

CRESCENTA VALLEY WATER DISTRICT, CA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the fiscal year ended

June 30, 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 23, 2024

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, 2024, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. District Management is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. The report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

SingerLewak LLP, has issued an unmodified ("clean") opinion on the Crescenta Valley Water District's financial statements for the year ended June 30, 2024. 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 including 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 Crescenta Valley Water District employs a full-time staff of 27 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's 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, ongoing drought conditions and state-imposed conservation mandates have forced the District to adapt. District customers have already exceeded the state's required consumption levels through 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.

While this sustained reduction in demand has contributed to a decrease in overall water sales, the District's staff has successfully adjusted operations to maintain a balanced budget. Through careful financial planning, operational efficiencies, and a focus on cost-saving measures, the District has navigated the challenge of reduced water consumption without compromising its financial stability.

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 the acceleration of the automated metering infrastructure (AMI) program. 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.

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 the completion of FY 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, complete the automated metering infrastructure, 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; and
7. To develop best-in-class culture, develop a safety-oriented workforce, and productivity and mission efficacy.

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:

- Mandatory Water Conservation Program
- 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/JPA). 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,
Interim Director of Finance and Administration

**CRESCENTA VALLEY WATER DISTRICT
OFFICERS AND MEMBERS OF THE GOVERNING BODY
AS OF JUNE 30, 2024**

BOARD OF DIRECTORS

Sharon Raghavachary – Board President

Jeffery Johnson – Board Vice President

Kerry Erickson – Board Member

Jennifer Valdez - Board Member

James Bodnar - Board Member

ADMINISTRATIVE OFFICIALS

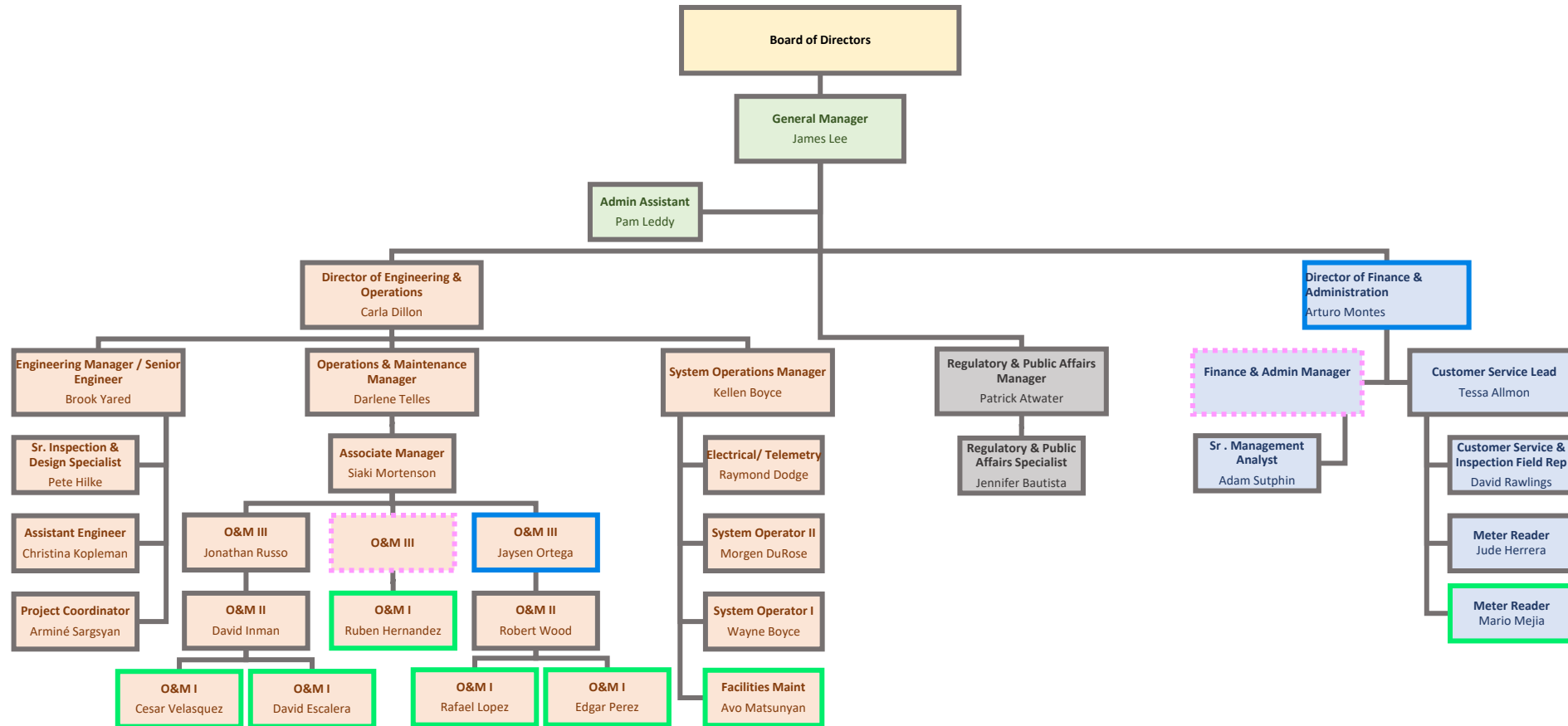
James Lee, General Manager

Arturo Montes, Interim Director of Finance and Administration

ADDRESS:

2700 Foothill Boulevard
La Crescenta, California 91214
(818) 248-3925 – www.cvwd.com

**CRESCENTA VALLEY WATER DISTRICT
ORGANIZATIONAL CHART
AS OF JUNE 30, 2024**



- Interim appointment
- Limited-Term Employee (3-year contract; renewed annually)
- Temporary Employee (6-month engagement; no benefits)
- Vacant

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, 2024 and 2023, 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, 2024 and 2023, 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 35 - 38 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 23, 2024

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024 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 23, 2024

CRESCENTA VALLEY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2023 and 2024. 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 3.92%, or \$1.72M to \$45.6M in fiscal year 2024, primarily due to an implementation of a Capital Charge designated for capital improvements. The District's net position decreased 1.59%, or \$710K to \$43.9M in fiscal year 2023 due to increased rates offset by lower water demand, as a result of drought messaging in the summer months, and above average rainfall in the winter months.
- The District issued approximately \$12.1M in certificates of participation during the year.
- The District's operating revenues increased 7.91% or \$1.26M in fiscal year 2024. In 2023, the District's operating revenues decreased 3.70% or \$614K.
- The District's operating expenses increased 6.74%, or \$1.12M in fiscal year 2024. In 2023, the District's operating expenses increased 4.28%, or \$683K.

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.

CRESCENTA VALLEY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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

	2024	Change	2023	Change	2022
Current and other assets	\$ 28,754,056	\$ 11,585,330	\$ 17,168,726	\$ (983,812)	\$ 18,152,538
Capital assets, net	57,193,849	2,612,330	54,581,519	1,586,657	52,994,862
Total assets	<u>85,947,905</u>	<u>14,197,660</u>	<u>71,750,245</u>	<u>602,845</u>	<u>71,147,400</u>
Deferred outflow of resources	3,127,617	(176,170)	3,303,787	1,592,301	1,711,486
Long-term liabilities	36,685,209	12,675,911	24,009,298	1,601,601	22,407,697
Other liabilities	4,859,847	274,359	4,585,488	1,884,528	2,700,960
Total liabilities	<u>41,545,056</u>	<u>12,950,270</u>	<u>28,594,786</u>	<u>3,486,129</u>	<u>25,108,657</u>
Deferred inflow of resources	1,886,352	(649,185)	2,535,537	(581,412)	3,116,949
Net position:					
Net investment in capital assets	37,039,913	(4,945,077)	41,984,990	1,526,146	40,458,844
Unrestricted	8,604,201	6,665,482	1,938,719	(2,235,717)	4,174,436
Total net position	<u>\$ 45,644,114</u>	<u>\$ 1,720,405</u>	<u>\$ 43,923,709</u>	<u>\$ (709,571)</u>	<u>\$ 44,633,280</u>

Current and other assets increased by \$11.6M in 2024 primarily because increases in cash and cash equivalents and investments resulting from the proceeds of approximately \$12.1M in certificates of participation issued by the District during the year. Similarly, total liabilities increased by approximately \$12.7M in 2024, primarily as a result of the District's 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 \$45.6M and \$43.9M as of June 30, 2024 and 2023, respectively.

CRESCENTA VALLEY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the District (Continued)

The largest portion of the District's net position (81.15% and 95.59% as of June 30, 2024 and 2023, 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.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2024	Total	2023	Total	2022
Revenues					
Operating revenues	\$ 17,238,534	\$ 1,263,920	\$ 15,974,614	\$ (613,852)	\$ 16,588,466
Nonoperating revenues	884,998	706,212	178,786	449,519	(270,733)
Total revenues	<u>18,123,532</u>	<u>1,970,132</u>	<u>16,153,400</u>	<u>(164,333)</u>	<u>16,317,733</u>
Expenses					
Operating expenses	17,755,498	1,120,936	16,634,562	682,556	15,952,006
Nonoperating expenses	572,428	212,646	359,782	11,373	348,409
Total expenses	<u>18,327,926</u>	<u>1,333,582</u>	<u>16,994,344</u>	<u>693,929</u>	<u>16,300,415</u>
Net income(loss) before capital contributions	(204,394)	636,550	(840,944)	(858,262)	17,318
Capital contributions	<u>1,924,799</u>	<u>1,793,426</u>	<u>131,373</u>	<u>7,116</u>	<u>124,257</u>
Change in net position	<u>1,720,405</u>	<u>2,429,976</u>	<u>(709,571)</u>	<u>(851,146)</u>	<u>141,575</u>
Net position, beginning	<u>43,923,709</u>	<u>(709,571)</u>	<u>44,633,280</u>	<u>141,575</u>	<u>44,491,705</u>
Net position, ending	<u>\$ 45,644,114</u>	<u>\$ 1,720,405</u>	<u>\$ 43,923,709</u>	<u>\$ (709,571)</u>	<u>\$ 44,633,280</u>

The statements of revenues, expenses and changes in net position show how the District's net position increased 3.92%, or \$1.72M to \$45.6M in fiscal year 2024, primarily due to the implementation of a Capital Charge designated for capital improvements. The District's net position decreased 1.59%, or \$710K to \$43.9M in fiscal year 2023 due to increased rates offset by lower water demand, as a result of drought messaging in the summer months, and an above average rainfall in the winter months. A closer examination of the sources of changes in net position reveals that:

In 2024, the District's total revenues increased by 12.20%, 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 2023, the District's total revenues decreased by 1.01%, or 164K. Revenues from metered water sales decreased from 2022. The ongoing drought prompted significant conservation efforts in the summer and fall months. The situation was further compounded by an outdoor watering ban that was put in place by Metropolitan Water District (MWD) to allow for repairs on one of their main water supply lines. This was followed by above-average rainfall in the winter and spring, leading to a substantial decrease in residential water usage.

CRESCENTA VALLEY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the District (Continued)

In 2024, the District's operating expenses increased 6.74%, or \$1.12M. The increase was driven by supply chain shortages and general inflationary pressures that increased most operating expenses. In 2023, the District's operating expenses increased by \$683K, or 4.28%. The increase was driven by above-average inflation affecting costs of materials and a rate increase for purchased water and wastewater processing costs.

In 2024, nonoperating expenses increased by 59.10%, or \$213K, due primarily to an increase in interest expense and investment premiums. In 2023, nonoperating expenses increased by 3.26%, or \$12K, due primarily to an increase in interest expense.

In 2024, capital contributions increased by 1365.14%, or \$1.79M, due primarily to the implementation of the Capital Charge. In 2023, capital contributions increased by 5.73%, or \$7k due primarily to an increase in new construction, home expansions and ADU permits..

Capital Asset Administration

At the end of fiscal years 2024 and 2023, the District's capital assets amounted to \$57.2M and \$54.6M 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 2024 and 2023 consisted of the following:

	2024	2023
Land	\$ 1,158,526	\$ 1,158,526
Construction in process	5,707,947	4,603,787
Buildings and building improvements	439,757	459,002
Vehicles and equipment	551,254	589,870
Infrastructure	49,037,230	47,427,562
Right to use - lease infrastructure	299,135	318,229
Right to use - lease equipment	-	24,543
Capital assets, net of accumulated depreciation	<u>\$ 57,193,849</u>	<u>\$ 54,581,519</u>

CRESCENTA VALLEY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

At June 30, 2024 and 2023, the District reported long-term debt of \$24.6M and \$12.7M, respectively. The long-term debt balance at June 30, 2024 increased when compared to the balances at June 30, 2023 by approximately \$11.9M, primarily as a result of the District's issuance of approximately \$12.1M in certificates of participation.

Long-term debt at 2024 and 2023 consisted of the following:

	2024	2023
Direct placements	\$ 22,535,000	\$ 10,670,000
Unamortized premium	846,955	772,990
Direct borrowings	913,199	935,116
Leases	321,593	358,577
Total long-term debt	<u>\$ 24,616,747</u>	<u>\$ 12,736,683</u>

Conditions Affecting Current Financial Position

Management is unaware of any conditions at June 30, 2024, 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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 4,092,493	\$ 5,069,774
Accounts receivable:		
Water and wastewater, net	3,341,409	2,967,015
Other	1,471	1,471
Interest receivable	94,742	20,679
Prepaid expenses	145,531	53,446
Inventory	1,170,662	656,275
Total current assets	<u>8,846,308</u>	<u>8,768,660</u>
Noncurrent assets		
Restricted cash and cash equivalents	4,345,750	-
Investments	15,561,998	8,400,066
Capital assets:		
Capital assets, nondepreciable	6,866,473	5,762,313
Capital assets, net of accumulated depreciation	50,327,376	48,819,206
Total noncurrent assets	<u>77,101,597</u>	<u>62,981,585</u>
Total assets	<u>85,947,905</u>	<u>71,750,245</u>
Deferred outflows of resources		
Bond refunding related	176,222	192,242
Pension related	2,456,928	2,595,744
Other post employment benefits related	494,467	515,801
Total deferred outflows of resources	<u>3,127,617</u>	<u>3,303,787</u>
Liabilities		
Current liabilities		
Accounts payable	3,256,838	3,312,976
Accrued payroll liabilities	196,885	215,888
Retainage payable	59,161	52,087
Customer deposits	956,571	807,229
Accrued interest expense	300,756	125,572
Compensated absences - current portion	89,636	71,736
Lease payable - current portion	12,998	36,984
Loans payable - current portion	256,917	246,917
Total current liabilities	<u>5,129,762</u>	<u>4,869,389</u>
Noncurrent liabilities		
Lease payable	308,595	321,593
Net pension liability	6,188,395	5,749,196
Net other postemployment benefits liability	5,614,389	5,257,740
Compensated absences	265,678	265,679
Loans payable	24,038,237	12,131,189
Total noncurrent liabilities	<u>36,415,294</u>	<u>23,725,397</u>
Total liabilities	<u>41,545,056</u>	<u>28,594,786</u>
Deferred inflows of resources		
Pension related	299,580	503,322
Other post employment benefits related	1,586,772	2,032,215
Total deferred inflows of resources	<u>1,886,352</u>	<u>2,535,537</u>
Net position		
Net investment in capital assets	37,039,913	41,984,990
Unrestricted	8,604,201	1,938,719
Total net position	<u>\$ 45,644,114</u>	<u>\$ 43,923,709</u>

See notes to financial statements

CRESCENTA VALLEY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Operating revenues		
Water operations - consumption sales	\$ 8,868,130	\$ 7,935,623
Water operations - service charges	3,984,826	3,609,799
Water operations - other charges	548,135	686,023
Wastewater operations - user and standby charges	3,837,443	3,743,169
Total operating revenues	17,238,534	15,974,614
Operating expenses		
Source of supply	3,073,767	2,924,787
Plant operations	2,174,972	1,863,728
Distribution system	1,929,388	1,834,099
City of Los Angeles wastewater system	1,591,030	2,394,509
Collection system	305,359	407,526
General and administrative expenses	6,358,006	4,996,486
Depreciation and amortization	2,322,976	2,213,427
Total operating expenses	17,755,498	16,634,562
Operating income (loss)	(516,964)	(659,948)
Nonoperating revenues (expenses)		
Investment income (loss)	796,507	95,923
Rental income	81,491	79,806
Interest expense	(571,720)	(359,782)
Gain on sale of assets	7,000	-
Other income (expense), net	(708)	3,057
Total nonoperating revenues (expenses)	312,570	(180,996)
Income (loss) before capital contributions	(204,394)	(840,944)
Capital contributions		
Capital grants - State	-	92,046
Assessments	1,924,799	39,327
Total capital contributions	1,924,799	131,373
Change in net position	1,720,405	(709,571)
Net position - beginning of year	43,923,709	44,633,280
Net position - end of year	\$ 45,644,114	\$ 43,923,709

See notes to financial statements

CRESCENTA VALLEY WATER DISTRICT

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Cash received from customers	\$ 17,013,482	\$ 16,086,944
Cash paid to employees for services	(5,210,483)	(5,234,992)
Cash paid to suppliers and others	(10,578,940)	(8,207,694)
Net cash provided by (used in) operating activities	1,224,059	2,644,258
Cash flows from noncapital financing activities		
Other receipts	1,712	5,002
Net cash provided by (used in) noncapital financing activities	1,712	5,002
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(4,928,232)	(3,405,358)
Proceeds from grants	-	92,046
Proceeds from property owner assessments	1,924,799	39,327
Proceeds from sale of capital assets	7,000	-
Principal payments on leases	(36,984)	(52,374)
Proceeds from debt issuance	12,213,895	-
Principal payments on long-term debt	(246,917)	(241,917)
Interest paid	(430,446)	(274,135)
Net cash provided by (used in) capital and related financing activities	8,503,115	(3,842,411)
Cash flows from investing activities		
Purchase of investments	(15,575,707)	(1,999,708)
Proceeds from sale of investments	8,635,019	1,924,859
Interest earned	501,200	220,383
Proceeds from rental properties	81,491	79,806
Cash paid for rentals	(2,420)	(1,945)
Net cash provided by (used in) investing activities	(6,360,417)	223,395
Net increase (decrease) in cash and cash equivalents	3,368,469	(969,756)
Cash and cash equivalents, beginning of year	5,069,774	6,039,530
Cash and cash equivalents, end of year	\$ 8,438,243	\$ 5,069,774
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (516,964)	\$ (659,948)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	2,322,976	2,213,427
(Increase) decrease in assets and deferred outflows		
Accounts receivable	(374,394)	105,218
Prepaid expenses	(92,085)	50,285
Inventory	(514,387)	(191,058)
Deferred outflows - pension related	138,816	(1,609,356)
Deferred outflows - OPEB related	21,334	(14,985)
Increase (decrease) in liabilities and deferred inflows		
Accounts payable	(56,138)	1,687,266
Accrued payroll liabilities	(19,003)	9,067
Compensated absences liability	17,899	(28,372)
Customer deposits	149,342	7,112
Net pension liability	439,199	3,218,579
Net OPEB liability	356,649	(1,561,565)
Deferred inflows - pension related	(203,742)	(2,106,921)
Deferred inflows - OPEB related	(445,443)	1,525,509
Net cash provided by (used in) operating activities	\$ 1,224,059	\$ 2,644,258

See notes to financial statements

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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 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

	▼ 2024	▼ 2023
Deferred outflows of resources		
Debt refunding related	\$ 176,222	\$ 192,242
Liabilities		
Current liabilities	288,832	113,695
Long-term debt	23,381,955	11,442,990
Total liabilities	23,670,787	11,556,685
Net position		
Unrestricted (deficit)	\$ (23,494,565)	\$ (11,364,443)

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND REPORTING ENTITY (Continued)

Condensed Statement of Activities

	2024	2023
Expenses	\$ 535,897	\$ 293,932
Nonoperating revenues and (expenses)		
Revenues	619,669	456,182
Expenses	<u>(12,213,895)</u>	<u>-</u>
Change in net position	(12,130,123)	162,250
Net position (deficit), beginning balance	<u>(11,364,443)</u>	<u>(11,526,693)</u>
Net position (deficit), ending balance	<u>\$ (23,494,566)</u>	<u>\$ (11,364,443)</u>

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

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, 2024 and 2023, the District had restricted assets in the amounts of \$4,345,750 and \$0, 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. When an account is deemed uncollectible, it is written off against the allowance.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2024 or 2023.
- *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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on the previously reported net assets.

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.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2024 and 2023 are classified in the statement of net position as follows:

	2024	2023
Cash and cash equivalents, unrestricted	\$ 4,092,493	\$ 5,069,774
Cash and cash equivalents, restricted	4,345,750	-
Total cash and cash equivalents	\$ 8,438,243	\$ 5,069,774

Cash and cash equivalents as of June 30, 2024 and 2023 are as follows:

	2024	2023
Deposits with financial institutions	\$ 6,711,841	\$ 1,623,285
Local District Investment Fund	1,725,602	3,445,689
Cash on hand	800	800
Total cash and cash equivalents	\$ 8,438,243	\$ 5,069,774

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).

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.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

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 of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of a \$1,000 dollars.
- 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, 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	-
Total	\$ 15,561,998	\$ 4,730,240	\$ 5,333,754	\$ 5,498,004	\$ -

Investments and future maturities at June 30, 2023 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	\$ 3,920,040	\$ 525,877	\$ 1,662,401	\$ 1,731,762	\$ -
U.S. Government agencies	762,086	195,540	295,289	271,257	-
Corporate notes	3,717,940	574,535	965,721	2,177,684	-
Total	\$ 8,400,066	\$ 1,295,952	\$ 2,923,411	\$ 4,180,703	\$ -

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, 2024, were as follows:

Investment Type	Total	Minimum Legal Rating	Rating at Yearend							Not Rated
			AAA	AA+	AA	AA-	A+	A	A-	
U.S. Treasury	\$ 10,253,833	A	\$ -	\$ 10,253,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government agencies	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
Total	\$ 15,561,998		\$ 974,994	\$ 12,173,124	\$ 198,656	\$ 202,368	\$ 421,130	\$ 940,980	\$ 529,794	\$ 120,952

Credit rating of investments as of June 30, 2023, were as follows:

Investment Type	Total	Minimum Legal Rating	Rating at Yearend							Not Rated
			AAA	AA+	AA	AA-	A+	A	A-	
U.S. Treasury	\$ 3,920,040	A	\$ -	\$ 3,920,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government agencies	762,086	A	-	762,086	-	-	-	-	-	-
Corporate notes	3,717,940	A	967,152	506,459	-	-	-	1,922,173	-	322,156
Total	\$ 8,400,066		\$ 967,152	\$ 5,188,585	\$ -	\$ -	\$ -	\$ 1,922,173	\$ -	\$ 322,156

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, 2024 and 2023, 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, 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	-
Total	<u>\$ 15,561,998</u>	<u>\$ 10,253,833</u>	<u>\$ 5,308,165</u>	<u>\$ -</u>

Fair Value Measurements

Investments measured at fair value on a recurring and nonrecurring basis at June 30, 2023:

Investment Type	Total	Rating at Yearend		
		Level 1	Level 2	Level 3
U.S. Treasury	\$ 3,920,040	\$ 3,920,040	\$ -	\$ -
U.S. Government agencies	762,086	-	762,086	-
Corporate notes	3,717,940	-	3,717,940	-
Total	<u>\$ 8,400,066</u>	<u>\$ 3,920,040</u>	<u>\$ 4,480,026</u>	<u>\$ -</u>

NOTE 5 – ACCOUNTS RECEIVABLE – WATER AND WASTEWATER, NET

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

	2024	2023
Accounts Receivable:		
Water user charges	\$ 2,633,263	\$ 2,282,754
Wastewater user charges	804,281	754,717
Allowance for uncollectible accounts	(96,135)	(70,456)
Total accounts receivable - water and wastewater, net	<u>\$ 3,341,409</u>	<u>\$ 2,967,015</u>

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

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	4,603,787	4,795,308	3,691,148	5,707,947
Totals capital assets, not being depreciated	<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	122,713	-	-	122,713
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	98,170	24,543	-	122,713
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 6 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 1,158,526	\$ -	\$ -	\$ 1,158,526
Construction in process	7,448,272	3,389,133	6,233,618	4,603,787
Totals capital assets, not being depreciated	<u>8,606,798</u>	<u>3,389,133</u>	<u>6,233,618</u>	<u>5,762,313</u>
Capital assets, being depreciated:				
Buildings and building improvements	1,222,921	-	-	1,222,921
Vehicles and equipment	3,812,273	233,295	-	4,045,568
Infrastructure	90,440,357	6,000,323	-	96,440,680
Right to use - lease infrastructure	356,417	-	-	356,417
Right to use - lease equipment	122,713	-	-	122,713
Totals capital assets, being depreciated	<u>95,954,681</u>	<u>6,233,618</u>	<u>-</u>	<u>102,188,299</u>
Less accumulated depreciation:				
Buildings and building improvements	744,674	19,245	-	763,919
Vehicles and equipment	3,300,314	155,384	-	3,455,698
Infrastructure	47,042,499	1,970,619	-	49,013,118
Right to use - lease infrastructure	19,094	19,094	-	38,188
Right to use - lease equipment	49,085	49,085	-	98,170
Totals accumulated depreciation	<u>51,155,666</u>	<u>2,213,427</u>	<u>-</u>	<u>53,369,093</u>
Totals capital assets, being depreciated	<u>44,799,015</u>	<u>4,020,191</u>	<u>-</u>	<u>48,819,206</u>
Capital assets, net	<u>\$ 53,405,813</u>	<u>\$ 7,409,324</u>	<u>\$ 6,233,618</u>	<u>\$ 54,581,519</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, 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 and placements	<u>12,378,106</u>	<u>12,213,895</u>	<u>296,847</u>	<u>24,295,154</u>	<u>256,917</u>
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>

Changes in long-term liability amounts as of June 30, 2023 were as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year
Long-term debt					
Direct borrowing and placements:					
Certificates of participation	\$ 10,890,000	\$ -	\$ 220,000	\$ 10,670,000	\$ 225,000
Premium	844,955	-	71,965	772,990	-
	<u>11,734,955</u>	<u>-</u>	<u>291,965</u>	<u>11,442,990</u>	<u>225,000</u>
Infrastructure loan	957,033	-	21,917	935,116	21,917
Total direct borrowing and and placements	<u>12,691,988</u>	<u>-</u>	<u>313,882</u>	<u>12,378,106</u>	<u>246,917</u>
Leases	410,951	-	52,374	358,577	36,984
Total long-term debt	<u>13,102,939</u>	<u>-</u>	<u>366,256</u>	<u>12,736,683</u>	<u>283,901</u>
Compensated absences	365,787	359,620	387,992	337,415	71,736
Net pension liability	2,530,617	3,218,579	-	5,749,196	-
Net OPEB liability	6,819,305	-	1,561,565	5,257,740	-
Totals long-term liabilities	<u>\$ 22,818,648</u>	<u>\$ 3,578,199</u>	<u>\$ 2,315,813</u>	<u>\$ 24,081,034</u>	<u>\$ 355,637</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, 2024 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.	
	\$ 913,199
Less: current portion	<u>21,917</u>
Long-term portion	<u>\$ 891,282</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.	
	\$ 10,445,000
Less: current portion	<u>235,000</u>
Long-term portion	<u>\$ 10,210,000</u>

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Direct Placement - 2024 Revenue Certificates of Participation

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	-
Long-term portion	\$ 12,090,000

Future maturities of long-term debt

As of June 30, 2024, the future maturities of long-term debt are as follows:

Fiscal Year	2020				2024			Unamortized		Total	
	Certificates of Participation		Infrastructure Loan		Certificates of Participation		Premium				
	Principal	Interest	Principal	Interest	Principal	Interest	Amortization	Principal	Interest		
2025	\$ 235,000	\$ 341,081	\$ 21,917	\$ 29,095	\$ -	\$ 532,650	\$ 52,749	\$ 256,917	\$ 955,575		
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	213,450	2,629,585	4,095,381		
2035-2039	1,845,000	1,030,600	109,585	145,475	1,270,000	2,102,000	167,554	3,224,585	3,445,629		
2040-2044	2,130,000	736,416	584,444	58,193	1,625,000	1,742,375	125,620	4,339,444	2,662,604		
2045-2049	2,550,000	318,075	-	-	2,040,000	1,316,475	65,988	4,590,000	1,700,538		
2050-2054	1,120,000	28,126	-	-	4,305,000	755,500	24,658	5,425,000	808,284		
2055-2059	-	-	-	-	1,215,000	24,300	-	1,215,000	24,300		
Total	\$ 10,445,000	\$ 5,072,578	\$ 913,199	\$ 494,618	\$ 12,090,000	\$ 10,925,525	\$ 846,955	\$ 23,448,199	\$ 17,339,676		

Leases payable

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, paid 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	12,998
Total leases payable		\$ 358,577	\$ -	\$ 36,984	\$ 321,593	\$ 12,998

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Leases payable outstanding as of June 30, 2023 are as follows:

	Original Amount	Outstanding July 1, 2022	Additions	Payments	Outstanding June 30, 2023	Due Within One Year
Copier leases						
Interest at 1.15% monthly payments of principal and interest of \$2,073, due 2023	\$ 122,713	\$ 73,628	\$ -	\$ 48,826	\$ 24,802	\$ 24,802
Rockhaven well lease						
Interest at 2.01% monthly payments of principal and interest of \$1,497, due 2025	\$ 356,417	337,323	-	3,548	333,775	12,182
Total leases payable		<u>\$ 410,951</u>	<u>\$ -</u>	<u>\$ 52,374</u>	<u>\$ 358,577</u>	<u>\$ 36,984</u>

Future maturities – leases payable

As of June 30, 2024, the future maturities of leases payable are as follows:

Fiscal Year	Principal	Interest
2025	\$ 12,998	\$ 6,346
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	<u>\$ 321,593</u>	<u>\$ 58,130</u>

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.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

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.

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, 2024 are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
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	6.91%	7.75%
Required employer contribution rates	10.87%	7.47%

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

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, 2024 and 2023 were \$749,506 and \$786,573, including \$88,704 and \$117,605 paid by the District on behalf of the employees, respectively.

Proportionate Share of Net Pension Liability

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.

As of the fiscal year ended June 30, 2023 the District reported \$5,749,196 for its proportionate share of the net pension liability. The net pension liability of the Pension Plan was measured as of June 30, 2022, 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, 2021, rolled forward to June 30, 2022. 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, 2023 valuation was 0.123758%, which is an increase of 0.000872% from June 30, 2022.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Methods and Assumptions

The total pension liability as of June 30, 2024 was determined using the following methods and assumptions:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
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

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:

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Long-Term Expected Rate of Return (continued)

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1, 2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	27.00%
Mortgage-backed securities	5.00%	50.00%
Investment Grade Corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study

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, 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

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate Sensitivity Analysis as of June 30, 2023 was as follows:

	1% Decrease		Current Discount Rate		1% Increase
District's Net Pension Liability	\$ 8,910,049	\$	5,749,196	\$	3,148,599

Pension Expense and Deferred Outflows (Inflows) of Resources

During the years ended June 30, 2024 and 2023, the District recognized pension (expense)/benefits of (\$374,273) and \$497,698, respectively.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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	\$ 2,456,928	\$ 299,580

As of the fiscal year ended June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 115,455	\$ 77,327
Changes in assumptions or inputs	589,125	-
Net difference between projected and actual earnings	1,053,100	-
Difference between employer's contributions and proportionate share of contributions	-	425,995
Change in employer's proportion	169,096	-
Contributions subsequent to the measurement date	668,968	-
Total	\$ 2,595,744	\$ 503,322

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

As of June 30, 2024, employer pension contributions of \$660,802 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, 2025. Other pension related amounts will be recognized as pension expense as follows:

Year Ending June 30,		
2025	\$	429,750
2026		288,465
2027		749,581
2028		28,750
2029		-
Thereafter		-
Total	\$	1,496,546

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

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, 2024:

Participant Type	Number of Participants
Active participants	22
Retired participants and beneficiaries	26
Inactive participants with deferred benefits	-
	48

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, 2023 and 2022, the actuarially determined contributions were \$599,955 and \$696,699 and the District contributed \$308,539 and \$324,542 to the OPEB Plan, respectively, including trust contributions and the implicit rate subsidy.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

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, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry age normal
Inflation	2.30%
Salary increases	2.80%
Discount rate	7.00%
Expected rate of return	7.00%
Healthcare trend rate	7.45 2023 to 5.00% 2033 and later
Retirement and Mortality	2021 CalPERS Experience Study
Bond Buyer 20-Bond GO Index	3.54%

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 2.30% 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	60%	2.85%
Fixed income	32%	70.00%
REITs	8%	3.40%
Cash	0%	1.30%

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 2.26% 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

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, 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

Changes in the Net OPEB Liability

The District's changes in net OPEB liability as of the June 30, 2023 fiscal year was follows:

	Total OPEB Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at June 30, 2021	\$ 7,617,638	\$ 798,333	\$ 6,819,305
Changes for the year:			
Service cost	144,886	-	144,886
Interest	553,506	-	553,506
Difference between expected and actual experience	(291,937)	-	(291,937)
Changes in assumptions	(1,750,524)	-	(1,750,524)
Change in benefit terms			-
Contributions - employer	-	324,542	(324,542)
Net investment income	-	(106,844)	106,844
Benefit payments	(324,542)	(324,542)	-
Administrative expense	-	(202)	202
Balance at June 30, 2022	\$ 5,949,027	\$ 691,287	\$ 5,257,740

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	\$ 6,125,827	\$ 5,257,740	\$ 4,552,006

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	\$ 4,486,900	\$ 5,257,740	\$ 6,226,505

OPEB Expense and Deferred Outflows (Inflows) of Resources

For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of \$258,487 and 257,498, 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	\$ 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

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

As of June 30, 2023, 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	\$ 130,767	\$ 379,031
Changes in assumptions or inputs	-	1,653,184
Net difference between projected and actual earnings	76,495	-
Contributions subsequent to the measurement date	308,539	-
Total	\$ 515,801	\$ 2,032,215

As of June 30, 2024, 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,	
2025	\$ (378,891)
2026	(392,498)
2027	(377,468)
2028	(273,115)
2029	3,720
Thereafter	-
Total	\$ (1,418,252)

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

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, 2024, the District's participation in the self-insurance programs of JPIA is as follows:

- General, Automobile, Employment Practices & Public Officials' Liability. Broad coverage against third-party claims for the District, its directors, employees and volunteers. Covered up to the following limits: the JPIA pools for the first \$5 million and purchases excess coverage with limits up to \$55 million with aggregated policy limits.
- Property Loss: Covered up to replacement value with a \$2,500 deductible per occurrence on scheduled buildings, fixed equipment and contents. Replacement cost value on scheduled mobile equipment with a \$2,500 deductible per occurrence and replacement cash value on scheduled vehicles with a \$1,000 deductible per occurrence. JPIA is self-insured up to \$10,000,000 per loss and has purchased re-insurance coverage up to a \$500,000,000 limit per occurrence. Scheduled fixed equipment is covered for Accidental Mechanical Breakdown up to sub-limit of \$100,000,000 with deductible \$25,000 to \$50,000 depending on type of equipment. 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. JPIA is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.
- Cyber Liability: Including Cyber Security up to \$2,000,000 per occurrence and \$5,000,000 Aggregate Limit. Cyber Liability Deductible varies from \$10,000 to \$100,000 depending on District Total Insured Values.
- Employee Dishonesty/Crime Supplement: Insured up to \$1,100,000 per occurrence with a \$1,000 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>.

CRESCENTA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – RISK MANAGEMENT (Continued)

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, 2024 and 2023. 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, 2024, 2023, and 2022, respectively.

NOTE 11 – JOINTLY GOVERNED ORGANIZATION (JOINT POWERS AGREEMENT)

The District participates in a jointly governed under a joint powers agreement (JPA) with the Association of California Water Agencies Joint Powers Insurance Authority (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. 100, *Accounting Changes and Error Corrections*. The statement establishes accounting and financial reporting requirements for a) accounting changes and b) the correction of an error in previously issued financial statements (error correction). Implementation of this standard had no impact on the District’s financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 125,622	\$ 144,886	\$ 137,987	\$ 130,710	\$ 124,486	\$ 132,270	\$ 125,970
Interest	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	24,094	(291,937)	51,587	(194,307)	(45,954)	284,776	(19,457)
Changes of assumptions	-	(1,750,524)	-	(283,714)	-	(125,750)	-
Benefit payments	(308,539)	(324,542)	(329,643)	(242,284)	(203,075)	(168,710)	(134,956)
Net change in total OPEB liability	400,833	(1,668,611)	384,743	249,169	359,502	567,138	388,570
Total OPEB liability - Beginning	5,949,027	7,617,638	7,232,895	6,983,726	6,624,224	6,057,086	5,668,516
Total OPEB liability - Ending (a)	\$ 6,349,860	\$ 5,949,027	\$ 7,617,638	\$ 7,232,895	\$ 6,983,726	\$ 6,624,224	\$ 6,057,086
Plan Fiduciary Net Position							
Contributions - employer	\$ 308,539	\$ 324,542	\$ 429,643	\$ 242,284	\$ 503,075	\$ 268,711	\$ 234,956
Member contributions	-	-	-	-	-	-	-
Net investment income	44,385	(106,844)	150,518	18,708	21,727	7,968	-
Benefit payments	(308,539)	(324,542)	(329,643)	(242,284)	(203,075)	(168,711)	(134,956)
Administrative expenses	(201)	(202)	(208)	(259)	(54)	(67)	-
Net change in plan fiduciary net position	\$ 44,184	\$ (107,046)	\$ 250,310	\$ 18,449	\$ 321,673	\$ 107,901	\$ 100,000
Plan Fiduciary Net Position - Beginning	691,287	798,333	548,023	529,574	207,901	100,000	-
Plan Fiduciary Net Position - Ending (b)	\$ 735,471	\$ 691,287	\$ 798,333	\$ 548,023	\$ 529,574	\$ 207,901	\$ 100,000
Net OPEB Liability (Asset) - Ending (a - b)	\$ 5,614,389	\$ 5,257,740	\$ 6,819,305	\$ 6,684,872	\$ 6,454,152	\$ 6,416,323	\$ 5,957,086
Plan Fiduciary Net Position as a percentage of the total OPEB liability							
	11.58%	11.62%	10.48%	7.58%	7.58%	3.14%	1.65%
Covered-employee payroll	\$ 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-employee payroll							
	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,						
	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 599,955	\$ 696,699	\$ 669,236	\$ 618,255	\$ 601,567	\$ 525,315	\$ 525,315
Contributions in relation to the actuarially determined contribution	<u>308,539</u>	<u>324,542</u>	<u>429,643</u>	<u>242,284</u>	<u>503,075</u>	<u>268,711</u>	<u>234,956</u>
Contribution deficiency (excess)	<u>\$ 291,416</u>	<u>\$ 372,157</u>	<u>\$ 239,593</u>	<u>\$ 375,971</u>	<u>\$ 98,492</u>	<u>\$ 256,604</u>	<u>\$ 290,359</u>
District's covered-employee payroll	\$ 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-employee payroll	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 RS:

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

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

Year Ended June 30,	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered payroll based on related measurement date of the net pension liability (asset)	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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%
2015	0.09037%	2,415,225	2,296,444	105.17%	77.88%

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.

Note 3: The accounting discount rate was 6.9 percent for measurement dates 2024 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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 660,802	\$ 668,968	\$ 546,030	\$ 573,759	\$ 271,620	\$ 266,500	\$ 350,982	\$ 381,098	\$ 308,670	\$ 308,670
Contributions in relation to the contractually required contribution	<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>	<u>308,670</u>	<u>308,670</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,164,141	\$ 2,859,717	\$ 2,635,277	\$ 2,777,559	\$ 2,853,255	\$ 2,966,432	\$ 3,305,507	\$ 2,906,241	\$ 2,715,807	\$ 2,715,807
Contribution as a percent of covered payroll	20.88%	23.39%	20.72%	20.66%	9.52%	8.98%	10.62%	13.11%	11.37%	11.37%

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.

SUPPLEMENTARY INFORMATION

CRESCENTA VALLEY WATER DISTRICT
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Water	Wastewater	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 4,092,493	\$ -	\$ -	\$ 4,092,493
Accounts receivable:				
Water and wastewater, net	2,559,426	781,983	-	3,341,409
Other	1,471	-	-	1,471
Interest receivable	94,742	-	-	94,742
Due from other funds	-	706,589	(706,589)	-
Prepaid expenses	143,062	2,469	-	145,531
Inventory	1,156,229	14,433	-	1,170,662
Total current assets	<u>8,047,423</u>	<u>1,505,474</u>	<u>(706,589)</u>	<u>8,846,308</u>
Noncurrent assets				
Restricted cash and cash equivalents	4,345,750	-	-	4,345,750
Investments	15,561,998	-	-	15,561,998
Capital assets:				
Capital assets, nondepreciable	6,312,355	554,118	-	6,866,473
Capital assets, net of accumulated depreciation	36,207,602	14,119,774	-	50,327,376
Total noncurrent assets	<u>62,427,705</u>	<u>14,673,892</u>	<u>-</u>	<u>77,101,597</u>
Total assets	<u>70,475,128</u>	<u>16,179,366</u>	<u>(706,589)</u>	<u>85,947,905</u>
Deferred outflows of resources				
Bond refunding related	176,222	-	-	176,222
Pension related	1,474,157	982,771	-	2,456,928
Other post employment benefits related	296,681	197,786	-	494,467
Total deferred outflows of resources	<u>1,947,060</u>	<u>1,180,557</u>	<u>-</u>	<u>3,127,617</u>
Total assets and deferred outflows of resources	<u>\$ 72,422,188</u>	<u>\$ 17,359,923</u>	<u>\$ (706,589)</u>	<u>\$ 89,075,522</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 1,703,201	\$ 1,553,637	\$ -	\$ 3,256,838
Accrued payroll liabilities	129,967	66,918	-	196,885
Retainage payable	49,651	9,510	-	59,161
Customer deposits	803,573	152,998	-	956,571
Due to other funds	706,589	-	(706,589)	-
Accrued interest expense	300,756	-	-	300,756
Compensated absences - current portion	57,858	31,778	-	89,636
Lease payable - current portion	12,998	-	-	12,998
Loan payables - current portion	256,917	-	-	256,917
Total current liabilities	<u>4,021,510</u>	<u>1,814,841</u>	<u>(706,589)</u>	<u>5,129,762</u>
Noncurrent liabilities				
Lease payable	308,595	-	-	308,595
Net pension liability	3,713,035	2,475,360	-	6,188,395
Net other postemployment benefits liability	3,408,747	2,205,642	-	5,614,389
Compensated absences	192,425	73,253	-	265,678
Loans payable	24,038,237	-	-	24,038,237
Total noncurrent liabilities	<u>31,661,039</u>	<u>4,754,255</u>	<u>-</u>	<u>36,415,294</u>
Total liabilities	<u>35,682,549</u>	<u>6,569,096</u>	<u>(706,589)</u>	<u>41,545,056</u>
Deferred inflows of resources				
Pension related	179,748	119,832	-	299,580
Other post employment benefits related	952,062	634,710	-	1,586,772
Total deferred inflows of resources	<u>1,131,810</u>	<u>754,542</u>	<u>-</u>	<u>1,886,352</u>
Net position				
Net investment in capital assets	22,375,531	14,664,382	-	37,039,913
Unrestricted	13,232,298	(4,628,097)	-	8,604,201
Total net position	<u>35,607,829</u>	<u>10,036,285</u>	<u>-</u>	<u>45,644,114</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 72,422,188</u>	<u>\$ 17,359,923</u>	<u>\$ (706,589)</u>	<u>\$ 89,075,522</u>

CRESCENTA VALLEY WATER DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	<u>Water</u>	<u>Wastwater</u>	<u>Total</u>
Operating revenues			
Water operations - consumption sales	\$ 8,868,130	\$ -	\$ 8,868,130
Water operations - service charges	3,984,826	-	3,984,826
Water operations - other charges	548,135	-	548,135
Wastewater operations - user and standby charges	-	3,837,443	3,837,443
	<u>13,401,091</u>	<u>3,837,443</u>	<u>17,238,534</u>
Operating expenses			
Source of supply	3,073,767	-	3,073,767
Plant operations	1,985,593	189,379	2,174,972
Distribution system	1,929,388	-	1,929,388
City of Los Angeles wastewater system	-	1,591,030	1,591,030
Collection system	-	305,359	305,359
General and administrative expenses	4,490,751	1,867,255	6,358,006
Depreciation	1,698,482	624,494	2,322,976
	<u>13,177,981</u>	<u>4,577,517</u>	<u>17,755,498</u>
Total operating expenses			
Operating income (loss)	<u>223,110</u>	<u>(740,074)</u>	<u>(516,964)</u>
Nonoperating revenues (expenses)			
Investment income (loss)	782,876	13,631	796,507
Rental income	50,904	30,587	81,491
Interest expense	(571,678)	(42)	(571,720)
Gain (loss) on sale of assets	2,500	4,500	7,000
Other income (expense), net	(119)	(589)	(708)
	<u>264,483</u>	<u>48,087</u>	<u>312,570</u>
Total nonoperating revenues (expenses)			
Income (loss) before capital contributions	487,593	(691,987)	(204,394)
Capital contributions			
Assessments	<u>1,883,712</u>	<u>41,087</u>	<u>1,924,799</u>
Total capital contributions	<u>1,883,712</u>	<u>41,087</u>	<u>1,924,799</u>
Change in net position	2,371,305	(650,900)	1,720,405
Net position - beginning of year	<u>33,236,524</u>	<u>10,687,185</u>	<u>43,923,709</u>
Net position - end of year	<u>\$ 35,607,829</u>	<u>\$ 10,036,285</u>	<u>\$ 45,644,114</u>

CRESCENTA VALLEY WATER DISTRICT
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER OPERATIONS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Operating revenues				
Water operations - customers	\$ 8,868,130	66.17%	\$ 7,935,623	64.88%
Water operations - others	67,662	0.50%	64,524	0.53%
Service charges	3,984,826	29.74%	3,609,799	29.51%
Meter installations	193,243	1.44%	439,680	3.59%
Other revenue	<u>287,230</u>	2.14%	<u>181,819</u>	1.49%
Total operating revenues	<u>13,401,091</u>	100.00%	<u>12,231,445</u>	100.00%
Operating expenses				
Source of supply-water purchases	<u>3,073,767</u>	100.00%	<u>2,924,787</u>	100.00%
Plant operations:				
Power	812,220	6.16%	780,256	6.78%
Plant wages	495,954	3.76%	443,635	3.86%
Utilities	9,221	0.07%	11,574	0.10%
Maintenance	99,566	0.76%	44,027	0.38%
Signal system	107,141	0.81%	83,883	0.73%
Lab and treatment	302,083	2.29%	168,471	1.46%
Nitrate treatment	37,066	0.28%	98,527	0.86%
Insurance	22,668	0.17%	3,252	0.03%
Water conservation	6,597	0.05%	7,134	0.06%
Other expense	<u>93,077</u>	0.71%	<u>44,084</u>	0.38%
Total plant operations	<u>1,985,593</u>	15.07%	<u>1,684,843</u>	14.64%
Distribution system:				
Meter maintenance	1,010,722	7.67%	1,096,595	9.53%
Pipeline maintenance	399,374	3.03%	280,586	2.44%
Reservoir and building maintenance	129,177	0.98%	139,372	1.21%
Well site maintenance	37,846	0.29%	21,261	0.18%
Auto and truck expense	125,353	0.95%	106,893	0.93%
Insurance	37,290	0.28%	29,208	0.25%
Administrative consultant	675	0.01%	2,239	0.02%
Water treatment	165,318	1.25%	147,996	1.29%
Other expense	<u>23,633</u>	0.18%	<u>9,949</u>	0.09%
Total distribution system	<u>1,929,388</u>	14.64%	<u>1,834,099</u>	15.94%
General and administrative:				
Director's fees	15,063	0.11%	7,811	0.07%
Salaries - statutory officers	135,919	1.03%	230,074	2.00%
Salaries - general officers	732,658	5.56%	683,609	5.94%
Retirement (CalPERS)	796,696	6.05%	313,060	2.72%
Payroll taxes	243,438	1.85%	173,231	1.51%
Engineering and drafting	374,737	2.84%	310,461	2.70%
Accounting	-	0.00%	3,445	0.03%
Legal	231,246	1.75%	181,288	1.58%
Administrative consultant - water system	293,902	2.23%	338,005	2.94%

CRESCENTA VALLEY WATER DISTRICT
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER OPERATIONS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024		2023	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
General and administrative (continued):				
Insurance	\$ 503,542	3.82%	\$ 450,998	3.92%
Maintenance	95,461	0.72%	97,002	0.84%
Computer and supplies	265,005	2.01%	200,393	1.74%
Utilities	29,089	0.22%	19,453	0.17%
Telephone	56,146	0.43%	56,671	0.49%
Printing and postage	54,451	0.41%	16,613	0.14%
Water system fees	109,508	0.83%	64,221	0.56%
Water conservation	37,636	0.29%	51,267	0.45%
Training	48,179	0.37%	47,639	0.41%
Property taxes	16,041	0.12%	14,496	0.13%
Other expense	452,034	3.43%	204,119	1.77%
Total general and administrative	<u>4,490,751</u>	34.08%	<u>3,463,856</u>	30.10%
Depreciation expense	<u>1,698,482</u>	100.00%	<u>1,598,346</u>	100.00%
Total operating expenses	<u>13,177,981</u>	100.00%	<u>11,505,931</u>	100.00%
Operating income (loss)	223,110	100.00%	725,514	100.00%
Nonoperating revenues (expenses)				
Investment income (loss)	782,876	296.00%	95,923	-45.16%
Rental income	50,904	19.25%	52,620	-24.77%
Interest expense	(571,678)	-216.15%	(359,486)	169.25%
Gain (loss) on sale of assets	2,500	0.95%	-	0.00%
Other income (expense), net	(119)	-0.04%	(1,459)	0.69%
Total nonoperating revenues (expenses)	<u>264,483</u>	100.00%	<u>(212,402)</u>	100.00%
Income (loss) before capital contributions	487,593	100.00%	513,112	100.00%
Capital contributions				
Capital grants - State	-	0.00%	92,046	100.00%
Assessments	1,883,712	100.00%	-	0.00%
Total capital contributions	<u>1,883,712</u>	100.00%	<u>92,046</u>	100.00%
Change in net position	<u>\$ 2,371,305</u>	100.00%	<u>\$ 605,158</u>	100.00%

(continued)

CRESCENTA VALLEY WATER DISTRICT
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WASTEWATER OPERATIONS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Operating revenues				
Wastewater operations - user and standby charges	\$ 3,837,443	100.00%	\$ 3,743,169	100.00%
Total operating revenues	<u>3,837,443</u>	100.00%	<u>3,743,169</u>	100.00%
Operating expenses				
City of Los Angeles wastewater system expense	<u>1,591,030</u>	34.76%	<u>2,394,509</u>	46.69%
Plant operations:				
Power	2,866	0.06%	14,818	0.29%
Plant wages	22,123	0.48%	26,405	0.51%
Utilities	1,497	0.03%	1,728	0.03%
Maintenance	13,107	0.29%	10,584	0.21%
Signal system	-	0.00%	2,150	0.04%
Insurance	129,798	2.84%	109,446	2.13%
Other expense	19,988	0.44%	13,754	0.27%
Total plant operations	<u>189,379</u>	4.14%	<u>178,885</u>	3.49%
Collection system:				
Maintenance	263,351	5.75%	330,734	6.45%
Auto and truck expense	42,008	0.92%	37,301	0.73%
Inspection	-	0.00%	39,491	0.77%
Total distribution system	<u>305,359</u>	6.67%	<u>407,526</u>	7.95%
General and administrative:				
Director's fees	15,063	0.33%	7,687	0.15%
Salaries - statutory officers	135,919	2.97%	217,337	4.24%
Salaries - general officers	369,383	8.07%	300,372	5.86%
Retirement (CalPERS)	418,910	9.15%	177,842	3.47%
Payroll taxes	72,883	1.59%	69,336	1.35%
Engineering and drafting	124,817	2.73%	102,397	2.00%
Accounting	-	0.00%	3,055	0.06%
Legal	75,887	1.66%	49,183	0.96%
Administrative consultant - water system	233,037	5.09%	180,164	3.51%
Insurance - group	179,389	3.92%	193,414	3.77%
Insurance - general	10,095	0.22%	7,392	0.14%
Maintenance	7,724	0.17%	8,575	0.17%
Computer and supplies	63,037	1.38%	67,573	1.32%
Utilities	10,133	0.22%	7,353	0.14%
Telephone	18,790	0.41%	20,815	0.41%
Printing and postage	8,431	0.18%	6,396	0.12%
Training	13,111	0.29%	13,602	0.27%
Other expense	110,646	2.42%	100,137	1.95%
Total general and administrative	<u>1,867,255</u>	40.79%	<u>1,532,630</u>	29.88%

CRESCENTA VALLEY WATER DISTRICT
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WASTEWATER OPERATIONS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024		2023	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Depreciation expense	\$ 624,494	13.64%	\$ 615,081	11.99%
Total operating expenses	<u>4,577,517</u>	100.00%	<u>5,128,631</u>	100.00%
Operating income (loss)	(740,074)	100.00%	(1,385,462)	100.00%
Nonoperating revenue (expenses)				
Investment income (loss)	13,631	28.35%		
Rental income	30,587	63.61%	27,186	86.56%
Interest expense	(42)	-0.09%	(296)	-0.94%
Gain (loss) on sale of assets	4,500	9.36%	-	0.00%
Other income (expense), net	<u>(589)</u>	-1.22%	<u>4,516</u>	14.38%
Total nonoperating revenues (expenses)	<u>48,087</u>	100.00%	<u>31,406</u>	100.00%
Income (loss) before capital contributions	(691,987)	100.00%	(1,354,056)	100.00%
Capital contributions				
Assessments	<u>41,087</u>	100.00%	<u>39,327</u>	100.00%
Total capital contributions	<u>41,087</u>	100.00%	<u>39,327</u>	100.00%
Change in net position	<u>\$ (650,900)</u>	100.00%	<u>\$ (1,314,729)</u>	100.00%

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 48-49)

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 50-53)

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

Debt Capacity (Pages 54-55)

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 56)

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 57-59)

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 TEN FISCAL YEARS**

(1)

	<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>	<u>2015</u>
Net investment in capital assets	\$ 37,039,913	\$ 41,984,990	\$ 40,458,844	\$ 40,288,262	\$ 42,610,380	\$ 41,249,830	\$ 39,915,268	\$ 36,753,114	\$ 35,874,859	\$ 34,413,758
Restricted	-	-	-	-	-	-	-	617,361	617,109	617,090
Unrestricted (deficit)	<u>8,604,201</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>	<u>11,924,744</u>
Total net position	<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>	<u>\$ 46,955,592</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 TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues										
Water operations										
Consumption sales	\$ 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	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	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	<u>3,837,443</u>	<u>3,743,169</u>	<u>3,508,571</u>	<u>3,425,173</u>	<u>3,187,260</u>	<u>3,291,114</u>	<u>3,033,860</u>	<u>3,168,022</u>	<u>3,275,859</u>	<u>3,347,597</u>
Total operating revenues	<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>
Operating expenses										
Source of supply	\$ 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	2,174,972	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	1,929,388	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	1,591,030	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	305,359	407,526	293,524	275,422	222,129	239,907	251,013	212,842	307,042	282,983
General and administrative expenses	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	<u>2,322,976</u>	<u>2,213,427</u>	<u>2,078,586</u>	<u>2,140,258</u>	<u>1,962,144</u>	<u>1,866,693</u>	<u>1,676,711</u>	<u>1,706,915</u>	<u>1,858,112</u>	<u>1,925,786</u>
Total operating expenses	<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>
Operating income (loss)	<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>
Nonoperating revenues (expenses)										
Investment income, net	796,507	95,923	(493,012)	(219,058)	450,100	826,918	53,930	(109,432)	635,271	167,195
Rental income	81,491	79,806	84,240	77,693	38,112	37,200	33,600	32,151	28,351	29,600
Interest expense	(571,720)	(359,782)	(347,542)	(352,154)	(241,135)	(353,774)	(220,802)	(358,188)	(368,022)	(377,454)
Other income, net	6,292	3,057	30,971	(5,492)	(1,813)	(102,981)	(173,643)	(82,267)	61	14,416
Gain (loss) on sale of capital assets	<u>-</u>	<u>-</u>	<u>106,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,174</u>	<u>6,901</u>	<u>(246)</u>
Total nonoperating revenues (expenses), net	<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>
Income (loss) before capital contributions	<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>
Capital contributions										
Total capital contributions	<u>1,924,799</u>	<u>131,373</u>	<u>124,257</u>	<u>130,371</u>	<u>27,874</u>	<u>653,310</u>	<u>643,050</u>	<u>471,345</u>	<u>810,792</u>	<u>31,523</u>
Change in net position	<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 TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Gallons on Water Purchased	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	712,587,280

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT
CONSUMPTION AND SERVICE CHARGE RATES
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water Consumption Rates										
Water Consumption										
Tier 1 (1 to 10 units)	\$ 5.96	\$ 5.51	\$ 5.10	\$ 5.17	\$ 5.17	\$ 4.83	\$ 4.58	\$ 4.39	\$ 4.61	\$ 4.36
Tier 2 (11 to 26 units)	\$ 11.09	\$ 10.26	\$ 9.50	\$ 8.14	\$ 8.14	\$ 7.61	\$ 7.21	\$ 6.91	\$ 5.96	\$ 5.64
Tier 3 (27 units and above)	\$ 15.63	\$ 14.47	\$ 13.39	\$ 12.29	\$ 12.29	\$ 11.49	\$ 10.89	\$ 10.43	\$ 8.50	\$ 8.04
									\$ 11.39	\$ 10.78
Irrigation Usage										
Tier 1 (1 to 80 units)	\$ 6.30	\$ 5.83	\$ 5.39	\$ 5.66	\$ 5.66	\$ 5.29	\$ 5.01	\$ 4.80	\$ 5.96	\$ 5.64
Tier 2 (81 units and above)	\$ 11.88	\$ 11.00	\$ 10.18	\$ 10.89	\$ 10.89	\$ 10.13	\$ 9.60	\$ 9.20	\$ 11.39	\$ 10.78
Water Service Charges										
Inside District (Bi-monthly charge by meter size)										
¾"	\$ 68.12	\$ 63.07	\$ 58.79	\$ 54.10	\$ 54.10	\$ 50.56	\$ 47.92	\$ 41.06	\$ 19.12	\$ 18.09
1"	\$ 100.75	\$ 93.28	\$ 86.77	\$ 80.69	\$ 80.69	\$ 75.41	\$ 71.48	\$ 61.25	\$ 23.48	\$ 22.22
1 ½"	\$ 182.34	\$ 168.83	\$ 156.72	\$ 147.19	\$ 147.19	\$ 137.56	\$ 130.39	\$ 111.73	\$ 34.28	\$ 32.44
2"	\$ 280.26	\$ 259.50	\$ 240.67	\$ 227.01	\$ 227.01	\$ 212.16	\$ 201.10	\$ 172.32	\$ 43.36	\$ 41.03
3"	\$ 590.31	\$ 546.58	\$ 506.49	\$ 479.72	\$ 479.72	\$ 448.34	\$ 424.97	\$ 364.16	\$ 47.28	\$ 44.74
4"	\$ 1,047.24	\$ 969.66	\$ 898.23	\$ 852.17	\$ 852.17	\$ 796.42	\$ 754.90	\$ 646.87	\$ 121.47	\$ 114.95
Outside District (Bi-monthly charge by meter size)										
¾"	\$ 68.52	\$ 63.47	\$ 59.19	\$ 54.50	\$ 54.50	\$ 50.96	\$ 48.32	\$ 41.46	\$ 19.32	\$ 18.29
1"	\$ 101.15	\$ 93.68	\$ 87.17	\$ 81.09	\$ 81.09	\$ 75.81	\$ 71.88	\$ 61.65	\$ 23.68	\$ 22.42
1 ½"	\$ 182.74	\$ 169.23	\$ 157.12	\$ 147.59	\$ 147.59	\$ 137.96	\$ 130.79	\$ 112.13	\$ 34.48	\$ 32.64
2"	\$ 280.66	\$ 259.90	\$ 241.07	\$ 227.41	\$ 227.41	\$ 212.56	\$ 201.50	\$ 172.72	\$ 43.56	\$ 41.23
3"	\$ 590.71	\$ 546.98	\$ 506.89	\$ 480.12	\$ 480.12	\$ 448.74	\$ 425.37	\$ 364.56	\$ 47.48	\$ 44.94
4"	\$ 1,047.64	\$ 970.06	\$ 898.63	\$ 852.57	\$ 852.57	\$ 796.82	\$ 755.30	\$ 647.27	\$ 121.67	\$ 115.10
Wastewater Charges										
Single family residence										
Service charge	\$ 58.59	\$ 54.25	\$ 50.23	\$ 47.79	\$ 47.79	\$ 35.25	\$ 35.25	\$ 35.25	\$ 33.75	\$ 33.75
Usage Rate, per unit	\$ 2.50	\$ 2.31	\$ 2.13	\$ 1.93	\$ 1.93	\$ -	\$ -	\$ -	\$ -	\$ -
Multiple family residence										
Service charge	\$ 34.51	\$ 31.95	\$ 29.58	\$ 31.25	\$ 31.25	\$ 35.25	\$ 35.25	\$ 35.25	\$ 33.75	\$ 33.75
Usage Rate, per unit	\$ 2.77	\$ 2.56	\$ 2.37	\$ 2.15	\$ 2.15	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial										
Service charge	\$ 34.51	\$ 31.95	\$ 29.58	\$ 31.25	\$ 31.25	\$ 35.25	\$ 35.25	\$ 35.25	\$ 33.75	\$ 33.75
Usage Rate, per unit	\$ 6.40	\$ 5.92	\$ 5.48	\$ 5.10	\$ 5.10	\$ 5.70	\$ 5.70	\$ 5.70	\$ 5.50	\$ 5.50
Schools (Bi-monthly per 100 Avg. Daily Att.)										
Elementary	\$ 106.40	\$ 98.51	\$ 91.21	\$ 84.86	\$ 84.86	\$ 84.60	\$ 84.60	\$ 84.60	\$ 81.00	\$ 81.00
Middle	\$ 212.79	\$ 197.02	\$ 182.42	\$ 169.73	\$ 169.73	\$ 169.30	\$ 169.30	\$ 169.30	\$ 162.10	\$ 162.10
High	\$ 319.76	\$ 295.51	\$ 273.62	\$ 254.59	\$ 254.59	\$ 169.30	\$ 169.30	\$ 169.30	\$ 162.10	\$ 162.10

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT
 CHANGES IN TOP TEN CUSTOMERS - WATER OPERATIONS
 CURRENT FISCAL YEAR AND NINE YEARS AGO**

Water Consumption Sales					
Customers	Consumption Sales FY 2024	% of Consumption FY 2024	Customers	Consumption Sales FY 2015	% of Consumption FY 2015
Glendale Unif School District	187,626	2.12%	Glendale Unif School District	66,864	1.05%
Laco Parks and Recreation	93,977	1.06%	Laco Parks and Recreation	52,194	0.82%
Hillside Village Apts	64,619	0.73%	Hillside Village Apts	21,169	0.33%
3220 Altura HOA	46,294	0.52%	Glen Valley HOA	20,729	0.32%
Glen Valley HOA	41,750	0.47%	Blain Anderson	19,877	0.31%
Blain Anderson	41,003	0.46%	3220 Altura HOA	19,277	0.30%
Americana La Crescenta Apts	39,749	0.45%	EC OPCO Mountainview LP	16,815	0.26%
EC OPCO Mountainview LP	39,068	0.44%	Americana La Crescenta Apts	16,415	0.26%
Urban Wash LLC	36,902	0.42%	Verduco Valley Conv Hosp	15,097	0.24%
Total top 10 customers	\$ 891,917	10.06%		\$ 350,153	5.48%
Other customers	7,976,213	89.94%		6,038,411	94.52%
Total customers	\$ 8,868,130	100.00%		\$ 6,388,564	100.00%

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT
 CHANGES IN TOP TEN CUSTOMERS - WASTEWATER OPERATIONS
 CUURENT FISCAL YEAR AND NINE YEARS AGO**

Customers	Service Charge FY 2024	% of Service Charge FY 2024	Customers	Service Charge FY 2015	% of Service Charge FY 2015
Glendale Unif School District	\$ 144,578	3.77%	Glendale Unif School District	\$ 95,023	2.84%
Hillside Village Apts	48,492	1.26%	Hillside Village Apts	47,021	1.41%
L.A. County Development Authority	21,482	0.56%	L.A. County Development Authority	25,515	0.76%
Ramsdell Couty Inc	17,368	0.45%	Ralphs Grocery Co	16,764	0.50%
Ralphs Grocery Co	17,141	0.45%	Ramsdell Couty Inc	15,458	0.46%
Crescenta Falls HOA	13,642	0.36%	Crescenta Falls HOA	14,918	0.45%
Pennsilvania Terrace	13,072	0.34%	Marvin Hairapetian	13,122	0.39%
Crescenta Village - 9065	12,567	0.33%	Crescenta Village - 9065	11,880	0.36%
Marvin Hairapetian	12,545	0.33%	Montrose Crest HOA #506	11,543	0.35%
Montrose Crest HOA #506	11,916	0.31%	Pennsilvania Terrace	11,381	0.34%
Total top 10 customers	\$ 312,804	8.15%		\$ 262,623	7.86%
Other customers	3,524,639	91.85%		3,078,974	92.14%
Total customers	\$ 3,837,443	100.00%		\$ 3,341,597	100.00%

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Certificates of Participation	Infrastructure Loan	Lease Obligations	Total Primary Government	Estimated Service Area Population	Debt Per Customer
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
2015	8,407,156	-	-	8,407,156	31,070	\$ 271

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF PLEDGED REVENUE DEBT COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Gross Revenue	Expenditures	Net Revenue Available for Debt Service	Debt Service Requirements			Percent Coverage
				Principal	Interest	Total	
2024	\$ 14,234,871	\$ 11,479,499	\$ 2,755,372	\$ 225,000	\$ 350,281	\$ 575,281	478.96 %
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
2015	8,954,633	8,687,572	267,061	235,000	378,238	613,238	43.55

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT
 DEMOGRAPHICS AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Population	Personal Income (Thousands of Dollars)	Per Capita Personal Income	Unemployment rate
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%
2015	31,070	\$ 1,277,237	\$ 41,108	5.5%

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

**CRESCENTA VALLEY WATER DISTRICT
EMPLOYEE FULL-TIME EQUIVALENTS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water Operations	21	18	18	18	19	22	22	22	22	22
Wastewater Operations	11	9	9	9	10	11	11	11	12	12
Total	32	27	27	27	29	33	33	33	34	34

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT
OPERATING INDICATORS
LAST TEN FISCAL YEARS**

Function	Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Purchased Water (gallons)	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	712,587,280
Total Production (gallons)	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	726,658,227
Total Revenue	\$ 14,234,871	\$ 12,379,988	\$ 13,142,333	\$ 13,162,802	\$ 12,894,251	\$ 11,788,178	\$ 11,416,563	\$ 9,582,034	\$ 8,788,559	\$ 8,954,633
Change in net position	\$ 1,720,405	\$ (709,571)	\$ 141,575	\$ (489,805)	\$ 469,832	\$ 188,909	\$ 471,893	\$ (1,104,232)	\$ (861,408)	\$ (1,322,528)
Debt Coverage (percent)	479	428	574	1,312	614	322	287	93	107	44

Source: Crescenta Valley Water District

**CRESCENTA VALLEY WATER DISTRICT
 CAPITAL ASSETS BY FUNCTION
 LAST TEN FISCAL YEARS**

Function	Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water	482	477	471	461	452	439	435	423	409	402
Wastewater	86	84	84	80	78	76	75	74	68	65

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, 2024, 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 23, 2024.

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 2024-001 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.

La Crescenta, California

A handwritten signature in cursive script that reads "Singer Lewak LLP".

December 23, 2024

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2024

2024-001 TIMELY RECONCILIATION AND PROPER CUTOFF

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 yearend, 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.