
Less accumulated depreciation:				
Buildings and building improvements	783,164	16,736	-	799,900
Vehicles and equipment	3,578,956	185,473	-	3,764,429
Infrastructure	51,079,575	2,019,378	-	53,098,953
Right to use - lease infrastructure	57,282	47,148	-	104,430
Right to use - lease equipment	<u>122,713</u>	<u>-</u>	<u>-</u>	<u>122,713</u>
Totals accumulated depreciation	<u>55,621,690</u>	<u>2,268,735</u>	<u>-</u>	<u>57,890,425</u>
Totals capital assets, being depreciated	<u>50,327,376</u>	<u>(260,416)</u>	<u>-</u>	<u>50,066,960</u>
Capital assets, net	<u>\$ 57,193,849</u>	<u>\$ 3,301,983</u>	<u>\$ 1,775,185</u>	<u>\$ 58,720,647</u>

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS (Continued)**

Capital asset activity for the year ended June 30, 2024 is as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 1,158,526	\$ -	\$ -	\$ 1,158,526
Construction in process	<u>4,603,787</u>	<u>4,795,308</u>	<u>3,691,148</u>	<u>5,707,947</u>
Totals capital assets, not being depreciate	<u>5,762,313</u>	<u>4,795,308</u>	<u>3,691,148</u>	<u>6,866,473</u>
Capital assets, being depreciated:				
Buildings and building improvements	1,222,921	-	-	1,222,921
Vehicles and equipment	4,045,568	155,021	70,379	4,130,210
Infrastructure	96,440,680	3,676,125	-	100,116,805
Right to use - lease infrastructure	356,417	-	-	356,417
Right to use - lease equipment	<u>122,713</u>	<u>-</u>	<u>-</u>	<u>122,713</u>
Totals capital assets, being depreciated	<u>102,188,299</u>	<u>3,831,146</u>	<u>70,379</u>	<u>105,949,066</u>
Less accumulated depreciation:				
Buildings and building improvements	763,919	19,245	-	783,164
Vehicles and equipment	3,455,698	193,637	70,379	3,578,956
Infrastructure	49,013,118	2,066,457	-	51,079,575
Right to use - lease infrastructure	38,188	19,094	-	57,282
Right to use - lease equipment	<u>98,170</u>	<u>24,543</u>	<u>-</u>	<u>122,713</u>
Totals accumulated depreciation	<u>53,369,093</u>	<u>2,322,976</u>	<u>70,379</u>	<u>55,621,690</u>
Totals capital assets, being depreciated	<u>48,819,206</u>	<u>1,508,170</u>	<u>-</u>	<u>50,327,376</u>
Capital assets, net	<u>\$ 54,581,519</u>	<u>\$ 6,303,478</u>	<u>\$ 3,691,148</u>	<u>\$ 57,193,849</u>

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – LONG-TERM LIABILITIES**

Changes in long-term liability amounts as of June 30, 2025 were as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025	Due Within One Year
Long-term debt					
Direct borrowing and placements:					
Certificates of participation-2020	\$10,445,000	\$ -	\$ 235,000	\$10,210,000	\$ 245,000
Certificates of participation-2024	12,090,000	-	-	12,090,000	150,000
Premium	846,955	-	56,121	790,834	51,380
	<u>23,381,955</u>	-	<u>291,121</u>	<u>23,090,834</u>	<u>446,380</u>
Infrastructure loan	913,199	-	18,264	894,935	21,917
Total direct borrowing and placements	24,295,154	-	309,385	23,985,769	468,297
Leases	321,593	-	12,998	308,595	12,999
Total long-term debt	<u>24,616,747</u>	-	<u>322,383</u>	<u>24,294,364</u>	<u>481,296</u>
Compensated absences	355,314	311,546	329,258	337,602	67,963
Net pension liability	6,188,395	-	38,493	6,149,902	-
Net OPEB liability	5,614,389	984,911	-	6,599,300	-
Totals long-term liabilities	<u>\$36,774,845</u>	<u>\$ 1,296,457</u>	<u>\$ 690,134</u>	<u>\$37,381,168</u>	<u>\$ 549,259</u>

Changes in long-term liability amounts as of June 30, 2024 were as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024	Due Within One Year
Long-term debt					
Direct borrowing and placements:					
Certificates of participation 2020	\$10,670,000	\$ -	\$ 225,000	\$10,445,000	\$ 235,000
Certificates of participation-2024	-	12,090,000	-	12,090,000	-
Premium	772,990	123,895	49,930	846,955	-
	<u>11,442,990</u>	<u>12,213,895</u>	<u>274,930</u>	<u>23,381,955</u>	<u>235,000</u>
Infrastructure loan	935,116	-	21,917	913,199	21,917
Total direct borrowing and placements	12,378,106	12,213,895	296,847	24,295,154	256,917
Leases	358,577	-	36,984	321,593	12,998
Total long-term debt	<u>12,736,683</u>	<u>12,213,895</u>	<u>333,831</u>	<u>24,616,747</u>	<u>269,915</u>
Compensated absences	337,415	375,685	357,786	355,314	89,636
Net pension liability	5,749,196	439,199	-	6,188,395	-
Net OPEB liability	5,257,740	356,649	-	5,614,389	-
Totals long-term liabilities	<u>\$24,081,034</u>	<u>\$13,385,428</u>	<u>\$ 691,617</u>	<u>\$36,774,845</u>	<u>\$ 359,551</u>

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

Direct borrowing and direct placements outstanding at June 30, 2025 is as follows:

Purpose	Amount Outstanding
<u>Direct Borrowing - 2016 GWP Infrastructure Loan</u>	
On September 9, 2014 the District entered into a loan agreement with City of Glendale Water and Power (GWP) to receive a \$1,091,590 loan. Loan proceeds were to provide construction-related expenditure costs related to the Rockhaven (Well #16) project. Terms of the agreement call for monthly installments of principal and interest payments with an average interest rate of 3.34% and the loan maturing on March 1, 2041. On the loan maturity date, the principal balance will be \$540,613, at which point a new agreement will be negotiated. In the event of default, the landlord at law or in equity, landlord shall have the option to terminate the agreement and shall be entitled to immediate restraint by injunction of any violation of any of the covenants, conditions, or provisions of the agreement.	\$ 894,935
Less: current portion	21,917
Long-term portion	<u>\$ 873,018</u>
<u>Direct Placement - 2020 Revenue Certificates of Participation</u>	
On September 15, 2020, the District and the Corporation have issued Crescenta Valley Water District Revenue Certificates of Participation (Water System Improvement Projects), Series 2020 for the aggregate principal amount of \$11,095,000, mature in varying amounts from \$205,000 to \$565,000 annually, on September 1, 2021 through 2050, plus interest from 3.00% to 4.00% payable semi-annually each March 1 and September 1. A portion of the debt proceeds were used to pay off the 2017 Pacific Western Loan balance. The debt issuance is binding upon the District.	\$ 10,210,000
Less: current portion	245,000
Long-term portion	<u>\$ 9,965,000</u>
<u>Direct Placement - 2024 Revenue Certificates of Participation</u>	
On February 1, 2024, the District and the Corporation have issued Crescenta Valley Water District Revenue Certificates of Participation (Water System Improvement Projects), Series 2024 for the aggregate principal amount of \$12,090,000, mature in varying amounts from \$150,000 to \$1,215,000 annually, on September 1, 2025 through 2054, plus interest from 4.00% to 5.00% payable semi-annually each March 1 and September 1. The debt proceeds are intended for water system improvement projects. The debt issuance is binding upon the District.	\$ 12,090,000
Less: current portion	150,000
Long-term portion	<u>\$ 11,940,000</u>

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

Future maturities of long-term debt

As of June 30, 2025, the future maturities of long-term debt are as follows:

Fiscal Year	2020		Infrastructure Loan		2024		Unamortized	Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Premium Amortization	Principal	Interest
2026	245,000	331,481	21,917	29,095	150,000	528,900	51,380	416,917	940,856
2027	255,000	321,481	21,917	29,095	155,000	521,275	49,955	431,917	921,806
2028	265,000	311,081	21,917	29,095	165,000	513,275	48,472	451,917	901,923
2029	275,000	301,656	21,917	29,095	170,000	504,900	47,129	466,917	882,780
2030-2034	1,525,000	1,352,581	109,585	145,475	995,000	2,383,875	250,733	2,629,585	4,132,664
2035-2039	1,845,000	1,030,600	109,585	145,475	1,270,000	2,102,000	159,125	3,224,585	3,437,200
2040-2044	2,130,000	736,416	588,097	58,193	1,625,000	1,742,375	114,694	4,343,097	2,651,678
2045-2049	2,550,000	318,075	-	-	2,040,000	1,316,475	55,192	4,590,000	1,689,742
2050-2054	1,120,000	28,126	-	-	4,305,000	755,500	14,154	5,425,000	797,780
2055-2059	-	-	-	-	1,215,000	24,300	-	1,215,000	24,300
Total	\$ 10,210,000	\$ 4,731,497	\$ 894,935	\$ 465,523	\$ 12,090,000	\$ 10,392,875	\$ 790,834	\$ 23,194,935	\$ 16,380,729

Leases payable

Leases payable outstanding as of June 30, 2025 are as follows:

	Original Amount	Outstanding July 1, 2024	Additions	Payments	Outstanding June 30, 2025	Due Within One Year
Rockhaven well lease						
Interest at 2.01%, monthly payments of principal and interest of \$1,497, due 2025	\$ 356,417	321,593	-	12,998	308,595	12,998
Total leases payable		\$ 321,593	\$ -	\$ 12,998	\$ 308,595	\$ 12,998

Leases payable outstanding as of June 30, 2024 are as follows:

	Original Amount	Outstanding July 1, 2023	Additions	Payments	Outstanding June 30, 2024	Due Within One Year
Copier leases						
Interest at 1.15%, monthly payments of principal and interest of \$2,073, due 2023	\$ 122,713	24,802	-	24,802	-	-
Rockhaven well lease						
Interest at 2.01%, monthly payments of principal and interest of \$1,497, due 2025	\$ 356,417	333,775	-	12,182	321,593	12,182
Total leases payable		\$ 358,577	\$ -	\$ 36,984	\$ 321,593	\$ 12,182

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 7 – LONG-TERM LIABILITIES (Continued)**

Future maturities – leases payable

As of June 30, 2025, the future maturities of leases payable are as follows:

Fiscal Year	Principal	Interest
2026	13,847	6,077
2027	14,732	5,790
2028	15,652	5,486
2029	16,609	5,162
2030-34	98,809	20,250
2035-39	129,152	8,869
2040	19,794	150
Total	\$ 308,595	\$ 51,784

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

Plan Description

The District participates in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Pension Plan or PERF C) serves public agencies with generally fewer than 100 active members that is administered by the California Public Employees’ Retirement System (CalPERS). The Pension Plan consists of a Miscellaneous Pool and a Safety Pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety valuation rate plans, respectively. The District participates in the Pension Plan as part of the Miscellaneous Risk Pool. All qualified permanent and probationary employees of the District are eligible to participate in the Pension Plan.

Benefits Provided

The Pension Plan 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 nonduty disability benefits after 10 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. Benefit provisions under the plan are established by state statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

Benefits Provided (continued)

The California Public Employees’ Pension Reform Act of 2013 (PEPRA), which took effect on January 1, 2013, closed the District’s CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants (PEPRA Members or Tier 2). All employees hired after January 1, 2013 are eligible for the District’s CalPERS 2.0% at 62 Retirement Plan under PEPRA. All members that do not fall into the definition of a PEPRA Member will generally be considered Classic Members, or Tier 1.

A summary of the plans’ provision and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.00% at 55	2.00% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 to 55	52 to 67
Required employee contribution rates	6.93%	7.75%
Required employer contribution rates	12.47%	7.68%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1 following notice of the change in rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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 District was required to contribute the difference between the actuarially determined rate (or 10.88%) and the contribution rate of employees. The District’s contributions for the fiscal years ended June 30, 2025 and 2024 were \$836,538 and \$749,506, including \$82,794 and \$88,704 paid by the District on behalf of the employees, respectively.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

Proportionate Share of Net Pension Liability

As of the fiscal year ended June 30, 2025 the District reported \$6,149,902 for its proportionate share of the net pension liability. The net pension liability of the Pension Plan was measured as of June 30, 2024, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. The allocation method utilized by CalPERS to determine the employer’s proportionate share of the net pension liability considers the actuarial measurement of the future pension benefits of the plan participants by employer and the employer’s share of the fiduciary net position.

As of the fiscal year ended June 30, 2024 the District reported \$6,188,395 for its proportionate share of the net pension liability. The net pension liability of the Pension Plan was measured as of June 30, 2023, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023. The allocation method utilized by CalPERS to determine the employer’s proportionate share of the net pension liability considers the actuarial measurement of the future pension benefits of the plan participants by employer and the employer’s share of the fiduciary net position.

The District’s proportionate share of the pension liability for the District’s plan as of the June 30, 2025 valuation was 0.127153%, which is an increase of 0.003396% from June 30, 2024.

Actuarial Methods and Assumptions

The total pension liability as of June 30, 2025 was determined using the following methods and assumptions:

Valuation date	June 30, 2022
Measurement date	June 30, 2024
Actuarial cost method	Entry age normal
Experience study	2021 CalPERS Experience Study
Actuarial assumptions:	
Discount rate	6.90%
Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and services
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

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial Methods and Assumptions (Continued)

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 postretirement mortality rates include generation mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expense of 10 basis points. The expected real rates of return by asset class are as follows:

Asset Class <sup>1</sup>	Assumed Asset	
	Allocation	Real Return <sup>1, 2</sup>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

<sup>1</sup> An expected inflation of 2.30% used for this period

<sup>2</sup> Figures are based on the 2021-22 Asset Liability Management study

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The discount rate equals the long-term expected rate of return of the plan assets, net of investment expense, but not reduced for administrative expenses. 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.

Discount Rate Sensitivity Analysis as of June 30, 2025 was as follows:

	1% Decrease	Current Discount Rate	1% Increase
District's Net Pension Liability	\$ 9,587,103	\$ 6,149,902	\$ 3,320,580

Discount Rate Sensitivity Analysis as of June 30, 2024 was as follows:

	1% Decrease	Current Discount Rate	1% Increase
District's Net Pension Liability	\$ 9,440,491	\$ 6,188,395	\$ 3,511,640

During the years ended June 30, 2025 and 2024, the District recognized pension (expense)/benefits of (\$539,846)and (\$374,273), respectively.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

Pension Expense and Deferred Outflows (Inflows) of Resources

As of the fiscal year ended June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 531,715	\$ 20,747
Changes in assumptions or inputs	158,065	-
Net difference between projected and actual earnings	354,043	-
Difference between employer's contributions and proportionate share of contributions	-	307,072
Change in employer's proportion	109,261	-
Contributions subsequent to the measurement date	753,745	-
Total	<u>\$ 1,906,829</u>	<u>\$ 327,819</u>

As of the fiscal year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 316,137	\$ 49,040
Changes in assumptions or inputs	373,621	-
Net difference between projected and actual earnings	1,001,957	-
Difference between employer's contributions and proportionate share of contributions	-	250,540
Change in employer's proportion	104,411	-
Contributions subsequent to the measurement date	660,802	-
Total	<u>\$ 2,456,928</u>	<u>\$ 299,580</u>

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

Pension Expense and Deferred Outflows (Inflows) of Resources (Continued)

As of June 30, 2025, employer pension contributions of \$508,289 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal years ending June 30, 2026. Other pension related amounts will be recognized as pension expense as follows:

Year Ending June 30,		
2025	\$	282,756
2026		755,216
2027		(6,824)
2028		(121,326)
2029		-
Thereafter		-
Total	\$	909,822

Pension Plan Fiduciary Net Position

The Pension Plan’s fiduciary net position has been determined on the same basis used by the Pension Plan. The Pension Plan is accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Contributions to the Pension Plan are recognized in the period in which the contributions are due pursuant to legal requirements. Benefits and refunds are recognized by the Pension Plan when due and payable in accordance with the terms of the Pension Plan.

Detailed information about the Pension Plan’s fiduciary net position is available in the CalPERS annual comprehensive financial report. Copies of the CalPERS annual comprehensive financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Plan Description

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District. Currently, the District participates in the Public Agency portion of the California Employers’ Retiree Benefit Trust Fund (“CERBT” or “OPEB Plan”), an agent multiple-employer plan administered by CalPERS.

Benefits Provided

District employees who retire from the District at age 55 or older with 10 or more consecutive years of service with the District, and District managers who retire from the District at age 50 or older with 10 or more consecutive years of service with the District are eligible for lifetime medical benefits for themselves and their spouses. Retirees may continue their enrollment in any of the ACWA plans offered by the District. The District does not offer retiree dental or vision coverage.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS**

The District pays the cost to continue current medical/hospitalization for a retired employee and eligible spouse, but not other dependents. A retiree may opt for any Association of California Water Agencies (ACWA) medical plan offered by the District; however, District payment shall not exceed the cap. The cap is ACWA’s Blue Cross HMO Plan (i.e. California Care) for two-party coverage. Coverage for a higher-cost plan or additional eligible dependents may be provided at the retiree’s expense. Coverage will be maintained under its group benefit until the retiree elects to discontinue coverage. Coverage is continued for the lifetime of the retiree and could further continue for the lifetime of a surviving spouse, if eligible.

For retired employees whose date of hire is prior to July 1, 2008 shall be subject to the following retiree medical vesting schedule:

Years of Service	0-9	10	11	12	13	14	15	16	17	18	19	20+
Coverage percentage	0%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%

Retirees whose hire date of hire is on or after July 1, 2019 are not eligible for retiree medical benefits.

Membership in the OPEB Plan consisted of the following members as of June 30, 2025:

Participant Type	Number of Participants
Active participants	18
Retired participants and beneficiaries	28
Inactive participants with deferred benefits	-
	46

Funding Policy

Contributions to the OPEB Plan are voluntarily determined by the District’s own funding schedule, and there are no long-term contracts for contributions to the plan. The Districts’ intends to contribute the pay-as-you-go amount with a fixed dollar trust contribution. The fixed dollar trust contribution may be up to \$400,000. For the measurement period ended June 30, 2024 and 2023, the actuarially determined contributions were \$740,481 and \$599,955 and the District contributed \$325,947 and \$308,539 to the OPEB Plan, respectively, including trust contributions and the implicit rate subsidy.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation using the actuarial assumptions shown herein, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	June 30, 2024
Measurement date	June 30, 2024
Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	2.80%
Discount rate	7.00%
Expected rate of return	7.00%
Healthcare trend rate	7.10 2024 to 5.00% 2041 and late
Retirement and Mortality	2021 CalPERS Experience Study
Bond Buyer 20-Bond GO Index	3.93%

Long-Term Expected Rate of Return

The long-term expected rate of return was based upon the CERBT strategy 1 investment allocation. The following tables shows the target allocation for each asset class as well as the corresponding long-term expected rate of return. This along with an assumed 2.50% inflation rate was used to measure the reasonableness of the plans expected rate of return on assets of 7.00%.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	49%	5.69%
Fixed income	23%	1.41%
TIPS	5%	2.26%
REITs	20%	6.86%
Cash	0%	0.00%
Commodities	3%	2.81%

Long-Term Expected Rate of Return (continued)

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.50% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Changes in Assumptions

There have been no changes in the assumptions since the last measurement date.

Changes in Plan Provisions

Effective July 1, 2022, the plan was amended to homogenize eligibility to age 50 and 10 years of service for all employees. There have been no changes to the plan provisions since the prior measurement date.

Changes in the Net OPEB Liability

The District's changes in net OPEB liability as of the June 30, 2025 fiscal year was follows:

	Total OPEB Liability (Asset) <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net OPEB Liability (Asset) <u>(a) - (b)</u>
Balance at June 30, 2023	\$ 6,349,860	\$ 735,471	\$ 5,614,389
Changes for the year:			
Service cost	129,843	-	129,843
Interest	442,364	-	442,364
Difference between expected and actual experience	571,086	-	571,086
Changes in assumptions	247,977	-	247,977
Change in benefit terms	-	-	-
Contributions - employer	-	(325,947) <span style="color: green;">▲</span>	(325,947)
Net investment income	-	80,652	(80,652)
Benefit payments	(325,947)	325,947 <span style="color: green;">▲</span>	-
Administrative expense	-	(240)	240
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance at June 30, 2024	<u>\$ 7,415,183</u>	<u>\$ 815,883</u>	<u>\$ 6,599,300</u>

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

Discount Rate Sensitivity Analysis

The following table presents the District’s net OPEB liability calculated using the current discount rate as well as what the net OPEB 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:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 7,603,877	\$ 6,599,300	\$ 5,773,321

Healthcare Cost Trend Sensitivity Analysis

The following table presents the District’s net OPEB liability calculated using the current healthcare cost trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Healthcare Trend Rate	1% Increase
Net OPEB Liability	\$ 5,714,357	\$ 6,599,300	\$ 7,694,338

Changes in the Net OPEB Liability

The District’s changes in net OPEB liability as of the June 30, 2024 fiscal year was follows:

	Total OPEB Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at June 30, 2022	\$ 5,949,027	\$ 691,287	\$ 5,257,740
Changes for the year:			
Service cost	125,622	-	125,622
Interest	414,610	-	414,610
Difference between expected and actual experience	24,094	-	24,094
Changes in assumptions	-	-	-
Change in benefit terms	145,046		145,046
Contributions - employer	(308,539)	(308,539)	-
Net investment income	-	44,385	(44,385)
Benefit payments	-	308,539	(308,539)
Administrative expense	-	(201)	201
Balance at June 30, 2023	\$ 6,349,860	\$ 735,471	\$ 5,614,389

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

Discount Rate Sensitivity Analysis

The following table presents the District’s net OPEB liability calculated using the current discount rate as well as what the net OPEB 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:

	1% Decrease		Current Discount Rate		1% Increase
Net OPEB Liability	\$ 6,541,209	\$	5,614,389	\$	4,860,660

Healthcare Cost Trend Sensitivity Analysis

The following table presents the District’s net OPEB liability calculated using the current healthcare cost trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease		Healthcare Trend Rate		1% Increase
Net OPEB Liability	\$ 4,788,261	\$	5,614,389	\$	6,652,602

OPEB Expense and Deferred Outflows (Inflows) of Resources

For the years ended June 30, 2025 and 2024, the District recognized OPEB expense of \$241,389 and \$258,487, respectively. As of June 30, 2024, the District reported deferred outflows and inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	\$ 553,315	\$	206,488
Changes in assumptions or inputs	216,144		935,384
Net difference between projected and actual earnings	23,630		-
Contributions subsequent to the measurement date	339,885		-
Total	\$ 1,132,974	\$	1,141,872

**CRESCENTA VALLEY WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

As of June 30, 2024, the District reported deferred outflows and inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 105,200	\$ 292,488
Changes in assumptions or inputs	-	1,294,284
Net difference between projected and actual earnings	63,320	-
Contributions subsequent to the measurement date	325,947	-
Total	\$ 494,467	\$ 1,586,772

As of June 30, 2025, employer contributions of \$325,947 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal years ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2026	\$ (293,190)
2027	(278,160)
2028	(173,807)
2029	103,026
2030	105,143
Thereafter	188,205
Total	\$ (348,783)

OPEB Plan Fiduciary Net Position

The OPEB Plan’s fiduciary net position has been determined on the same basis used by the OPEB Plan. The OPEB Plan is accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Contributions to the OPEB Plan are recognized when received. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB Plan.

Detailed information about the OPEB Plan’s fiduciary net position is available in the CalPERS annual comprehensive financial report. Copies of the CalPERS annual comprehensive financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

# CRESCENTA VALLEY WATER DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), an intergovernmental risk-pooling self-insurance authority that was created under provisions of California Government Code Sections 6500 et. seq. The purpose of JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

At June 30, 2025, the District's participation in the self-insurance programs of JPIA is as follows:

- General Liability: Covered up to \$1,000,000 per occurrence (\$2,000,000 in the aggregate).
- Property Loss: Covered up to replacement value with a \$2,500 deductible per occurrence on buildings, fixed equipment and unscheduled vehicles on premises. Replacement cost value on mobile equipment with a \$2,500 deductible per occurrence and replacement cash value on scheduled vehicles with a \$1,000, deductible per occurrence. Scheduled fixed equipment is covered for Accidental Mechanical Breakdown up to sub-limit of \$100,000,000 with deductible \$25,000. Property Program includes Earthquake with aggregate limit of \$2.5M, and is subject to minimum \$75,000 deductible, Flood Coverage with aggregate limit of \$25,000,000 and subject to a \$100,000 deductible.
- Workers' Compensation: Insured for statutory limits, and Employer's Liability is insured up to \$2,000,000 per accident and \$2,000,000 per disease.
- Cyber Liability: Including Cyber Security up to \$3,000,000 per occurrence (\$5,000,000 in the aggregate). Self-insured retention of \$100,000.
- Employee Dishonesty/Crime Supplement: Insured up to \$1,000,000 per occurrence with a \$100,000 deductible for employee dishonesty, forgery or alteration and computer fraud. The program covers all employees, the Board of Directors, and the Treasurer.

Separate financial statements of JPIA can be obtained at 2100 Professional Drive, Roseville, CA 95661 or <http://www.acwajpia.com/FinancialStatements.aspx>.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2025 and 2024. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, 2023, and 2022, respectively.

# CRESCENTA VALLEY WATER DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### **NOTE 11 – JOINTLY GOVERNED ORGANIZATION (JOINT POWERS AGREEMENT)**

The District participates in a jointly governed under a joint powers agreement with the JPIA. The relationship between the District and the JPIA is such that the JPIA is not a component unit of the District for financial reporting purposes. Audited financial statements are available by contacting the JPIA at 2100 Professional Drive, Roseville, California 95661.

The JPIA arranges for and provides insurance coverage for its nearly 370 member districts. JPIA is governed by a board of directors and each member agency is required to designate one representative from its local board of directors to participate in the JPIA board. Refer to Note 10.

### **NOTE 12 – NEWLY ISSUED ACCOUNTING STANDARDS**

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This Statement establishes a unified model for recognizing and measuring liabilities related to compensated absences, enhancing comparability and relevance across governmental entities. The measurement of the liability is based on the employee's pay rate as of the financial statement date. Salary-related payments directly and incrementally associated with leave payments are included in the liability measurement. Certain types of leave—such as parental leave, military leave, and jury duty—are excluded from recognition until the leave commences. The new standard resulted in the inclusion of sick leave, and management has determined that impact of this standard is immaterial to the financial statements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The District has evaluated known concentrations and constraints that may expose the entity to substantial financial impacts. These disclosures are intended to enhance transparency and provide users of the financial statements with information about vulnerabilities that are not otherwise routinely disclosed. As of June 30, 2025 management has determined that impact of this standard is immaterial to the financial statements.

### **NOTE 13 – SUBSEQUENT EVENTS**

In June 2024, the District filed a claim regarding the Aqueous Film-Forming Foam (AFFF) Product Liability against 3M, Dupont, Tyco and BASF. In October 2025, the 3M and Dupont claims were settled and the District received approximately \$2.8M (\$2.5M from 3M and \$260k from Dupont).

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Last 10 Fiscal Years**

<b>Year Ended June 30,</b>	<b>District's proportion of the net pension liability (asset)</b>	<b>District's proportionate share of the net pension liability (asset)</b>	<b>District's covered payroll based on related measurement date of the net pension liability (asset)</b>	<b>District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
2025	0.12715%	\$ 6,149,902	\$ 3,164,141	194.36%	79.91%
2024	0.12376%	6,188,395	2,859,717	216.40%	77.97%
2023	0.12287%	5,749,196	2,635,277	218.16%	78.19%
2022	0.13327%	2,530,617	2,777,559	91.11%	76.06%
2021	0.11275%	4,755,999	2,853,255	166.69%	76.06%
2020	0.10811%	4,329,249	2,966,432	145.94%	76.87%
2019	0.10376%	3,910,317	3,305,507	118.30%	77.79%
2018	0.10092%	3,910,317	2,906,241	134.55%	75.39%
2017	0.09684%	3,364,245	2,715,807	123.88%	75.87%
2016	0.09156%	2,512,020	2,388,479	105.17%	81.15%

Note 1: The proportionate share of the net pension liability reports prior year covered payroll as of the measurement date.

Note 2: The accounting discount rate was 6.9 percent for measurement dates 2025 through 2022, 7.15 percent measurement dates 2021 through 2017, 7.65 percent measurement dates 2016 through 2015, and 7.50 percent measurement date 2014.

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSION PLAN**  
**Last 10 Fiscal Years**

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	
Contractually required contribution	\$ 753,745	\$ 660,802	\$ 668,968	\$ 546,030	\$ 573,759	\$ 271,620	\$ 266,500	\$ 350,982	\$ 381,098	
Contributions in relation to the contractually required contribution	<u>753,745</u>	<u>660,802</u>	<u>668,968</u>	<u>546,030</u>	<u>573,759</u>	<u>271,620</u>	<u>266,500</u>	<u>350,982</u>	<u>381,098</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 2,933,402	\$ 3,164,141	\$ 2,859,717	\$ 2,635,277	\$ 2,777,559	\$ 2,853,255	\$ 2,966,432	\$ 3,305,507	\$ 2,906,241	
Contribution as a percent of covered payroll	25.70%	20.88%	23.39%	20.72%	20.66%	9.52%	8.98%	10.62%	13.11%	

Note 1: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S NET OTHER**  
**POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS**  
**Last 10 Fiscal Years**

	Years Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>								
Service cost	\$ 129,843	\$ 125,622	\$ 144,886	\$ 137,987	\$ 130,710	\$ 124,486	\$ 132,270	\$ 125,970
Interest	442,364	414,610	553,506	524,812	509,267	484,045	444,552	417,013
Change in benefit terms	-	145,046	-	-	329,497	-	-	-
Differences between expected and actual experience	571,086	24,094	(291,937)	51,587	(194,307)	(45,954)	284,776	(19,457)
Changes of assumptions	247,977	-	(1,750,524)	-	(283,714)	-	(125,750)	-
Benefit payments	(325,947)	(308,539)	(324,542)	(329,643)	(242,284)	(203,075)	(168,710)	(134,956)
Net change in total OPEB liability	1,065,323	400,833	(1,668,611)	384,743	249,169	359,502	567,138	388,570
Total OPEB liability - Beginning	6,349,860	5,949,027	7,617,638	7,232,895	6,983,726	6,624,224	6,057,086	5,668,516
<b>Total OPEB liability - Ending (a)</b>	<b>\$ 7,415,183</b>	<b>\$ 6,349,860</b>	<b>\$ 5,949,027</b>	<b>\$ 7,617,638</b>	<b>\$ 7,232,895</b>	<b>\$ 6,983,726</b>	<b>\$ 6,624,224</b>	<b>\$ 6,057,086</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 325,947	\$ 308,539	\$ 324,542	\$ 429,643	\$ 242,284	\$ 503,075	\$ 268,711	\$ 234,956
Member contributions	-	-	-	-	-	-	-	-
Net investment income	80,652	44,385	(106,844)	150,518	18,708	21,727	7,968	-
Benefit payments	(325,947)	(308,539)	(324,542)	(329,643)	(242,284)	(203,075)	(168,711)	(134,956)
Administrative expenses	(240)	(201)	(202)	(208)	(259)	(54)	(67)	-
Net change in plan fiduciary net position	\$ 80,412	\$ 44,184	\$ (107,046)	\$ 250,310	\$ 18,449	\$ 321,673	\$ 107,901	\$ 100,000
Plan Fiduciary Net Position - Beginning	735,471	691,287	798,333	548,023	529,574	207,901	100,000	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 815,883</b>	<b>\$ 735,471</b>	<b>\$ 691,287</b>	<b>\$ 798,333</b>	<b>\$ 548,023</b>	<b>\$ 529,574</b>	<b>\$ 207,901</b>	<b>\$ 100,000</b>
<b>Net OPEB Liability (Asset) - Ending (a - b)</b>	<b>\$ 6,599,300</b>	<b>\$ 5,614,389</b>	<b>\$ 5,257,740</b>	<b>\$ 6,819,305</b>	<b>\$ 6,684,872</b>	<b>\$ 6,454,152</b>	<b>\$ 6,416,323</b>	<b>\$ 5,957,086</b>
Plan Fiduciary Net Position as a percentage of the total OPEB liability	11.00%	11.58%	11.62%	10.48%	7.58%	7.58%	3.14%	1.65%
Covered payroll	\$ 3,053,423	\$ 2,974,295	\$ 2,357,750	\$ 2,731,105	\$ 2,856,902	\$ 2,965,045	\$ 2,595,864	\$ 3,305,507
District's net OPEB liability as a percentage of covered payroll	216.13%	188.76%	223.00%	249.69%	233.99%	217.67%	247.17%	180.22%

Note 1: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

Note 2: The proportionate share of the net pension liability reports prior year covered payroll as of the measurement date.

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - NET OTHER POSTEMPLOYMENT**  
**Last 10 Fiscal Years**

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	740,481	\$ 599,955	\$ 696,699	\$ 669,236	\$ 618,255	\$ 601,567	\$ 525,315	\$ 525,315		
Contributions in relation to the actuarially determined contribution	325,947	308,539	324,542	429,643	242,284	503,075	268,711	234,956		
Contribution deficiency (excess)	\$ 414,534	\$ 291,416	\$ 372,157	\$ 239,593	\$ 375,971	\$ 98,492	\$ 256,604	\$ 290,359		
District's covered payroll	\$ 3,053,423	\$ 2,974,295	\$ 2,357,750	\$ 2,731,105	\$ 2,856,902	\$ 2,965,045	\$ 2,595,864	\$ 3,305,507		
Contribution as a percentage of covered payroll	10.67%	10.37%	13.76%	15.73%	8.48%	16.97%	10.35%	7.11%		

Note 1: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

Note 2: The proportionate share of the net pension liability reports prior year covered payroll as of the measurement date.

Notes to RSI:

Actuarial valuation date:	June 30, 2024	June 30, 2022	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2017
Measurement date:	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial assumptions:								
Inflation rate	2.50%	2.30%	2.30%	2.26%	2.26%	2.26%	2.26%	2.00%
Salary increases	2.80%	2.80%	2.80%	3.25%	3.25%	3.25%	3.25%	3.25%
Discount rate	7.00%	7.00%	7.00%	7.28%	7.28%	7.28%	7.28%	7.28%
Expected rate of return	7.00%	7.00%	7.00%	7.28%	7.28%	7.28%	7.28%	7.28%
Experience study	2021 CalPERS	2021 CalPERS	2021 CalPERS	2017 CalPERS	2017 CalPERS	2017 CalPERS	2017 CalPERS	2014 CalPERS

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## **SUPPLEMENTARY INFORMATION**

**CRESCENTA VALLEY WATER DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2025**

	Water	Wastewater	Eliminations	Total
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 3,983,141	\$ (750,955)	\$ -	\$ 3,232,186
Accounts receivable:				
Water and wastewater, net	3,095,630	779,319	-	3,874,949
Other	1,471	-	-	1,471
Interest receivable	85,321	-	-	85,321
Due from other funds	-	1,666,197	(1,666,197)	-
Prepaid expenses	1,858,944	27,327	-	1,886,271
Inventory	<u>752,668</u>	<u>2,900</u>	-	<u>755,568</u>
Total current assets	<u>9,777,175</u>	<u>1,724,788</u>	<u>(1,666,197)</u>	<u>9,835,766</u>
Noncurrent assets				
Restricted cash and cash equivalents	1,279,015	-	-	1,279,015
Investments	17,921,804	-	-	17,921,804
Capital assets:				
Capital assets, nondepreciable	8,099,569	554,118	-	8,653,687
Capital assets, net of accumulated depreciation	<u>36,391,736</u>	<u>13,675,224</u>	-	<u>50,066,960</u>
Total noncurrent assets	<u>63,692,124</u>	<u>14,229,342</u>	-	<u>77,921,466</u>
Total assets	<u>73,469,299</u>	<u>15,954,130</u>	<u>(1,666,197)</u>	<u>87,757,232</u>
<b>Deferred outflows of resources</b>				
Bond refunding related	160,202	-	-	160,202
Pension related	1,144,097	762,731	-	1,906,828
Other post employment benefits related	<u>679,785</u>	<u>453,189</u>	-	<u>1,132,974</u>
Total deferred outflows of resources	<u>1,984,084</u>	<u>1,215,920</u>	-	<u>3,200,004</u>
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 75,453,383</u></b>	<b><u>\$ 17,170,050</u></b>	<b><u>\$ (1,666,197)</u></b>	<b><u>\$ 90,957,236</u></b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 1,486,790	\$ 1,642,734	\$ -	\$ 3,129,524
Accrued payroll liabilities	260,501	39,452	-	299,953
Retainage payable	7,360	9,510	-	16,870
Customer deposits	922,541	219,965	-	1,142,506
Due to other funds	1,666,197	-	(1,666,197)	-
Accrued interest expense	297,619	-	-	297,619
Compensated absences - current portion	43,956	24,007	-	67,963
Lease payable - current portion	12,999	-	-	12,999
Loan payables - current portion	<u>468,297</u>	-	-	<u>468,297</u>
Total current liabilities	<u>5,166,260</u>	<u>1,935,668</u>	<u>(1,666,197)</u>	<u>5,435,731</u>
Noncurrent liabilities				
Lease payable	295,596	-	-	295,596
Net pension liability	3,689,941	2,459,961	-	6,149,902
Net other postemployment benefits liability	3,999,694	2,599,606	-	6,599,300
Compensated absences	192,425	77,214	-	269,639
Loans payable	<u>23,517,472</u>	-	-	<u>23,517,472</u>
Total noncurrent liabilities	<u>31,695,128</u>	<u>5,136,781</u>	-	<u>36,831,909</u>
Total liabilities	<u>36,861,388</u>	<u>7,072,449</u>	<u>(1,666,197)</u>	<u>42,267,640</u>
<b>Deferred inflows of resources</b>				
Pension related	196,691	131,128	-	327,819
Other post employment benefits related	<u>685,122</u>	<u>456,750</u>	-	<u>1,141,872</u>
Total deferred inflows of resources	<u>881,813</u>	<u>587,878</u>	-	<u>1,469,691</u>
<b>Net position</b>				
Net investment in capital assets	30,212,046	14,219,832	-	44,431,878
Unrestricted	<u>7,498,136</u>	<u>(4,710,109)</u>	-	<u>2,788,027</u>
Total net position	<u>37,710,182</u>	<u>9,509,723</u>	-	<u>47,219,905</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b><u>\$ 75,453,383</u></b>	<b><u>\$ 17,170,050</u></b>	<b><u>\$ (1,666,197)</u></b>	<b><u>\$ 90,957,236</u></b>

**CRESCENTA VALLEY WATER DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2025**

	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
<b>Operating revenues</b>			
Water operations - consumption sales	\$ 10,486,690	\$ -	\$ 10,486,690
Water operations - service charges	4,025,719	-	4,025,719
Water operations - other charges	252,966	-	252,966
Wastewater operations - user and standby charges	-	3,911,309	3,911,309
	<u>14,765,375</u>	<u>3,911,309</u>	<u>18,676,684</u>
<b>Operating expenses</b>			
Source of supply	3,672,305	-	3,672,305
Plant operations	2,438,793	177,785	2,616,578
Distribution system	1,870,452	-	1,870,452
City of Los Angeles wastewater system	-	1,250,272	1,250,272
Collection system	-	329,670	329,670
General and administrative expenses	5,214,644	2,167,399	7,382,043
Depreciation	1,669,445	599,290	2,268,735
	<u>14,865,639</u>	<u>4,524,416</u>	<u>19,390,055</u>
Total operating expenses			
	<u>14,865,639</u>	<u>4,524,416</u>	<u>19,390,055</u>
Operating income (loss)	<u>(100,264)</u>	<u>(613,107)</u>	<u>(713,371)</u>
<b>Nonoperating revenues (expenses)</b>			
Investment income (loss)	1,186,826	17,711	1,204,537
Rental income	50,484	33,643	84,127
Interest expense	(861,084)	(42)	(861,126)
Gain (loss) on sale of assets	-	-	-
Other income (expense), net	(18,540)	(347)	(18,887)
	<u>357,686</u>	<u>50,965</u>	<u>408,651</u>
Total nonoperating revenues (expenses)			
	<u>357,686</u>	<u>50,965</u>	<u>408,651</u>
Income (loss) before capital contributions	<u>257,422</u>	<u>(562,142)</u>	<u>(304,720)</u>
<b>Capital contributions</b>			
Assessments	1,844,931	35,580	1,880,511
	<u>1,844,931</u>	<u>35,580</u>	<u>1,880,511</u>
Total capital contributions			
	<u>1,844,931</u>	<u>35,580</u>	<u>1,880,511</u>
Change in net position	2,102,353	(526,562)	1,575,791
Net position - beginning of year	35,607,829	10,036,285	45,644,114
	<u>35,607,829</u>	<u>10,036,285</u>	<u>45,644,114</u>
<b>Net position - end of year</b>	<b><u>\$ 37,710,182</u></b>	<b><u>\$ 9,509,723</u></b>	<b><u>\$ 47,219,905</u></b>

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**WATER OPERATIONS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>		<b>2024</b>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>Operating revenues</b>				
Water operations - customers	\$ 10,486,690	71.02%	\$ 8,868,130	66.17%
Water operations - others	71,770	0.49%	67,662	0.50%
Service charges	4,025,719	27.26%	3,984,826	29.74%
Meter installations	45,687	0.31%	193,243	1.44%
Other revenue	135,509	0.92%	287,230	2.14%
Total operating revenues	<u>14,765,375</u>	100.00%	<u>13,401,091</u>	100.00%
<b>Operating expenses</b>				
Source of supply-water purchases	<u>3,672,305</u>	100.00%	<u>3,073,767</u>	100.00%
Plant operations:				
Power	884,495	5.95%	812,220	6.16%
Plant wages	589,136	3.96%	495,954	3.76%
Utilities	4,631	0.03%	9,221	0.07%
Maintenance	88,236	0.59%	99,566	0.76%
Signal system	160,444	1.08%	107,141	0.81%
Lab and treatment	193,175	1.30%	302,083	2.29%
Nitrate treatment	4,998	0.03%	37,066	0.28%
Insurance	37,908	0.26%	22,668	0.17%
Water conservation	2,015	0.01%	6,597	0.05%
Other expense	473,755	3.19%	93,077	0.71%
Total plant operations	<u>2,438,793</u>	16.41%	<u>1,985,593</u>	15.07%
Distribution system:				
Meter maintenance	885,847	5.96%	1,010,722	7.67%
Pipeline maintenance	355,500	2.39%	399,374	3.03%
Reservoir and building maintenance	84,031	0.57%	129,177	0.98%
Well site maintenance	111,471	0.75%	37,846	0.29%
Auto and truck expense	176,857	1.19%	125,353	0.95%
Insurance	40,010	0.27%	37,290	0.28%
Administrative consultant	-	0.00%	675	0.01%
Water treatment	201,703	1.36%	165,318	1.25%
Other expense	15,033	0.10%	23,633	0.18%
Total distribution system	<u>1,870,452</u>	12.58%	<u>1,929,388</u>	14.64%
General and administrative:				
Director's fees	15,000	0.10%	15,063	0.11%
Salaries - statutory officers	170,532	1.15%	135,919	1.03%
Salaries - general officers	717,692	4.83%	732,658	5.56%
Retirement (CalPERS)	1,110,696	7.47%	796,696	6.05%
Payroll taxes	266,454	1.79%	243,438	1.85%
Engineering and drafting	435,446	2.93%	374,737	2.84%
Legal	296,236	1.99%	231,246	1.75%
Administrative consultant - water system	486,607	3.27%	293,902	2.23%

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**WATER OPERATIONS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>		<b>2024</b>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
General and administrative (continued):				
Insurance	\$ 671,643	4.52%	\$ 503,542	3.82%
Maintenance	164,337	1.11%	95,461	0.72%
Computer and supplies	191,883	1.29%	265,005	2.01%
Utilities	19,638	0.13%	29,089	0.22%
Telephone	55,672	0.37%	56,146	0.43%
Printing and postage	78,464	0.53%	54,451	0.41%
Water system fees	78,493	0.53%	109,508	0.83%
Water conservation	32,329	0.22%	37,636	0.29%
Training	66,934	0.45%	48,179	0.37%
Property taxes	16,417	0.11%	16,041	0.12%
Other expense	340,171	2.29%	452,034	3.43%
Total general and administrative	<u>5,214,644</u>	35.08%	<u>4,490,751</u>	34.08%
Depreciation expense	<u>1,669,445</u>	100.00%	<u>1,698,482</u>	100.00%
Total operating expenses	<u>14,865,639</u>	100.00%	<u>13,177,981</u>	100.00%
Operating income (loss)	(100,264)	100.00%	223,110	100.00%
<b>Nonoperating revenues (expenses)</b>				
Investment income (loss)	1,186,826	331.81%	782,876	301.71%
Rental income	50,484	14.11%	50,904	19.62%
Interest expense	(861,084)	-240.74%	(571,678)	-220.31%
Gain (loss) on sale of assets	-	0.00%	(2,500)	-0.96%
Other income (expense), net	(18,540)	-5.18%	(119)	-0.05%
Total nonoperating revenues (expenses)	<u>357,686</u>	100.00%	<u>259,483</u>	100.00%
Income (loss) before capital contributions	<u>257,422</u>	100.00%	<u>482,593</u>	100.00%
<b>Capital contributions</b>				
Assessments	<u>1,844,931</u>	100.00%	<u>1,883,712</u>	100.00%
Total capital contributions	<u>1,844,931</u>	100.00%	<u>1,883,712</u>	100.00%
<b>Change in net position</b>	<u><b>\$ 2,102,353</b></u>	100.00%	<u><b>\$ 482,593</b></u>	100.00%

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**WASTEWATER OPERATIONS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
<b>Operating revenues</b>				
Wastewater operations - user and standby charges	\$ 3,911,309	100.00%	\$ 3,837,443	100.00%
Total operating revenues	<u>3,911,309</u>	100.00%	<u>3,837,443</u>	100.00%
<b>Operating expenses</b>				
City of Los Angeles wastewater system expense	<u>1,250,272</u>	27.63%	<u>1,591,030</u>	34.76%
Plant operations:				
Power	172	0.00%	2,866	0.06%
Plant wages	22,746	0.50%	22,123	0.48%
Utilities	8,765	0.19%	1,497	0.03%
Maintenance	9,701	0.21%	13,107	0.29%
Insurance	119,299	2.64%	129,798	2.84%
Other expense	17,102	0.38%	19,988	0.44%
Total plant operations	<u>177,785</u>	3.93%	<u>189,379</u>	4.14%
Collection system:				
Maintenance	285,969	6.32%	263,351	5.75%
Auto and truck expense	42,777	0.95%	42,008	0.92%
Inspection	924	0.02%	-	0.00%
Total distribution system	<u>329,670</u>	7.29%	<u>305,359</u>	6.67%
General and administrative:				
Director's fees	15,000	0.33%	15,063	0.33%
Salaries - statutory officers	117,797	2.60%	135,919	2.97%
Salaries - general officers	395,132	8.73%	369,383	8.07%
Retirement (CalPERS)	659,084	14.57%	418,910	9.15%
Payroll taxes	81,339	1.80%	72,883	1.59%
Engineering and drafting	148,375	3.28%	124,817	2.73%
Legal	98,745	2.18%	75,887	1.66%
Administrative consultant - water system	106,043	2.34%	233,037	5.09%
Insurance - group	200,559	4.43%	179,389	3.92%
Insurance - general	10,788	0.24%	10,095	0.22%
Maintenance	10,722	0.24%	7,724	0.17%
Computer and supplies	53,997	1.19%	63,037	1.38%
Utilities	41,356	0.91%	10,133	0.22%
Telephone	17,742	0.39%	18,790	0.41%
Printing and postage	24,479	0.54%	8,431	0.18%
Training	20,414	0.45%	13,111	0.29%
Other expense	165,827	3.67%	110,646	2.42%
Total general and administrative	<u>2,167,399</u>	47.90%	<u>1,867,255</u>	40.79%

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**WASTEWATER OPERATIONS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>		<b>2024</b>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Depreciation expense	\$ 599,290	13.25%	\$ 624,494	13.64%
Total operating expenses	<u>4,524,416</u>	100.00%	<u>4,577,517</u>	100.00%
Operating income (loss)	(613,107)	100.00%	(740,074)	100.00%
<b>Nonoperating revenue (expenses)</b>				
Investment income (loss)	17,711	34.75%		
Rental income	33,643	66.01%	30,587	120.16%
Interest expense	(42)	-0.08%	(42)	-0.16%
Gain (loss) on sale of assets	-	0.00%	(4,500)	-17.68%
Other income (expense), net	<u>(347)</u>	-0.68%	<u>(589)</u>	-2.31%
Total nonoperating revenues (expenses)	<u>50,965</u>	100.00%	<u>25,456</u>	100.00%
Income (loss) before capital contributions	<u>(562,142)</u>	100.00%	<u>(714,618)</u>	100.00%
<b>Capital contributions</b>				
Assessments	<u>35,580</u>	100.00%	<u>41,087</u>	100.00%
Total capital contributions	<u>35,580</u>	100.00%	<u>41,087</u>	100.00%
<b>Change in net position</b>	<u>\$ (526,562)</u>	<b>100.00%</b>	<u>\$ (673,531)</u>	<b>100.00%</b>

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## **STATISTICAL SECTION**

## **Statistical Section**

This section of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall health.

### **Financial trends (Pages 44-45)**

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

### **Revenue Capacity (Pages 46-49)**

These schedules contain information to help the reader assess the District's most significant revenue source.

### **Debt Capacity (Pages 50-51)**

These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information (Page 52)**

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

### **Operating Information (Pages 53-55)**

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.

**CRESCENTA VALLEY WATER DISTRICT**  
**NET POSITION BY COMPONENT**  
**Last 10 Fiscal Years**

(1)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net investment in capital assets	\$ 44,431,878	\$ 43,857,956	\$ 41,984,990	\$ 40,458,844	\$ 40,288,262	\$ 42,610,380	\$ 41,249,830	\$ 39,915,268	\$ 36,753,114	\$ 35,874,859
Restricted	-	-	-	-	-	-	-	-	617,361	617,109
Unrestricted (deficit)	<u>2,788,027</u>	<u>1,786,158</u>	<u>1,938,719</u>	<u>4,174,436</u>	<u>4,203,443</u>	<u>2,371,130</u>	<u>3,261,848</u>	<u>4,407,501</u>	<u>7,619,477</u>	<u>9,602,216</u>
Total net position	<u>\$ 47,219,905</u>	<u>\$ 45,644,114</u>	<u>\$ 43,923,709</u>	<u>\$ 44,633,280</u>	<u>\$ 44,491,705</u>	<u>\$ 44,981,510</u>	<u>\$ 44,511,678</u>	<u>\$ 44,322,769</u>	<u>\$ 44,989,952</u>	<u>\$ 46,094,184</u>

(1) Implementation of GASB Statement 75 resulted in a net prior period adjustment of \$1,139,076.

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**CHANGES IN NET POSITION**  
**Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Operating revenues</b>											
Water operations											
Consumption sales	\$ 10,486,690	\$ 8,868,130	\$ 7,935,623	\$ 8,919,225	\$ 8,938,008	\$ 7,952,859	\$ 7,262,227	\$ 7,519,558	\$ 6,540,242	\$ 5,742,445	\$ 6,388,564
Service charges	4,025,719	3,984,826	3,609,799	3,207,298	3,016,461	2,985,239	2,780,253	2,637,222	2,245,629	1,949,220	1,828,481
Other charges	252,966	548,135	686,023	953,372	1,148,283	1,477,804	891,420	1,180,936	772,050	440,556	548,296
Wastewater operations	3,911,309	3,837,443	3,743,169	3,508,571	3,425,173	3,187,260	3,291,114	3,033,860	3,168,022	3,275,859	3,347,597
<b>Total operating revenues</b>	<u>18,676,684</u>	<u>17,238,534</u>	<u>15,974,614</u>	<u>16,588,466</u>	<u>16,527,925</u>	<u>15,603,162</u>	<u>14,225,014</u>	<u>14,371,576</u>	<u>12,725,943</u>	<u>11,408,080</u>	<u>12,112,938</u>
<b>Operating expenses</b>											
Source of supply	\$ 3,672,305	\$ 3,073,767	\$ 2,924,787	\$ 3,289,622	\$ 3,683,148	\$ 3,175,446	\$ 3,262,503	\$ 3,404,291	\$ 3,149,245	\$ 2,503,627	\$ 2,741,033
Plant operations	2,616,578	2,174,972	1,863,728	2,374,866	2,091,783	2,173,063	2,363,289	2,189,387	2,175,501	1,928,943	2,245,576
Distribution system	1,870,452	1,929,388	1,834,099	1,002,100	880,137	910,095	1,107,293	1,071,502	1,127,201	1,275,372	1,239,463
City of Los Angeles wastewater system	1,250,272	1,591,030	2,394,509	1,828,078	1,930,797	1,520,287	1,194,533	1,097,781	950,537	1,362,190	675,013
Collection system	329,670	305,359	407,526	293,524	275,422	222,129	239,907	251,013	212,842	307,042	282,983
General and administrative expenses	7,382,043	6,358,006	4,996,486	5,085,230	5,647,545	5,443,304	5,062,560	4,545,133	4,462,717	4,147,556	4,190,646
Depreciation and amortization	2,268,735	2,322,976	2,213,427	2,078,586	2,140,258	1,962,144	1,866,693	1,676,711	1,706,915	1,858,112	1,925,786
<b>Total operating expenses</b>	<u>19,390,055</u>	<u>17,755,498</u>	<u>16,634,562</u>	<u>15,952,006</u>	<u>16,649,090</u>	<u>15,406,468</u>	<u>15,096,778</u>	<u>14,235,818</u>	<u>13,784,958</u>	<u>13,382,842</u>	<u>13,300,500</u>
<b>Operating income (loss)</b>	<u>(713,371)</u>	<u>(516,964)</u>	<u>(659,948)</u>	<u>636,460</u>	<u>(121,165)</u>	<u>196,694</u>	<u>(871,764)</u>	<u>135,758</u>	<u>(1,059,015)</u>	<u>(1,974,762)</u>	<u>(1,187,562)</u>
<b>Nonoperating revenues (expenses)</b>											
Investment income, net	1,204,537	796,507	95,923	(493,012)	(219,058)	450,100	826,918	53,930	(109,432)	635,271	167,195
Rental income	84,127	81,491	79,806	84,240	77,693	38,112	37,200	33,600	32,151	28,351	29,600
Interest expense	(861,126)	(571,720)	(359,782)	(347,542)	(352,154)	(241,135)	(353,774)	(220,802)	(358,188)	(368,022)	(377,454)
Other income (expense), net	(958)	7,000	3,057	30,971	(5,492)	(1,813)	(102,981)	(173,643)	(82,267)	61	14,416
Gain (loss) on sale of capital assets	-	(708)	-	106,201	-	-	-	-	1,174	6,901	(246)
<b>Total nonoperating revenues (expenses), net</b>	<u>426,580</u>	<u>312,570</u>	<u>(180,996)</u>	<u>(619,142)</u>	<u>(499,011)</u>	<u>245,264</u>	<u>407,363</u>	<u>(306,915)</u>	<u>(516,562)</u>	<u>302,562</u>	<u>(166,489)</u>
<b>Income (loss) before capital contributions</b>	<u>(286,791)</u>	<u>(204,394)</u>	<u>(840,944)</u>	<u>17,318</u>	<u>(620,176)</u>	<u>441,958</u>	<u>(464,401)</u>	<u>(171,157)</u>	<u>(1,575,577)</u>	<u>(1,672,200)</u>	<u>(1,354,051)</u>
<b>Capital contributions</b>											
Total capital contributions	1,862,582	1,924,799	131,373	124,257	130,371	27,874	653,310	643,050	471,345	810,792	31,523
<b>Change in net position</b>	<u>\$ 1,575,791</u>	<u>\$ 1,720,405</u>	<u>\$ (709,571)</u>	<u>\$ 141,575</u>	<u>\$ (489,805)</u>	<u>\$ 469,832</u>	<u>\$ 188,909</u>	<u>\$ 471,893</u>	<u>\$ (1,104,232)</u>	<u>\$ (861,408)</u>	<u>\$ (1,322,528)</u>

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**REVENUE BASE**  
**Last 10 Fiscal Years**

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	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Gallons of Water Purchased	549,217,624	474,879,514	533,138,526	647,587,583	697,715,387	589,777,610	726,458,456	722,912,478	588,828,396	568,799,420

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**CONSUMPTION AND SERVICE CHARGE RATES**  
**Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Water Consumption Rates</b>										
Water Consumption										
Tier 1 (1 to 10 units)	\$ 5.96	\$ 5.96	\$ 5.51	\$ 5.10	\$ 5.17	\$ 5.17	\$ 4.83	\$ 4.58	\$ 4.39	\$ 4.61
Tier 2 (11 to 26 units)	\$ 11.09	\$ 11.09	\$ 10.26	\$ 9.50	\$ 8.14	\$ 8.14	\$ 7.61	\$ 7.21	\$ 6.91	\$ 5.96
Tier 3 (27 units and above)	\$ 15.63	\$ 15.63	\$ 14.47	\$ 13.39	\$ 12.29	\$ 12.29	\$ 11.49	\$ 10.89	\$ 10.43	\$ 8.50
										\$ 11.39
Irrigation Usage										
Tier 1 (1 to 80 units)	\$ 6.30	\$ 6.30	\$ 5.83	\$ 5.39	\$ 5.66	\$ 5.66	\$ 5.29	\$ 5.01	\$ 4.80	\$ 5.96
Tier 2 (81 units and above)	\$ 11.88	\$ 11.88	\$ 11.00	\$ 10.18	\$ 10.89	\$ 10.89	\$ 10.13	\$ 9.60	\$ 9.20	\$ 11.39
<b>Water Service Charges</b>										
Inside District (Bi-monthly charge by meter size)										
¾"	\$ 68.12	\$ 68.12	\$ 63.07	\$ 58.79	\$ 54.10	\$ 54.10	\$ 50.56	\$ 47.92	\$ 41.06	\$ 19.12
1"	\$ 100.75	\$ 100.75	\$ 93.28	\$ 86.77	\$ 80.69	\$ 80.69	\$ 75.41	\$ 71.48	\$ 61.25	\$ 23.48
1 ½"	\$ 182.34	\$ 182.34	\$ 168.83	\$ 156.72	\$ 147.19	\$ 147.19	\$ 137.56	\$ 130.39	\$ 111.73	\$ 34.28
2"	\$ 280.26	\$ 280.26	\$ 259.50	\$ 240.67	\$ 227.01	\$ 227.01	\$ 212.16	\$ 201.10	\$ 172.32	\$ 43.36
3"	\$ 590.31	\$ 590.31	\$ 546.58	\$ 506.49	\$ 479.72	\$ 479.72	\$ 448.34	\$ 424.97	\$ 364.16	\$ 47.28
4"	\$ 1,047.24	\$ 1,047.24	\$ 969.66	\$ 898.23	\$ 852.17	\$ 852.17	\$ 796.42	\$ 754.90	\$ 646.87	\$ 121.47
Outside District (Bi-monthly charge by meter size)										
¾"	\$ 68.52	\$ 68.52	\$ 63.47	\$ 59.19	\$ 54.50	\$ 54.50	\$ 50.96	\$ 48.32	\$ 41.46	\$ 19.32
1"	\$ 101.15	\$ 101.15	\$ 93.68	\$ 87.17	\$ 81.09	\$ 81.09	\$ 75.81	\$ 71.88	\$ 61.65	\$ 23.68
1 ½"	\$ 182.74	\$ 182.74	\$ 169.23	\$ 157.12	\$ 147.59	\$ 147.59	\$ 137.96	\$ 130.79	\$ 112.13	\$ 34.48
2"	\$ 280.66	\$ 280.66	\$ 259.90	\$ 241.07	\$ 227.41	\$ 227.41	\$ 212.56	\$ 201.50	\$ 172.72	\$ 43.56
3"	\$ 590.71	\$ 590.71	\$ 546.98	\$ 506.89	\$ 480.12	\$ 480.12	\$ 448.74	\$ 425.37	\$ 364.56	\$ 47.48
4"	\$ 1,047.64	\$ 1,047.64	\$ 970.06	\$ 898.63	\$ 852.57	\$ 852.57	\$ 796.82	\$ 755.30	\$ 647.27	\$ 121.67
<b>Wastewater Charges</b>										
Single family residence										
Service charge	\$ 58.59	\$ 58.59	\$ 54.25	\$ 50.23	\$ 47.79	\$ 47.79	\$ 35.25	\$ 35.25	\$ 35.25	\$ 33.75
Usage Rate, per unit	\$ 2.50	\$ 2.50	\$ 2.31	\$ 2.13	\$ 1.93	\$ 1.93	\$ -	\$ -	\$ -	\$ -
Multiple family residence										
Service charge	\$ 34.51	\$ 34.51	\$ 31.95	\$ 29.58	\$ 31.25	\$ 31.25	\$ 35.25	\$ 35.25	\$ 35.25	\$ 33.75
Usage Rate, per unit	\$ 2.77	\$ 2.77	\$ 2.56	\$ 2.37	\$ 2.15	\$ 2.15	\$ -	\$ -	\$ -	\$ -
Commercial										
Service charge	\$ 34.51	\$ 34.51	\$ 31.95	\$ 29.58	\$ 31.25	\$ 31.25	\$ 35.25	\$ 35.25	\$ 35.25	\$ 33.75
Usage Rate, per unit	\$ 6.40	\$ 6.40	\$ 5.92	\$ 5.48	\$ 5.10	\$ 5.10	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.50
Schools (Bi-monthly per 100 Avg. Daily Att.)										
Elementary	\$ 106.40	\$ 106.40	\$ 98.51	\$ 91.21	\$ 84.86	\$ 84.86	\$ 84.60	\$ 84.60	\$ 84.60	\$ 81.00
Middle	\$ 212.79	\$ 212.79	\$ 197.02	\$ 182.42	\$ 169.73	\$ 169.73	\$ 169.30	\$ 169.30	\$ 169.30	\$ 162.10
High	\$ 319.76	\$ 319.76	\$ 295.51	\$ 273.62	\$ 254.59	\$ 254.59	\$ 169.30	\$ 169.30	\$ 169.30	\$ 162.10

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**CHANGES IN TOP TEN CUSTOMERS - WATER OPERATIONS**  
**Cuurrent Fiscal Yer and 9 Years Ago**

Water Consumption Sales					
Customers	% of		Customers	% of	
	Consumption Sales	Consumption		Consumption Sales	Consumption
	FY 2025	FY 2025		FY 2015	FY 2015
CALTRANS	\$ 251,143	2.19%	Caltrans	\$ 101,715	1.59%
LACO-PARKS AND RECREATION	190,746	1.67%	Glendale Unif School District	66,864	1.05%
HILLSIDE VILLAGE APPARTMENTS	166,361	1.45%	Laco Parks and Recreation	52,194	0.82%
VERDUGO VISTA CH FACILITY	73,304	0.64%	Hillside Village Apts	21,169	0.33%
3220 ALTURA HOA	53,402	0.47%	Glen Valley HOA	20,729	0.32%
GLEN VALLEY HOA	51,540	0.45%	Blain Anderson	19,877	0.31%
URBAN WASH LLC	46,645	0.41%	3220 Altura HOA	19,277	0.30%
AMERICANA LA CRESCENTA APTS	45,048	0.39%	EC OPCO Mountainview LP	16,815	0.26%
PRINCES TWIN OAKS PROP LLC	41,949	0.37%	Americana La Crescenta Apts	16,415	0.26%
2840 HONOLULU	38,291	0.33%	Verduco Valley Conv Hosp	15,097	0.24%
Total top 10 customers	\$ 958,429	8.37%		\$ 350,153	5.48%
Other customers	10,486,690	<u>91.63%</u>		6,038,411	<u>94.52%</u>
Total customers	\$ 11,445,119	100.00%		\$ 6,388,564	100.00%

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**CHANGES IN TOP TEN CUSTOMERS - WASTEWATER OPERATIONS**  
**Current Fiscal Year and 9 Years Ago**

Customers	Service Charge FY 2025	% of Service Charge FY 2025	Customers	Service Charge FY 2015	% of Service Charge FY 2015
GLENDALE UNIFIED SCHOOL DIST	\$ 123,924	2.96%	Glendale Unif School District	\$ 95,023	2.84%
HILLSIDE VILLAGE APTS	47,735	1.14%	Hillside Village Apts	47,021	1.41%
L.A. COUNTY DEVELOPMENT AUTHORITY	18,317	0.44%	L.A. County Development Authority	25,515	0.76%
RAMSDELL COURT INC	15,471	0.37%	Ralphs Grocery Co	16,764	0.50%
PENNSYLVANIA TERRACE	15,171	0.36%	Ramsdell Couty Inc	15,458	0.46%
RALPH'S GROCERY CO	15,046	0.36%	Crescenta Falls HOA	14,918	0.45%
MARVIN HAIRAPETIAN	11,576	0.28%	Marvin Hairapetian	13,122	0.39%
PARK CREST APARTMENTS	11,298	0.27%	Crescenta Village - 9065	11,880	0.36%
MONTROSE CREST HOA	11,264	0.27%	Montrose Crest HOA #506	11,543	0.35%
CRESCENTA VILLAGE	10,798	0.26%	Pennsilvania Terrace	11,381	0.34%
Total top 10 customers	\$ 280,599	6.69%		\$ 262,623	7.86%
Other customers	3,911,309	<u>93.31%</u>		3,078,974	<u>92.14%</u>
Total customers	<u>\$ 4,191,908</u>	100.00%		<u>\$ 3,341,597</u>	100.00%

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last 10 Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Certificates of Participation</b>	<b>Infrastructure Loan</b>	<b>Lease Obligations</b>	<b>Total Primary Government</b>	<b>Estimated Service Area Population</b>	<b>Debt Per Customer</b>
2025	\$ 23,090,834	\$ 894,935	\$ 308,594	\$ 24,294,363	30,914	\$ 786
2024	23,381,955	913,199	321,593	24,616,747	30,608	\$ 804
2023	11,442,990	935,116	358,577	12,736,683	30,841	\$ 413
2022	11,734,955	957,033	-	12,691,988	30,929	\$ 410
2021	11,969,964	978,950	-	12,948,914	30,695	\$ 422
2020	-	7,684,867	-	7,684,867	30,223	\$ 254
2019	-	8,017,784	-	8,017,784	29,933	\$ 268
2018	-	8,269,562	-	8,269,562	30,175	\$ 274
2017	7,925,010	1,023,574	-	8,948,584	30,430	\$ 294
2016	8,171,083	1,074,586	-	9,245,669	30,608	\$ 302

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULE OF PLEDGED REVENUE DEBT COVERAGE**  
**Last 10 Fiscal Years**

Fiscal Year Ended June 30,	Gross Revenue	Expenditures	Net Revenue Available for Debt Service	Debt Service Requirements			Percent Coverage
				Principal	Interest	Total	
2025	\$ 16,061,993	\$ 14,885,533	\$ 1,176,460	\$ 235,000	\$ 926,480	\$ 1,161,480	101.29 %
2024	14,234,871	11,479,499	2,755,372	225,000	394,669	619,669	444.65
2023	12,379,988	9,907,585	2,472,403	220,000	358,081	578,081	427.69
2022	13,142,333	9,913,135	3,229,198	205,000	357,310	562,310	574.27
2021	13,162,802	10,325,462	2,837,340	-	216,248	216,248	1,312.08
2020	12,894,251	9,595,854	3,298,397	311,000	226,548	537,548	613.60
2019	11,788,178	9,724,510	2,063,668	302,000	338,238	640,238	322.33
2018	11,416,563	9,351,768	2,064,795	371,000	348,838	719,838	286.84
2017	9,582,034	9,008,760	573,274	255,000	359,038	614,038	93.36
2016	8,788,559	8,131,690	656,869	245,000	368,238	613,238	107.11

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**DEMOGRAPHICS AND ECONOMIC STATISTICS**  
**Last 10 Fiscal Years**

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<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Personal Income (Thousands of Dollars)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment rate</b>
2025	30,914	\$ 1,197,750	\$ 38,740	6.3%
2024	30,608	\$ 1,790,550	\$ 58,500	7.8%
2023	30,841	\$ 1,747,950	\$ 56,676	7.5%
2022	30,929	\$ 1,556,928	\$ 50,339	7.3%
2021	30,695	\$ 1,458,799	\$ 47,525	7.0%
2020	30,223	\$ 1,416,801	\$ 46,879	4.9%
2019	29,933	\$ 1,413,747	\$ 47,231	4.9%
2018	30,175	\$ 1,356,054	\$ 44,940	4.9%
2017	30,430	\$ 1,288,645	\$ 42,348	5.6%
2016	30,608	\$ 1,246,860	\$ 40,737	5.1%

Source: [La Crescenta-Montrose CDP, California - Census Bureau Tables](#)

**CRESCENTA VALLEY WATER DISTRICT**

**EMPLOYEE FULL-TIME EQUIVALENTS BY FUNCTION**

**Last 10 Fiscal Years**

<b>Function</b>	<b>Fiscal Years</b>									
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Water Operations	20	21	18	18	18	19	22	22	22	22
Wastewater Operations	2	11	9	9	9	10	11	11	11	12
<b>Total</b>	<b>22</b>	<b>32</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>29</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>34</b>

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT**  
**OPERATING INDICATORS**  
**Last 10 Fiscal Years**

Function	Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Purchased Water (gallons)	549,217,624	474,879,514	533,138,526	647,587,583	697,715,387	589,777,610	726,458,456	722,912,478	588,828,396	568,799,420
Total Production (gallons)	708,771,975	660,338,076	691,278,326	693,070,474	678,174,327	653,508,000	554,706,260	556,743,739	641,314,990	619,708,882
Total Revenue	\$ 16,061,993	\$ 11,479,499	\$ 9,907,585	\$ 9,913,135	\$ 10,325,462	\$ 9,595,854	\$ 9,724,510	\$ 9,351,768	\$ 9,008,760	\$ 8,131,690
Change in net position	\$ 1,618,540	\$ (709,571)	\$ 141,575	\$ (489,805)	\$ 469,832	\$ 188,909	\$ 471,893	\$ (1,104,232)	\$ (861,408)	\$ (1,322,528)
Debt Coverage (percent)	204	-	-	-	-	-	-	-	-	-

Source: Crescenta Valley Water District

# CRESCENTA VALLEY WATER DISTRICT

## CAPITAL ASSETS BY FUNCTION

Last 10 Fiscal Years

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Function	Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Water	498	482	477	471	461	452	439	435	423	409
Wastewater	94	86	84	84	80	78	76	75	74	68

Source: Crescenta Valley Water District

## **COMPLIANCE SECTION**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Crescenta Valley Water District  
La Crescenta, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Crescenta Valley Water District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying, schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

Board of Directors  
Crescenta Valley Water District  
Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards*

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Singer Lewak LLP*

December 30, 2025

**CRESCENTA VALLEY WATER DISTRICT**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2025**

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**2025-001 TIMELY RECONCILIATION AND PROPER CUTOFF**

*Repeat finding:* This finding was also reported in the prior year as finding 2024-001.

*Criteria:* Account activity is required to be reported in the proper period in accordance with generally accepted accounting principles.

*Condition:* The District did not perform timely reconciliation procedures at year-end to ensure various account balances were properly reported and activity was recorded in the proper period.

*Cause:* Lack of timely reconciliation of various accounts including investments, accounts receivable, inventory, capital assets, accounts payable and related revenue and expense accounts.

*Effect or potential effect:* Audit adjustments were required to adjust investments, accounts receivable, inventory, capital assets, accounts payable and related revenue and expense accounts. The District had to re-evaluate the proper recognition in the account balances noted above to ensure the financial statements were not materially misstated.

*Recommendation:* We recommend that the District perform timely reconciliations of the balance sheet, revenue and expense activity, especially at year-end, to ensure that receipts and disbursements and any accruals are recorded in the proper period for accurate and complete financial reporting in accordance with generally accepted accounting principles.

*Views of responsible officials:* The District appreciates the review and findings provided in your report regarding our accounting practices. In response, the District has taken immediate action to address the identified deficiencies and prevent similar occurrences in the future. Measures implemented include revamping reconciliation processes, enhancing oversight, providing additional training to the accounting staff, improving communication channels between departments, and committing to continuous improvement of the reconciliation processes. The District is confident that these steps will strengthen overall financial reporting processes and ensure the accuracy and completeness of financial statements in accordance with GAAP.