



April 9, 2024

Board of Directors
Crescenta Valley Water District
La Crescenta, California

This letter is to inform the Board of Directors of Crescenta Valley Water District (the “District”) about significant matters related to the conduct of our audit as of and for the year ended June 30, 2023, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor’s Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities with Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our engagement letter dated September 6, 2023. The audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated September 6, 2023, regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following is a list of the matters, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Accounting Policies

- A summary of the significant accounting policies adopted by the District is included in Note 2 to the financial statements.

Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)

Accounting Policies (Continued)

- As described in Note 4, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* effective for fiscal years ended June 30, 2022, but the provisions of this guidance were deemed immaterial for those financial statements and recognition of this activity began effective July 1, 2022.
- As described in Note 10, the District implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. We evaluated the key factors and assumptions used by management to develop the significant estimates reflected in the financial statements and determined that they are reasonable in relation to the financial statements taken as a whole. The following summarizes the significant accounting estimates reflected in the District's financial statements:

- *Fair value of investments*

In the statement of net position, the investments are presented based on the fair value as of June 30, 2023. The fair value estimate is based on the portfolio summary provided by the District's asset management group.

- *Accumulated depreciation – Estimated useful lives*

In the statement of revenues, expenses, and changes in net position, the costs of capital assets are allocated over their estimated useful lives as depreciation expense. In determining the estimated useful life of an asset, management considers the asset's present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service and technology demands.

- *Net pension liability and related deferred outflows and inflows*

The net pension liability reflected in the financial statements represents the proportionate share of the amount by which the total pension liability of the Miscellaneous Risk Pool, a cost-sharing multiple-employer defined benefit pension plan (CalPERS), exceeds the CalPERS fiduciary net position. The total pension liability was determined by the CalPERS using update procedures to roll forward to June 30, 2022 based on the underlying amounts from an actuarial valuation as of June 30, 2021. The CalPERS has hired an external actuarial specialist to assist in the measurement of such liability. The total pension liability was measured by the CalPERS using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The present value of the total pension liability was determined using a discount rate of 6.9% based on the long-term projected portfolio return.

Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)

Significant Accounting Estimates (Continued)

- *Net postemployment benefits liability and related deferred outflows and inflows*

The net other postemployment benefits (OPEB) liability represents the amount by which the total OPEB liability exceeds the OPEB plan's fiduciary net position. The total OPEB liability was determined based on an actuarial valuation as of June 30, 2022. The District has hired an external actuarial specialist to assist in the measurement of such liability. The total OPEB liability was measured using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The present value of the total OPEB liability was determined using a discount rate of 7.00% based on a blend of the long-term expected rate of return on assets for benefits covered by the plan assets and 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.

Disclosures

- The disclosure of deposits and investments in Note 2 to the financial statements which describes the liquid assets available for operations of the District.
- The disclosure of long-term liabilities in Note 5 to the financial statements, which describes the future principal and interest payments for which the District is legally obligated.

Audit Adjustments and Uncorrected Misstatements

Management corrected the material misstatements in the attached Summary of Recorded Audit Adjustments that were identified as a result of our audit procedures.

We identified the uncorrected misstatements in the attached Summary of Uncorrected Misstatements that management has concluded are not, individually or in the aggregate, material to the financial statements. We agree with management's conclusion in that regard. Uncorrected misstatements or matters underlying these uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Internal Control Matters

We have issued a separate communication dated April 9, 2024 regarding certain deficiencies in internal control that we identified during the planning and performance of our audit of the financial statements.

Disagreements with Management

We are not aware of any disagreements with management during the audit process.

Consultation with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Other Matters

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For SingerLewak LLP to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors and SingerLewak LLP each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. SingerLewak LLP is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The District's Responsibilities

- Understand and conclude on the permissibility, prior to the District and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with SingerLewak LLP.
- Not entering into relationships resulting in close family members of SingerLewak LLP covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the District.

Board of Directors
Crescenta Valley Water District
April 9, 2024
Page 5

Management Representations

Attached is a copy of the management representation letter.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to the District.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Singer Lewak LLP

CRESCENTA VALLEY WATER DISTRICT
SUMMARY OF RECORDED AUDIT ADJUSTMENTS
Year Ended June 30, 2023

Number	Date	Name	Account No	Debit	Credit
AJE #1	6/30/2023	Accounts Payable	01-00-2013-000		(27,575)
AJE #1	6/30/2023	Utilities	01-06-5200-000	651	
AJE #1	6/30/2023	Power Purchased	01-07-5402-000	26,924	

To record additional accounts payable at June 30, 2023

AJE #2	6/30/2023	Deferred Outflow - OPEB	01-00-1602-000	8,991	
AJE #2	6/30/2023	OPEB Liability	01-00-2010-000	936,939	
AJE #2	6/30/2023	OPEB Liability	01-00-2010-000		(152,094)
AJE #2	6/30/2023	Deferred Inflows - OPEB	01-00-2491-000		(915,305)
AJE #2	6/30/2023	GASB 75 Adjustment	01-01-5052-001		(30,625)
AJE #2	6/30/2023	GASB 75 Adjustment	01-01-5052-001	152,094	

To record changes in OPEB liabilities and related accounts

AJE #3	6/30/2023	Accrued Interest Expense	01-00-2310-000		(7,311)
AJE #3	6/30/2023	Interest Expense - Notes	01-06-5910-000	7,311	

To adjust interest expense payable to actual at June 30, 2023

AJE #4	6/30/2023	Lease Liability - LT	01-00-2460-000	3,548	
AJE #4	6/30/2023	Land Lease Cost Expense Well1€	01-03-5431-000		(10,382)
AJE #4	6/30/2023	Amortization Expense	01-03-5820-000	19,094	
AJE #4	6/30/2023	Accumulated Amortization	01-99-1499-001		(19,094)
AJE #4	6/30/2023	Interest Expense - Leases	01-99-5910-000	6,834	

To record adjustments in accordance with GASB 87

AJE #5	6/30/2023	Lease Liability - LT	01-00-2460-000	24,413	
AJE #5	6/30/2023	Printing Postage Stationery	01-06-5230-000		(24,709)
AJE #5	6/30/2023	Amortization Expense	01-06-5825-000	24,542	
AJE #5	6/30/2023	Accumulated Amortization	01-99-1499-001		(24,542)
AJE #5	6/30/2023	Interest Expense - Leases	01-99-5910-000	296	

To record adjustments in accordance with GASB 87

AJE #6	6/30/2023	LAIF - Fair Market Value Adj	01-00-1006-000		(30,650)
AJE #6	6/30/2023	Fair Value Adjustment	01-00-4265-000	30,650	

To adjust investment in LAIF to fair value as of June 30, 2023.

AJE #7	6/30/2023	Prepaid CalPERS Retirement	01-00-1530-000	241,625	
AJE #7	6/30/2023	Net Pension Liability	01-00-2470-000		(241,625)

To correct prepaid PERS as of June 30, 2023

CRESCENTA VALLEY WATER DISTRICT
SUMMARY OF RECORDED AUDIT ADJUSTMENTS
Year Ended June 30, 2023

Number	Date	Name	Account No	Debit	Credit
AJE #8	6/30/2023	Deferred Pension Outflows	01-00-1600-000	353,475	
AJE #8	6/30/2023	Deferred Pension Outflows	01-00-1600-000		(100,996)
AJE #8	6/30/2023	Deferred Pension Outflows	01-00-1600-000	7,512	
AJE #8	6/30/2023	Deferred Pension Outflows	01-00-1600-000	631,860	
AJE #8	6/30/2023	Net Pension Liability	01-00-2470-000		(2,258,765)
AJE #8	6/30/2023	Deferred Pension Inflows	01-00-2490-000		(46,396)
AJE #8	6/30/2023	Deferred Pension Inflows	01-00-2490-000	1,325,457	
AJE #8	6/30/2023	Deferred Pension Inflows	01-00-2490-000		(25,160)
AJE #8	6/30/2023	Deferred Pension Inflows	01-00-2490-000	10,252	
AJE #8	6/30/2023	GASB 68 Adjustment - Water	01-01-5052-000	102,761	

To adjust pension to actual based on CalPers reports.

AJE #9	6/30/2023	Deferred Pension Outflows	01-00-1600-000	(327,618)
AJE #9	6/30/2023	Deferred Pension Outflows	01-00-1600-000	401,381
AJE #9	6/30/2023	Net Pension Liability	01-00-2470-000	327,618
AJE #9	6/30/2023	GASB 68 Adjustment - Water	01-01-5052-000	(401,381)

To adjust pension for contributions subsequent to the measurement date.

AJE #10	6/30/2023	Lease Liability - LT	01-00-2460-000	(337,323)
AJE #10	6/30/2023	Right of Use Asset	01-99-1499-000	356,417
AJE #10	6/30/2023	Accumulated Amortization	01-99-1499-001	(19,094)

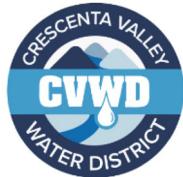
To record beginning balances for lease activity

AJE #11	6/30/2023	Lease Liability - LT	01-00-2460-000	(36,814)
AJE #11	6/30/2023	Right of Use Asset	01-99-1499-000	61,357
AJE #11	6/30/2023	Accumulated Amortization	01-99-1499-001	(24,543)

To record beginning balances for lease activity

CRESCENTA VALLEY WATER DISTRICT
SUMMARY OF UNCORRECTED MISSTATEMENTS
Year Ended June 30, 2023

Number	Date	Name	Fund	Assets	Liabilities	Equity	Revenues	Expenditures/ Expenses
UM#1	6/30/2023	<i>To record FY2023 expenses paid in FY2022 as prepaid expenses</i>						
		Fund Balance	District - Water	\$	- \$	- \$	(18,167) \$	- \$
		Expenses	District - Water					18,167
		Fund Balance	District - Wastewater	-	-	(5,444)		
		Expenses	District - Wastewater	-	-	-		5,444
UM#2	6/30/2023	<i>To record FY2022 expenses paid in FY2023 that were not properly accrued</i>						
		Fund Balance	District - Water	\$	- \$	- \$	192,715 \$	- \$
		Expenses	District - Water					(192,715)
		Fund Balance	District - Wastewater	-	-	3,281		
		Expenses	District - Wastewater	-	-	-		(3,281)
UM#3	6/30/2023	<i>To reverse deposits related to closed job that were improperly recorded as revenues in prior years</i>						
		Fund Balance	District - Water	\$	- \$	- \$	(136,560) \$	- \$
		Revenues	District - Water				136,560	
		Understated (Overstated)		\$	- \$	- \$	35,825 \$	\$ 136,560 \$ (172,385)



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

April 9, 2024

SingerLewak, LLP
1255 Lee St. SE Suite 210
Salem, Oregon 97302

This representation letter is provided in connection with your audit of the basic financial statements of the Crescenta Valley Water District (the District) as of and for the year ended June 30, 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 6, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.
6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the District include:
 - a. Those with other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.]

- b. Those with jointly governed organizations in which the District participates.
- c. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees between operations for supplementary information purposes.

7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
10. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
11. Provisions for uncollectible receivables have been properly identified and recorded.
12. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated/amortized.
13. The District properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.
14. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
15. Revenues are appropriately classified in the statement of revenues, expenses and changes in net position between operating and nonoperating.
16. Expenses have been appropriately classified in or allocated to functions in the statement of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.
17. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported in the supplementary information.
18. The District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
19. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.

20. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
21. With respect to nonaudit services performed related to drafting the financial statements and related notes, proposing GAAP journal entries based on client provided information and implementation of new GASB standards, in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the service; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
22. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2023, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:
 - a. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
 - b. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
23. We believe the implementation of the GASB Statement listed below is appropriate:
 - a. GASB Statement No. 87, *Leases* – although implemented as of June 30, 2022, no items were reported since there was no material impact however we have elected to begin recognizing the activity as of July 1, 2022 despite there being no impact on the beginning net position.
24. As of and for the year ended June 30, 2023, we believe that the effects of the uncorrected misstatements aggregated by you and summarized in the attached Summary of Uncorrected Misstatements are immaterial, both individually and in the aggregate, to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.
25. If we have requested an unsecured electronic copy of the auditor's report and basic financial statements, we agree that the auditor's report and basic financial statements will not be modified in any manner.

Information Provided

26. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters.
- b. Additional information that you have requested from us for the purpose of the audit.
- c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
- d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

27. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.

28. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

29. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

30. We have no knowledge of allegations of fraud or suspected fraud affecting the District's basic financial statements involving:

- a. Management.
- b. Employees who have significant roles in internal control.
- c. Others where the fraud could have a material effect on the basic financial statements.

31. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.

32. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

33. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

34. We have disclosed to you the identity of all of the District's related parties and all the related-party relationships and transactions of which we are aware.

35. We have informed you of all deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the District's ability to record, process, summarize and report financial data.
36. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
37. It is our responsibility to inform you of all current and potential affiliates of the District as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of the District may create threats to independence. We have:
 - a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
 - b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the District's financial statements as a whole, (ii) the level of influence the District has over an entity's financial reporting process or (iii) the level of control or influence the District or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the District and SingerLewak LLP to identify and eliminate potential impermissible services and relationships between SingerLewak LLP or its associated entities and those potential affiliates, prior to the effective dates.
 - c. Made you aware, to the best of our knowledge and belief, of any nonaudit services that the District or any of our affiliates has engaged SingerLewak LLP or any of its associated entities to perform.
38. We agree with the findings of the specialist in evaluating the valuation of other post-employment benefits (OPEB) liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give instructions, or cause any instructions to be given, to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.
39. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan's actuary.
40. We believe that the information obtained from the audited financial statements and other participant information provided by CalPERS is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan or its auditor.
41. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

42. With respect to supplementary information presented in relation to the basic financial statements as a whole:

- a. We acknowledge our responsibility for the presentation of such information.
- b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. The significant assumptions or interpretations underlying the measurement or presentation of such information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.
- e. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

43. With respect to Management's Discussion and Analysis and the pension and OPEB schedules, as listed in the "Required Supplementary Information" identified in the table of contents of the financial statements, presented as required by U.S. GAAP to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. The significant assumptions or interpretations underlying the measurement or presentation of such information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

44. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

45. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.

46. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

47. Is responsible 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.

48. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.

49. Has a process to track the status of audit findings and recommendations.
50. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.
51. Has identified for the auditor any investigations or legal proceedings that have been initiated with respect to the period under audit.
52. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
53. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Crescenta Valley Water District



James Lee, General Manager



Arturo Montes, Interim Director of Finance and Administration

09/04/24

Date

CRESCENTA VALLEY WATER DISTRICT
SUMMARY OF UNCORRECTED MISSTATEMENTS
Year Ended June 30, 2023

Number	Date	Name	Fund	Assets	Liabilities	Equity	Revenues	Expenditures/ Expenses
UM#1 6/30/2023 <i>To record FY2023 expenses paid in FY2022 as prepaid expenses</i>								
		Fund Balance	District - Water	\$ -	\$ -	\$ (18,167)	\$ -	\$ -
		Expenses	District - Water	\$ -	\$ -	\$ -	\$ -	\$ 18,167
		Fund Balance	District - Wastewater	\$ -	\$ -	\$ (5,444)	\$ -	\$ -
		Expenses	District - Wastewater	\$ -	\$ -	\$ -	\$ -	\$ 5,444
UM#2 6/30/2023 <i>To record FY2022 expenses paid in FY2023 that were not properly accrued</i>								
		Fund Balance	District - Water	\$ -	\$ -	\$ 192,715	\$ -	\$ -
		Expenses	District - Water	\$ -	\$ -	\$ -	\$ -	\$ (192,715)
		Fund Balance	District - Wastewater	\$ -	\$ -	\$ 3,281	\$ -	\$ -
		Expenses	District - Wastewater	\$ -	\$ -	\$ -	\$ -	\$ (3,281)
UM#3 6/30/2023 <i>To reverse deposits related to closed job that were improperly recorded as revenues in prior years</i>								
		Fund Balance	District - Water	\$ -	\$ -	\$ (136,560)	\$ -	\$ -
		Revenues	District - Water	\$ -	\$ -	\$ -	\$ 136,560	\$ -
		Understated (Overstated)		\$ -	\$ -	\$ 35,825	\$ 136,560	\$ (172,385)