

# LAS VIRGENES MUNICIPAL WATER DISTRICT

Annual Comprehensive  
Financial Report  
Fiscal Year 2021-2022



4232 Las Virgenes Road  
Calabasas, CA 91302

# Annual Comprehensive Financial Report

For the Year Ended June 30, 2022 and 2021



**Prepared by:**  
**The Finance and Administration Department**

Donald Patterson	Director of Finance & Administration
Brian Richie, CPA	Finance Manager
Jessica Cortez	Accounting Supervisor
Debbie Rosales	Financial Analyst

# Las Virgenes Municipal Water District

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Leonard E. Polan	Vice President
Lee Renger	Secretary
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Charles P. Caspary	Director

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David W. Pedersen	General Manager
John Zhao	Director of Facilities & Operations
Donald Patterson	Director of Finance & Administration
Joe McDermott	Director of Engineering & External Affairs

## LEGAL COUNSEL

W. Keith Lemieux	Counsel
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# Las Virgenes Municipal Water District

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Vice President

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Director, Division 4

Secretary

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Director, Division 2

**Charles P. Caspary**

Director, Division 1

**David W. Pedersen, P. E.**

General Manager

**W. Keith Lemieux**

Counsel

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TAPIA WATER

RECLAMATION FACILITY

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RANCHO LAS VIRGENES

COMPOSTING FACILITY

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[www.LVMWD.com](http://www.LVMWD.com)

MEMBER AGENCY OF THE

METROPOLITAN WATER

DISTRICT

OF SOUTHERN CALIFORNIA

**Glen D. Peterson**

MWD Representative

November 17, 2022

To: Board of Directors

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

Subject: **ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR  
FISCAL YEAR 2021-2022**

California law requires that every local government publish a complete set of audited financial statements for each fiscal year. This report is published to fulfill that requirement for the fiscal year that ended on June 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rogers, Anderson, Malody and Scott, LLP has issued an unmodified ("clean") opinion on the Las Virgenes Municipal Water District's financial statements for the fiscal year that ended on June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

**Profile of the Government**

Las Virgenes Municipal Water District (LVMWD or District), incorporated in 1958, is located on the western edge of Los Angeles County, California, and includes the cities of Agoura Hills, Calabasas, Hidden Hills and Westlake Village, and adjacent areas of Los Angeles County. LVMWD occupies 122 square miles and serves a population of approximately 70,000. LVMWD is also the administering agent for the Las Virgenes-Triunfo Joint Powers Authority (JPA), which provides sanitation services to approximately 100,000 people within 172 square miles of western Los Angeles County and southeastern Ventura County.

LVMWD is empowered to levy an assessment on real property located within its boundaries, up to \$10 per acre, and has a miniscule share of the property tax assessment. The majority of revenue is from user fees for service. LVMWD also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

LVMWD has operated under the board-general manager form of government since its inception. Policy-making and legislative authority are vested in a governing board (Board) consisting of five members elected by division on a non-partisan basis. The Board appoints the general manager, who in turn appoints the heads of the various departments. Board members serve overlapping four-year terms, and every two years -- concurrent with installation of the newly elected board -- select board officers. A District representative to the board of directors of Metropolitan Water District of Southern California is appointed to serve an indefinite term.

LVMWD provides potable water, sanitation, and recycled water services to its customers. Sanitation and recycled water services are provided in conjunction with Triunfo Water & Sanitation District through the JPA. The average age of the District's infrastructure is 40 years old.

Although not required by law, the Board adopts a final budget for the next fiscal year by the close of the current fiscal year. This annual budget serves as the foundation for LVMWD's financial planning and control. The budget is prepared by enterprise, function (e.g. system operations) and department (e.g. Facilities and Operations). Department heads may transfer resources within a department or enterprise as they see fit, but transfers between departments or enterprises need special approval from the Board.

## **Local Economy**

The region is highly desirable for both residences and businesses, with exceptional natural attributes. Much of the service area lies within the Santa Monica Mountains with the associated hilly terrain, mountain and ocean views and moderate climate. Open space and recreational opportunities abound with considerable local acreage dedicated as national and state parkland via the 244.5-square-mile Santa Monica Mountains National Recreation Area. Beaches lie within minutes of any location in the area. Varied academic institutions are proximate and easily accessible, including Pepperdine University's Malibu campus, California Lutheran University in Thousand Oaks, and California State University, Northridge.

Median home prices in the District considerably exceed county averages. The District benefits from its close proximity to Los Angeles and quality commercial and retail spaces. The District has few major industrial customers.

Primarily residential, LVMWD is also a home to notable corporations and commercial activities. Located within the service area are several significant employers including Las Virgenes Unified School District, National Veterinary Association; Private National Mortgage Acceptance Company, LLC; Bank of America, The Cheesecake Factory corporate offices and bakery; and Harbor Freight Tools corporate office.

## **Financial Condition and Outlook**

LVMWD remains fiscally strong and continues to respond appropriately to fluctuations in the economy as well as continuing drought conditions. The District completed a cost of service and rate study in early 2021 with a new five-year rate plan approved by the Board of Directors on

February 2, 2021 that ensures continued financial sustainability. District staffing levels continue to be stable and compensation has kept pace with comparable agencies, following a comprehensive compensation study in 2018. The District has continued to predominantly pay for capital projects with available resources (pay-as-you-go funding) with only one outstanding debt issuance of less than \$9 million. This debt is solely the obligation of the Potable Water Enterprise.

The overall financial position of the District is stable, although risk exists in what could be the 4<sup>th</sup> consecutive year of drought conditions. With no local water supplies, the District meets 79% of its needs with water imported by the Metropolitan Water District of Southern California (MWD) through the State Water Project. Another 21% is met through recycled water through the Las Virgenes – Triunfo Joint Powers Authority Tapia Water Reclamation Facility. With the unprecedented drought conditions, the State has curtailed water deliveries from the State Water Project to just 5% of contractual obligations. This necessitated the District to implement one-day-per-week outdoor watering restrictions effective June 1, 2022.

The District has been preparing for and is well positioned to continue to be financially resilient through the current drought. In 2016, the District implemented water budget-based rates and wasteful water use penalties to support the necessity of making conservation a way of life. Over the past 8 years, the District has also increased its fixed cost collected through fixed fees, now at approximately 55%. The District has also adopted an \$8 million Rate Stabilization Fund to support any revenue shortfall. These efforts have allowed the District to sustain a strong financial position through the current and previous droughts.

As the District looks forward to address the effects of climate change, it continues to look at ways to diversify its water portfolio. The most significant efforts to date in this area are the development of the Pure Water Project Las Virgenes – Triunfo that will provide an estimated 3,100 acre feet of water at build out through indirect potable reuse. More information on this project can be found on the District's website at [lvmwd.com](http://lvmwd.com). The District is also working with other State Water Project-dependent area agencies to encourage and support the MWD to build infrastructure projects that allow the area to receive water stored in Diamond Valley Lake and from the Colorado River Aqueduct. However, the Colorado River watershed is also impacted by drought. The District continues to look at innovative ways to further diversify its water portfolio.

### Long Term Financial Planning

The District presented a two-year budget plan on June 21, 2022 for Fiscal Years 2022-24. The document improves long-range and strategic planning, financial management, and program monitoring. The two-year budget represents the concerted efforts of staff to estimate the financial needs of the District's upcoming two fiscal years to continue to provide high quality water and sanitation services to the District's customers. The Fiscal Years 2022-24 budget reflects the realities of the State's current drought emergency. The District is mandated to achieve significant reductions in water usage or face potential penalties from the Metropolitan Water District. As a result, revenues derived from water usage were calculated based on a 35% reduction in potable water and a 25% reduction in recycled water. An additional \$1.5 million from one-time wasteful water use penalty revenue has been budgeted in Fiscal Year 2022-23 for one-time expenses related to the drought emergency including funds to increase enforcement of watering restrictions, additional rebates for water saving devices, the installation of flow restrictors, and other efforts to ensure conservation mandates are met. An additional \$800,000 has been budgeted in Fiscal Year 2023-24 for one-time drought response expenditures. The budget is aligned to meet the District's adopted Strategic Plan Goals and

Financial Policies. In addition, the District prepared its Infrastructure Investment Plan for Fiscal Years 2022-23 through 2031-32 which looks ahead over a ten-year time horizon to project long-term capital requirements.

In 2020, the District completed a comprehensive cost of services analysis and rate study that served as the basis for establishing proposed rates. On February 2, 2021, the Board successfully went through the Proposition 218 process and approved the proposed rates for the Potable Water Enterprise, Recycled Water Enterprise and Sanitation Enterprise. The new rates became effective March 1, 2021 and annually thereafter on January 1, 2022 through 2025 which will ensure the District continues to collect sufficient funds to support its on-going capital and operational needs.

### Relevant financial policies

Since 1999, the District has utilized a broad-based set of Board-adopted financial policies to guide it in making important financial decisions. The policies are reviewed annually and updated periodically to address changing conditions and adopted annually as an integral part of the budget.

### **Major initiatives**

During Fiscal Year 2020-2021, the District completed construction of the Las Virgenes-Triunfo Pure Water Demonstration Project and opened the facility to public tours. This project provides a small-scale version of the proposed advanced water treatment facility for the future Pure Water Project Las Virgenes-Triunfo that will treat recycled water to drinking water standards before adding it to the Las Virgenes Reservoir.

During Fiscal Year 2021-22, the District began developing the design criteria for the Pure Water project, developed the environmental documentation for the program, and engaged in public outreach activities to help progress the project. Moving forward, the District will continue to develop this project and move towards construction.

Other current and future major initiatives include:

- Construction of an interconnection with Calleguas Municipal Water District to improve water supply reliability;
- Construction of the Twin Lakes Pump Station Pipeline Project to increase the supply reliability for the Twin Lakes subsystem and enhance capacity to serve the Deerlake Ranch Development;
- Cornell Pump Station Improvement Project – pump station improvements to provide added reliability and redundancy to the District’s potable water system backbone during planned and unplanned system outages

The District continues to be well-positioned for the challenges in the years ahead and will continue to deliver high-quality, reliable services to its customers for years to come.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to LVMWD for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the



24th consecutive year that LVMWD received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Staff believes that its current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

In addition, LVMWD also received the GFOA's Distinguished Budget Presentation Award for its Fiscal Year 2022-24 budget document. The District posts all its financial documents on its public website at [www.LVMWD.com](http://www.LVMWD.com).

### **Acknowledgements**

The preparation and development of this report would not have been possible without the year-round work of the Finance Division staff and their special efforts, working in conjunction with the District's independent auditors. We would also like to thank the Board for its continued interest and support in managing the District's financial resources in a responsible manner that ensures transparency and proper stewardship of ratepayer's money.

Respectfully submitted,



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David W. Pedersen  
General Manager



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Donald Patterson  
Director of Finance & Administration



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

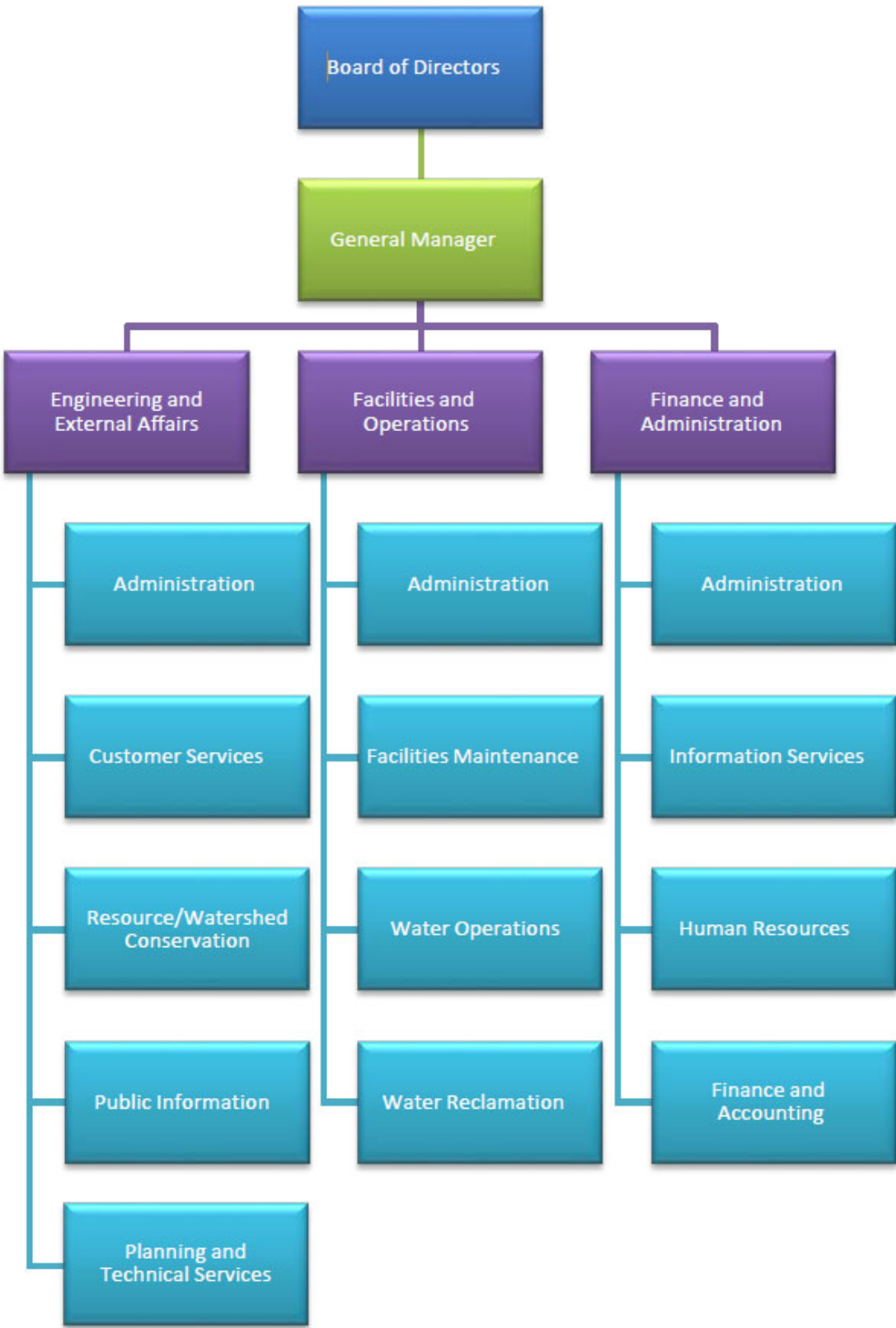
**Las Virgenes Municipal Water District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

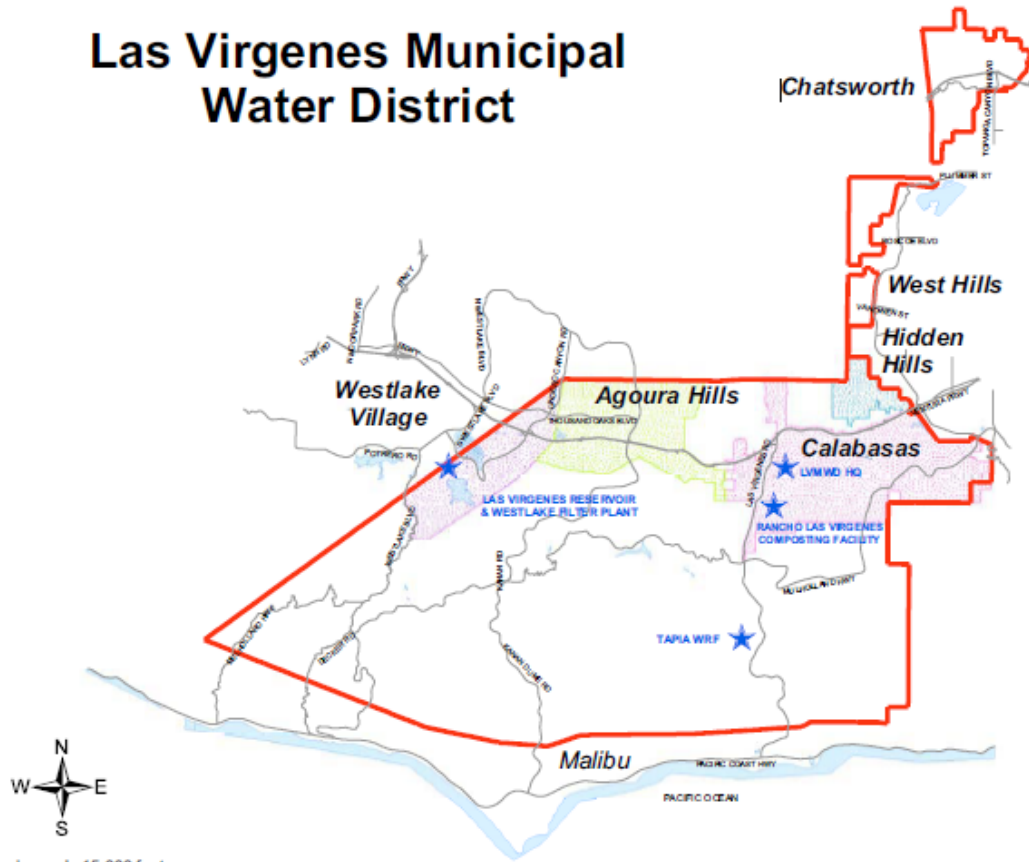
June 30, 2021

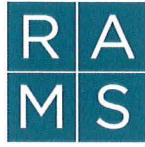
*Christopher P. Morill*

Executive Director/CEO



# Las Virgenes Municipal Water District





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

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## *Independent Auditor's Report*

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

### **PARTNERS**

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Leena Shanbhag, CPA, MST, CGMA  
Bradferd A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST  
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### **MANAGERS / STAFF**

Gardenya Duran, CPA, CGMA  
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John Maldonado, CPA, MSA  
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Demi Hite, CPA

### **MEMBERS**

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Quality Center*

*Employee Benefit Plan  
Audit Quality Center*

California Society of  
Certified Public Accountants

## **Report on the Audit of the Financial Statements**

### ***Opinions***

We have audited the financial statements of the Las Virgenes Municipal Water District (the District) and the discretely presented component unit, as of and for the year ended June 30, 2022, 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 present fairly, in all material respects, the respective financial position of the District and the discretely presented component unit, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.



## ***Other Matters***

The financial statements of the District for the year ended June 30, 2021, were audited by another auditor, who expressed an unmodified opinion on those statements on December 13, 2021.

As discussed in Note 2 to the financial statements, in the year ended June 30, 2022, the District adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

The District's 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 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, 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 required supplementary information, such as management's discussion and analysis and schedules listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the letter of transmittal and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2022 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 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 the District's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
November 17, 2022



## ***Las Virgenes Municipal Water District***

### **Management's Discussion and Analysis June 30, 2022**

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This section of the District's annual financial report presents management's analysis of the District's financial performance during the Fiscal Year that ended on June 30, 2022. We encourage readers to consider the financial information presented in this section in conjunction with the accompanying financial statements, notes, and additional information furnished in the letter of transmittal in the Introductory Section of this report.

#### **FINANCIAL HIGHLIGHTS**

- On June 30, 2022, the District's net position (excess of assets and deferred outflows over liabilities and deferred inflows) was \$286.5 million. Of this amount \$127.7 million consisted of the District's net investment in capital assets while the remaining \$158.8 million was unrestricted and may be used to meet the District's ongoing obligations, fund capital projects, and meet policy-required reserves.
- The District's Fiscal Year 2021-22 net position increased by \$17.3 million, which compares similarly to an increase of \$17.0 million in Fiscal Year 2020-21.
- Total operating revenues in Fiscal Year 2021-22 were \$75.7 million, \$1.2 million (or 1.7%) above the prior year's revenues of \$74.5 million. The increase in revenues as compared to the prior year was due to an increase in Sanitation service fees of \$1.5 million (or 8.3%), an increase in Other income of \$0.4 million (or 13.2%), offset by a decrease in Water sales and service fees of \$0.7 million (or 1.4%).
- Total operating revenues in Fiscal Year 2020-21 of \$74.5 million, were \$7.1 million (or 10.5%) above the previous year's revenues of \$67.4 million. The increase in revenues as compared to the prior year was due to an increase in Water sales and service fees of \$6.9 million (or 15.1%), an increase in Other income of \$0.3 million (or 10.3%), offset by a slight decrease in Sanitation service fees of \$0.1 million (or 0.7%).
- Total operating expenses in Fiscal Year 2021-22 were \$45.2 million, \$2.3 million (or 5.0%) below the prior year's expenses of \$47.5 million. The decrease in operating expenses as compared to the prior year was due mainly from reduced source of supply costs, down \$2.2 million versus Fiscal Year 2020-21 (or 7.6%) due to lower customer potable water deliveries.
- Total operating expenses in Fiscal Year 2020-21 of \$47.5 million, were \$2.3 million (or 5.2%) higher than the previous year's expenses of \$45.2 million. The increase in operating expenses as compared to the prior year was due mainly from increased source of supply costs, up \$3.4 million versus Fiscal Year 2019-20 (or 13.6%).

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

## **BASIC FINANCIAL STATEMENTS**

Because the District is comprised of three business type enterprises, potable water, recycled water, and sanitation, the Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the District's assets, deferred outflow of resources, liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. This statement measures the stability of the District's operations over the past year and can be used to determine the District's credit worthiness and whether the District has successfully recovered all its costs through its user fees and other charges.

The final required financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the reporting period.

## **FINANCIAL ANALYSIS OF THE DISTRICT**

The Financial Statements provide information on whether the District is in a stronger or weaker financial position compared to the last year. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide a means to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. Considering other non-financial factors such as changes in economic conditions, population growth, weather, and new or changed government legislation is also vital. It is important to note that the District's goal is to have sufficient revenue to cover operating and capital expenses while maintaining affordable rates for its customers.

The District's potable water-budget based rate structure supports a conservation philosophy through an increasing tier structure and an annual incremental increase in the percentage of fixed cost recovered through fixed fees. Over time this structure reduces dependence on fluctuating water sales to meet revenue needs. The District continues to build additional reserves in preparation to construct its Pure Water Las Virgenes – Triunfo project that will take surplus recycled water and process it through an advanced treatment facility; then store it at Las Virgenes Reservoir for later use as drinking water. A total of \$35.0 million has been approved by the District's Board as a designated reserve for the Pure Water project (see Note 13 – Net Position). The District is well positioned to take on the demands of a changing climate to meet its customers water and sanitation needs.

Las Virgenes Municipal Water District operates a Joint Powers Authority (JPA) with Triunfo Water & Sanitation District for the transmission and treatment of sanitation. In conformance with GASB 61, the JPA is presented in the District's Financial Statements as a Discretely Presented Component Unit. The JPA annually issues an Independent Auditors' Report and Financial Statements that includes a Management Discussion and Analysis. It is recommended to review this document for additional information on the financial condition of the JPA.

**Las Virgenes Municipal Water District**

**Management's Discussion and Analysis  
June 30, 2022**

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**NET POSITION**

Table 1 shows a comparative analysis of the District's Net Position. As shown below, net position increased by \$17.3 million to \$286.5 million in Fiscal Year 2021-22, up slightly compared to an increase in net position of \$17.0 million in Fiscal Year 2020-21.

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 128,583	\$ 127,250	\$ 122,170
Capital assets	136,126	129,230	121,812
Investment in JPA	68,942	67,140	66,420
<b>Total Assets</b>	<b>333,651</b>	<b>323,620</b>	<b>310,402</b>
<b>Deferred Outflow of Resources</b>	<b>7,277</b>	<b>8,765</b>	<b>7,846</b>
Long-term liabilities	30,803	47,243	10,115
Other liabilities	9,686	11,470	17,551
<b>Total Liabilities</b>	<b>40,489</b>	<b>58,712</b>	<b>27,666</b>
<b>Deferred Inflows of Resources</b>	<b>13,921</b>	<b>4,439</b>	<b>2,143</b>
Net position:			
Net investment in capital assets	127,736	119,802	111,697
Restricted	-	-	19
Unrestricted	158,783	149,432	140,495
<b>Total Net Position</b>	<b>\$ 286,518</b>	<b>\$ 269,234</b>	<b>\$ 252,211</b>

**REVENUES, EXPENSES AND CHANGES IN NET POSITION**

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position provides information concerning the nature and source of these changes. As shown in Table 2 below, the income before capital contributions was \$13.6 million in Fiscal Year 2021-22 versus \$11.5 million in Fiscal Year 2020-21 and \$16.8 million in 2019-20. The income plus capital contributions (\$13.6 million income plus \$3.7 million capital contributions) lead to the overall increase in net position of \$17.3 million, when compared to last year's ACFR.

## ***Las Virgenes Municipal Water District***

### **Management's Discussion and Analysis June 30, 2022**

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Fiscal Year 2021-22 Water sales and service fees of \$51.6 million decreased 1.4% versus prior years fees of \$52.3 million. This decrease was despite District Board adopted rate increases of 5.0% and 8.0% respectively in the Potable Water Enterprise and Recycled Water Enterprise. The District's targeted outreach program to increase conservation from inefficient and wasteful water users along with on-going drought conservation messaging resulted in lower customer demand for potable water supply in Fiscal Year 2021-22 versus the prior year. Potable water deliveries for the fiscal year of 18,105 acre-feet were down 18.1% versus prior year deliveries of 21,391 acre-feet.

Fiscal Year 2020-21 Water sales and service fees were \$52.3 million, up \$6.9 million (or 15.1%) higher than Fiscal Year 2019-20 fees. This increase was driven by the COVID-19 pandemic and more customers following stay at home orders and utilizing more water.

Sanitation service fees were \$20.3 million in Fiscal Year 2021-22, up \$1.6 million (or 8.3%), as compared to Fiscal Year 2020-21 revenues of \$18.7 million. The District Board adopted a rate increase of 3.75% that drove some of this increase in revenues along with an increase in "household size" among the District's residential customers.

Sanitation service fees of \$18.7 million in Fiscal Year 2020-21 were in line with prior year fees of \$18.8 million, only down \$0.1 million (or 0.7%).

Water operating expenses were \$37.3 million in Fiscal Year 2021-22, lower than the prior year's operating expenses of \$41.0 million due to reduced source of supply costs. Source of supply costs of \$25.9 million were down \$2.2 million (or 7.6%) from reduced customer water deliveries year over year.

Water operating expenses of \$41.0 million in Fiscal Year 2020-21 were \$2.4 million (or 6.2%) higher than operating expenses of \$38.6 million in Fiscal Year 2019-20 due to the higher amount of potable water deliveries versus the prior year.

Sanitation operating expenses were \$3.5 million in Fiscal Year 2021-22, up \$0.8 million (or 28.8%) compared to the prior year. Most of this increase was driven by higher general and administrative labor costs year over year.

Sanitation operating expenses were \$2.7 million in Fiscal Year 2020-21, materially in line with prior year expenses of \$2.6 million.

Share of JPA net expenses reflected in the nonoperating revenues (expenses) section were \$15.3 million in Fiscal Year 2021-22, \$2.7 million (or 14.8%) below prior year's expenses of \$18.0 million. These expenses result from purchased sanitation services from the Las Virgenes-Triunfo Joint Powers Authority (JPA). The JPA received a one-time payment of \$2.8 million in March 2022 and due to the billing arrangement between the District and the JPA, the one-time revenue reduced the net expenses invoiced to the District for sanitation services, resulting in lower operating expenses year-over-year.

**Las Virgenes Municipal Water District**

**Management's Discussion and Analysis  
June 30, 2022**

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Share of JPA net expenses of \$18.0 million in Fiscal Year 2020-21, were \$4.3 million or 31.8% higher than the previous year's expenses of \$13.6 million. Service costs charged by the JPA increased year over year due to a larger focus of staff time allocated to building maintenance and repairs at the Tapia Water and Reclamation Facility along with costs incurred due to an increase of staff time allocated to the District's Pure Water Demo Facility.

Capital contributions are irregular, as the District does not experience many large-scale projects. In July 2019, the District adopted a new capacity fee structure that focuses contributions on maintenance and upgrading of existing infrastructure.

**TABLE 2  
Condensed Statements Revenues  
Expenses and Changes in Net Position**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues:			
Water sales	\$ 51,564	\$ 52,306	\$ 47,672
Sanitation and other	24,174	22,170	19,746
Total operating revenues	<u>75,738</u>	<u>74,476</u>	<u>67,418</u>
Non-operating revenues:			
Taxes and penalties	1,001	929	915
Interest income and other	(2,439)	1,818	7,507
Total non-operating revenues	<u>(1,438)</u>	<u>2,747</u>	<u>8,422</u>
<b>Total Revenues</b>	<u>74,301</u>	<u>77,223</u>	<u>75,840</u>
Depreciation expense	4,413	3,831	4,012
Other operating expenses	40,779	43,714	41,192
Share of JPA net expenses	15,314	17,969	13,634
Non-operating expenses	209	194	231
<b>Total Expenses</b>	<u>60,715</u>	<u>65,708</u>	<u>59,069</u>
Income (Loss) Before Capital Contributions	13,586	11,515	16,771
Capital contributions	<u>3,698</u>	<u>5,498</u>	<u>1,419</u>
Change in net position	17,284	17,013	18,190
Net Position - Beginning of Year, as restated	<u>269,234</u>	<u>252,221</u>	<u>234,021</u>
Net Position - End of Year	<u>\$ 286,518</u>	<u>\$ 269,234</u>	<u>\$ 252,211</u>

## Las Virgenes Municipal Water District

### Management's Discussion and Analysis June 30, 2022

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#### CAPITAL ASSETS

At the end of Fiscal Year 2021-22, the District had invested \$264.1 million in a broad range of infrastructure including water and sewer lines, wastewater facilities, reservoirs, tanks, distribution facilities, compost facility, maintenance and administration facilities, vehicles and equipment and an investment in Joint Venture of \$68.9 million as shown in Table 3. This amount represents a net decrease (including additions, deletions, and depreciation) of \$10.7 million from last year. The decrease is predominantly due to depreciation.

More information about the District's Capital Assets Depreciation policy is presented in Note 2 of the Basic Financial Statements. A more detailed summary of Capital Assets is presented in Note 8 to the Basic Financial Statements.

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

	<b>2022</b>	<b>2021</b>	<b>Dollar Change</b>	<b>Total Percent Change</b>
Land	\$ 6,915	\$ 6,915	\$ -	0.0%
Buildings and improvements	22,095	22,095	-	0.0%
Machinery and equipment	12,170	11,839	331	2.80%
Infrastructure	202,644	200,315	2,329	1.16%
Construction in progress	20,242	11,593	8,649	74.60%
<b>Subtotal</b>	<b>264,066</b>	<b>252,757</b>	<b>11,309</b>	<b>4.47%</b>
Less accumulated depreciation	127,985	123,591	4,394	3.55%
<b>Net Property, Plant and Equipment</b>	<b>136,081</b>	<b>129,166</b>	<b>6,915</b>	<b>5.35%</b>
Intangible right-to-use asset	44,368	63,826	(19,458)	-30.49%
<b>Investment in Joint Venture</b>	<b>68,942</b>	<b>67,140</b>	<b>1,802</b>	<b>2.68%</b>
<b>Total Capital Assets</b>	<b>\$ 249,391</b>	<b>\$ 260,133</b>	<b>\$ (10,741)</b>	<b>-4.13%</b>

**Las Virgenes Municipal Water District**

**Management's Discussion and Analysis  
June 30, 2022**

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The following is a summary of some of the major improvements to the system over the last three fiscal years:

**TABLE 4  
Major Capital Improvement Projects  
(in thousands of dollars)**

	<b>2022</b>
AMR Implementation	\$ 6,864
Interconnection with CMWD	1,680
Woolsey Fire Repair - WFP	1,212
<b>Total major projects FY 2022</b>	<b>\$ 9,756</b>

	<b>2021</b>
Rancho LV digester/cleaning/repair	\$ 1,748
Pure water demonstration	1,429
Tapia pgmble log controller	1,249
Cordillera tank rehabilitation	927
Tapia hypochlorite tank replacement	619
<b>Total major projects FY 2021</b>	<b>\$ 5,972</b>

	<b>2020</b>
Process air improvements	\$ 3,640
Pure water demonstration project	3,428
Rancho Las Virgenes digester cleaning and repair	578
Tapia headworks white room	318
Summer season TMDL compliance	260
<b>Total major projects FY 2020</b>	<b>\$ 8,224</b>



**LONG TERM DEBT**

On June 30, 2022, the District had total long-term debt of \$8.4 million, down from 9.4 million on June 30, 2021. Excluding the District's minimal lease liability on the balance sheet of \$45 thousand, this remaining debt is solely the obligation of the Potable Water Enterprise and is for the Advanced Meter Infrastructure project. More detailed information about the District's long-term liabilities is presented in Note 10 to the Basic Financial Statements.

**TABLE 5  
Debt Coverage Ratio  
(in thousands of dollars)**

	<u>2022</u>
Total operating revenues	\$ 51,564
Total operating expenses (less depreciation)	<u>37,191</u>
<b>Net Earnings</b>	<u>14,373</u>
Maximum annual debt service	1,127
<b>Debt Coverage Ratio</b>	<u><u>12.75</u></u>

The District has outstanding debt from an installment purchase agreement entered in March 2020. The District's current average cost of capital was 2.47% at June 30, 2022, as shown on Table 6.

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

	<u>Debt Balance</u>	<u>Average Coupon Rate</u>
Installment Purchase Agreement	\$ 8,345	2.47%

**CONTACTING THE DISTRICT'S FINANCIAL MANAGER**

This financial report is designed to provide our residents, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Las Virgenes Municipal Water District, Department of Finance and Administration, 4232 Las Virgenes Road, Calabasas, California, 91302; or visit our website at [www.lvmwd.com](http://www.lvmwd.com).

## **BASIC FINANCIAL STATEMENTS**

# Las Virgenes Municipal Water District

## Statements of Net Position June 30, 2022 and 2021

ASSETS	Primary Government		Discretely Presented Component Unit - JPA	
	2022	2021	2022	2021
<b>Current assets:</b>				
Cash and investments (Note 3)	\$ 102,623,596	\$ 102,127,442	\$ 7,312,917	\$ 4,921,769
Receivables:				
Sales and services, net of allowance for uncollectible (Note 4)	7,629,895	8,901,721	5,199,331	2,289,417
Due from Joint Powers Authority (Note 6)	5,301,911	2,963,776	-	-
Leases (Note 7)	1,422,515	1,557,244	-	-
Interest	73,968	227,285	3,748	31,505
Interest receivable - designated for capital projects	-	-	-	-
Taxes	65,616	62,529	-	-
Other	732,704	483,277	-	-
Inventories (Note 5)	9,037,987	9,451,015	-	-
Prepaid items	1,695,272	1,475,537	221,407	196,065
<b>Total current assets</b>	<b>128,583,464</b>	<b>127,249,826</b>	<b>12,737,403</b>	<b>7,438,756</b>
<b>Noncurrent assets:</b>				
Investments in Joint Powers Authority (Note 6)	68,941,953	67,140,428	-	-
Capital assets (Note 8):				
Nondepreciable	27,157,400	18,508,524	25,388,592	22,106,730
Depreciable, net of accumulated depreciation	108,924,048	110,657,565	75,744,919	76,255,754
Intangible right-to-use asset	44,368	63,826	-	-
Capital assets, net	136,125,816	129,229,915	101,133,511	98,362,484
<b>Total noncurrent assets</b>	<b>205,067,769</b>	<b>196,370,343</b>	<b>101,133,511</b>	<b>98,362,484</b>
<b>Total assets</b>	<b>333,651,233</b>	<b>323,620,169</b>	<b>113,870,914</b>	<b>105,801,240</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension-related deferred outflows of resources (Note 11)	4,092,317	5,345,419	-	-
OPEB-related deferred outflows of resources (Note 12)	3,185,101	3,419,461	-	-
<b>Total deferred outflows of resources</b>	<b>7,277,418</b>	<b>8,764,880</b>	<b>-</b>	<b>-</b>

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

# Las Virgenes Municipal Water District

## Statements of Net Position (Continued) June 30, 2022 and 2021

LIABILITIES	Primary Government		Discretely Presented Component Unit - JPA	
	2022	2021	2022	2021
<b>Current liabilities:</b>				
Accounts and contracts payable and accrued expenses	\$ 4,867,954	\$ 7,751,347	\$ 1,894,716	\$ 2,021,757
Interest payable	27,170	30,254	-	-
Unearned capacity and developer fees	4,181,727	3,135,041	-	-
Due to primary government	-	-	-	2,963,776
Due to other government	-	-	10,842,687	2,453,223
Deposits and other	609,300	552,916	-	-
Compensated absences - due within one year (Note 9)	922,090	766,666	-	-
Long-term debt - due within one year (Note 10)	994,773	1,014,214	-	-
<b>Total current liabilities</b>	<b>11,603,014</b>	<b>13,250,438</b>	<b>12,737,403</b>	<b>7,438,756</b>
<b>Noncurrent liabilities:</b>				
Compensated absences (Note 9)	1,327,473	1,699,633	-	-
Long-term debt - due in more than one year (Note 10)	7,395,475	8,350,248	-	-
Net pension liabilities (Note 11)	8,911,310	21,705,685	-	-
Net OPEB liabilities (Note 12)	11,251,628	13,706,306	-	-
<b>Total noncurrent liabilities</b>	<b>28,885,886</b>	<b>45,461,872</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>40,488,900</b>	<b>58,712,310</b>	<b>12,737,403</b>	<b>7,438,756</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension-related deferred inflows of resources (Note 11)	9,590,920	-	-	-
OPEB-related deferred inflows of resources (Note 12)	2,927,001	2,891,181	-	-
Leases (Note 7)	1,403,538	1,547,525	-	-
<b>Total deferred inflows of resources</b>	<b>13,921,459</b>	<b>4,438,706</b>	<b>-</b>	<b>-</b>
<b>NET POSITION (Note 13)</b>				
Primary government's net investment in capital assets	127,735,568	119,801,627	67,736,136	65,742,118
Other government's net investment in capital assets	-	-	33,397,375	32,620,366
Unrestricted (deficit)	158,782,724	149,432,406	-	-
<b>Total net position</b>	<b>\$ 286,518,292</b>	<b>\$ 269,234,033</b>	<b>\$ 101,133,511</b>	<b>\$ 98,362,484</b>

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

# Las Virgenes Municipal Water District

## Statements of Revenues, Expenses, and Changes in Net Position For the Years Ended June 30, 2022 and 2021

	Primary Government		Discretely Presented Component Unit - JPA	
	2022	2021	2022	2021
<b>Operating revenues:</b>				
Water sales and service fees	\$ 51,563,750	\$ 52,305,916	\$ -	\$ -
Sanitation service fees	20,241,160	18,695,027	-	-
Wholesale recycle water sales	-	-	2,534,154	2,638,344
Other income	3,933,293	3,474,874	96,797	52,229
<b>Total operating revenues</b>	<b>75,738,203</b>	<b>74,475,817</b>	<b>2,630,951</b>	<b>2,690,573</b>
<b>Operating expenses:</b>				
Water expenses:				
Source of supply	25,976,620	28,127,836	-	-
Pumping	2,547,982	1,979,392	-	-
Transmission and distribution	3,324,051	2,867,892	-	-
Meter	1,015,754	1,018,174	-	-
Water conservation	81,837	166,425	-	-
Rental	-	31,304	-	-
General and administrative	4,366,394	6,831,602	-	-
<b>Total water expenses</b>	<b>37,312,638</b>	<b>41,022,625</b>	<b>-</b>	<b>-</b>
Sanitation expenses:				
Other sewage treatment	652,373	513,514	-	-
Lift stations	224,904	264,218	-	-
General and administrative	2,589,083	1,913,891	-	-
<b>Total sanitation expenses</b>	<b>3,466,360</b>	<b>2,691,623</b>	<b>-</b>	<b>-</b>
JPA expenses:				
Operating expenses	-	-	10,312,238	10,314,764
General and administrative	-	-	10,533,042	11,600,875
<b>Total JPA expenses</b>	<b>-</b>	<b>-</b>	<b>20,845,280</b>	<b>21,915,639</b>
Depreciation	4,413,070	3,831,467	5,824,838	5,799,831
<b>Total operating expenses</b>	<b>45,192,068</b>	<b>47,545,715</b>	<b>26,670,118</b>	<b>27,715,470</b>
Billings to primary government	-	-	10,379,978	13,005,183
Billings to other government	-	-	4,986,536	5,995,455
<b>Total JPA billings</b>	<b>-</b>	<b>-</b>	<b>15,366,514</b>	<b>19,000,638</b>
<b>Net Operating Income (Loss)</b>	<b>30,546,135</b>	<b>26,930,102</b>	<b>(8,672,653)</b>	<b>(6,024,259)</b>

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

# Las Virgenes Municipal Water District

## Statements of Revenues, Expenses, and Changes in Net Position (Continued) For the Years Ended June 30, 2022 and 2021

	Primary Government		Discretely Presented Component Unit - JPA	
	2022	2021	2022	2021
<b>Nonoperating revenues (expenses):</b>				
Taxes and penalties	\$ 1,001,168	\$ 928,980	\$ -	\$ -
Lease income	81,341	82,517	-	-
Interest income	(3,099,429)	222,879	34,783	50,601
Facilities income (expense)	347,660	358,409	-	-
Interest expense and fiscal charges	(209,238)	(193,592)	(1,677)	-
Share of Joint Powers Authority (expense)	(15,313,520)	(17,969,146)	-	-
Gain on disposal of capital assets	-	51,794	-	-
Other revenues/(expenses)	231,659	1,102,894	2,814,709	177,647
<b>Total nonoperating revenues (expenses)</b>	<b>(16,960,359)</b>	<b>(15,415,265)</b>	<b>2,847,815</b>	<b>228,248</b>
<b>Capital contributions:</b>				
Capital contributions from others	3,698,483	5,497,996	-	-
Capital contributions from primary government	-	-	6,068,680	4,966,976
Capital contributions from other government	-	-	2,527,185	2,068,401
<b>Total capital contributions</b>	<b>3,698,483</b>	<b>5,497,996</b>	<b>8,595,865</b>	<b>7,035,377</b>
<b>Changes in Net Position</b>	<b>17,284,259</b>	<b>17,012,833</b>	<b>2,771,027</b>	<b>1,239,366</b>
<b>Net position:</b>				
Beginning of year, as restated (Note 16)	269,234,033	252,221,200	98,362,484	97,123,118
End of year	<b>\$ 286,518,292</b>	<b>\$ 269,234,033</b>	<b>\$ 101,133,511</b>	<b>\$ 98,362,484</b>

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

# Las Virgenes Municipal Water District

## Statements of Cash Flows For the Years Ended June 30, 2022 and 2021

	Primary Government	
	2022	2021
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 77,589,348	\$ 70,697,150
Cash payments to suppliers for operations	(35,659,978)	(34,600,495)
Cash received from (paid to) Joint Powers Authority	(2,338,135)	4,551,629
Cash payments for general and administrative expenses	(11,307,064)	(8,237,263)
Cash received from others	-	3,690,898
<b>Net cash provided by operating activities</b>	<u>28,284,171</u>	<u>36,101,919</u>
<b>Cash flows from noncapital financing activities:</b>		
Receipt from facilities charges	-	358,409
Receipt from other revenues	-	1,102,890
Property taxes and fee collected	998,081	998,457
<b>Net cash provided by noncapital financing activities</b>	<u>998,081</u>	<u>2,459,756</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(11,308,971)	(11,185,202)
Proceeds from sale of assets	-	51,794
Capital contribution	3,698,483	5,497,996
Repayment of bonds payable and leases	(974,214)	(834,309)
Leases receivable	134,729	-
Other lease income	(62,646)	-
Interest payment	(213,903)	(179,342)
Capital facilities and developer fees received	-	864,945
Capital facilities and developer fees refunded and developer fees used	-	(6,754,328)
<b>Net cash (used in) capital and related financing activities</b>	<u>(8,726,522)</u>	<u>(12,538,446)</u>
<b>Cash flows from investing activities:</b>		
Interest received	(2,944,531)	371,112
Contributions to Joint Power Authority	(17,115,045)	(18,689,727)
<b>Net cash (used in) investing activities</b>	<u>(20,059,576)</u>	<u>(18,318,615)</u>
<b>Net Change in Cash and Cash Equivalents</b>	496,154	7,704,614
<b>Cash and cash equivalents:</b>		
Beginning of year (as reclassified, see Note 2)	102,127,442	94,422,828
End of year	<u>\$ 102,623,596</u>	<u>\$ 102,127,442</u>
<b>Noncash investing activities:</b>		
Change in fair value of investments	<u>\$ (3,956,272)</u>	<u>\$ 859,677</u>

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

# Las Virgenes Municipal Water District

## Statements of Cash Flows (Continued) For the Years Ended June 30, 2022 and 2021

	Primary Government	
	2022	2021
<b>Reconciliation of net operating income to net cash provided by operating activities:</b>		
Net operating income	\$ 30,546,135	\$ 26,930,102
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	4,413,070	3,831,467
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	1,601,718	(375,031)
(Increase) decrease in due from Joint Powers Authority	(2,338,135)	4,551,629
(Increase) decrease in inventories	413,028	165,879
(Increase) decrease in prepaid items	(219,735)	(279,434)
(Increase) decrease in deferred outflows or resources - pension	1,253,102	(1,154,336)
(Increase) decrease in deferred outflows or resources - OPEB	234,360	235,315
Increase (decrease) in accounts and contracts payable and accrued expenses	(1,836,707)	1,869,375
Increase (decrease) in compensated absences	(216,736)	108,166
Increase (decrease) in deposits and other	56,384	287,163
Increase (decrease) in net pension liability	(12,794,375)	3,480,859
Increase (decrease) in net OPEB liability	(2,454,678)	(4,297,598)
Increase (decrease) in deferred inflows or resources - pension	9,590,920	(1,850,292)
Increase (decrease) in deferred inflows or resources - OPEB	35,820	2,598,655
<b>Net cash provided by operating activities</b>	<b>\$ 28,284,171</b>	<b>\$ 36,101,919</b>

### Disclosure of noncash transactions:

None

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



# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 1 - Reporting Entity**

Las Virgenes Municipal Water District (the “District”) is organized under the Municipal Water District Act of 1911 (California Water Code 71000). A five-member board of directors, who are elected by geographic divisions, provide governance. The District was formed to secure a high quality, reliable source of water for areas which include the cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village, plus surrounding unincorporated portions of western Los Angeles County.

### ***Discretely Presented Component Unit***

The Las Virgenes-Triunfo Joint Powers Authority (“JPA”) was created on October 12, 1964 between the District and Triunfo Water & Sanitation District (“TWSD”) for the purpose of constructing, operating, maintaining, and providing for the replacement of a joint sewage system to serve the Malibu Canyon drainage area. The JPA consists of ten board members where five of them are the board members of the District and the other five are the board members of TWSD. The JPA is fiscally dependent in that the JPA could not issue bonded debt without approval from the District. There is a financial benefit and burden relationship between the District and the JPA. The JPA issues a separate financial report that is available upon request from the District. The financial statements of the JPA are included as a discretely presented component of the District’s financial statements.

### **Note 2 - Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the District.

The financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

The Statement of Net Position reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

**Deferred Outflows of Resources** represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net assets from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, settlement receivable allowance, and other infrequently occurring transaction of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

#### ***Cash, Cash Equivalents, and Investments***

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund ("LAIF"), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and assets-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the fair value of the pool shares.

The District also participates in the California Asset Management Program ("CAMP"). CAMP is a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is managed to maintain a dollar-weighted average portfolio of 60 days or less and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions. The Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Cash, Cash Equivalents, and Investments (Continued)***

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk

#### ***Restricted Cash and Investments***

Cash and investments with fiscal agents are restricted due to limitations on their use by bond covenants or donor limitations. Fiscal agents acting on behalf of the District hold investment funds arising from the proceeds of long-term debt issuances. The funds may be used for specific capital outlays or for the payment of certain bonds, and have been invested only as permitted by specific State statutes or applicable District ordinance, resolution or bond indenture.

#### ***Fair Value Measurements***

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- |         |   |
|---------|---|
| Level 1 | Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.  |
| Level 2 | Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date |
| Level 3 | Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.        |

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Receivables and Unbilled Revenues***

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts, if any. The District also accrues an estimated amount for services that have been provided, but not yet billed as of June 30. Federal and State grants accrued as revenue when all eligibility requirements have been met. Amount earned but outstanding at year end are reported as due from other governments.

#### ***Inventories***

Inventories consist of expendable materials, supplies, and water in storage and are stated at average cost. Inventory is valued the using normal average cost method.

#### ***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

#### ***Capital Assets***

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at their acquisition value on the date donated. The District policy has set the capitalization threshold for reporting capital assets at \$5,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

#### **Primary Government**

<b>Water Plant</b>	Source of supply (primarily water tanks)	10-100 Years
	Plant	10-75 Years
	Structures	25-35 Years
<b>Sanitation Plant</b>	Plant	10-100 Years
	Machinery and equipment	3-25 Years
<b>General Utility Plant</b>	Building and improvements	10-50 Years
	Machinery and equipment	3-25 Years

#### **Discretely Presented Component Unit - JPA**

<b>Recycle Water Plans</b>	Plant	10-100 Years
	Machinery and equipment	3-25 Years

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Capital Assets (Continued)***

Major outlays for capital assets are capitalized as projects, once constructed, and repairs and maintenance costs are expensed.

#### ***Capital Contributions***

Prepayments of water and sewer capacity fees/connection fees assessed by the District are reported as unearned revenues until construction of the related projects has commenced and the District is reasonably certain they will be completed. Upon completion, the applicable amounts are recognized as capital contributions.

#### ***Compensated Absences***

District's policy permits its employees to accumulate not more than 288 hours of their current annual vacation for the miscellaneous general and office units and not more than 311 hours for the supervisor, professional, confidential, and management units. General Managers are compensated five days into accrued sick leave bank at onset of employment and eight hours per month thereafter up to 96 hours per year with a maximum of 311 hours accrual. Non-represented employees are compensated eight hours per month. The annual accrual of sick leave has no maximum accrual. The combined unused vacation and sick pay will be paid to the employee or his/her beneficiary upon leaving the District's employment. The amount due will be determined using the salary/wage rate in effect at the time of separation and vesting period.

All vested vacation and compensatory leave time is recognized as an expense and as a liability at the time the benefit vests. The liability for compensated absences is included as part of compensated absences payable from unrestricted current assets.

#### ***Long-Term Debt***

Debt premiums and discounts are amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable unamortized bond premium or discount. Debt issuance costs are expensed when incurred.

#### ***Arbitrage Rebate Requirement***

The District is subject to the Internal Revenue Code ("IRC") Section 148(f), related to its tax-exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The District had no rebate liability for arbitrage as of June 30, 2022 and 2021.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Pension***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

For the Year Ended	June 30, 2022
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

For the Year Ended	June 30, 2021
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

#### ***Other Postemployment Benefits ("OPEB")***

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined by an actuary. Investments are reported at fair value.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Other Postemployment Benefits (“OPEB”) (Continued)***

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

For the Year Ended	June 30, 2022
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021
For the Year Ended	June 30, 2021
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

#### ***Net Position***

Net position represents the difference between all other elements in the statement of net position and is displayed in the following three components:

**Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted** - This component of net position consists of restricted assets and related deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets.

**Unrestricted** - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

#### ***Property Taxes***

Property taxes are levied on March 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Los Angeles, California (“County”) bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Property Taxes (Continued)***

The County is permitted by State law to levy on properties at 1% of full market value (at time of purchase) and can increase the property tax rate at no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978.

Property taxes are recognized in the fiscal year for which the taxes have been levied.

No allowance for doubtful accounts was considered necessary.

#### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

#### ***Accounting Changes***

During the fiscal year ended June 30, 2022, the District implemented the following accounting standards:

- In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB Statement No. 87 is effective for the District's fiscal year ending June 30, 2022.
- In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB Statement No. 89), to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB Statement No. 89 is effective for the District's fiscal year ending June 30, 2022.



# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Accounting Changes (Continued)***

- In January 2020, GASB issued Statement No. 92, *Omnibus 2020 (GASB Statement No. 92)*, to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. GASB Statement No. 92 is effective for the District's fiscal year ending June 30, 2022.
- In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32 (GASB Statement No. 97)*, to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 is effective for the District's fiscal year ending June 30, 2022.

#### ***Upcoming New GASB Pronouncements***

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

- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations (GASB Statement No. 91)*, to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 91 originally effective for the District's fiscal year ending June 30, 2022, has been postponed to fiscal year ending June 30, 2023.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Upcoming New GASB Pronouncements (Continued)***

- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* (GASB Statement No. 93), to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) - most notably, the London Interbank Offered Rate (LIBOR) which is expected to cease to exist in its current form at the end of 2021. GASB Statement No. 93 originally effective for the District's fiscal year ending June 30, 2022, has been postponed to fiscal year ending June 30, 2023.
- In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB Statement No. 94) to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). GASB Statement No. 94 is effective for the District's fiscal year ending June 30, 2023.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96), to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB Statement No. 96 is effective for the District's fiscal year ending June 30, 2023.
- In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB Statement No. 99) To provide guidance on enhancing comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. GASB Statement No. 99 is effective for the District's fiscal year ending June 30, 2023.
- In April 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB No. 62* (GASB Statement No. 100) to provide guidance on accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. GASB Statement No. 100 is effective for the District's fiscal year ending June 30, 2023.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 2 - Summary of Significant Accounting Policies (Continued)

#### Upcoming New GASB Pronouncements (Continued)

- In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

### Note 3 - Cash and Investments

At June 30, 2022 and 2021, cash and investments are classified in the accompanying statements of net position as follows:

	2022			2021		
	Primary Government	Discretely Presented Component Unit - JPA	Total	Primary Government	Discretely Presented Component Unit - JPA	Total
<b>Total Cash and Investments</b>	\$ 102,623,596	\$ 7,312,917	\$ 109,936,513	\$ 102,127,442	\$ 4,921,769	\$ 107,049,211

At June 30, 2022 and 2021, cash and investments consisted of the following:

	2022			2021		
	Primary Government	Discretely Presented Component Unit - JPA	Total	Primary Government	Discretely Presented Component Unit - JPA	Total
<b>Deposits:</b>						
Demand deposits	\$ 2,073,575	\$ 147,754	\$ 2,221,329	\$ 675,786	\$ 404,635	\$ 1,080,421
Petty cash	1,400	-	1,400	2,200	-	2,200
<b>Total Deposits</b>	<u>2,074,975</u>	<u>147,754</u>	<u>2,222,729</u>	<u>677,986</u>	<u>404,635</u>	<u>1,082,621</u>
<b>Investments:</b>						
Money market mutual funds	-	-	-	39,270	-	39,270
Municipal bonds	15,465,799	-	15,465,799	14,823,480	-	14,823,480
U.S. Government Sponsored Agency Security	37,992,363	4,412,700	42,405,063	35,051,609	762,147	35,813,756
Certificate of deposit	8,462,669	-	8,462,669	9,314,449	-	9,314,449
California Asset Management Program	12,257,911	873,450	13,131,361	11,112,809	-	11,112,809
California Local Agency Investment Fund	26,369,879	1,879,013	28,248,892	31,107,839	3,754,987	34,862,826
<b>Total Investments</b>	<u>100,548,621</u>	<u>7,165,163</u>	<u>107,713,784</u>	<u>101,449,456</u>	<u>4,517,134</u>	<u>105,966,590</u>
<b>Total Cash and Investments</b>	<u>\$ 102,623,596</u>	<u>\$ 7,312,917</u>	<u>\$ 109,936,513</u>	<u>\$ 102,127,442</u>	<u>\$ 4,921,769</u>	<u>\$ 107,049,211</u>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 3 - Cash and Investments (Continued)

#### Fair Value Measurement

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are valued using a matrix pricing model and Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 are valued using the following inputs:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; or
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

The District has no investments categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

At June 30, 2022 and 2021, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2022 and 2021:

	2022			2021		
	Significant Other Observable Input (Level 2)	Uncategorized	Total	Significant Other Observable Input (Level 2)	Uncategorized	Total
Money market mutual funds	\$ -	\$ -	\$ -	\$ -	\$ 39,270	\$ 39,270
Municipal Bonds	15,465,799	-	15,465,799	14,823,480	-	14,823,480
Federal Agricultural Mortgage Corporation	14,303,260	-	14,303,260	9,604,933	-	9,604,933
Federal Farm Credit Bank	13,420,620	-	13,420,620	11,108,810	-	11,108,810
Federal Home Loan Bank	8,202,753	-	8,202,753	4,103,100	-	4,103,100
Federal Home Loan Mortgage Corporation	1,845,150	-	1,845,150	7,013,123	-	7,013,123
Federal Nation Mortgage Association	3,697,950	-	3,697,950	2,977,810	-	2,977,810
Tennessee Valley Authority	935,330	-	935,330	1,005,980	-	1,005,980
Certificate of Deposit	8,462,669	-	8,462,669	9,314,449	-	9,314,449
California Asset Management Program	-	13,131,361	13,131,361	-	11,112,809	11,112,809
California Local Agency Investment Fund	-	28,248,892	28,248,892	-	34,862,826	34,862,826
<b>Total Investments</b>	<b>\$ 66,333,531</b>	<b>\$ 41,380,253</b>	<b>\$ 107,713,784</b>	<b>\$ 59,951,685</b>	<b>\$ 46,014,905</b>	<b>\$ 105,966,590</b>

#### Demand Deposits

Demand deposits are held in pool by the District. The carrying amounts of cash deposits were \$2,221,329 and \$1,080,421 at June 30, 2022 and 2021, respectively. Bank balances at June 30, 2022 and 2021 were \$3,507,298 and \$3,068,836 respectively, which were fully insured and/or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 3 - Cash and Investments (Continued)**

#### ***Demand Deposits (Continued)***

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The fair value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

#### ***Investment Pools***

The District is a voluntary participant in the California Local Agency Investment Fund ("LAIF") that is regulated by California Government Code Section 18429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The District's investments with LAIF include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

These investments include the following:

- **Structured Notes** - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- **Asset-Backed Securities** - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

JPA's investment in LAIF was pooled with the District. As of June 30, 2022, and 2021, the District had \$28,248,892 and \$34,862,826 respectively, invested in LAIF, which had invested 1.14% and 2.62% of the pool investment funds in Structured Notes and Asset-Backed Securities, respectively. The value of the investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are reported at net asset value.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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### Note 3 - Cash and Investments (Continued)

#### *Investment Pools (Continued)*

The District is also a voluntary participant in CAMP, a Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP pool is a permitted investment for all local agencies under California Government Code Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers. There are no withdrawal limitations or restrictions.

#### *Investments Authorized by the California Code and the District's Investment Policy*

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States treasury bills, bonds and notes	5 years	None	None
United States government sponsored agency securities	5 years	None	None
Time deposits	1 year	25%	None
Repurchase agreements/reverse repurchase agreement	30 days	25%/10%	None
California Asset Management Program (CAMP)	None	25%	\$75,000,000
California Local Agency Investment Fund (LAIF)	None	25%	\$75,000,000
Bonds issue by local agencies or states	5 years	None	None
Certificates of deposit (negotiable/non-negotiable/placement)	5 years	25%	\$250,000

#### *Investments Authorized by Debt Agreements*

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees.

The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of risk.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 3 - Cash and Investments (Continued)

#### Investments Authorized by Debt Agreements (Continued)

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Maximum Investment in One Issuer
United States treasury obligations	None	None	None
United States government sponsored agency securities	3 years	None	None
Time deposits	360 days	None	None
Banker's acceptances	360 days	None	None
Money market mutual fund	None	None	None
California Asset Management Program (CAMP)	None	None	None
California Local Agency Investment Fund (LAIF)	None	None	None
Commercial paper	270 days	None	None
Investment agreement	None	None	None
Other investments approved by bond insurer	None	None	None

#### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following tables that shows the distribution of the District's investments by maturity as of June 30, 2022 and 2021.

Investment Type	2022					Fair Value Total
	Remaining Maturity (in Years)					
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
Municipal bonds	\$ 4,862,554	\$ 3,701,611	\$ 2,781,739	\$ 885,240	\$ 3,234,655	\$ 15,465,799
Federal Agricultural Mortgage Corporation	1,995,990	1,991,670	3,808,180	3,687,220	2,820,200	14,303,260
Federal Farm Credit Bank	1,999,550	4,917,890	-	3,659,640	2,843,540	13,420,620
Federal Home Loan Bank	1,002,850	2,480,023	963,220	914,760	2,841,900	8,202,753
Federal Home Loan Mortgage Corporation	-	-	-	1,845,150	-	1,845,150
Federal Nation Mortgage Association	-	-	-	3,697,950	-	3,697,950
Tennessee Valley Authority	-	-	935,330	-	-	935,330
Certificate of deposit	1,716,739	1,707,437	2,333,645	1,567,735	1,137,113	8,462,669
California Asset Management Program	13,131,361	-	-	-	-	13,131,361
California Local Agency Investment Fund (LAIF)	28,248,892	-	-	-	-	28,248,892
	<u>\$ 52,957,936</u>	<u>\$ 14,798,631</u>	<u>\$ 10,822,114</u>	<u>\$ 16,257,695</u>	<u>\$ 12,877,408</u>	<u>\$ 107,713,784</u>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 3 - Cash and Investments (Continued)

#### Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	2021					Fair Value Total
	Remaining Maturity (in Years)					
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
Money market mutual funds	\$ 39,270	\$ -	\$ -	\$ -	\$ -	\$ 39,270
Municipal bonds	2,882,116	4,487,221	3,911,658	2,583,328	959,157	14,823,480
Federal Agricultural Mortgage Corporation	473,593	1,030,040	1,053,910	3,068,620	3,978,770	9,604,933
Federal Farm Credit Bank	-	2,063,580	4,099,530	1,002,590	3,943,110	11,108,810
Federal Home Loan Bank	-	1,057,920	1,065,890	989,830	989,460	4,103,100
Federal Home Loan Mortgage Corporation	2,031,900	-	996,990	1,008,760	2,975,473	7,013,123
Federal Nation Mortgage Association	-	-	-	-	2,977,810	2,977,810
Tennessee Valley Authority	-	-	-	1,005,980	-	1,005,980
Certificate of deposit	1,731,856	1,759,892	1,562,339	2,543,277	1,717,085	9,314,449
California Asset Management Program	11,112,809	-	-	-	-	11,112,809
California Local Agency Investment Fund (LAIF)	34,862,826	-	-	-	-	34,862,826
	<u>\$ 53,134,370</u>	<u>\$ 10,398,653</u>	<u>\$ 12,690,317</u>	<u>\$ 12,202,385</u>	<u>\$ 17,540,865</u>	<u>\$ 105,966,590</u>

#### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the District's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard and Poor's, and Moody's Investors Service. Presented in the following tables are the Standard and Poor's credit ratings for the District's investments as of June 30, 2022 and 2021.

Investment Type	2022					
	Total as of June 30, 2022	Minimum Legal Requirement	AAA	AA+/-	A+	Unrated
	Money market mutual funds	\$ -	None	\$ -	\$ -	\$ -
Municipal bonds	15,465,799	AA-	1,460,125	7,985,930	-	6,019,744
Federal Agricultural Mortgage Corporation	14,303,260	None	-	-	-	14,303,260
Federal Farm Credit Bank	13,420,620	None	13,420,620	-	-	-
Federal Home Loan Bank	8,202,753	None	8,202,753	-	-	-
Federal Home Loan Mortgage Corporation	1,845,150	None	1,845,150	-	-	-
Federal Nation Mortgage Association	3,697,950	None	3,697,950	-	-	-
Tennessee Valley Authority	935,330	None	935,330	-	-	-
Certificate of deposit	8,462,669	None	-	-	-	8,462,669
California Asset Management Program	13,131,361	None	-	-	-	13,131,361
California Local Agency Investment Fund (LAIF)	28,248,892	None	-	-	-	28,248,892
	<u>\$ 107,713,784</u>		<u>\$ 29,561,928</u>	<u>\$ 7,985,930</u>	<u>\$ -</u>	<u>\$ 70,165,926</u>

Investment Type	2021					
	Total as of June 30, 2021	Minimum Legal Requirement	AAA	AA+/-	A+	Unrated
	Money market mutual funds	\$ 39,270	None	\$ 39,270	\$ -	\$ -
Municipal bonds	14,823,480	AA-	750,862	14,072,618	-	-
Federal Agricultural Mortgage Corporation	9,604,933	None	-	-	-	9,604,933
Federal Farm Credit Bank	11,108,810	None	-	2,982,430	-	8,126,380
Federal Home Loan Bank	4,103,100	None	-	-	-	4,103,100
Federal Home Loan Mortgage Corporation	7,013,123	None	-	-	-	7,013,123
Federal Nation Mortgage Association	2,977,810	None	-	-	-	2,977,810
Tennessee Valley Authority	1,005,980	None	-	-	-	1,005,980
Certificate of deposit	9,314,449	None	-	-	-	9,314,449
California Asset Management Program	11,112,809	None	-	-	-	1,112,809
California Local Agency Investment Fund (LAIF)	34,862,826	None	-	-	-	34,862,826
	<u>\$ 105,966,590</u>		<u>\$ 790,132</u>	<u>\$ 17,055,048</u>	<u>\$ -</u>	<u>\$ 78,148,410</u>



# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 3 - Cash and Investments (Continued)**

#### ***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single investment. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Further, the District's policy allows no more than 50% of the total investment portfolio to be invested in a single security issuer or with a single financial institution, with the exception of U.S. Treasury securities and authorized pools. As of June 30, 2022 and 2021, the District had no investments exceed this limit.

#### ***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2022, the District's deposits with financial institutions are interest bearing, and have a limited insurance coverage with the federal deposit insurance corporation up to \$250,000. Any amounts in excess of \$250,000 per institution are collateralized by the bank with pledged securities.

### **Note 4 - Accounts Receivable**

Accounts receivable primarily consist of sales and services fees as well as the District's allocation of property taxes collected but not remitted by Los Angeles County. As of June 30, 2022 and 2021, sales and services receivable, net of allowance for uncollectible accounts, were in the amount of \$7,629,895 and \$8,901,721 for the District and \$5,199,331 and \$2,289,417 for the JPA, respectively. As of June 30, 2022 and 2021, allowance for uncollectible accounts were in the amount of \$135,000 and \$126,000 for the District. The JPA does not have any allowance for uncollectible accounts as of June 30, 2022 and 2021.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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### Note 5 - Inventories

Inventories consisted of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
<b>Primary Government</b>		
Material and supplies	\$ 993,224	\$ 881,651
Water in storage	8,044,763	8,569,364
<b>Total</b>	<u>\$ 9,037,987</u>	<u>\$ 9,451,015</u>

Water in storage was calculated by taking the volume of the reservoir and tanks times the average cost per acre foot.

### Note 6 - Investment in Joint Powers Authority

The District was the designated administering agent for the Las Virgenes-Triunfo Joint Powers Authority ("JPA"). Costs and capital contributions are generally shared by the two districts in accordance with capacity rights reserved in each component of the joint system. Maintenance and operating costs are pro-rated to the districts in accordance with the average monthly flows contributed by each to the system. The allocation of construction costs related to projects in process is based upon engineering estimates of the capacity rights and is subject to increase or decrease when final costs are determined.

A summary of changes in investment in Joint Powers Authority is as follows:

	<u>2022</u>	<u>2021</u>
Beginning of year	\$ 67,140,428	\$ 66,419,847
Contributions	17,115,046	18,689,727
Share in income (loss):		
Sanitation expenses	(11,046,366)	(13,722,750)
Depreciation expense	(4,267,155)	(4,246,396)
End of year	<u>\$ 68,941,953</u>	<u>\$ 67,140,428</u>

Investment in Joint Powers Authority includes capitalized interest for the debt issued for the JPA's facilities held under the District's name as follows:

	<u>2022</u>	<u>2021</u>
Primary government's net investment in JPA's capital assets	\$ 67,754,370	\$ 65,742,118
Capitalized interest, net	1,187,583	1,398,310
Investment in JPA	<u>\$ 68,941,953</u>	<u>\$ 67,140,428</u>

## Las Virgenes Municipal Water District

### Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

#### Note 6 - Investment in Joint Powers Authority (Continued)

Condensed financial statement of the JPA as of and for the year ended June 30, 2022 and 2021 including the participants' approximate percentage shares as follows:

	2022			2021		
	Amount	Las Virgenes Municipal Water District	Triunfo Sanitation District	Amount	Las Virgenes Municipal Water District	Triunfo Sanitation District
Total assets	\$ 113,870,914	67%	33%	\$ 105,801,240	67%	33%
Total liabilities	12,737,403	67%	33%	7,438,756	67%	33%
Total equity	101,133,511	70%	30%	98,362,484	70%	30%
Billings to participants	15,366,514	67%	33%	19,000,638	67%	33%
Depreciation	5,824,838	70%	30%	5,799,831	70%	30%
Construction cost	8,595,865	71%	29%	7,035,377	71%	29%

The amount due from the JPA at June 30, 2022 and 2021 consisted of the following:

	2022	2021
Beginning of year	\$ 2,963,776	\$ 7,515,405
Additions	9,752,705	415,347
(Deletions)	(7,414,570)	(4,966,976)
End of year	\$ 5,301,911	\$ 2,963,776

#### Note 7 - Lease Receivable

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On July 1, 2020, the District entered into a 148-month lease as Lessor for the use of LVMWD Reservoir as a cell tower lease. An initial lease receivable was recorded in the amount of \$404,513. As of June 30, 2022, the value of the lease receivable is \$340,746. The lessee is required to make monthly variable principal and interest payments of \$2,791 based on a CPI index of 0.00%. The lease has an interest rate of 0.4500%. The value of the deferred inflow of resources as of June 30, 2022 was \$339,225, and the District recognized lease revenue of \$32,644 during the fiscal year. The lessee has 2 extension option(s), each for 60 months. The lessee had a termination period of 1 month as of the lease commencement.

## *Las Virgenes Municipal Water District*

### **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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#### **Note 7 - Lease Receivable (Continued)**

On July 1, 2020, the District entered into a 209 month lease as Lessor for the use of Land - Southern California. An initial lease receivable was recorded in the amount of \$52,326. As of June 30, 2022, the value of the lease receivable is \$46,659. The lessee is required to make annual fixed payments of \$3,120. The lease has an interest rate of 0.8060%. The value of the deferred inflow of resources as of June 30, 2022 was \$46,327 and the District recognized lease revenue of \$2,999 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On July 1, 2020, the District entered into a 196-month lease as Lessor for the use of 24000 Park Belmonte. An initial lease receivable was recorded in the amount of \$479,059. As of June 30, 2022, the value of the lease receivable is \$434,056. The lessee is required to make monthly fixed payments of \$1,967. The lease has an interest rate of 0.4420%. The value of the deferred inflow of resources as of June 30, 2022 was \$420,399, and the District recognized lease revenue of \$29,330 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On July 1, 2020, the District entered into a 179-month lease as Lessor for the use of 32601 Torchwood Place. An initial lease receivable was recorded in the amount of \$403,052. As of June 30, 2022, the value of the lease receivable is \$351,208. The lessee is required to make monthly variable principal and interest payments of \$2,341 based on a CPI index of 0.00%. The lease has an interest rate of 0.6000%. The value of the deferred inflow of resources as of June 30, 2022 was \$349,092, and the District recognized lease revenue of \$26,980 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On July 1, 2020, the District entered into a 99-month lease as Lessor for the use of Land - Omnipoint. An initial lease receivable was recorded in the amount of \$204,375. As of June 30, 2022, the value of the lease receivable is \$156,042. The lessee is required to make monthly variable principal and interest payments of \$2,087 based on a CPI index of 0.00%. The lease has an interest rate of 0.5060%. The value of the deferred inflow of resources as of June 30, 2022 was \$155,276, and the District recognized lease revenue of \$24,550 during the fiscal year. The lessee has 1 extension option(s), each for 60 months. The lessee had a termination period of 1 month as of the lease commencement. The District had a termination period of 1 month as of the lease commencement.

On July 1, 2020, the District entered into a 64-month lease as Lessor for the use of Cordillera WT. An initial lease receivable was recorded in the amount of \$148,188. As of June 30, 2022, the value of the lease receivable is \$93,804. The lessee is required to make monthly variable principal and interest payments of \$2,303.42 based on a CPI index of 0.00%. The lease has an interest rate of 0.3870%. The value of the deferred inflow of resources as of June 30, 2022 was \$93,219, and the District recognized lease revenue of \$27,485 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 7 - Lease Receivable (Continued)

As of June 30, 2022 and 2021, the District had total outstanding lease receivables of \$1,422,515 and \$1,557,244 and related deferred inflows of \$1,403,538 and \$1,547,525, respectively.

### Note 8 - Capital Assets

#### Primary Government

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance June 30, 2022
<b>Capital assets, not depreciated</b>					
Land and land rights:					
Water plant	\$ 6,804,123	\$ -	\$ -	\$ -	\$ 6,804,123
Sanitation plant	111,235	-	-	-	111,235
Construction in progress	11,593,166	11,308,376	-	(2,659,500)	20,242,042
<b>Total capital assets, not depreciated</b>	<u>18,508,524</u>	<u>11,308,376</u>	<u>-</u>	<u>(2,659,500)</u>	<u>27,157,400</u>
<b>Capital assets, being depreciated</b>					
Water plant:					
Source of supply	42,947,848	-	-	166,393	43,114,241
Plant	128,496,665	-	-	2,088,776	130,585,441
Structure	21,397,622	595	-	73,350	21,471,567
Sanitation plant:					
Plant	7,472,620	-	-	-	7,472,620
Machinery and equipment	17,318	-	-	-	17,318
General utility plant:					
Building and improvements	22,094,928	-	-	-	22,094,928
Machinery and equipment	11,821,674	-	-	330,981	12,152,655
<b>Total capital assets, being depreciated</b>	<u>234,248,675</u>	<u>595</u>	<u>-</u>	<u>2,659,500</u>	<u>236,908,770</u>
<b>Less accumulated depreciation</b>					
Water plant:					
Source of supply	(14,078,903)	(924,611)	-	-	(15,003,514)
Plant	(62,151,409)	(1,251,392)	-	-	(63,402,801)
Structure	(18,340,572)	(1,290,408)	-	-	(19,630,980)
Sanitation plant:					
Plant	(4,334,950)	(130,561)	-	-	(4,465,511)
Machinery and equipment	(17,318)	-	-	-	(17,318)
General utility plant:					
Building and improvements	(14,360,794)	(422,358)	-	-	(14,783,152)
Machinery and equipment	(10,307,164)	(374,282)	-	-	(10,681,446)
<b>Total accumulated depreciation</b>	<u>(123,591,110)</u>	<u>(4,393,612)</u>	<u>-</u>	<u>-</u>	<u>(127,984,722)</u>
<b>Total capital assets, being depreciated, net</b>	<u>110,657,565</u>	<u>(4,393,017)</u>	<u>-</u>	<u>2,659,500</u>	<u>108,924,048</u>
<b>Total capital assets, net</b>	<u>\$ 129,166,089</u>	<u>\$ 6,915,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,081,448</u>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 8 - Capital Assets (Continued)

#### Primary Government (Continued)

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Reclassification	Balance June 30, 2021
<b>Capital assets, not depreciated</b>					
Land and land rights:					
Water plant	\$ 6,804,123	\$ -	\$ -	\$ -	\$ 6,804,123
Sanitation plant	111,235	-	-	-	111,235
Construction in progress	3,592,119	10,829,393	-	(2,828,346)	11,593,166
<b>Total capital assets, not depreciated</b>	<u>10,507,477</u>	<u>10,829,393</u>	<u>-</u>	<u>(2,828,346)</u>	<u>18,508,524</u>
<b>Capital assets, being depreciated</b>					
Water plant:					
Source of supply	41,737,630	-	-	1,210,218	42,947,848
Plant	127,400,320	-	-	1,096,345	128,496,665
Structure	21,113,695	283,927	-	-	21,397,622
Sanitation plant:					
Plant	7,472,620	-	-	-	7,472,620
Machinery and equipment	17,318	-	-	-	17,318
General utility plant:					
Building and improvements	22,094,928	-	-	-	22,094,928
Machinery and equipment	11,469,407	71,882	(241,398)	521,783	11,821,674
<b>Total capital assets, being depreciated</b>	<u>231,305,918</u>	<u>355,809</u>	<u>(241,398)</u>	<u>2,828,346</u>	<u>234,248,675</u>
<b>Less accumulated depreciation</b>					
Water plant:					
Source of supply	(13,160,750)	(918,153)	-	-	(14,078,903)
Plant	(60,298,660)	(1,852,749)	-	-	(62,151,409)
Structure	(18,261,164)	(79,408)	-	-	(18,340,572)
Sanitation plant:					
Plant	(4,197,006)	(137,944)	-	-	(4,334,950)
Machinery and equipment	(17,318)	-	-	-	(17,318)
General utility plant:					
Building and improvements	(13,882,168)	(478,626)	-	-	(14,360,794)
Machinery and equipment	(10,183,975)	(364,587)	241,398	-	(10,307,164)
<b>Total accumulated depreciation</b>	<u>(120,001,041)</u>	<u>(3,831,467)</u>	<u>241,398</u>	<u>-</u>	<u>(123,591,110)</u>
<b>Total capital assets, being depreciated, net</b>	<u>111,304,877</u>	<u>(3,475,658)</u>	<u>-</u>	<u>2,828,346</u>	<u>110,657,565</u>
<b>Total capital assets, net</b>	<u>\$ 121,812,354</u>	<u>\$ 7,353,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,166,089</u>

A summary of changes in intangible assets of the District for the years ending June 30, 2022 and 2021 are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Intangible right-to-use asset	\$ 83,283	\$ -	\$ -	\$ 83,283
Accumulated amortization	(19,457)	(19,458)	-	(38,915)
Lease asset, net of amortization	<u>\$ 63,826</u>	<u>\$ (19,458)</u>	<u>\$ -</u>	<u>\$ 44,368</u>
	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2021</b>
Intangible right-to-use asset	\$ -	\$ 83,283	\$ -	\$ 83,283
Accumulated amortization	-	(19,457)	-	(19,457)
Lease asset, net of amortization	<u>\$ -</u>	<u>\$ 63,826</u>	<u>\$ -</u>	<u>\$ 63,826</u>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 8 - Capital Assets (Continued)

#### Discretely Presented Component Unit - JPA

A summary of changes in capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance June 30, 2022
<b>Capital assets, not depreciated</b>					
Land and land rights	\$ 14,368,150	\$ -	\$ -	\$ -	\$ 14,368,150
Construction in progress	7,738,580	8,595,865	-	(5,314,003)	11,020,442
<b>Total capital assets, not depreciated</b>	<u>22,106,730</u>	<u>8,595,865</u>	<u>-</u>	<u>(5,314,003)</u>	<u>25,388,592</u>
<b>Capital assets, being depreciated</b>					
Sewer and treatment plant	130,623,917	72,341	-	-	130,696,258
Compost plant and farm	78,707,298	5,184,645	-	-	83,891,943
Recycled water system	35,509,083	2,534	-	-	35,511,617
Advanced water system	4,366,140	54,483	-	-	4,420,623
<b>Total capital assets, being depreciated</b>	<u>249,206,438</u>	<u>5,314,003</u>	<u>-</u>	<u>-</u>	<u>254,520,441</u>
<b>Less accumulated depreciation</b>					
Sewer and treatment plant	(93,841,866)	(2,992,912)	-	-	(96,834,778)
Compost plant and farm	(55,062,807)	(1,764,607)	-	-	(56,827,414)
Recycled water system	(24,002,350)	(942,034)	-	-	(24,944,384)
Advanced water system	(43,661)	(125,285)	-	-	(168,946)
<b>Total accumulated depreciation</b>	<u>(172,950,684)</u>	<u>(5,824,838)</u>	<u>-</u>	<u>-</u>	<u>(178,775,522)</u>
<b>Total capital assets, being depreciated, net</b>	<u>76,255,754</u>	<u>(510,835)</u>	<u>-</u>	<u>-</u>	<u>75,744,919</u>
<b>Total capital assets, net</b>	<u>\$ 98,362,484</u>	<u>\$ 8,085,030</u>	<u>\$ -</u>	<u>\$ (5,314,003)</u>	<u>\$ 101,133,511</u>

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Reclassification	Balance June 30, 2021
<b>Capital assets, not depreciated</b>					
Land and land rights	\$ 14,368,150	\$ -	\$ -	\$ -	\$ 14,368,150
Construction in progress	9,302,202	7,035,378	-	(8,599,000)	7,738,580
<b>Total capital assets, not depreciated</b>	<u>23,670,352</u>	<u>7,035,378</u>	<u>-</u>	<u>(8,599,000)</u>	<u>22,106,730</u>
<b>Capital assets, being depreciated</b>					
Sewer and treatment plant	129,569,257	-	-	1,054,660	130,623,917
Compost plant and farm	76,218,777	-	-	2,488,521	78,707,298
Recycled water system	34,819,404	-	-	689,679	35,509,083
Advanced water system	-	-	-	4,366,140	4,366,140
<b>Total capital assets, being depreciated</b>	<u>240,607,438</u>	<u>-</u>	<u>-</u>	<u>8,599,000</u>	<u>249,206,438</u>
<b>Less accumulated depreciation</b>					
Sewer and treatment plant	(90,632,349)	(3,209,517)	-	-	(93,841,866)
Compost plant and farm	(53,478,695)	(1,584,112)	-	-	(55,062,807)
Recycled water system	(23,039,809)	(962,541)	-	-	(24,002,350)
Advanced water system	-	(43,661)	-	-	(43,661)
<b>Total accumulated depreciation</b>	<u>(167,150,853)</u>	<u>(5,799,831)</u>	<u>-</u>	<u>-</u>	<u>(172,950,684)</u>
<b>Total capital assets, being depreciated, net</b>	<u>73,456,585</u>	<u>(5,799,831)</u>	<u>-</u>	<u>8,599,000</u>	<u>76,255,754</u>
<b>Total capital assets, net</b>	<u>\$ 97,126,937</u>	<u>\$ 1,235,547</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,362,484</u>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 9 - Compensated Absences

A summary of changes in compensated absences for the year ended June 30, 2022 is as follows:

Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More than One Year
\$ 2,466,299	\$ 621,528	\$ (838,264)	\$ 2,249,563	\$ 922,090	\$ 1,327,473

A summary of changes in compensated absences for the year ended June 30, 2021 is as follows:

Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due in More than One Year
\$ 2,358,133	\$ 736,000	\$ (627,834)	\$ 2,466,299	\$ 766,666	\$ 1,699,633

### Note 10 - Long-Term Liabilities

A summary of changes in long-term debt for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More than One Year
Direct borrowing:						
2020 Installment purchase agreement	\$ 9,300,000	\$ -	\$ (955,000)	\$ 8,345,000	\$ 975,000	\$ 7,370,000
Lease liability	64,462	-	(19,214)	45,248	19,773	25,475
<b>Total Long-Term Debt</b>	<u>\$ 9,364,462</u>	<u>\$ -</u>	<u>\$ (974,214)</u>	<u>\$ 8,390,248</u>	<u>\$ 994,773</u>	<u>\$ 7,395,475</u>

A summary of changes in long-term debt for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due in More than One Year
Direct borrowing:						
2020 Installment purchase agreement	\$ 10,100,000	\$ -	\$ (800,000)	\$ 9,300,000	\$ 995,000	\$ 8,305,000
Capital lease	15,488	-	(15,488)	-	-	-
Lease liability	83,283	-	(18,821)	64,462	19,214	45,248
<b>Total Long-Term Debt</b>	<u>\$ 10,198,771</u>	<u>\$ -</u>	<u>\$ (834,309)</u>	<u>\$ 9,364,462</u>	<u>\$ 1,014,214</u>	<u>\$ 8,350,248</u>

### 2020 Installment Purchase Agreement

The District entered into an installment purchase agreement as of June 1, 2020 with the Key Government Finance, Inc. totaling \$10,100,00. The purpose of the installment purchase agreement was to finance the acquisition and installation of smart meters and other water system improvements.

The installment purchase agreement has an interest rate of 1.95% and is scheduled to be paid in full on November 1, 2029 and Interest is payable semiannually on May 1 and

November 1, beginning November 1, 2020. The installment purchase agreement is subject to prepayment provisions set forth in the installment agreement.



# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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### Note 10 - Long-Term Liabilities (Continued)

#### 2020 Installment Purchase Agreement (Continued)

The annual debt service requirements at June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 975,000	\$ 153,221	\$ 1,128,221
2024	995,000	134,014	1,129,014
2025	1,010,000	113,465	1,123,465
2026	1,030,000	94,575	1,124,575
2027	1,050,000	74,295	1,124,295
2028 - 2030	3,285,000	96,866	3,381,866
<b>Total</b>	<b>\$ 8,345,000</b>	<b>\$ 666,436</b>	<b>\$ 9,011,436</b>

#### Lease Liability

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On July 1, 2020, The District entered into a 55-month lease as Lessee for the use of AIRGAS. An initial lease liability was recorded in the amount of \$14,882. As of June 30, 2022, the value of the lease liability is \$8,881. The District is required to make monthly fixed payments of \$325. The lease has an interest rate of 0.6000%. The value of the right to use asset as of June 30, 2022 of \$14,882 with accumulated amortization of \$6,451.

On July 1, 2020, The District entered into a 48-month lease as Lessee for the use of Building Number 1. An initial lease liability was recorded in the amount of \$49,584. As of June 30, 2022, the value of the lease liability is \$25,414. The District is required to make monthly fixed payments of \$1,014. The lease has an interest rate of 0.5530%. The value of the right to use asset as of June 30, 2022 of \$49,584 with accumulated amortization of \$24,792 is included with Buildings.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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### Note 10 - Long-Term Liabilities (Continued)

#### *Lease Liability (Continued)*

On July 1, 2020, The District entered into a 58 month lease as Lessee for the use of Postage Meter - Quadiant . An initial lease liability was recorded in the amount of \$18,816.59. As of June 30, 2022, the value of the lease liability is \$10,953. The District is required to make quarterly fixed payments of \$1,005. The lease has an interest rate of 0.6000%. The value of the right to use asset as of June 30, 2022 of \$18,817 with accumulated amortization of \$7,672 is included with Equipment.

The annual debt service requirements at June 30, 2022 are as follows:

<b>Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 19,773	\$ 210	\$ 19,983
2024	20,348	96	20,444
2025	5,127	13	5,140
<b>Total</b>	<b>\$ 45,248</b>	<b>\$ 319</b>	<b>\$ 45,567</b>

### Note 11 - Pension Plan - Defined Benefit Plan

#### *General Information about the Pension Plan*

##### Plan Description

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2020 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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

#### General Information about the Pension Plan (Continued)

##### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2022 are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7 % @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates	10.22%	7.00%

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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

#### ***Employees Covered***

At June 30, 2020 (valuation date), the following employees were covered by the benefit terms:

	<u>2020</u>	<u>2019</u>
<i>Inactive employees or beneficiaries</i>		
currently receiving benefits	161	159
Inactive employees entitled to but not yet receiving benefits	74	72
Active	107	104
<b>Total</b>	<u>235</u>	<u>231</u>

#### **Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2022 were \$3,121,268.

#### ***Net Pension Liability***

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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

#### ***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power

<sup>(1)</sup> The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

#### ***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 short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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

#### ***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

The expected real rates of return by asset class are as follows:

<b>Asset Class<sup>1</sup></b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10<sup>2</sup></b>	<b>Real Return Years 11+<sup>3</sup></b>
Public equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	(0.92%)

<sup>1</sup> In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.00% used for this period

<sup>3</sup> An expected inflation of 2.92% used for this period

#### ***Change of Assumptions***

There were no change of assumptions for measurement date June 30, 2021.

#### ***Discount Rate***

The discount rate used to measure the total pension liability was 7.15%. 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.

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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

#### ***Subsequent Events***

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since

CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

#### ***Pension Plan Fiduciary Net Position***

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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

#### Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2020 to June 30, 2021.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c)=(a)-(b)
Balance at June 30, 2020 (Valuation Date)	\$ 107,875,821	\$ 86,170,136	\$ 21,705,685
Changes Recognized for the Measurement Period:			
Service cost	1,890,607	-	1,890,607
Interest on the total pension liability	7,629,771	-	7,629,771
Changes of benefit terms	-	-	-
Difference between expected and actual experience	567,566	-	567,566
Changes of assumptions	-	-	-
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	2,784,221	(2,784,221)
Contributions from employees	-	829,015	(829,015)
Net investment income, net of administrative expense	-	19,355,162	(19,355,162)
Benefit payments, including refunds of employee contributions	(5,357,190)	(5,357,190)	-
Administrative expense	-	(86,079)	86,079
Other miscellaneous income	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	<u>4,730,754</u>	<u>17,525,129</u>	<u>(12,794,375)</u>
<b>Balance at June 30, 2021 (Measurement Date)</b>	<b><u>\$ 112,606,575</u></b>	<b><u>\$ 103,695,265</u></b>	<b><u>\$ 8,911,310</u></b>

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2019 to June 30, 2020.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c)=(a)-(b)
Balance at June 30, 2019 (Valuation Date)	\$ 101,936,504	\$ 83,711,678	\$ 18,224,826
Changes Recognized for the Measurement Period:			
Service cost	1,744,616	-	1,744,616
Interest on the total pension liability	7,306,938	-	7,306,938
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,884,476	-	1,884,476
Changes of assumptions	-	-	-
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	2,588,930	(2,588,930)
Contributions from employees	-	849,386	(849,386)
Net investment income, net of administrative expense	-	4,134,868	(4,134,868)
Benefit payments, including refunds of employee contributions	(4,996,713)	(4,996,713)	-
Administrative expense	-	(118,013)	118,013
Other miscellaneous income	-	-	-
Net Changes during July 1, 2019 to June 30, 2020	<u>5,939,317</u>	<u>2,458,458</u>	<u>3,480,859</u>
<b>Balance at June 30, 2020 (Measurement Date)</b>	<b><u>\$ 107,875,821</u></b>	<b><u>\$ 86,170,136</u></b>	<b><u>\$ 21,705,685</u></b>



# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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

#### ***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	<b>Discount Rate - 1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate + 1% (8.15%)</b>
2021 Plan's Net Pension Liability/(Asset)	<u>\$ 22,775,617</u>	<u>\$ 8,911,310</u>	<u>\$ (2,679,132)</u>
2020 Plan's Net Pension Liability/(Asset)	<u>\$ 35,112,882</u>	<u>\$ 21,705,685</u>	<u>\$ 10,503,841</u>

#### ***Pension Plan Fiduciary Net Position***

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

For the measurement periods ended June 30, 2021 and 2020, the District incurred a pension expense of \$1,170,915 and \$3,260,452.

As of June 30, 2022 and 2021, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>2022</b>		<b>2021</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 971,049	\$ -	\$ 1,879,954	\$ -
Changes of Assumptions	-	-	681,244	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(9,590,920)	-	-
Pension Contributions Subsequent to Measurement Date	3,121,268	-	2,784,221	-
<b>Total</b>	<u>\$ 4,092,317</u>	<u>\$ (9,590,920)</u>	<u>\$ 5,345,419</u>	<u>\$ -</u>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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

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

\$3,121,268 and \$2,784,221 were reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date during the years ended June 30, 2022 and 2021, respectively, was recognized as a reduction of the net pension liability in the years ended June 30, 2022 and 2021 respectively. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<b>2022</b>	
<b>Year Ended June 30,</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2023	\$ (1,627,266)
2024	(2,043,563)
2025	(2,296,151)
2026	(2,652,891)
2027	-
<b>Total</b>	<b>\$ (8,619,871)</b>

<b>2021</b>	
<b>Year Ended June 30,</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2022	\$ 941,361
2023	829,912
2024	433,185
2025	356,740
2026	-
<b>Total</b>	<b>\$ 2,561,198</b>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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### Note 12 - Other Postemployment Benefits

#### General Information about the OPEB Plan

##### Plan Description

The District contributes to an agent multiple-employer defined benefit plan to provide post-employment medical benefits. Specifically, the District provides postretirement medical benefits to all employees who retire from the District. The level of benefit and vesting time varies based on the entry date and employee bargaining unit. Benefits range from 100% coverage for employee plus one dependent after five years of service to 75% of the lowest cost plan for employee only after ten years of service. The plan does not provide a publicly available financial report.

The District has elected to join the *California Employers' Retiree Benefit Trust* (the "Trust") in accordance with GASB Statement No. 75, which provides a means to fund the annual OPEB costs, referred to as the *Actuarially Determined Contribution* (ADC). The ADC includes the normal cost (current accrual for benefits being earned) plus an amortization of the unfunded accrued liability or net OPEB liability over 15 years on level-percentage of pay basis. The ADC for fiscal year ended 2022 and 2021 was \$1,285,084 and \$1,247,654, respectively.

##### Eligibility

Employees of the District are eligible for retiree health benefits if they retire from the District and commence pension benefits under PERS (typically on or after age 50 with at least five years of PERS eligible service). Membership in the plan consisted of the following at June 30, 2021 and 2020, the dates of the latest actuarial valuations, respectively.

	<u>2021</u>	<u>2020</u>
Active employees	108	108
Retired employees and beneficiaries	94	94
<b>Total</b>	<u>202</u>	<u>202</u>

##### Actuarial Assumptions

The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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### Note 12 - Other Postemployment Benefits (Continued)

#### Net OPEB Liability

##### Actuarial Assumptions:

Actuarial cost method	Entry Age, Level Percent of Pay
Discount Rate	6.00%
Inflation	3.00%
Salary Increases	3.00% - Per annum
Investment Rate of Return	6.00%
Mortality Rate	Mortality Rates from CalPERS Experience Study (1997-2015)
Healthcare Trend Rate	3.50% for 2021-2023, 5.20% for 2024-2069, and 4.00% for 2070 and later years

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2020.

The net OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

##### Actuarial Assumptions:

Actuarial cost method	Entry Age, Level Percent of Pay
Discount Rate	6.00%
Inflation	3.00%
Salary Increases	3.00% - Per annum
Investment Rate of Return	6.00%
Mortality Rate	Mortality Rates from CalPERS Experience Study (1997-2015)
Healthcare Trend Rate	3.50% for 2021-2023, 5.20% for 2024-2069, and 4.00% for 2070 and later years

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2019.

#### Discount Rate

The discount rate used to measure the net OPEB liability was 6.0%. This discount rate assumes the District continues to fully fund for its retiree health benefits through the California Employers' Retiree Benefit Trust (CERBT) under its investment allocation strategy 1. The rate reflects the CERBT published median interest rate for strategy 1 of 7.28% with an additional margin for adverse deviation. The tables below reflect long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 12 - Other Postemployment Benefits (Continued)

#### Net OPEB Liability (Continued)

Measurement date June 30, 2021:

Asset Class	Percentage of Portfolio	Real Return
Global ex-U.S. Equity	22%	5.5%
U.S. Fixed	49%	1.5%
Treasury Inflation Protected Securities (TIPS)	16%	1.2%
Real Estate	8%	3.7%
Commodities	5%	0.6%
	100%	

Measurement date June 30, 2020:

Asset Class	Percentage of Portfolio	Real Return
Global ex-U.S. Equity	22%	5.500%
U.S. Fixed	49%	1.500%
Treasury Inflation Protected Securities (TIPS)	16%	1.200%
Real Estate	8%	3.700%
Commodities	5%	0.600%
	100%	

#### Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)=(a)-(b)
Balance at June 30, 2020 (Valuation Date)	\$ 23,960,183	\$ 10,253,877	\$ 13,706,306
Changes recognized for the measurement period:			
Service cost	539,986		539,986
Interest on the total OPEB liability	1,430,224		1,430,224
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	2,960,833	(2,960,833)
Contributions from employees	-	1,467,876	(1,467,876)
Net investment income, net of administrative expense	-		-
Benefit payments, including refunds of employee contributions	(1,345,809)	(1,345,809)	-
Administrative expense	-	(3,821)	3,821
Net changes during July 1, 2020 to June 30, 2021	624,401	3,079,079	(2,454,678)
<b>Balance at June 30, 2021 (Measurement Date)</b>	<b>\$ 24,584,584</b>	<b>\$ 13,332,956</b>	<b>\$ 11,251,628</b>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 12 - Other Postemployment Benefits (Continued)

#### Change in the Net OPEB Liability (Continued)

##### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District at measurement date June 30, 2021, as well as what the District's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current discount rate:

	<b>Discount Rate - 1% (5.00%)</b>	<b>Current Discount Rate (6.00%)</b>	<b>Discount Rate + 1% (7.00%)</b>
Net OPEB Liability	\$ 13,756,126	\$ 11,251,628	\$ 9,106,195

The following presents the net OPEB liability of the District at measurement date June 30, 2021, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<b>Healthcare Trend - 1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>Healthcare Trend + 1% Increase</b>
Net OPEB Liability	\$ 8,656,228	\$ 11,251,628	\$ 14,330,898

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability/(Asset) (c)=(a)-(b)</b>
Balance at June 30, 2019 (Valuation Date)	\$ 26,284,898	\$ 8,280,994	\$ 18,003,904
Changes recognized for the measurement period:			
Service cost	560,131	-	560,131
Interest on the total OPEB liability	1,572,177	-	1,572,177
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,485,687)	-	(1,485,687)
Changes of assumptions	(1,668,195)	-	(1,668,195)
Contributions from the employer	-	2,696,541	(2,696,541)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	587,187	(587,187)
Benefit payments, including refunds of employee contributions	(1,303,141)	(1,301,141)	-
Administrative expense	-	(7,704)	7,704
Net changes during July 1, 2018 to June 30, 2019	(2,324,715)	1,974,883	(4,297,598)
<b>Balance at June 30, 2021 (Measurement Date)</b>	<b>\$ 23,960,183</b>	<b>\$ 10,255,877</b>	<b>\$ 13,706,306</b>

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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### Note 12 - Other Postemployment Benefits (Continued)

#### Change in the Net OPEB Liability (Continued)

##### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate (Continued)

The following presents the net OPEB liability of the District at measurement date June 30, 2020, as well as what the District's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current discount rate:

	<b>Discount Rate - 1% (5.00%)</b>	<b>Current Discount Rate (6.00%)</b>	<b>Discount Rate + 1% (7.00%)</b>
Net OPEB Liability	<u>\$ 16,198,364</u>	<u>\$ 13,706,306</u>	<u>\$ 11,573,972</u>

The following presents the net OPEB liability of the District at measurement date June 30, 2020, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<b>Healthcare Trend - 1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>Healthcare Trend + 1% Increase</b>
Net OPEB Liability	<u>\$ 11,326,623</u>	<u>\$ 13,706,306</u>	<u>\$ 16,524,791</u>

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

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, change in Total OPEB Liability ("TOL") due to plan changes; all adjusted for deferred inflows and outflows. The District determined that it was not reasonable to rerun prior valuations under GASB 75. Therefore, we used the transition approach provided in GASB 75, Paragraph 244 where in circumstances in which OPEB is provided through OPEB plans that are not administered through trusts, no other beginning balances for deferred outflows of resources and deferred inflows of resources related to OPEB should be reported. If restatement of all prior periods presented is not practical, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. That means that there are no deferred inflows/outflows in the first year (with the possible exception of contributions after the measurement date). The OPEB expense shown below is considered to be preliminary because there can be employer specific deferred items (e.g., contributions made after the measurement date, and active employee contributions toward the OPEB plan).

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 12 - Other Postemployment Benefits (Continued)

#### ***OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB (Continued)***

Certain types of TOL changes are subject to deferral, as are investment gains/losses. To qualify for deferral, gains and losses must be based on GASB 74/75 compliant valuations. Since the District's prior valuation was performed in accordance with GASB 43/45, it is not practical to calculate compliant deferred outflows and inflows as stated in GASB 75 Appendix E, Paragraph 244. Therefore, valuation-based deferred items will not begin until the next valuation. However, there could be employer-specific deferred items that need to be reflected, as mentioned earlier.

For the years ended June 30, 2022 and 2021, the District recognized OPEB expense of \$1,600,804 and \$867,823, respectively, for the District Plan. At June 30, 2022 and 2021 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,862,376	\$ -	\$ 2,950,042	\$ -
Changes of assumptions	322,725	(1,121,245)	469,419	(1,394,720)
Differences between expected and actual experience	-	(1,062,096)	-	(1,334,522)
Difference between projected and actual return on investments	-	(743,660)	-	(161,939)
<b>Total</b>	<b>\$ 3,185,101</b>	<b>\$ (2,927,001)</b>	<b>\$ 3,419,461</b>	<b>\$ (2,891,181)</b>

The \$2,862,376 and \$2,950,042 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date during the years ended June 30, 2022 and 2021, respectively will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2022 and 2021, respectively. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future expenses as follows:

Year Ended June 30,	2022	Year Ended June 30,	2021
	Deferred Outflows/(Inflows) of Resources		Deferred Outflows/(Inflows) of Resources
2023	\$ (618,965)	2022	\$ (458,668)
2024	(592,490)	2023	(458,668)
2025	(663,794)	2024	(432,197)
2026	(677,325)	2025	(503,497)
2027	(51,702)	2026	(517,032)
Thereafter	-	Thereafter	(51,700)
<b>Total</b>	<b>\$ (2,604,276)</b>	<b>Total</b>	<b>\$ (2,421,762)</b>



# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

### Note 13 - Net Position

As of June 30, 2022, and 2021, the net position for the District consisted of the following:

	2022		2021	
	Primary Government	Discretely Presented Component Unit - JPA	Primary Government	Discretely Presented Component Unit - JPA
<b>Net investment in capital assets:</b>				
Capital assets, net of accumulated depreciation	\$ 136,125,816	\$ 101,133,511	\$ 129,166,089	\$ 98,362,484
Less:				
2020 Installment purchase agreement	(8,345,000)	-	(9,300,000)	-
Lease liability	(45,248)	-	(64,462)	-
<b>Total net investment in capital assets</b>	<b>127,735,568</b>	<b>101,133,511</b>	<b>119,801,627</b>	<b>98,362,484</b>
<b>Unrestricted:</b>				
Designated for:				
Investment in JPA	68,941,953	-	67,140,428	-
Rate stabilization	8,000,000	-	8,000,000	-
Insurance	8,035,219	-	8,045,943	-
Operating emergencies	14,726,470	-	14,388,564	-
Pure water	35,000,000	-	15,000,000	-
Undesignated	24,079,082	-	36,857,471	-
<b>Total unrestricted</b>	<b>158,782,724</b>	<b>-</b>	<b>149,432,406</b>	<b>-</b>
<b>Total Net Position</b>	<b>\$ 286,518,292</b>	<b>\$ 101,133,511</b>	<b>\$ 269,234,033</b>	<b>\$ 98,362,484</b>

### Note 14 - Risk Management

The District retained Tolman & Wiker Insurance Services, LLC, for general liability, property, inverse condemnation, auto and physical damage. In addition, reinsurance support for the program is provided by Swiss Reinsurance of America and Travelers Reinsurance. The coverage for the general liability provides \$11 million per occurrence and \$61 million in the aggregate with a \$50,000 self-insured retention limit per occurrence. The coverage for the property provides \$61 million of coverage with a deductible of \$50,000 per occurrence. The District paid premiums of \$1,968,610 and \$1,790,022 for the years ended June 30, 2022 and 2021, respectively.

Effective August 1, 2012, the District retained the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) for its workers' compensation insurance coverage. The District paid premiums of \$277,227 and \$218,944 for the years ended June 30, 2022 and 2021, respectively.

# Las Virgenes Municipal Water District

## Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021

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### Note 15 - Construction and Other Significant Commitments

#### Lawsuits

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the option of the District's legal counsel and the District's management that resolution of these matters will not have a material adverse effect on the financial condition of the District.

#### Contractual Commitments

As of June 30, 2022, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of \$4,601,749.

<b>Project Name</b>	<b>Contractual Commitment</b>
LV Calleguas Interconnection	\$ 1,891,400
AMR / AMI	1,437,806
Various construction projects	1,272,543
	<u>\$ 4,601,749</u>

As of June 30, 2022, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$4,940,036.

<b>Project Name</b>	<b>Contractual Commitment</b>
Pure Water Project Demonstration	\$ 2,428,139
Summer season TMDL compliance	1,618,097
Various construction projects	893,800
	<u>\$ 4,940,036</u>

As of June 30, 2021, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of \$8,432,620.

<b>Project Name</b>	<b>Contractual Commitment</b>
AMR / AMI	\$ 5,034,248
LV - Calleguas Interconnection	1,887,076
Various construction projects	1,511,296
	<u>\$ 8,432,620</u>

# *Las Virgenes Municipal Water District*

## **Notes to the Basic Financial Statements For the Years Ended June 30, 2022 and 2021**

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### **Note 15 - Construction and Other Significant Commitments (Continued)**

#### ***Contractual Commitments (Continued)***

As of June 30, 2021, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$6,731,430.

<b>Project Name</b>	<b>Contractual Commitment</b>
Pure Water Project Demonstration	\$ 5,290,303
SCADA Upgrade for Tapia	754,482
Various construction projects	686,645
	<u>\$ 6,731,430</u>

### **Note 16 - Change in accounting principle**

The District's net position was restated as follows due to the implementation of GASB 87:

Beginning net position	\$ 252,211,324
Restatement due to change in accounting principle	<u>9,876</u>
Beginning net position as restated	<u>\$ 252,221,200</u>

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

# Las Virgenes Municipal Water District

## Required Supplementary Information (Unaudited) Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")				
Measurement period	2021	2020	2019	2018
<b>Total pension liability</b>				
Service cost	\$ 1,890,607	\$ 1,744,616	\$ 1,783,579	1,744,796
Interest	7,629,771	7,306,938	6,894,754	6,486,599
Differences between expected and actual experience	567,566	1,884,476	1,883,971	(1,061,287)
Changes of assumptions	-	-	-	(2,708,692)
Benefit payments, including refunds of employee contributions	(5,357,190)	(4,996,713)	(4,560,334)	(4,292,253)
<b>Net change in total pension liability</b>	4,730,754	5,939,317	6,001,970	169,163
<b>Total pension liability - beginning</b>	107,875,821	101,936,504	95,934,534	95,765,371
<b>Total pension liability - ending (a)</b>	<u>\$ 112,606,575</u>	<u>\$ 107,875,821</u>	<u>\$ 101,936,504</u>	<u>\$ 95,934,534</u>
<b>Pension fiduciary net position</b>				
Contributions - employer	\$ 2,784,221	\$ 2,588,930	\$ 2,414,889	\$ 2,100,676
Contributions - employee	829,015	849,386	766,262	815,450
Net investment income <sup>2</sup>	19,355,162	4,134,868	5,268,968	6,323,046
Benefit payments, including refunds of employee contributions	(5,357,190)	(4,996,713)	(4,560,334)	(4,292,253)
Other	(86,079)	(118,013)	(56,818)	(340,224)
<b>Net change in plan fiduciary net position</b>	17,525,129	2,458,458	3,832,967	4,606,695
<b>Plan fiduciary net position - beginning</b>	86,170,136	83,711,678	79,878,711	75,272,016
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 103,695,265</u>	<u>\$ 86,170,136</u>	<u>\$ 83,711,678</u>	<u>\$ 79,878,711</u>
<b>District's net pension liability - ending (a) - (b)</b>	<u>\$ 8,911,310</u>	<u>\$ 21,705,685</u>	<u>\$ 18,224,826</u>	<u>\$ 16,055,823</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>92.09%</u>	<u>78.88%</u>	<u>82.12%</u>	<u>83.26%</u>
<b>Covered payroll</b>	<u>\$ 11,919,217</u>	<u>\$ 11,200,332</u>	<u>\$ 10,997,736</u>	<u>\$ 10,354,515</u>
<b>District's net pension liability as a percentage of covered payroll</b>	<u>74.76%</u>	<u>193.80%</u>	<u>165.71%</u>	<u>155.06%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Net of administrative expenses in 2013-14.

### Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, amounts reported reflect an adjustment of the discount rate from 7.65 percent (net of administrative expense) to 7.15 percent (without a reduction for pension plan administrative expense). In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

# Las Virgenes Municipal Water District

## Required Supplementary Information (Unaudited) Schedule of Changes in Net Pension Liability and Related Ratios (Continued) Last Ten Fiscal Years

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

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Net of administrative expenses in 2013-14.

### Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, amounts reported reflect an adjustment of the discount rate from 7.65 percent (net of administrative expense) to 7.15 percent (without a reduction for pension plan administrative expense). In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

# Las Virgenes Municipal Water District

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

### California Public Employees' Retirement System ("CalPERS")

	2022	2021	2020	2019
Actuarially determined contribution	\$ 1,285,084	\$ 2,784,221	\$ 2,588,931	\$ 2,414,889
Contributions in relation to the actuarially determined contribution	<u>(2,873,167)</u>	<u>(2,784,221)</u>	<u>(2,588,931)</u>	<u>(2,414,889)</u>
Contribution deficiency (excess)	<u>\$ (1,588,083)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>2</sup>	\$ 12,498,168	\$ 11,919,217	\$ 11,200,332	\$ 10,997,736
Contributions as a percentage of covered-employee payroll <sup>2</sup>	22.99%	23.36%	23.11%	21.96%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Payroll from 2019-20 in the amount of \$10,459,327 was assumed to increase by the 2.875 percent payroll growth assumption.

#### Notes to Schedule:

Valuation date: 6/30/2020 6/30/2019 6/30/2018 6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were from the June 30, 2020 public agency valuations.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, level of percent of pay
Amortization method	Level of percent of pay, closed 30 years
Amortization period	18 years
Asset valuation method	Market Value
Inflation	3.00%
Healthcare cost trend rates	3.50% for 2021-2023, 5.20% for 2024-2069, and 4.00% for 2070 and later years
Salary increases	3.00% - Per annum
Investment rate of return	6.00%
Retirement age	50-75
Preretirement Mortality	Preretirement Mortality Rates from CalPERS Experience Study (1997-2015).
Postretirement Mortality	3.50% for 2021-2023, 5.20% for 2024-2069, and 4.00% for 2070 and later years.

# Las Virgenes Municipal Water District

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

### California Public Employees' Retirement System ("CalPERS")

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,100,676	\$ 1,992,743	\$ 1,888,232	\$ 1,701,878	\$ 1,780,006
Contributions in relation to the actuarially determined contribution	<u>(2,100,676)</u>	<u>(1,992,743)</u>	<u>(1,888,232)</u>	<u>(1,701,878)</u>	<u>(1,780,006)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>2</sup>	\$ 10,354,515	\$ 10,502,928	\$ 9,775,690	\$ 9,545,681	\$ 9,497,783
Contributions as a percentage of covered- employee payroll <sup>2</sup>	20.29%	18.97%	19.32%	17.83%	18.74%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

<sup>2</sup> Payroll from 2019-20 in the amount of \$10,459,327 was assumed to increase by the 2.875 percent payroll growth assumption.

#### Notes to Schedule:

Valuation date:	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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# Las Virgenes Municipal Water District

## Required Supplementary Information (Unaudited) Schedule of Changes in Net OPEB Liability and Related Ratios Last Ten Fiscal Years

Measurement period <sup>1</sup>	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>					
Service cost	\$ 539,986	\$ 560,131	\$ 722,811	\$ 650,429	\$ 174,032
Interest	1,430,224	1,572,177	1,494,153	1,424,176	1,412,981
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(1,485,687)	-	(179,003)	-
Changes of assumptions	-	(1,668,195)	-	909,501	-
Benefit payments, including refunds of employee contributions	(1,345,809)	(1,303,141)	(1,645,263)	(1,632,555)	(1,022,844)
<b>Net change in total OPEB liability</b>	624,401	(2,324,715)	571,701	1,172,548	564,169
<b>Total OPEB liability - beginning</b>	23,960,183	26,284,898	25,713,197	24,540,649	23,976,480
<b>Total OPEB liability - ending (a)</b>	<u>\$ 24,584,584</u>	<u>\$ 23,960,183</u>	<u>\$ 26,284,898</u>	<u>\$ 25,713,197</u>	<u>\$ 24,540,649</u>
<b>OPEB fiduciary net position</b>					
Contributions - employer	\$ 2,960,833	\$ 2,696,541	\$ 2,975,568	\$ 2,216,227	\$ 1,657,742
Contributions - employee	-	-	-	-	-
Net investment income <sup>2</sup>	1,467,876	587,187	544,469	470,926	472,252
Benefit payments, including refunds of employee contributions	(1,345,809)	(1,303,141)	(1,645,263)	(1,632,955)	(1,022,844)
Other	(3,821)	(7,704)	(5,931)	-	(3,938)
<b>Net change in plan fiduciary net position</b>	3,079,079	1,972,883	1,868,843	1,054,198	1,103,212
<b>Plan fiduciary net position - beginning</b>	10,253,877	8,280,994	6,412,151	5,357,553	4,254,341
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 13,332,956</u>	<u>\$ 10,253,877</u>	<u>\$ 8,280,994</u>	<u>\$ 6,411,751</u>	<u>\$ 5,357,553</u>
<b>District's net OPEB liability - ending (a) - (b)</b>	<u>\$ 11,251,628</u>	<u>\$ 13,706,306</u>	<u>\$ 18,003,904</u>	<u>\$ 19,301,446</u>	<u>\$ 19,183,096</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	54.23%	44.80%	31.50%	24.94%	21.83%
<b>Covered payroll</b>	<u>\$ 11,919,217</u>	<u>\$ 11,200,332</u>	<u>\$ 10,997,736</u>	<u>\$ 10,354,515</u>	<u>\$ 10,502,928</u>
<b>District's net OPEB liability as a percentage of covered payroll</b>	213.66%	112.36%	157.09%	180.60%	191.23%

<sup>1</sup> Ten year historical information is not available.

## *Las Virgenes Municipal Water District*

### **Required Supplementary Information (Unaudited) Schedule of OPEB Plan Contributions**

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined employer contribution	\$ 2,862,376	\$ 2,950,042	\$ 3,038,663	\$ 2,216,227	\$ 1,657,743
Actual employer contribution	<u>(2,862,376)</u>	<u>(2,950,042)</u>	<u>(3,038,663)</u>	<u>(2,216,227)</u>	<u>(1,657,743)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,498,168	\$ 11,919,217	\$ 11,200,332	\$ 10,997,736	\$ 10,354,515
Contributions as a percentage of covered-employee payroll	22.90%	24.75%	26.51%	20.74%	16.53%

# *Las Virgenes Municipal Water District*

## **Index to Statistical Section June 30, 2022**

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This part of the Las Virgenes Municipal Water District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial states, note disclosures, and required supplementary information say about the District's overall financial health.

Contents: Pages

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

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| 2. Changes in Net Position | 71 |

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

- |                             |    |
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| 4. Revenue Rates            | 73 |
| 5. Principal Revenue Payers | 75 |

Debt Capacity - These schedule present information to help the reader assess the affordability of the district's current levels of outstanding debt and the District's ability to issue additional debt in the future.

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

- |   |    |
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| 10. Demographic and Economic Statistics | 80 |
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Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

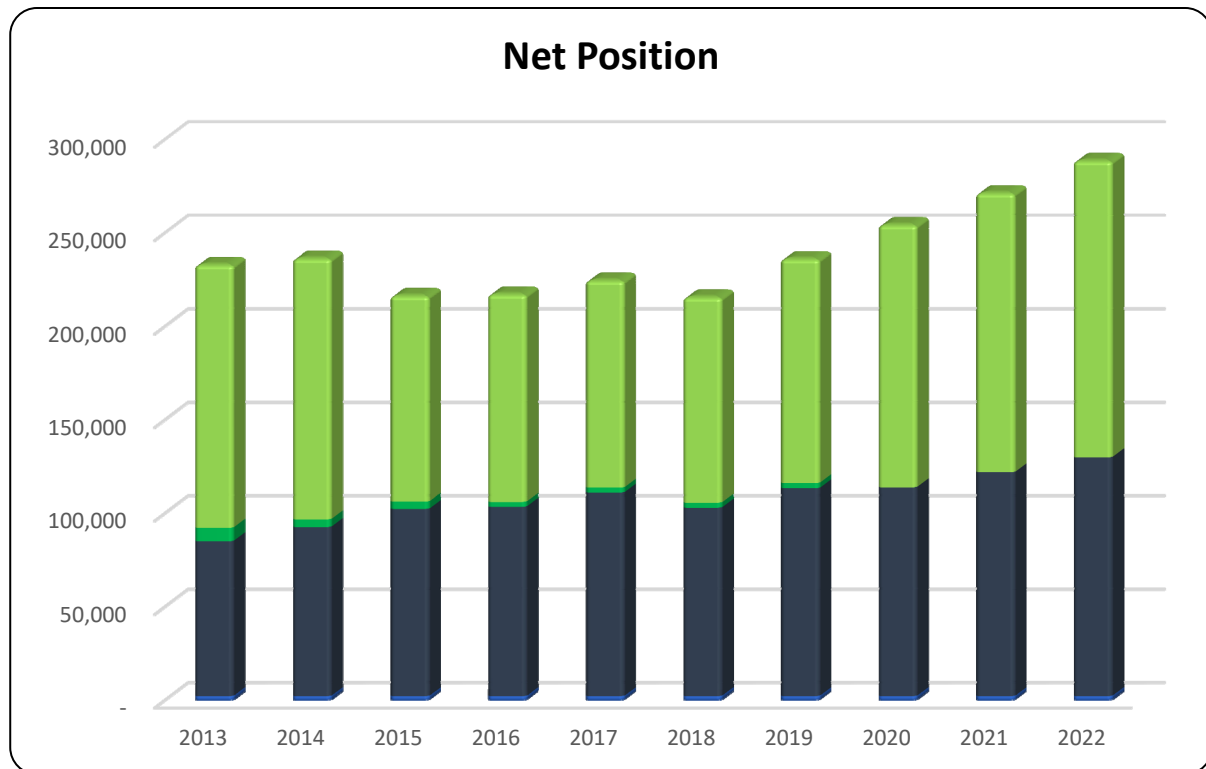
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Note: The District has no governmental funds; therefore, does not present information about changes in fund balances. Also, the District has no legal debt limitations.

# Las Virgenes Municipal Water District

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

Fiscal Year	Net Investment in Capital Assets	Restricted Net Position	Unrestricted Net Position (deficit)	Total Net Position
2013	\$ 82,870	\$ 7,208	\$ 140,793	\$ 230,871
2014	90,476	4,106	139,671	234,253
2015	100,170	3,881	110,269	214,320
2016	101,272	2,634	111,195	215,101
2017	108,930	2,654	110,928	222,512
2018	100,815	2,683	110,014	213,512
2019	111,254	2,734	120,033	234,021
2020	111,697	19	140,495	252,211
2021	119,802	-	149,432	269,234
2022	127,735	-	158,783	286,518



# Las Virgenes Municipal Water District

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

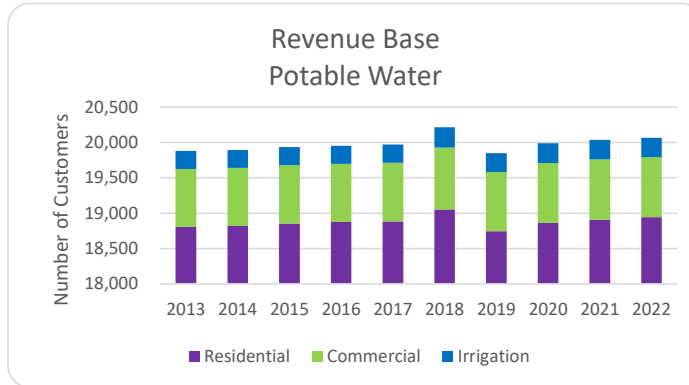
	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
<b>OPERATING REVENUES:</b>										
Water sales and service fees	\$ 51,564	\$ 52,306	\$ 45,431	\$ 43,370	\$ 45,257	\$ 39,113	\$ 32,949	\$ 37,547	\$ 41,177	\$ 35,637
Sanitation service fees	20,241	18,695	18,836	18,923	18,818	18,614	17,050	16,726	16,552	16,588
Other income	3,933	3,475	3,151	2,681	2,642	2,068	3,030	1,911	951	841
<b>Total operating revenues</b>	<b>75,738</b>	<b>74,476</b>	<b>67,418</b>	<b>64,974</b>	<b>66,717</b>	<b>59,795</b>	<b>53,029</b>	<b>56,184</b>	<b>58,680</b>	<b>53,066</b>
<b>OPERATING EXPENSES:</b>										
<b>Water expenses:</b>										
Source of supply	25,977	28,128	24,762	24,375	25,575	23,609	21,575	25,302	26,197	22,647
Pumping	2,548	1,979	1,738	1,615	1,669	1,618	1,491	1,582	1,754	1,518
Transmission and distribution	3,324	2,868	3,299	3,998	2,834	2,808	2,956	2,976	2,858	3,086
Meter	1,016	1,018	832	760	735	851	898	572	778	673
Water conservation	82	166	635	618	265	395	2,280	1,964	444	361
Rental	-	31	14	28	7	4	21	3	4	5
General and administrative	4,366	6,832	7,357	6,441	6,208	5,645	5,155	5,668	5,768	5,619
<b>Total water expenses</b>	<b>37,313</b>	<b>41,022</b>	<b>38,637</b>	<b>37,835</b>	<b>37,293</b>	<b>34,930</b>	<b>34,376</b>	<b>38,067</b>	<b>37,803</b>	<b>33,909</b>
<b>Sanitation expenses:</b>										
Other sewage treatment	652	514	384	484	447	381	474	227	309	252
Lift stations	225	264	255	190	198	199	277	241	410	308
General and administrative	2,589	1,914	1,916	1,362	1,231	991	1,292	1,005	1,010	871
<b>Total sanitation expenses</b>	<b>3,466</b>	<b>2,692</b>	<b>2,555</b>	<b>2,036</b>	<b>1,876</b>	<b>1,571</b>	<b>2,043</b>	<b>1,473</b>	<b>1,729</b>	<b>1,431</b>
Depreciation and amortization	4,413	3,832	4,012	4,016	3,943	4,076	4,712	4,579	4,616	4,729
<b>Total operating expenses</b>	<b>45,192</b>	<b>47,546</b>	<b>45,204</b>	<b>43,887</b>	<b>43,112</b>	<b>40,577</b>	<b>41,131</b>	<b>44,119</b>	<b>44,148</b>	<b>40,069</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>30,546</b>	<b>26,930</b>	<b>22,214</b>	<b>21,087</b>	<b>23,605</b>	<b>19,218</b>	<b>11,898</b>	<b>12,065</b>	<b>14,532</b>	<b>12,997</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>										
Taxes and penalties	1,001	929	915	984	946	953	926	904	892	888
Lease income	81	83	-	-	-	-	-	-	-	-
Interest income	(3,099)	223	3,158	3,096	452	274	572	478	496	610
Facilities income/ (expense)	348	358	355	378	352	371	336	345	389	356
Interest expense and fiscal charges	(209)	(194)	(232)	(531)	(642)	(748)	(825)	(909)	(992)	(1,059)
Share of Joint Powers Authority (expense)	(15,314)	(17,969)	(13,633)	(13,958)	(13,718)	(13,157)	(12,955)	(13,828)	(13,602)	(13,644)
Gain (Loss) on disposal of capital assets	-	52	8	-	(73)	(46)	51	10	(2)	(3)
Other revenues/(expenses)	232	1,103	3,986	722	408	(74)	401	(362)	128	(727)
<b>Nonoperating revenues (expenses)</b>	<b>(16,960)</b>	<b>(15,415)</b>	<b>(5,443)</b>	<b>(9,309)</b>	<b>(12,275)</b>	<b>(12,427)</b>	<b>(11,494)</b>	<b>(13,362)</b>	<b>(12,691)</b>	<b>(13,579)</b>
Capital contributions	3,698	5,498	1,419	3,900	2,566	620	377	990	1,541	2,169
<b>Change in Net Position</b>	<b>17,284</b>	<b>17,013</b>	<b>18,190</b>	<b>15,678</b>	<b>13,896</b>	<b>7,411</b>	<b>781</b>	<b>(307)</b>	<b>3,382</b>	<b>1,587</b>
<b>NET POSITION:</b>										
Beginning of year	269,234	252,221	234,021	218,343	204,447	215,101	214,320	214,627	230,871	229,284
<b>Ending Net Position</b>	<b>\$286,518</b>	<b>\$269,234</b>	<b>\$252,211</b>	<b>\$234,021</b>	<b>\$218,343</b>	<b>\$222,512</b>	<b>\$215,101</b>	<b>\$214,320</b>	<b>\$234,253</b>	<b>\$230,871</b>

# Las Virgenes Municipal Water District

## Revenue Base Last Ten Fiscal Years

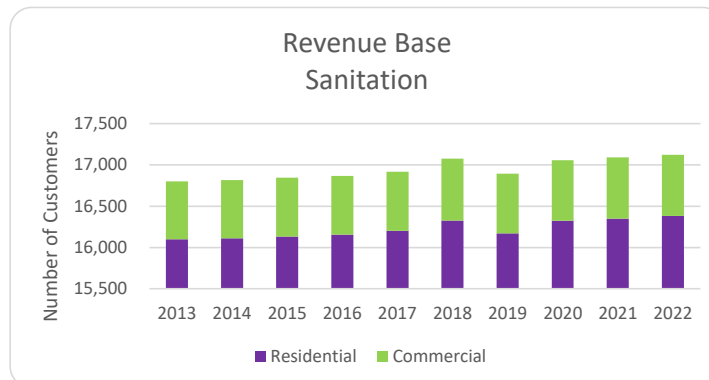
### Potable Water

Fiscal Year	Operating Revenue in thousand \$	Number of Customers			
		Residential	Commercial	Irrigation	Total
2013	\$ 35,639	18,806	818	255	19,879
2014	41,177	18,820	820	253	19,893
2015	37,547	18,853	825	257	19,935
2016	34,019	18,873	825	255	19,953
2017	39,962	18,881	832	257	19,970
2018	46,250	19,053	874	287	20,214
2019	44,316	18,745	836	266	19,847
2020	45,511	18,863	845	279	19,987
2021	54,790	18,908	850	279	20,037
2022	48,377	18,943	849	275	20,067



### Sanitation

Fiscal Year	Operating Revenue in thousand \$	Number of Customers		
		Residential	Commercial	Total
2013	\$ 16,588	16,100	702	16,802
2014	16,552	16,113	704	16,817
2015	16,726	16,133	712	16,845
2016	17,050	16,157	711	16,868
2017	18,614	16,202	715	16,917
2018	18,818	16,328	749	17,077
2019	18,923	16,171	724	16,895
2020	18,836	16,323	734	17,057
2021	18,695	16,350	740	17,090
2022	20,274	16,383	740	17,123



# Las Virgenes Municipal Water District

## Revenue Rates Last Ten Fiscal Years

NOTE: Effective January 1, 2016, the District implemented a new water budget based rate structure. "-" indicates no rate established

### Potable Water Rates for Residential and Commercial Customers:

#### Readiness to Serve Charge

Meter Size	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	Monthly 3/1/2021	Monthly 1/1/2022
3/4"	\$ 28.77	\$ 30.21	\$ 31.73	\$ 18.30	\$ 21.73	\$ 25.43	\$ 29.42	\$ 33.72	\$ 35.86	\$ 37.66
1"	42.37	44.49	46.72	29.47	35.14	41.25	47.87	54.97	58.14	61.05
1-1/2"	76.35	80.17	84.18	57.39	68.65	80.80	90.95	108.07	113.82	119.52
2"	117.60	123.48	129.66	90.89	108.86	128.26	149.25	171.80	180.66	189.70
3"	225.75	237.04	248.90	196.97	236.20	278.55	324.37	373.61	392.27	411.89
4"	348.60	366.03	384.34	353.30	423.85	500.02	582.48	671.00	704.12	739.33
6"	675.75	722.14	758.25	894.89	1,073.94	1,267.29	1,476.47	1,701.28	1,784.47	1,873.70
8"	1,096.20	1,151.01	1,208.57	1,564.89	1,878.17	2,216.48	2,582.49	2,975.84	3,120.98	3,277.03
10"	1,571.85	1,650.45	1,732.98	2,346.55	2,816.44	3,323.86	3,872.84	4,462.83	4,680.25	4,914.27

#### Volume Charges (per 100 cubic feet of water use)

	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022
Tier 1	\$ 1.98	\$ 2.19	\$ 2.31	\$ 2.36	\$ 2.46	\$ 2.59	\$ 2.71	\$ 2.85	\$ 3.14	\$ 3.85
Tier 2	2.37	2.60	2.80	3.18	3.24	3.32	3.41	3.50	3.50	4.41
Tier 3	3.29	3.56	3.81	3.96	4.00	4.06	4.16	4.20	4.20	6.75
Tier 4	4.68	5.02	5.34	4.98	5.02	5.08	5.14	5.22	5.22	varies
Tier 1 End(Hcf)	16.00	16.00	16.00	varies	varies	varies	varies	varies	varies	varies
Tier 2 End(Hcf)	67.00	67.00	67.00	by water budget	by water budget	by water budget	by water budget	by water budget	by water budget	by water budget
Tier 3 End(Hcf)	200.00	200.00	200.00							

#### Elevation Surcharges (per 100 cubic feet of water use)

	01/01/2013	01/01/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022
Zone 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Zone 2	0.38	0.40	0.42	0.42	0.44	0.46	0.52	0.52	0.47	0.50
Zone 3	0.66	0.70	0.74	0.98	1.03	1.08	1.19	1.19	1.10	1.16
Zone 4	1.15	1.21	1.28	1.56	1.64	1.72	1.82	1.82	1.88	1.89
Zone 5	2.30	2.42	2.55	-	-	-	-	-	-	-

### Monthly Recycled Water Charges:

#### Readiness to Serve Charge

Meter Size	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022
3/4"	-	-	-	\$ 9.15	\$ 13.04	\$ 19.08	\$ 25.01	\$ 33.72	\$ 28.79	\$ 31.10
1"	-	-	-	14.74	21.09	30.94	40.69	54.97	46.31	50.02
1-1/2"	-	-	-	28.70	41.19	60.60	79.86	108.07	90.09	97.30
2"	-	-	-	45.45	65.32	96.20	126.87	171.80	142.64	154.06
3"	-	-	-	98.49	141.72	208.92	275.72	373.61	309.03	333.76
4"	-	-	-	176.65	254.31	375.02	495.07	671.00	554.24	598.58
6"	-	-	-	447.45	644.37	950.47	1,255.00	1,701.28	1,403.71	1,516.01
8"	-	-	-	782.45	1,126.91	1,662.36	2,195.12	2,975.84	2,454.60	2,650.97
10"	-	-	-	1,173.28	1,689.87	2,492.90	3,291.92	4,462.83	3,680.64	3,975.10

# Las Virgenes Municipal Water District

## Revenue Rates (Continued) Last Ten Fiscal Years

<b>Volume Charges (per 100 cubic feet of water use)</b>									
	1/1/2013	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022
Tier 1	\$ 1.07	\$ 1.09	\$ 1.18	\$ 1.19	\$ 1.19	\$ 1.18	\$ 1.16	\$ 1.24	\$ 1.34
Tier 2	1.40	1.42	2.91	2.83	2.67	2.52	2.27	2.61	2.82
Tier 3	2.23	2.26	3.73	3.67	3.52	3.37	3.13	4.97	5.37
Tier 4	3.46	3.51	-	-	-	-	-	-	-
<b>Elevation Surcharges (per 100 cubic feet of water use)</b>									
	1/1/2013	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022
L.V. Valley	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
East/West	0.24	0.24	0.33	0.34	0.35	0.36	0.37	0.30	0.33
<b>Residential</b>									
Household Size:	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021	1/1/2022			
1	\$ 21.37	\$ 21.82	\$ 22.27	\$ 22.73	\$ 23.59	\$ 24.48			
2	35.75	36.51	37.27	38.04	39.47	40.96			
3	50.13	51.20	52.27	53.35	55.36	57.44			
4	64.51	65.89	67.27	68.66	71.24	73.92			
5	78.90	80.58	82.27	83.97	87.12	90.39			
6 or more	93.28	95.27	97.27	99.28	103.01	106.88			
<b>Commercial</b>									
Account Charge	\$ 6.98	\$ 7.12	\$ 7.27	\$ 7.42	\$ 7.70	varies			
Base Charge, inclusive of 6.6 hcf/ERU									
Class 1	\$ 41.94	\$ 42.78	\$ 43.64	\$ 44.52	\$ 46.19	\$ 47.93			
Class 2	57.82	58.98	60.16	61.37	63.68	66.07			
Class 3	76.56	78.10	79.67	81.27	84.32	87.49			
Class 4	96.36	98.29	100.26	102.27	106.11	110.09			
Per Excess ERU									
Class 1	\$ 6.35	\$ 6.48	\$ 6.61	\$ 6.75	\$ 7.01	\$ 7.28			
Class 2	8.75	8.93	9.11	9.30	9.65	10.02			
Class 3	11.58	11.82	12.06	12.31	12.78	13.26			
Class 4	14.58	14.88	15.18	15.49	16.08	16.69			



# Las Virgenes Municipal Water District

## Principal Revenue Payers Current Fiscal Year and Nine Years Ago

Potable Water Customer Name	2022			2013		
	Potable Water Revenue	Rank	Percentage of Total Operating Revenue	Potable Water Revenue	Rank	Percentage of Total Operating Revenue
City of Calabasas	\$ 261,395	1	0.57%	\$ -	-	-
Malibu Canyon Apartments	246,495	2	0.54%	100,127	9	0.19%
California West HOA	234,662	3	0.51%	-	-	-
LVUSD	209,244	4	0.46%	-	-	-
ERP-Operating LTD Partnership	202,712	5	0.44%	124,179	4	0.24%
Westlake Wellbeing Properties	164,303	6	0.36%	136,134	2	0.26%
Calabasas Crest LTD	162,788	7	0.36%	105,922	8	0.21%
Malibu Conference Center	154,017	8	0.34%	112,639	5	0.22%
Forestar Chatsworth, LLC	150,097	9	0.33%	-	-	-
Archstone Communities	145,501	10	0.32%	-	-	-
Malibu Golf Club, LLC				414,907	1	0.80%
The Cheesecake Factory				110,282	7	0.21%
LACO Internal Service Department				111,632	6	0.22%
Mountain View Mobile Estate				131,630	3	0.26%
Summit Mobile Park				95,161	10	0.18%
Total	<u>\$ 1,931,214</u>		<u>4.23%</u>	<u>\$ 1,442,613</u>		<u>2.80%</u>

Sanitation Customer Name	2022			2013		
	Sanitation Revenue	Rank	Percentage of Total Operating Revenue	Sanitation Revenue	Rank	Percentage of Total Operating Revenue
Archstone Communities Calabasas	\$ 410,751	1	2.07%	\$ 237,095	2	0.46%
Malibu Canyon Apartments	319,736	2	1.61%	273,690	1	0.53%
Westlake Wellbeing Properties	292,477	3	1.47%	227,486	3	0.44%
Archstone Oak Creek I LLC	229,074	4	1.15%	-	-	-
LVUSD	206,743	5	1.04%	175,764	4	0.34%
Annandale II HOA	200,743	6	1.01%	116,812	6	0.23%
The Cheesecake Factory	169,028	7	0.85%	142,938	5	0.28%
Summit Mobile Park	137,379	8	0.69%	-	-	-
Woodland Park Mobile	134,672	9	0.68%	-	-	-
Pepperdine University	125,031	10	0.63%	105,842	10	0.21%
Archstone -Smith	-	-	-	106,692	9	0.21%
ERP-Operating LTD Partnership	-	-	-	114,362	7	0.22%
Oak Park Calabasas HOA	-	-	-	110,305	8	0.21%
Total	<u>\$ 2,225,634</u>		<u>11.22%</u>	<u>\$ 1,610,986</u>		<u>3.13%</u>

# Las Virgenes Municipal Water District

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities				Total	Percentage of Personal Income (2)	Per Capita (1)
	Refunding Revenue Bonds	Capital Lease Payable	Installment Purchase Agreement	Lease Liability			
2013	\$ 24,230	\$ 71	\$ -	\$ -	\$ 24,301	0.66%	1,446
2014	22,585	61	-	-	22,646	0.64%	1,347
2015	20,745	36	-	-	20,781	0.56%	1,234
2016	18,820	105	-	-	18,925	0.53%	1,122
2017	16,795	84	-	-	16,879	0.46%	998
2018	14,670	63	-	-	14,733	0.38%	863
2019	12,460	40	-	-	12,500	0.33%	740
2020	- (2)	16	10,115 (3)	83 (4)	10,214	0.25%	599
2021	-	-	9,300	64	9,364	0.18%	548
2022	-	-	8,345	45	8,390	0.00%	490

Note:

(1) Per Capita is based on number of customers for the District.

(2) Refunding Revenue Bonds Paid in Full in FY 2020.

(3) The District entered into an installment purchase agreement on June 1, 2020

(4) For year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87

# *Las Virgenes Municipal Water District*

## **Ratios of General Bonded Debt Outstanding June 30, 2022**

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<u>Fiscal Year</u>	<u>Business-Type Activities Refunding Revenue Bonds</u>	<u>Total</u>	<u>Percentage of Gross Revenue for Bond Coverage</u>	<u>Per Capita (1)</u>
2013	\$ 24,230	\$ 24,230	132.82%	1,442
2014	22,585	22,585	124.44%	1,343
2015	20,745	20,745	119.95%	1,232
2016	18,820	18,820	108.17%	1,116
2017	16,795	16,795	90.23%	993
2018	14,670	14,670	77.96%	859
2019	12,460	12,460	65.85%	737
2020	-	-	0.00%	-
2021	-	-	0.00%	-
2022	-	-	0.00%	-

Note:

- (1) Per Capita is based on number of customers for the District.
- (2) Refunding Revenue Bonds Paid in Full in FY 2020.

# Las Virgenes Municipal Water District

## Direct and Overlapping District Debt June 30, 2022

<u>2021-22 Assessed Valuation:</u>	\$	27,208,542,652		
		<b>Total Debt</b>		<b>District's Share of</b>
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		<u>6/30/2022</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/22</u>
Metropolitan Water District	\$	20,175,000	0.802%	\$ 161,804
Los Angeles Community College District	\$	4,146,515,000	2.603%	\$ 107,933,785
Santa Monica Community College District	\$	737,405,211	1.780%	\$ 13,125,813
Las Virgenes Joint Unified School District	\$	105,375,995	95.259%	\$ 100,380,119
Los Angeles Unified School District	\$	10,770,060,000	0.125%	\$ 13,462,575
Santa Monica-Malibu Unified School District	\$	557,399,648	1.776%	\$ 9,899,418
Santa Monica-Malibu Unified School District School Facilities Improvement District No. 2	\$	95,955,000	5.337%	\$ 5,121,118
City of Los Angeles	\$	739,015,000	2.300%	\$ 169,973
<b>Las Virgenes Municipal Water District</b>	\$	-	<b>100.000%</b>	\$ -
City of Calabasas Community Facilities District No. 1998-1	\$	2,209,320	100.000%	\$ 2,209,320
City of Calabasas Community Facilities District No. 2001-1	\$	13,290,200	100.000%	\$ 13,290,200
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT				\$ 265,754,125
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005 Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Aside for Repayment				\$ 193,585
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT				\$ 265,560,540
<u>OVERLAPPING GENERAL FUND DEBT:</u>				
Los Angeles County General Fund Obligations	\$	2,698,357,105	1.536%	\$ 41,446,765
Los Angeles County Superintendent of Schools Certificates of Participation	\$	3,972,227	1.536%	\$ 61,013
Las Virgenes Joint Unified School District Certificates of Participation	\$	9,052,295	95.259%	\$ 8,623,126
Los Angeles Unified School District Certificates of Participation	\$	120,710,000	12.500%	\$ 150,888
Santa Monica-Malibu Unified School District Certificates of Participation	\$	26,894,301	1.776%	\$ 477,643
City of Agoura Hills General Fund Obligations	\$	11,690,000	100.000%	\$ 11,690,000
City of Calabasas Certificates of Participation	\$	36,485,000	99.181%	\$ 36,186,188
City of Los Angeles General Fund Obligations	\$	1,429,256,004	2.300%	\$ 328,729
City of Westlake Village Certificates of Participation	\$	13,940,000	100.000%	\$ 13,940,000
TOTAL OVERLAPPING GENERAL FUND DEBT	\$	-		\$ 112,904,352
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$	5,760,000	100.000%	\$ 5,760,000
<b>TOTAL DIRECT DEBT</b>				\$ -
TOTAL GROSS OVERLAPPING DEBT				\$ 384,418,477
TOTAL NET OVERLAPPING DEBT				\$ 384,224,892
GROSS COMBINED TOTAL DEBT				\$ 384,418,477
NET COMBINED TOTAL DEBT				\$ 384,224,892
(1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the district divided by the overlapping district's total taxable assessed value.				
(2) Excludes revenue issues.				
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.				
<u>Ratios to 2021-22 Assessed Valuation:</u>				
<b>Direct Debt</b>		<b>0.00%</b>		
Total Gross Direct and Overlapping Tax and Assessment Debt		0.98%		
Total Net Direct and Overlapping Tax and Assessment Debt		0.98%		
Gross Combined Total Debt		1.41%		
Net Combined Total Debt		1.41%		
<u>Ratios to Redevelopment Successor Agency Incremental Valuation</u>		<u>\$883,367,355</u>		
Total Overlapping Tax Increment Debt		0.65%		

Source: California Municipal Statistics, Inc.

# Las Virgenes Municipal Water District

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

Fiscal Year	Refunding Revenue Bonds						Coverage
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service			
				Principal	Interest		
2013	18,243	10,209	8,034	1,725	1,031	2.92	
2014	18,149	10,692	7,457	1,765	987	2.71	
2015	17,429	10,653	6,776	1,840	903	2.47	
2016	17,398	10,260	7,138	1,925	814	2.61	
2017	18,613	10,584	8,029	2,025	731	2.91	
2018	18,818	11,449	7,369	2,125	610	2.69	
2019	18,923	11,803	7,120	2,210	531	2.60	
2020	-	(3)	-	-	-	-	
2021	52,249	(4)	41,018	11,231	800	171	11.57
2022	51,564		37,191	14,373	955	172	12.75

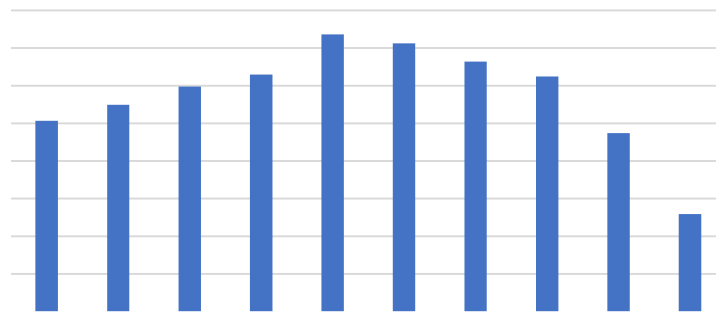
Note:

- (1) Gross revenues include operating, non-operating, and capacity fee revenues.
- (2) Operating expenses exclude depreciation and amortization.
- (3) On December 1, 2009, the District issued 2009 Sanitation Refunding Revenue Bonds to advance refund 1998 Bonds. From fiscal year 2010 and going forward, gross revenue and operating expenses are for sanitation operations only, and the debt service expense shown is maximum debt service for the Bond. This was paid in full in FY2020.

# Las Virgenes Municipal Water District

## Demographic Economic Statistics Last Ten Fiscal Years

Year	Population within District	Total Personal Income (dollars in thousands)	Per Capita Personal Income	Unemployment Rate
2013	54,532	\$ 3,657,713	\$ 77,814	4.0%
2014	54,747	3,549,122	75,837	3.7%
2015	54,989	3,689,946	76,963	5.2%
2016	55,148	3,541,560	75,538	4.3%
2017	55,683	3,683,941	77,343	3.6%
2018	55,564	3,874,981	79,931	3.1%
2019	55,321	3,821,856	80,325	3.1%
2020	55,123	4,154,791	84,912	3.5%
2021	54,370	5,279,435	87,459	4.4%
2022	53,294	4,159,420	93,115	5.0%



**Note:**

- (1) Data is for the District's service area and includes City of Calabasas, City of Hidden Hills, City of Agoura Hills, City of Westlake Village.
- (2) Amounts for prior years are restated with the most recent available information.
- (3) Does not include unincorporated service area.

**Sources:**

Cities of Calabasas, Hidden Hills, Agoura Hills, Westlake Village Annual Financial Reports  
California Department of Finance, Bureau of Economic Analysis  
Bureau of Labor Statistics

# Las Virgenes Municipal Water District

## Principal Employers Current Fiscal Year and Nine Years Ago

Employer by Industry	2022			2013		
	Number of	Rank	Percentage of Total Area Employment	Number of	Rank	Percentage of Total Area Employment
Government & Education	2,010	1	7.70%	1,812	8	5.06%
Finance and Insurance	1,803	2	6.91%	4,575	2	12.78%
Retail Trade	1,296	3	4.97%	2,751	5	7.68%
Technology	1,075	4	4.12%	-		
Professional and Technical Services	938	5	3.59%	4,884	1	13.64%
Restaurants	845	6	3.24%	-		
Health Care and Social Assistance	500	7	1.92%	1,755	9	4.90%
Hotel & Tourism	333	8	1.28%	3,298	4	9.21%
Manufacturing	277	9	1.06%	2,377	6	6.64%
Wholesale	233	10	0.89%	-		
Information				1,669	10	4.66%
Administrative, Support, Waste Management				3,596	3	10.04%
Educational Services				2,031	7	5.67%
<b>Total</b>	<b>9,310</b>		<b>35.67%</b>	<b>28,748</b>		<b>80.30%</b>

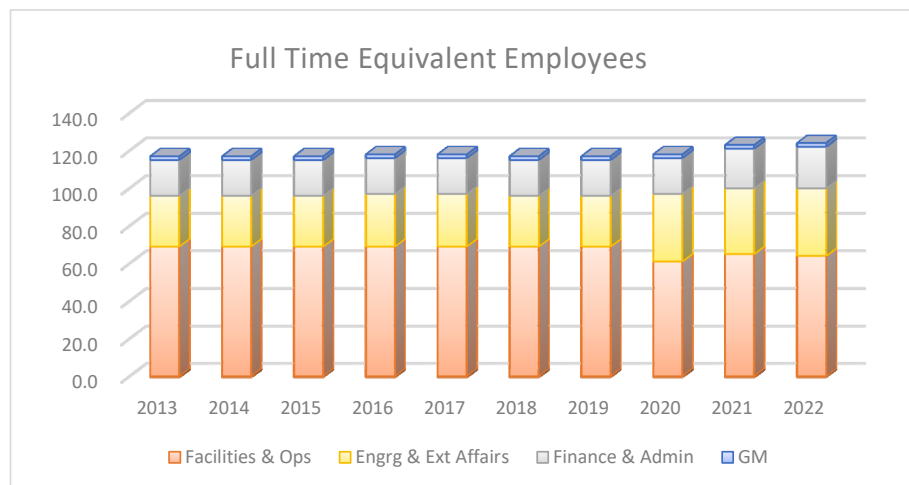
**Notes:**

Includes City of Calabasas, City of Hidden Hills, City of Agoura Hills, City of Westlake Village  
 Source for Cities of Calabasas, Agoura Hills and Westlake Village based on city's published ACFR.  
 City of Hidden Hills Source California EDD

# Las Virgenes Municipal Water District

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Manager Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Facilities and Operations:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Facilities Maintenance	16.2	16.2	16.2	16.2	16.2	16.7	16.7	16.7	18.0	17.0
Water Treatment and Production	11.8	11.8	11.8	11.8	11.8	11.3	11.3	11.3	13.0	13.0
Reclamation	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	25.0	25.0
Construction	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0
Technical Service	8.0	8.0	8.0	8.0	8.0	9.0	9.0	-	-	-
<i>Subtotal</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>61.0</i>	<i>65.0</i>	<i>64.0</i>
Finance and Administration:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance and Accounting	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Human Resources	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Information System	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0
<i>Subtotal</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>21.0</i>	<i>22.0</i>
Engineering & External Affairs										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Customer Service	19.0	19.0	19.0	20.0	20.0	19.0	19.0	19.0	18.0	18.0
Water Conservation	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Information	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Planning/New Customer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Services	-	-	-	-	-	-	-	9.0	9.0	10.0
<i>Subtotal</i>	<i>27.0</i>	<i>27.0</i>	<i>27.0</i>	<i>28.0</i>	<i>28.0</i>	<i>27.0</i>	<i>27.0</i>	<i>36.0</i>	<i>35.0</i>	<i>36.0</i>
<b>Total</b>	<b>117.0</b>	<b>117.0</b>	<b>117.0</b>	<b>118.0</b>	<b>118.0</b>	<b>117.0</b>	<b>117.0</b>	<b>118.0</b>	<b>123.0</b>	<b>124.0</b>





# Las Virgenes Municipal Water District

## Operating Indicators by Function Last Ten Fiscal Years

<b>Water</b>	<u>New Connections</u>	<u>Water Main Leak Repairs</u>	<u>Avg Daily Consumption (thousands of gallons)</u>
2013	51	39	\$ 19,879
2014	18	47	21,310
2015	15	83	18,132
2016	15	67	15,316
2017	11	48	16,202
2018	32	49	17,227
2019	19	51	16,566
2020	11	58	19,294
2021	12	58	22,173
2022	6	92	16,068

<b>Potable Water</b>	<u>Connections</u>	<u>Deliveries (acre-feet)</u>	<u>Realized Capacity Fee Revenues</u>
2013	19,879	22,264	\$ 513,062
2014	19,893	23,867	359,934
2015	19,935	20,307	342,868
2016	19,953	17,153	143,068
2017	19,970	18,146	138,833
2018	20,214	19,294	386,226
2019	19,847	18,553	641,334
2020	19,858	18,280	329,748
2021	20,037	20,478	2,230,498
2022	19,918	17,999	810,296

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

<b>Wastewater</b>	<u>Connections</u>	<u>Tapia Plant</u>	<u>LVMWD</u>	<u>Triunfo Sanitation District</u>	<u>Realized Capacity Fee Revenues</u>
2013	16,802	7,579	5,031	2,548	\$ 1,085,000
2014	16,817	7,281	4,880	2,401	1,124,550
2015	16,845	6,397	3,956	2,441	462,000
2016	16,868	6,109	3,667	2,442	224,000
2017	16,917	6,029	3,688	2,341	458,590
2018	17,077	6,246	3,941	2,305	790,921
2019	16,895	6,118	3,815	2,303	553,000
2020	17,057	6,340	3,890	2,450	1,089,141
2021	17,090	6,352	3,898	2,455	3,082,896
2022	16,971	6,417	4,245	2,172	50,580

# Las Virgenes Municipal Water District

## Capital Asset Statistics by Function Last Ten Fiscal Years

Potable Water	Water Main (miles)	Fire Hydrants (#)	Valves (#)	Storage Capacity (millions of gallons)	
				Reservoirs	Tanks
2013	387.1	3,154	4,452	3,100	33.3
2014	389.1	3,167	4,477	3,100	33.3
2015	389.3	3,172	4,485	3,100	33.3
2016	388.8	3,171	4,472	3,100	38.8
2017	389.2	3,175	4,447	3,100	38.8
2018	390.3	3,181	4,461	3,100	38.8
2019	391.5	3,192	4,489	3,100	38.8
2020	392.8	3,212	4,503	3,100	38.8
2021	383.0	3,215	4,497	3,100	38.8
2022	395.3	3,227	4,546	3,100	38.95

Recycled Water	Water Main (miles)	Valves (#)	Storage Capacity (millions of gallons)	
			Reservoirs	Tanks
2013	65.9	342	19.3	5.6
2014	66.2	342	19.3	5.6
2015	66.2	342	19.3	5.6
2016	67.1	359	19.3	5.6
2017	68.1	365	19.3	5.6
2018	68.1	366	19.3	5.6
2019	68.1	367	19.3	5.6
2020	68.1	367	19.3	5.6
2021	68.3	371	19.3	5.6
2022	68.6	374	19.3	5.6

Wastewater	Sanitary Sewers (miles)	Treatment Capacity (millions of gallons)
2014	56.9	16
2015	56.9	16
2016	56.9	16
2017	56.9	16
2018	56.8	16
2019	57.4	16
2020	57.4	16
2021	58.0	16
2022	58.0	16

# Las Virgenes Municipal Water District

## Annual Water & Sewer Capacity Fee Deposits Report Per Government Code Section 66013 (d) and € Fiscal Year Ended June 30, 2022

Beginning Balance:			
Capacity Fees		\$3,118,134	
Developer Fees		329,738	
Interest		306,424	
Total Beginning Balance			\$3,754,296
Fees Collected:			
Capacity Fees	\$2,017,539		
Developer Fees	88,093		
Total Fees Collected		2,105,632	
Interest Earned		13,741	
Fees Available		2,119,373	
Applied to:			
Capital Costs Funded by:			
Capacity Fees	590,357		
Meter Installation	7,702		
Developer Fees	271,727		
Interest Earned	43,489		
Total Capital Costs		913,275	
Refunds		48,099	
Total Funds Applied		961,374	
Net Changes for the Year			1,157,999
Ending Balance:			
Capacity Fees		4,489,515	
Developer Fees		146,104	
Interest (1)		276,676	
Total Ending Balance			<u>\$4,912,295</u>

(1): Interest earned is not reflected as a liability on the Statement of Net Position.

California Government Code (CGC) Section 66013(c) requires the District to place capital facilities connection fees received and any interest income earned from the investment of these monies in a separate capital facilities fund. These monies are to be used solely for the purposes for which they were collected and not commingled with other District funds.

CGC Section 66013(d) requires the District to make certain information available to the public within 180 days after the close of each fiscal year. CGC Section 66013(e) allows the required information to be included in the District's annual financial report. The Annual Connection Fee Report shown above meets this requirement.

Capacity fees are imposed for initiating water and sewer connection service by the District at the request of the customer. No fees are imposed upon real property or upon persons as an incident of property ownership, but rather as a condition of service.

Developer fees are imposed for other services such as plan check, right-of-way, inspection and coring fees.