CALLEGUAS MUNICIPAL WATER DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

For the Fiscal Year Ended
June 30, 2025
(With Comparative Amounts as of June 30, 2024)

NIGRO & NIGRO PC

CALLEGUAS MUNICIPAL WATER DISTRICT
For the Fiscal Year Ended June 30, 2025
Board of Directors and Key Management Personnel

BOARD OF DIRECTORS

Name	District	Office	Term Expires
Raul Avila	1	President	December 2028
Thibault Robert	4	Vice President	December 2026
Jacquelyn McMillan	5	Treasurer	December 2026
Reddy Pakala	3	Secretary	December 2028
Scott H. Quady	2	Director	December 2028

MANAGEMENT PERSONNEL

Name	Position
Kristine McCaffrey, P.E.	General Manager
Ian Prichard	Deputy General Manager
Fernando Baez, P.E.	Manager of Engineering
Tricia Ferguson	Manager of Human Resources and Risk Management
Henry Graumlich	Executive Strategist
Charlotte Holifield	Manager of External Affairs
Jennifer Lancaster	Manager of Water Resources
Omar Castro	Manager of Operations and Maintenance
Wes Richardson	Manager of Information Technology
Dan Smith	Manager of Finance

CALLEGUAS MUNICIPAL WATER DISTRICT
For the Fiscal Year Ended June 30, 2025
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Introductory Section

BACKGROUND: WHO IS CALLEGUAS?

Calleguas Municipal Water District ("District") was created as a special district in 1953 by ballot measure for the purpose of providing southeast Ventura County with a reliable supply of high-quality supplemental water. Today Calleguas provides water service to an estimated population of 650,000 through 19 retail water purveyors. The District's 366-square-mile service area includes the cities of Oxnard, Port Hueneme, Camarillo, Thousand Oaks, Simi Valley, Moorpark, and surrounding unincorporated areas including Naval Base Ventura County, Oak Park, Lake Sherwood, Somis and Bell Canyon.

Calleguas' Mission

To provide the service area with a reliable supplemental supply of regional and locally developed water in an environmentally and economically responsible manner.

The District is a member agency of the Metropolitan Water District of Southern California (MWD). Water is delivered into the Calleguas service area through a system connection with Metropolitan. The majority of Calleguas' water supply is treated at Metropolitan's Jensen Treatment Facility in Granada Hills. The District then conveys the high-quality drinking water through 130 miles of 18 inch to 78-inch diameter pipelines, nine reservoirs, five hydroelectric generators, and six pump stations to local cities and water agencies for delivery to consumers. In order provide customers with water during outages of imported supplies, the District also owns and operates a lake with a surface water treatment plant and an aquifer storage and recovery (ASR) facility with 18 wells, as well as an interconnection with the Crestview Mutual Water Company. To facilitate development of local brackish groundwater supplies and potable reuse of recycled water, Calleguas operates an 22mile-long Salinity Management Pipeline (SMP) with an outfall extending into the Pacific Ocean.

WATER SUPPLY

The District has access to Metropolitan water as a "member agency." Metropolitan depends on the State Water Project (SWP) and the Colorado River for supply and delivers those sources to its member agencies via a network of reservoirs, aqueducts, and pumping facilities. Calleguas has a single connection to Metropolitan, at the "East Portal" in Chatsworth. From there, water is conveyed through the 1.3-mile Santa Susana Tunnel to the "West Portal" in Simi Valley, where it branches into a pipeline distribution system. The District's supply typically comes from the SWP because there is limited Metropolitan infrastructure in place to deliver Colorado River water to Ventura County. Due to shortages of State Project Water in 2021 and 2022, however, 16–29% of the District's supply during that time came from the Colorado River Aqueduct System delivered through Metropolitan's Greg Avenue Pump Station in Burbank and through pipelines owned and operated by Metropolitan in the San Fernando Valley.

The last few years have presented significant challenges for water supply as California has experienced "weather whiplash," with multiple record dry years followed by an unusually wet year during Water Year 2022-23. The District entered fall 2022 with unprecedented water use restrictions, as back-to-back dry years resulted in 5 percent allocations from the SWP and mandatory conservation actions were implemented by Metropolitan under its Emergency Water Conservation Program (EWCP) effectively limiting outdoor water use to just one day per week within Calleguas's service area. These restrictions resulted in the District and its retail member agencies achieving unprecedented water conservation. The District reduced imported water use by a total of 31% compared with FY 2021-22, with some individual retailers achieving greater than a 50% reduction in imported water demands. The District's water sales in the first half of FY 2022-23 included extraordinary supplies (pumping of stored water from the Las Posas ASR Wellfield). With record snowfall in the mountain areas where SWP water originates in early 2024, water supply conditions changed dramatically and the EWCP was lifted in February 2024. California continued to receive average rainfall and snow in 2025 which resulted in a 40% allocation from the SWP for that year. Water demands continued to remain low both due to more water efficient behavior by customers and significant local precipitation, which reduced outdoor water demands for irrigation.

The updated 5-year water sales forecast is presented in the supplementary information section of this report. As of November 2025, the District is on pace to meet budgeted water sales in FY 2025-25 as the previous sales forecast had anticipated. These on-pace sales are reflected in the updated 5-year water sales forecast in this report.

Water sales continue to fluctuate based on wet or dry weather patterns. In FY 2023-24, the District experienced a 9.2% increase in water sales compared to the previous fiscal year. The District continues to manage its operating expenses to reflect the changing water sales from year to year as well as implement water rate increases to ensure funding for the District's operations, capital needs, and debt service.

In response to the on-going need to "drought-proof" its service area and minimize the potentially debilitating effects associated with seismic activity, Calleguas is implementing an ambitious capital improvement program. The District is proactively strengthening its infrastructure to withstand seismic events, extending the SMP to facilitate additional local water supply projects, and developing interconnections with neighboring water agencies. These projects reduce the region's reliance upon vulnerable imported water supplies, enhancing supply reliability for over 75 percent of Ventura County's residents.

Building upon its previous work on a Water Supply Alternatives Study, which focused on providing sufficient supplies during a 6-month outage of imported water supply, the District has undertaken development of a Water Resources Implementation Strategy (WRIST). The WRIST involves extensive regional collaboration to develop and evaluate portfolios of potential projects to address long-term supply reliability and resiliency, as well as outages. The selected portfolio will assist the District in achieving the "New Model of Resilience" envisioned by the Strategic Plan Update adopted in August 2024. It is anticipated that implementation of the selected portfolio will begin in 2025.

STORAGE

Calleguas stores imported water locally so that it is available when imported water supplies are limited due to scheduled maintenance shutdowns, earthquakes, or other unplanned emergencies. Lake Bard has a storage capacity of approximately 10,500 acre-feet (AF), of which 7,500 AF is readily available to deliver as potable water with existing facilities. A pump station project is underway that would provide access to an additional approximate 2,500 AF of water storage in Lake Bard.

Additionally, through the Las Posas ASR Project and other efforts the District currently has 102,855 AF of stored water in the east Las Posas Subbasin management area (25,668 AF), west Las Posas Subbasin management area (25,192 AF), and the Oxnard Plain Subbasin (51,995 AF).

SALINITY MANAGEMENT PIPELINE

The SMP is a regional pipeline that collects the brine generated by brackish groundwater desalting facilities and potential potable reuse projects, as well as excess recycled water, and conveys that water to the ocean for discharge. The SMP improves water supply reliability by facilitating the development of local water supply projects. Highly treated wastewater/excess recycled water, which is too saline for discharge to local streams, is also sent to the SMP during wet periods when it is not needed for irrigation. Desalters currently in operation can produce approximately 6,000 ac ft. potable water supply annually. Three desalters are complete, with one potable reuse project, one agricultural desalter, and one potable water desalter under consideration or development.

Financial Section

NIGRO & NIGRO PC

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Directors
Calleguas Municipal Water District
Thousand Oaks, California

Opinion

We have audited the accompanying financial statements of the Calleguas Municipal Water District (District), which comprise the balance sheet as of June 30, 2025, and related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Agency 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 opinion.

Change in Accounting Principle

As described in Notes 1, 6, and 13 to the financial statements, as of July 1, 2024, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences and Statement No. 102, Certain Risk Disclosures. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

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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 opinion. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Contributions to the Defined Benefit Pension Plan, and Schedule of Changes in the District's Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, 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 Introductory Section and Other Information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a separate report dated January 7, 2026, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nigro & Nigro, PC

Murrieta, California
January 7, 2026

Management's Discussion and Analysis (MD&A) offers readers of Calleguas Municipal Water District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2025. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2025, the District's net position increased 2.98%, or $16,349,054 from the prior year's net position of $548,149,127 to $564,498,181, as a result of the year's operations.
- In fiscal year 2025, operating revenues increased by 22.76%, or $29,405,450 from $129,176,087 to $158,581,537, from the prior year, primarily due to a $28,260,887 increase in water sales.
- In fiscal year 2025, operating expenses before depreciation expense increased by 19.16% or $22,790,209 from $118,933,136 to $141,723,345 from the prior year, primarily due to an increase in costs for the District's source of supply of $21,936,316.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Condensed Balance Sheets

	June 30, 2025	June 30, 2024	Change	June 30, 2023	Change
Assets:					
Current assets	$ 283,303,567	$ 263,084,284	$ 20,219,283	$ 254,288,671	$ 8,795,613
Non-current assets	11,242,087	11,486,063	(243,976)	11,227,341	258,722
Capital assets, net	459,714,885	468,065,249	(8,350,364)	462,970,821	5,094,428
Total assets	754,260,539	742,635,596	11,624,943	728,486,833	14,148,763
Deferred outflows of resources	12,933,423	12,218,709	714,714	13,275,050	(1,056,341)
Total assets and deferred outflows of resources	$ 767,193,962	$ 754,854,305	$ 12,339,657	$ 741,761,883	$ 13,092,422
Liabilities:					
Current liabilities	$ 36,355,581	$ 33,897,571	$ 2,458,010	$ 30,836,332	$ 3,061,239
Non-current liabilities	164,541,284	170,476,791	(5,935,507)	176,210,947	(5,734,156)
Total liabilities	200,896,865	204,374,362	(3,477,497)	207,047,279	(2,672,917)
Deferred inflows of resources	1,798,916	2,330,816	(531,900)	2,404,682	(73,866)
Net position:					
Net investment in capital assets	304,972,609	304,927,097	45,512	293,831,581	11,095,516
Restricted for debt service reserves	10,797,836	11,486,063	(688,227)	11,227,341	258,722
Restricted for net OPEB asset	444,251	-	444,251	-	-
Unrestricted	248,283,485	231,735,967	16,547,518	227,251,000	4,484,967
Total net position	564,498,181	548,149,127	16,349,054	532,309,922	15,839,205
Total liabilities, deferred outflows of resources and net position	$ 767,193,962	$ 754,854,305	$ 12,339,657	$ 741,761,883	$ 13,092,422

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $564,498,181 as of June 30, 2025.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (54% as of June 30, 2025) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2025, the District showed a positive balance in its unrestricted net position of $248,283,485 which may be utilized in future years.

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

	June 30, 2025	June 30, 2024	Change	June 30, 2023	Change
Operating revenues	$ 158,581,537	$ 129,176,087	$ 29,405,450	$ 112,889,260	$ 16,286,827
Operating expenses	(141,723,345)	(118,933,136)	(22,790,209)	(107,417,099)	(11,516,037)
Operating income before depreciation	16,858,192	10,242,951	6,615,241	5,472,161	4,770,790
Depreciation expense	(16,010,407)	(13,784,451)	(2,225,956)	(15,176,902)	1,392,451
Operating income	847,785	(3,541,500)	4,389,285	(9,704,741)	6,163,241
Non-operating revenues(expenses), net	14,899,006	12,044,567	2,854,439	6,795,814	5,248,753
Change in net position before capital	15,746,791	8,503,067	7,243,724	(2,908,927)	11,411,994
Capital contributions:					
Local capital contributions	602,263	1,320,229	(717,966)	1,444,352	(124,123)
State capital grant	-	6,015,909	(6,015,909)	-	6,015,909
Change in net position	16,349,054	15,839,205	509,849	(1,464,575)	17,303,780
Net position:					
Beginning of year, as restated	548,149,127	532,309,922	15,839,205	533,774,497	(1,464,575)
End of year	$ 564,498,181	$ 548,149,127	$ 16,349,054	$ 532,309,922	$ 15,839,205

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased 2.98%, or $16,349,054 from the prior year's net position of $548,149,127 to $564,498,181, as a result of the year's operations.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Revenues

	June 30, 2025	June 30, 2024	Increase (Decrease)	June 30, 2023	Increase (Decrease)
Operating revenues:					
Water sales	$ 137,449,230	$ 109,188,343	$ 28,260,887	$ 95,175,211	$ 14,013,132
Capacity reservation charge	7,834,356	7,409,256	425,100	7,348,086	61,170
Readiness-to-serve-purveyors	9,096,300	8,358,300	738,000	7,582,728	775,572
Water standby charges	1,417,723	1,377,102	40,621	1,381,714	(4,612)
Pumping power revenue	1,839,607	1,736,692	102,915	1,010,405	726,287
Salinity Management Pipeline fees	538,370	553,051	(14,681)	335,969	217,082
Other operating revenues	405,951	553,343	(147,392)	55,147	498,196
Total operating revenues	158,581,537	129,176,087	29,405,450	112,889,260	16,286,827
Non-operating:					
Property taxes	12,834,940	11,886,702	948,238	11,100,420	786,282
Investment earnings	10,196,712	8,311,036	1,885,676	3,159,653	5,151,383
Sale of capital assets	42,161	11,100	31,061	16,213	(5,113)
Other non-operating revenues	254,890	73,444	181,446	129,730	(56,286)
Total non-operating	23,328,703	20,282,282	3,046,421	14,406,016	5,876,266
Total revenues	$ 181,910,240	$ 149,458,369	$ 32,451,871	$ 127,295,276	$ 22,163,093

In fiscal year 2025, operating revenues increased by 22.76%, or $29,405,450 from $129,176,087 to $158,581,537, from the prior year, primarily due to a $28,260,887 increase in water sales.

In fiscal year 2024, operating revenues increased by 14.43%, or $16,286,827 from $112,889,260 to $129,176,087, from the prior year, primarily due to a $14,013,132 increase in water sales.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Expenses

	June 30, 2025	June 30, 2024	Increase (Decrease)	June 30, 2023	Increase (Decrease)
Operating expenses:					
Source of supply	$ 112,619,768	$ 90,683,452	$ 21,936,316	$ 79,198,810	$ 11,484,642
Pumping	2,204,541	2,142,534	62,007	2,787,501	(644,967)
Administration	4,145,236	4,876,053	(730,817)	4,385,182	490,871
Administrative services	5,338,895	4,912,593	426,302	3,306,283	1,606,310
Engineering	2,369,581	2,169,585	199,996	2,247,808	(78,223)
Resources, conservation and governmental	1,266,082	1,791,599	(525,517)	1,976,964	(185,365)
Operations and maintenance	13,779,242	12,357,320	1,421,922	13,514,551	(1,157,231)
Total operating expenses	141,723,345	118,933,136	22,790,209	107,417,099	11,516,037
Depreciation expense	16,010,407	13,784,451	2,225,956	15,176,902	(1,392,451)
Non-operating expenses:					
Interest expense	5,392,728	7,163,852	(1,771,124)	7,125,745	38,107
Tax collection and financing charges	597,183	520,213	76,970	442,295	77,918
Cost of debt issuance	447,948	-	447,948	-	-
Project related expenses	1,991,838	553,650	1,438,188	42,162	511,488
Total non-operating	8,429,697	8,237,715	191,982	7,610,202	627,513
Total expenses	$ 166,163,449	$ 140,955,302	$ 25,208,147	$ 130,204,203	$ 10,751,099

In fiscal year 2025, operating expenses before depreciation expense increased by 19.16% or $22,790,209 from $118,933,136 to $141,723,345 from the prior year, primarily due to an increase in costs for the District's source of supply of $21,936,316.

In fiscal year 2024, operating expenses before depreciation expense increased by 10.72% or $11,516,037 from $107,417,099 to $118,933,136 from the prior year, primarily due to an increase in costs for the District's source of supply of $11,484,642.

Capital Assets

Capital assets:	Balance June 30, 2025	Balance June 30, 2024
Non-depreciable assets	$ 31,752,917	$ 60,880,696
Depreciable assets	699,664,102	663,554,958
Accumulated depreciation	(271,702,134)	(256,370,405)
Total capital assets, net	$ 459,714,885	$ 468,065,249

At the end of year 2025, the District's investment in capital assets amounted to $459,714,885 (net of accumulated depreciation), respectively. Capital asset additions amounted to $7,660,043 for various projects and equipment. See Note 5 for further information.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

The long-term debt of the District is summarized below:

Long-term debt:	Balance June 30, 2025	Balance June 30, 2024
Bonds payable	$ 159,922,494	$ 165,517,471
Loans payable	1,784,312	1,784,312
	$ 161,706,806	$ 167,301,783

Bonds payable decreased by a total of $5,594,977 for the year ended June 30, 2025. Principal payments were $74,555,000 and amortization of the debt premiums amounted to $96,673. Bonds payable increased by $69,956,696 from new debt. See Note 7 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

Management is unaware of any item that would affect the District's current financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Finance Department, 2100 Olsen Road, Thousand Oaks, CA 91360.

CALLEGUAS MUNICIPAL WATER DISTRICT

Balance Sheets

June 30, 2025 (With Comparative Amounts as of June 30, 2024)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2025	2024
Current assets:		Restated
Cash and cash equivalents (Note 2)	$ 6,851,470	$ 4,099,008
Investments (Note 2)	173,217,212	168,479,539
Accrued interest receivable	1,583,471	1,333,297
Accounts receivable, utility	20,798,581	20,803,388
Other receivables	1,219,241	2,866,053
Inventory – water-in-storage (Note 4)	59,510,519	57,968,917
Inventory – pipeline	4,449,000	4,449,000
Prepaid expenses	15,674,073	3,085,082
Total current assets	283,303,567	263,084,284
Non-current assets:		
Restricted – cash and cash equivalents (Note 2 and 3)	10,797,836	11,486,063
Net OPEB asset (Note 8)	444,251	-
Capital assets – not being depreciated (Note 5)	31,752,917	60,880,696
Capital assets – being depreciated, net (Note 5)	427,961,968	407,184,553
Total non-current assets	470,956,972	479,551,312
Total assets	754,260,539	742,635,596
Deferred outflows of resources:		
Deferred amounts related to refunding of long-term debt (Note 7)	6,964,530	4,163,631
Deferred amounts related to net OPEB liability (Note 8)	1,287,235	1,727,131
Deferred amounts related to net pension liability (Note 9)	4,681,658	6,327,947
Total deferred outflows of resources	12,933,423	12,218,709
Total assets and deferred outflows of resources	$ 767,193,962	$ 754,854,305
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued expenses	$ 23,493,389	$ 19,823,660
Accrued salaries and benefits	650,515	295,280
Retentions payable	147,093	1,625,887
Deposits and unearned revenues	391,863	90,293
Accrued interest payable	2,501,186	2,963,027
Long-term liabilities – due within one year:		
Compensated absences (Note 6)	841,535	759,424
Bonds payable (Note 7)	8,330,000	8,340,000
Total current liabilities	36,355,581	33,897,571
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 6)	991,601	965,790
Loans payable (Note 7)	1,784,312	1,784,312
Bonds payable (Note 7)	151,592,494	157,177,471
Net OPEB liability (Note 8)	-	119,551
Net pension liability (Note 9)	10,172,877	10,429,667
Total non-current liabilities	164,541,284	170,476,791
Total liabilities	200,896,865	204,374,362
Deferred inflows of resources:		
Deferred amounts related to net OPEB liability (Note 8)	1,022,338	1,273,494
Deferred amounts related to net pension liability (Note 9)	776,578	1,057,322
Total deferred inflows of resources	1,798,916	2,330,816
Net position:		
Net investment in capital assets (Note 10)	304,972,609	304,927,097
Restricted for debt service reserves (Note 3)	10,797,836	11,486,063
Restricted for net OPEB asset (Note 3)	444,251	-
Unrestricted	248,283,485	231,735,967
Total net position	564,498,181	548,149,127
Total liabilities, deferred inflows of resources and net position	$ 767,193,962	$ 754,854,305

CALLEGUAS MUNICIPAL WATER DISTRICT

Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)

	2025	2024
Operating revenues:		Restated
Water sales	$ 137,449,230	$ 109,188,343
Capacity reservation charge	7,834,356	7,409,256
Readiness-to-serve-purveyors	9,096,300	8,358,300
Water standby charges	1,417,723	1,377,102
Pumping power revenue	1,839,607	1,736,692
Salinity Management Pipeline fees	538,370	553,051
Other operating revenues	405,951	553,343
Total operating revenues	158,581,537	129,176,087
Operating expenses:		
Source of supply	112,619,768	90,683,452
Pumping	2,204,541	2,142,534
Administration	4,145,236	4,876,053
Administrative services	5,338,895	4,912,593
Engineering	2,369,581	2,169,585
Resources, conservation and governmental	1,266,082	1,791,599
Operations and maintenance	13,779,242	12,357,320
Total operating expenses	141,723,345	118,933,136
Operating income before depreciation	16,858,192	10,242,951
Depreciation expense	(16,010,407)	(13,784,451)
Operating loss	847,785	(3,541,500)
Non-operating revenues(expenses):		
Property taxes	12,834,940	11,886,702
Investment earnings	10,196,712	8,311,036
Sale of capital assets	42,161	11,100
Other non-operating revenues	254,890	73,444
Interest expense	(5,392,728)	(7,163,852)
Tax collection and financing charges	(597,183)	(520,213)
Cost of debt issuance	(447,948)	-
Project related expenses	(1,991,838)	(553,650)
Total non-operating revenue, net	14,899,006	12,044,567
Change in net position before capital contributions	15,746,791	8,503,067
Capital contributions:		
Local capital contributions	602,263	1,320,229
State capital grant	-	6,015,909
Total capital contributions	602,263	7,336,138
Change in net position	16,349,054	15,839,205
Net position:		
Beginning of year, as restated (Note 11)	548,149,127	532,309,922
End of year	$ 564,498,181	$ 548,149,127

CALLEGUAS MUNICIPAL WATER DISTRICT
Statements of Cash Flows
For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)

	2025	2024 Restated
Cash flows from operating activities:		
Cash receipts from customers and others	$ 160,789,616	$ 121,964,353
Cash paid to employees for salaries and wages	(13,001,766)	(12,233,164)
Cash paid to vendors and suppliers for materials and services	(141,456,225)	(107,071,645)
Net cash provided by operating activities	6,331,625	2,659,544
Cash flows from non-capital financing activities:		
Proceeds from property taxes, net of collection fees paid	12,237,757	11,366,489
Net cash provided by non-capital financing activities	12,237,757	11,366,489
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(7,660,043)	(18,878,879)
Proceeds from the sale of capital assets	42,161	11,100
Proceeds from local capital contributions	602,263	1,320,229
Proceeds state capital grant	-	3,149,856
Proceeds from debt issuance	66,230,445	1,784,312
Principal paid on long-term debt	(74,555,000)	(8,025,000)
Interest and redemption expenses paid on long-term debt	(6,373,840)	(7,095,456)
Net cash used in capital and related financing activities	(21,714,014)	(27,733,838)
Cash flows from investing activities:		
Sale of investments	26,025,718	49,058,603
Purchase of investments	(21,000,000)	(38,945,124)
Investment earnings	183,149	5,278,561
Net cash provided by investing activities	5,208,867	15,392,040
Net increase in cash and cash equivalents	2,064,235	1,684,235
Cash and cash equivalents:		
Beginning of year	15,585,071	13,900,836
End of year	$ 17,649,306	$ 15,585,071
Reconciliation of cash and cash equivalents to the balance sheet:		
Cash and cash equivalents	$ 6,851,470	$ 4,099,008
Restricted – cash and cash equivalents	10,797,836	11,486,063
Total cash and cash equivalents	$ 17,649,306	$ 15,585,071

CALLEGUAS MUNICIPAL WATER DISTRICT

Statements of Cash Flows (continued)

For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)

	2025	2024
Reconciliation of operating loss to net cash provided by operating activities:		Restated
Operating loss	$ 847,785	$ (3,541,500)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	16,010,407	13,784,451
Other non-operating revenues	254,890	73,444
Project related expenses	(1,991,838)	(553,650)
Change in assets – (increase)decrease:		
Accounts receivable	4,807	(4,415,708)
Other receivables	1,646,812	(2,866,053)
Inventory – water-in-storage	(1,541,602)	(4,303,290)
Prepaid expenses	(12,588,991)	-
Change in deferred outflows of resources – (increase)decrease		
Deferred amounts related to net OPEB liability	439,896	(212,982)
Deferred amounts related to net pension liability	1,646,289	746,786
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	3,669,729	1,616,236
Accrued salaries and benefits	355,235	22,414
Retentions payable	(1,478,794)	674,636
Deposits and unearned revenues	301,570	(3,417)
Compensated absences	107,922	712,881
Net OPEB liability	(563,802)	(295,894)
Net pension liability	(256,790)	1,295,056
Change in deferred inflows of resources – increase(decrease)		
Deferred amounts related to net OPEB liability	(251,156)	278,936
Deferred amounts related to net pension liability	(280,744)	(352,802)
Total adjustments	5,483,840	6,201,044
Net cash provided by operating activities	$ 6,331,625	$ 2,659,544
Noncash investing, capital and financing transactions		
Change in fair-value of investments	$ 2,302,821	$ 2,769,676
Amortization of bond premium	$ 996,674	$ 282,937
Amortization of deferred amounts related to refunding of long-term debt	$ (477,403)	$ (522,537)

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Calleguas Municipal Water District (the District) was organized in December 1953 as a special district under the State of California Water Code Sections 71001 et seq. to provide a supplemental supply of water for the portion of Ventura County lying within District boundaries. The Board of Directors consists of five members, which has governance responsibilities over all activities related to the District. Board members are elected by the public to four-year terms. They have decision-making authority, power to designate management, responsibility to significantly influence operations and accountability for fiscal matters.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

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 position 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, and other infrequently occurring transactions 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.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. **Cash and Cash Equivalents**
For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. **Investments**
Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. **Restricted Assets**
Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

4. **Receivables and Allowance for Doubtful Accounts**
The District grants credit to its customers, substantially all of whom are member purveyors in Ventura County, California. The District charges doubtful accounts arising from receivables to bad debt expense when it is probable that the accounts will be uncollectible.

5. **Prepaids**
Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Inventories and Water in Storage

Supply inventories maintained by the District consist primarily of pipes, valves, and various fittings. Inventories are valued at lower of cost or market using the first-in, first-out method. Water in storage is valued at average cost.

7. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over $5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Water distribution system	10-50 years
Buildings and improvements	10-50 years
Equipment	5-10 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

9. Compensated Absences

In accordance with GASB Statement No. 101, Compensated Absences, leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District's policy permits employees to accumulate earned but unused vacation benefits up to 480 hours. Any excess accumulation is forfeited by the employees if they reach the maximum limit. Upon termination, retirement or death of an employee, the District pays any accrued vacation in a lump-sum payment to the employee or beneficiary. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This analysis includes assessing relevant factors such as historical information about the use, payment or forfeiture of compensated absences, and the District's policies related to compensated absences. The measurement of compensated absences includes salary-related payment such as the employer portion of social security and medicare taxes.

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NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

10. Pensions

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

The following timeframes are used for pension reporting:

Valuation Date June 30, 2023
Measurement Date June 30, 2024
Measurement Period July 1, 2022 to June 30, 2024

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 retires) as of the beginning of the measurement period.

11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2023
Measurement Date June 30, 2024
Measurement Period July 1, 2022 to June 30, 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

12. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted net position** - This component of net position is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Property Taxes

The Ventura County Assessor's Office assesses all real and personal property within the County each year. The Ventura County Tax Collector's Office bills and collects the District's share of property taxes. The Ventura County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIIIA of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the Ventura County Tax Collector's Office, which have not been credited to the District's cash balance as of June 30.

The property tax calendar is as follows:

Lien date March 1
Levy date July 1
Due dates November 1 and March 1
Collection dates December 10 and April 10

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

F. New Pronouncements – Governmental Accounting Standards Board (GASB)

During the fiscal year ended June 30, 2025, the District implemented a new pronouncement as follows:

GASB Statement No. 101 – Compensated Absences
This GASB Statement amends the definition of a compensated absence to encompass the various types of benefits offered by governmental employers and establishes a unified model for accounting and reporting. The statement also revises the related financial statement disclosure requirements, including eliminating certain disclosures previously required that GASB research found did not provide essential information to financial statement users. The GASB statement applies to all units of state and local governments. The District adopted the Statement as of July 1, 2024. See Note11 for the effect of this Statement.

GASB Statement No. 102 – Certain Risk Disclosures
This GASB Statement requires state and local governments to disclose vulnerabilities due to certain concentrations and constraints that could significantly impact their financial health. A concentration refers to a dependency on a specific source—such as a major revenue stream, customer, supplier, or workforce–while a constraint involves legal, regulatory, contractual, or other external limitations that restrict an entity's ability to respond to those risks. If these factors make the government vulnerable to a near-term severe impact, disclosure is required in the notes to the financial statements. The goal of Statement No. 102 is to improve transparency and provide users with better insight into potential risks that could affect a government's financial condition. The District adopted the Statement as of July 1, 2024. See Note 13 for the effect of this Statement.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

Description	June 30, 2025
Cash and cash equivalents	$ 6,851,470
Investments	173,217,212
Restricted – cash and cash equivalents	10,797,836
Total cash and investments	$ 190,866,518

Cash and investments consisted of the following:

Description	June 30, 2025
Petty cash	$ 1,400
Demand deposits held with financial institutions	6,850,070
Investments	184,015,048
Total cash and investments	$ 190,866,518

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions
At June 30, 2025, the carrying amount of the District's demand deposits were $6,851,470 and the financial institution's balances were $6,923,237. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

Custodial Credit Risk – Deposits
Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the District 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 the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The Fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

Investments
The District's investments as of June 30, 2025 are presented in the following Investment Table:

				Maturity		
Type of Investments	**Measurement Input**	**Credit Rating**	**Total Fair Value**	**12 Months or Less**	**13 to 24 Months**	**25 to 120 Months**
U.S. treasury obligations	Level 1	AAa	$ 33,485,951	$ 10,420,160	$ 3,883,594	$ 19,182,197
U.S. government sponsored agency securities	Level 2	A to AAA	46,462,025	11,143,410	7,757,189	27,561,426
Asset-backed securities	Level 2	A to AAA	16,837,650	-	1,685,144	15,152,506
Medium-term corporate notes	Level 2	A to AAA	45,954,984	12,575,306	11,542,613	21,837,065
MortgageBacked Securities	Level 2	A to AAA	7,881,536	-	4,239,995	3,641,541
Commercial paper	Level 2	A to AAA	6,895,527	6,895,527	-	-
Supernational bonds	Level 2	A to AAA	4,414,169	3,422,163	-	992,006
Negotiable certificates-of-deposit	Level 2	AAA	-	-	-	-
Local Agency Investment Fund (LAIF)	N/A	N/A	10,728,032	10,728,032	-	-
Ventura County Investment Pool (VCIP)	N/A	N/A	2,653	2,653	-	-
Money-market mutual funds	N/A	N/A	554,685	554,685	-	-
Held by bond trustee:						
Money-market mutual funds	N/A	N/A	10,797,836	10,797,836	-	-
Total investments			$ 184,015,048	$ 66,539,772	$ 29,108,535	$ 88,366,741

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments Authorized by the California Government 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. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District or the investment of funds within the OPEB Trust that are governed by the agreement between the District and the Trustee, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Credit Rating
U.S. Treasury Obligations	5-years	None	None	N/A
U.S. Government Sponsored Agency Securities	5-years	None	50%	None
Asset-Backed Securities	5-years	15%	5%	AAA
Banker's Acceptances	180 days	40%	5%	A-1
Collateralized Certificates-of-Deposit	5-years	30%	5%	$250k deposit
Commercial Paper	270 days	25%	5%	AA above
Medium- Term Notes	5-years	30%	5%	A, A2
Money-Market Funds	None	20%	5%	AAAm, Aaa
MortgageBacked Securities	5-years	15%	5%	AAA, Aaa
Municipal Securities	5-years	20%	None	A, A2
California Local Agency Investment Fund (LAIF)	None	15%	15%	None
County of Ventura Investment Pool	None	15%	15%	None

Investments Authorized by Debt Agreements
Investment of debt proceeds held by the bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

NOTE 2 – CASH AND INVESTMENTS (continued)

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 to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2025.

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2025. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

Fair Value Measurements
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 quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the District's investments were assigned a Level 2 input on the Investment Table.

Investment in State Investment Pool
The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in Ventura County Investment Pool
The District is a voluntary participant in the Ventura County Investment Pool (VCIP) that is regulated by the California Government Code under the oversight of the Treasurer of the County of Ventura, California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's prorated share of the fair value provided by the VCIP for the entire VCIP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the VCIP, which are recorded on an amortized cost basis.

NOTE 3 – RESTRICTED ASSETS AND RESTRICTED NET POSITION

The balance at June 30, 2025 consists of the following:

Description	June 30, 2025
Restricted – cash and cash equalivents	$ 10,797,836
Net OPEB asset	444,251
Total restricted Net	$ 11,242,087

Restricted assets consist of investments of debt proceeds held by the bond trustees as debt service reserves, and a net OPEB asset.

NOTE 4 – INVENTORY – WATER-IN-STORAGE

The balance at June 30, 2025 consists of the following:

Description	June 30, 2025
Groundwater basins	$ 46,937,340
Lake Bard	12,162,491
Transmission system	410,688
Total water-in-storage	$ 59,510,519

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2025, were as follows:

Description	Balance July 1, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Non-depreciable assets:				
Land and rights of way	$ 12,812,021	$ 127,826	$ -	$ 12,939,847
Construction-in-process	48,068,675	7,408,142	(36,663,747)	18,813,070
Total non-depreciable assets	60,880,696	7,535,968	(36,663,747)	31,752,917
Depreciable assets:				
Water distribution system	595,693,098	32,188,908	(556,795)	627,325,211
Buildings and improvements	39,199,495	3,094,699	(23,699)	42,270,495
Equipment	28,662,365	1,504,215	(98,184)	30,068,396
Total depreciable assets	663,554,958	36,787,822	(678,678)	699,664,102
Accumulated depreciation:				
Water distribution system	(226,802,546)	(11,621,022)	556,795	(237,866,773)
Buildings and improvements	(5,785,986)	(3,078,832)	23,699	(8,841,119)
Equipment	(23,781,873)	(1,310,553)	98,184	(24,994,242)
Total accumulated depreciation	(256,370,405)	(16,010,407)	678,678	(271,702,134)
Total depreciable assets, net	407,184,553	20,777,415	-	427,961,968
Total capital assets, net	$ 468,065,249	$ 28,313,383	$ (36,663,747)	$ 459,714,885

NOTE 6 – COMPENSATED ABSENCES

Summary changes to compensated absences balances for the year ended June 30, 2025, were as follows:

Balance July 1, 2024	Net Change	Balance June 30, 2025	Due Within One Year	Due in More Than One Year
$ 1,725,214	$ 107,922	$ 1,833,136	$ 841,535	$ 991,601

As of June 30, 2025, the total liability for compensated absences was $1,833,136, of which $841,535 is expected to be paid within one year and is reported as a current liability. The beginning balance of compensated absences as of July 1, 2024, reflected a material difference upon implementation of GASB Statement No. 101; therefore, restatement was required.

NOTE 7 – LONG-TERM DEBT

Changes in bonds payable for the year ended June 30, 2025, were as follows:

Long-Term Debt	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Current Portion	Long-term Portion
2008 Series A	$ 37,850,000	$ -	$ (1,300,000)	$ 36,550,000	$ 1,325,000	$ 35,225,000
2010 Series B	69,160,000	-	(69,160,000)	-	-	-
2014 Series A	1,845,000	-	(1,845,000)	-	-	-
2016 Series A	17,755,000	-	(1,605,000)	16,150,000	1,685,000	14,465,000
2021 Series A	37,860,000	-	(645,000)	37,215,000	2,570,000	34,645,000
2024 Series A	-	60,445,000	-	60,445,000	2,750,000	57,695,000
Sub-total bonds payable	164,470,000	60,445,000	(74,555,000)	150,360,000	8,330,000	142,030,000
Less: Unamortized bond – premiums	1,047,471	9,511,696	(996,673)	9,562,494	-	9,562,494
Total bonds payable	165,517,471	69,956,696	(75,551,673)	159,922,494	8,330,000	151,592,494
Wells Fargo PFA loan	1,784,312	-	-	1,784,312	-	1,784,312
Total loans payable	1,784,312	-	-	1,784,312	-	1,784,312
Total long-term debt	$ 167,301,783	$ 69,956,696	$ (75,551,673)	$ 161,706,806	$ 8,330,000	$ 153,376,806

The total annual debt service requirements, including computing interest at 3.00% for the Refunding Revenue Bonds, for all the Bonds outstanding at June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 8,330,000	$ 5,396,442	$ 13,726,442
2027	8,430,000	5,190,787	13,620,787
2028	8,740,000	4,886,703	13,626,703
2029	9,060,000	4,562,542	13,622,542
2030	9,405,000	4,218,789	13,623,789
2031-2035	53,460,000	15,462,179	68,922,179
2036-2040	47,660,000	5,352,670	53,012,670
2041	5,275,000	131,875	5,406,875
Total	150,360,000	$ 45,201,987	$ 195,561,987
Current	(8,330,000)		
Long-term	$ 142,030,000		

NOTE 7 – BONDS PAYABLE (continued)

Changes in the deferred outflows of resources regarding the loss on refunding of the revenue bonds for the year ended June 30, 2025, was as follows:

2008 Series A Variable Rate Refunding Revenue Bonds
Pursuant to an indenture dated March 1, 2008, the Calleguas-Las Virgenes Public Financing Authority issued the 2008 Series A Variable Rate Refunding Revenue Bonds in the amount of $40,300,000 to provide funds to the District to refund the 2007 Series B Auction Rate Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year beginning July 1, 2025 and ending July 1, 2037. Interest is paid at a variable rate, which is determined weekly. Interest is payable monthly on the first business day of the month so long as the bonds bear interest at the weekly rate. The District, at its option, may convert the bonds to a fixed interest rate upon 60 days' notice to the bond counsel. Payments of principal redemption (but not any premium) and interest are supported by a letter of credit issued by Wells Fargo Bank, National Association. The credit facility will also be drawn on if other funds are not available to purchase bonds tendered by the owner. At June 30, 2025, the outstanding balance on the 2008 Series A Variable Rate Refunding Revenue Bonds amounted to $36,550,000.

2010 Series B Water Revenue Bonds
Pursuant to an indenture dated February 1, 2010, the Calleguas-Las Virgenes Public Financing Authority issued the 2010 Series B Water Revenue Bonds in the amount of $77,400,000 to provide funds to the District to finance the acquisition and construction of water system improvements and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2040, and interest is payable semiannually on July 1 and January 1 or each year bearing interest rates ranging from 5.449% to 5.944%. The bonds are federally taxable Build America Bonds issued under the American Recovery and Reinvestment Act of 2009. Under the Build America Bonds program, the District will receive a cash subsidy from the U.S. Treasury equal to 35% of the interest paid, payable biannually. The bonds are subject to mandatory sinking fund requirements starting July 1, 2022. In 2025, the District advanced refunded $66,215,000 of the 2010 Series B bonds. At June 30, 2025, there is no outstanding balance.

2014 Series A Refunding Revenue Bonds
Pursuant to an indenture dated June 1, 2014, the Calleguas-Las Virgenes Public Financing Authority issued the 2014 Series A Refunding Revenue Bonds in the amount of $46,660,000 to provide funds to the District to partially refund and defease the 2007 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2037, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 3.75% to 5.0%. The net proceeds of the 2014 Series A Refunding Revenue Bonds and amounts from the 2007 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2007 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately $3.9 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2037 using the straight-line method. The advance refunding decreased the total debt service payments by approximately $4,543,860 over the 23 years and resulted in an economic gain of $3,169,541. For financial reporting purposes, the 2007 Series A Revenue Bonds has been considered partially defeased and therefore partially removed as a liability from the financial statements. The 2007 Series A Revenue Bonds were redeemed on July 1, 2016. In 2021, the District advanced refunded $34,145,000 of the 2014 Series A bonds. At June 30, 2025, there is no outstanding balance.

NOTE 7 – BONDS PAYABLE (continued)

2016 Series A Refunding Revenue Bonds
Pursuant to an indenture dated April 1, 2016, the Calleguas-Las Virgenes Public Financing Authority issued the 2016 Series A Refunding Revenue Bonds in the amount of $27,585,000 to provide funds to the District to partially refund and defease the 2006 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2032, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 3% to 5%. The net proceeds of the 2016 Series A Refunding Revenue Bonds and amounts from the 2006 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2006 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately $1.5 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2032 using the straight-line method. The advance refunding decreased the total debt service payments by $4,917,385 over the 17 years and resulted in an economic gain of $4,105,122. For financial reporting purposes, the 2006 Series A Revenue Bonds has been considered defeased and therefore partially removed as a liability from the financial statements. The 2006 Series A Revenue Bonds were redeemed on July 1, 2016. At June 30, 2025, the outstanding balance of the 2016 Series A Refunding Revenue Bonds amounted to $16,150,000.

2021 Series A Refunding Revenue Bonds
Pursuant to an indenture dated April 6, 2021, the Calleguas-Las Virgenes Public Financing Authority issued the 2021 Series A Refunding Revenue Bonds in the amount of $39,145,000 to provide funds to the District to partially refund and defease the 2014 Series A Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2037, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 0.135% to 2.565%. The net proceeds of the 2021 Series A Refunding Revenue Bonds and amounts from the 2014 Series A Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2014 Series A Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately $1.8 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2037 using the straight-line method. The advance refunding decreased the total debt service payments by approximately $3,602,871 over the 16 years and resulted in an economic gain of $2,721,398 For financial reporting purposes, the 2014 Series A Revenue Bonds has been considered partially defeased and therefore partially removed as a liability from the financial statements. The 2014 Series A Revenue Bonds were redeemed on April 6, 2021. At June 30, 2025, the outstanding balance of the 2021 Series A Refunding Revenue Bonds amounted to $37,215,000.

NOTE 7 – BONDS PAYABLE (continued)

2024 Series A Refunding Revenue Bonds
Pursuant to an indenture dated December 9, 2024, the Calleguas-Las Virgenes Public Financing Authority issued the 2024 Series A Refunding Revenue Bonds in the amount of $60,445,000 to provide funds to the District to partially refund and defease the 2010 Series B Revenue Bonds and pay costs of issuance. Principal is payable annually on July 1 of each year with the final payment due July 1, 2040, and interest is payable semiannually on July 1 and January 1 of each year bearing interest rates ranging from 2.23% to 2.88%. The net proceeds of the 2024 Series A Refunding Revenue Bonds and amounts from the 2010 Series B Revenue Bonds reserve fund were deposited in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for debt service and refunding of the 2010 Series B Revenue Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately $3.2 million. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2040 using the straight-line method. For financial reporting purposes, the 2010 Series B Revenue Bonds has been considered defeased and therefore removed as a liability from the financial statements. At June 30, 2025, the outstanding balance of the 2024 Series A Refunding Revenue Bonds amounted to $60,445,000.

General Provisions
The Board of Directors of the District passed resolution number 823 as amended by resolution number 889 to govern certain provisions applicable to all debt securities issued by the District, the parity obligations. Under these resolutions, and the terms of the debt agreements, all net operating revenues of the District, as defined, are irrevocably pledged for debt service. The bonds are subject to a rate covenant, which states that the District must collect net operating revenues, as defined, equal to or greater than 125% of the installment payments due on all parity obligations plus certain reserves. The District is prohibited from issuing additional parity obligations if the rate covenant is less than 125% for the 12 consecutive month period prior to issuance of the new obligations. The bond obligation's principal and interest payments are payable from net operating revenues received by the District from all sources including amounts held in accounts established by the bond indenture.

The District is required by bond indenture covenants to allocate all revenues in the following order each month:

1. An amount sufficient to provide for the current and next succeeding calendar month's estimated maintenance and operations.
2. An amount equal to the monthly pro rata share of the interest payable on the next interest payment date for all outstanding fixed rate parity obligations and 110% of the estimated interest payable on outstanding variable rate parity obligations.
3. One-twelfth the aggregate annual principal amount due on outstanding parity obligations.
4. One-sixth of any deficiency in reserve funds required by the parity obligations.
5. The remainder can be used to pay other obligations of the District that are subordinate to the parity obligations, finance construction or for any other legal use.

NOTE 7 – BONDS PAYABLE (continued)

Line of Credit
In conjunction with the issuance of the 2008 Series A Variable Rate Refunding Revenue Bonds, the District had a line of credit in the amount of $36,550,000 that was used to fund construction. The line of credit expires on July 21, 2028. As of June 30, 2025, no amounts are drawn on the line of credit.

2024 – Loan Payable
On February 1, 2025, the District entered into an installment purchase agreement with the Calleguas-Las Virgenes Public Finance Authority (Authority) to provide funds for various capital improvement projects known as the 2024 project. Through this agreement, the Authority has approved the execution of a Credit Facility among the Authority, the District and Wells Fargo Bank National Association (Lender), to which the Lender has agreed to provide to the Authority, on a revolving basis, up to $20,000,000 in funds to pay the costs of the 2024 project. The District is to purchase the 2024 Project in consideration for installment payments equal in time and amount to payments required to be made by the Authority pursuant to the Credit Facility as and when due to the Lender. The terms of the agreement provide for an interest rate per annum equal to the Secured Overnight Financing Rate (SOFR) Index Rate plus any applicable factor and spread. Interest shall be payable by the Authority on each interest payment date, any prepayment date, and on the Facility Maturity Date. For the quarter ending June 30, 2025, the SOFR index rate was 4.45%. As of June 30, 2025, the outstanding balance of the installment purchase agreement was $1,784,312.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary
The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2025
OPEB related deferred outflows	$ 1,287,235
Net OPEB asset	444,251
OPEB related deferred inflows	1,022,338

A. General Information about the OPEB Plan

Plan description
The District through an agent multiple-employer defined benefit plan, offers post-retirement health insurance benefits to retired employees. Retired employees hired by the District before July 1, 1995 are eligible to receive benefits, equal to their full insurance premium, if the employee has reached age 50, has five years of covered service and retires directly from the District. Retired employees hired by the District on or after July 1, 1995 and before January 1, 2013 are eligible to receive benefits, equal to the premium for the second highest premium for insurance products offered through the CalPERS Public Employees' Medical & Hospital Care Act (PEMHCA) plan, if the employee has reached age 50, has 12 years of District service and retires directly from the District. Retirees hired on or after July 1, 1995 that have not met the service requirement are entitled to the minimum PEMHCA premium. The plan also has provisions for surviving spouses and disability. Benefits are paid either to CalPERS or directly to the retiree if the retiree has elected out of CalPERS. Retired employees hired on or after January 1, 2013 receive no direct reimbursement for the cost of health insurance. During their employment, the District makes contributions to a Health Savings Account Plan designed to provide reimbursement of qualified medical expenses upon retirement under the provisions of Section 213(d) of the Internal Revenue Service Tax Code. The District entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the District's OPEB liability.

Employees Covered
As of the June 30, 2024, the measurement date, the following current and former employees were covered by the benefit terms under the plan:

	2024
Inactive plan members or beneficiaries currently receiving benefit payments	37
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	75
Total	112

Funding Policy
The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis; however, recently contributions have been made to an OPEB Trust.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan (continued)

Contributions
Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2024, the measurement period, the District's contributions totaling $524,396 included $386,766 in current year premium payments, and an implied subsidy of $137,630.

Accounting for the Plan
The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments
Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

B. Net OPEB Liability
The District's total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions
The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	5.50%
Long-Term Expected Rate of Return on Investments	5.50%
Inflation	2.50%
Payroll increases	2.75% per year
Medical trend rates	Non-medicare -5.5% for 2024, decreasing to an ultimate rate of 4.00% in 2070 Medicare - 4.50% for 2024, decreasing to an ultimate rate of 4.00% for 2030 and later
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	34.00%	4.80%
Fixed income	41.00%	1.80%
TIPS	5.00%	1.60%
Commodities	3.00%	3.70%
REITs	17.00%	3.70%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2024	$ 11,219,042	$ 11,099,491	$ 119,551
Changes for the year:			
Service cost	253,564	-	253,564
Interest	616,765	-	616,765
Differences in experience	-	-	-
Changes in assumption	(524,396)	-	(524,396)
Employer contributions	-	524,396	(524,396)
Net investment income	-	913,309	(913,309)
Benefit payments	-	(524,396)	524,396
Administrative expenses	-	(3,574)	3,574
Net changes	345,933	909,735	(563,802)
Balance at June 30, 2025 (Measurement date June 30, 2024)	$ 11,564,975	$ 12,009,226	$ (444,251)

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Net OPEB Liability (continued)

Changes of Assumptions
As of June 30, 2024, the measurement period, healthcare trend rates were updated.

Change of Benefit Terms
As of June 30, 2024, the measurement period, there were no changes in benefits.

Subsequent Events
There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.50%) or 1 percentage point higher (6.50%) than the current discount rate:

	1% Decrease 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Net OPEB Liability	$ 968,111	$ (444,251)	$ (1,629,584)

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease 4.50%	Healthcare Cost Trend Rate 5.50%	1% Increase 6.50%
Net OPEB Liability	$ (1,890,960)	$ (444,251)	$ 1,329,798

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB
For the year ended June 30, 2025, the District recognized an OPEB expense of $222,631. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions made after the measurement date	$ 597,693	$ -
Changes in assumptions	99,777	(488,265)
Differences between expected and actual experience	107,774	(534,073)
Differences between projected and actual earnings on OPEB plan investments	481,991	-
Total Deferred Outflows/(Inflows) of Resources	$ 1,287,235	$ (1,022,338)

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported $597,693 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2026	$ (55,323)
2027	212,455
2028	(192,281)
2029	(183,193)
2030	(45,784)
Thereafter	(68,670)
Total	$ (332,796)

At June 30, 2025, the District had no outstanding amounts of contributions to the OPEB plan required for the year ended June 30, 2025.

NOTE 9 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2025
Pension related deferred outflows	$ 4,681,658
Net pension liability	10,172,877
Pension related deferred inflows	776,578

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

The Plan

The District has engaged with CalPERS to administer the following pension plan for its employees (members):

	Miscellaneous Plan	
	Classic Tier 1	**PEPRA Tier 2**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 63 & up	50 - 67 & up
Monthly benefits, as a % of eligible compensation	1.1%-2.5%	0.842% to 2.5%
Required member contribution rates	7.000%	7.750%
Required employer contribution rates – FY 2024	11.840%	7.680%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2024 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

At June 30, 2024 measurement date, the following members were covered by the benefit terms:

	Miscellaneous Plan		
Plan Members	**Classic Tier 1**	**PEPRA Tier 2**	**Total**
Active members	41	39	80
Transferred and terminated members	18	6	24
Retired members and beneficiaries	64	1	65
Total plan members	123	46	169

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan

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 nonindustrial disability benefits after five 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.

Contributions
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the year ended June 30, 2025, were as follows:

	Miscellaneous Plans		
Contribution Type	Classic Tier 1	PEPRA Tier 2	Total
Contributions – employer	$ 1,564,247	$ 360,568	$ 1,924,815

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension Expense
The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)
The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2024:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2023 (Measurement Date)	$ 60,316,554	$ 49,886,887	$ 10,429,667
Balance as of June 30, 2024 (Measurement Date)	$ 65,222,173	$ 55,049,296	$ 10,172,877
Change in Plan Net Pension Liability	$ 4,905,619	$ 5,162,409	$ (256,790)

The District's proportionate share percentage of the net pension liability for June 30, 2024, measurement date was as follows:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Change Increase/ (Decrease)
Measurement Date	June 30, 2024	June 30, 2023	
Percentage of Risk Pool Net Pension Liability	0.210331%	0.208576%	0.001755%
Percentage of Plan Net Pension Liability	0.210331%	0.083602%	0.126729%

For the fiscal year ended June 30, 2025, the District recognized a pension expense of $3,033,569. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after the measurement date	$ 1,924,816	$ -
Difference between actual and proportionate share of employer contributions	-	(742,259)
Adjustment due to differences in proportions	1,030,200	-
Differences between expected and actual experience	879,538	(34,319)
Differences between projected and actual earnings on pension plan investments	585,640	-
Changes in assumptions	261,464	-
Total Deferred Outflows/(Inflows) of Resources	$ 4,681,658	$ (776,578)

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)
The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of $1,924,816 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows] of Resources
2026	$ 904,290
2027	1,270,774
2028	5,892
2029	(200,692)
Total	$ 1,980,264

Actuarial Methods and Assumptions Used to Determine Total Pension Liability
For the measurement period ending June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023, total pension liability. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

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

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

The table below reflects long-term expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return [1,2]
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Estate	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

[1] An expected inflation of 2.3% is used for this period.
[2] Figures are based on the 2022 Asset Liability Management study.

Discount Rate
The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Subsequent Events
There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
Plan Type	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
CalPERS – Miscellaneous Plan	$ 18,973,982	$ 10,172,877	$ 2,928,271

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans
At June 30, 2025, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2025.

NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

Description	June 30, 2025
Net investment in capital assets:	
Capital assets – not being depreciated	$ 31,752,917
Capital assets, net – being depreciated	427,961,968
Deferred amounts – refunding of long-term debt	6,964,530
Loans payable	(1,784,312)
Bonds payable – current portion	(8,330,000)
Bonds payable – non-current portion	(151,592,494)
Total net investment in capital assets	$ 304,972,609

NOTE 11 – PRIOR PERIOD RESTATEMENT

Beginning net position as of July 1, 2024, was restated by $529,004, for the District's retroactive restatement for the adoption of *GASB No. 101 - Compensated Absences* as noted below:

Description	Balance
Net position:	
Beginning of year, as previously stated	$ 548,678,131
Compensated absences (GASB 101 implementation)	(529,004)
Beginning of year, restated	$ 548,149,127

NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

NOTE 13 – RISK DISCLOSURE: CONCENTRATION OF REVENUE SOURCE (GASB STATEMENT NO. 102)

The District is subject to systematic risk due to receiving over 75% of its revenues from water sales. This dependence exposes the District to potential service interruptions or financial impacts in the event of drought conditions, regulatory restrictions, or contamination of the water source. Although the District has contingency plans and infrastructure in place to supplement supply in emergencies, such alternatives may not fully meet demand or could result in significant additional costs.

The District continues to evaluate and implement diversification strategies, including the development of groundwater recharge projects, recycled water programs, and rate structure adjustments to mitigate these concentration risks.

In accordance with GASB Statement No. 102, Risk Disclosures, this note serves to disclose the concentration of revenue and associated risks that could significantly impact the District's financial position and results of operations.

NOTE 14 – RISK MANAGEMENT

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

A.	**Entity**	ACWA-JPIA
B.	**Purpose**	To pool member contributions and realize the advantages of self-insurance
C.	**Participants**	As of September 30, 2024 – 401 member districts
D.	**Governing board**	Nine representatives employed by members
E.	**Condensed financial information**	September 30, 2024
	Audit signed	March 27, 2025

	Sept 30, 2024
Statement of financial position:	
Total assets	$ 308,144,466
Deferred outflows	3,099,110
Total liabilities	177,706,110
Deferred inflows	4,357,741
Net position	$ 129,179,725
Statement of revenues, expenses and changes in net position:	
Total revenues	$ 261,895,930
Total expenses	(253,429,117)
Change in net position	8,466,813
Beginning – net position	120,712,912
Ending – net position	$ 129,179,725

F.	**Member agencies share of year-end financial position**	Not Calculated

The District participated in the self-insurance programs of the Insurance Authority as follows:

NOTE 14 – RISK MANAGEMENT (continued)

Property Loss – The Insurance Authority has pooled self-insurance up to $100,000 per occurrence and has purchased excess insurance coverage up to $500,000,000 (total insurable value of $48,405,017). The District has a $2,500 deductible for buildings, personal property and fixed equipment, a $25,000/$50,000 deductible for accidental mechanical breakdown, a $1,000 deductible for mobile equipment, and a $500 deductible for licensed vehicles.

General Liability – The Insurance Authority has pooled self-insurance up to $5,000,000 per occurrence and has purchased excess insurance coverage in layers up to of $60,000,000. This program does not have a deductible.

Auto Liability – The Insurance Authority has pooled self-insurance up to $5,000,000 per occurrence and has purchased excess insurance coverage in layers up to $60,000,000. This program does not have a deductible. Public Officials' Liability - The Insurance Authority has pooled self-insurance up to $5,000,000 per occurrence and has purchased excess insurance coverage in layers up to $60,000,000.

Cyber Liability – The Insurance Authority has purchased insurance coverage of $3,000,000 per occurrence/$5,000,000 aggregate. This program does not have a deductible.

Crime – The Insurance Authority has pooled self-insurance up to $100,000 per occurrence. The District has a $1,000 deductible.

Public Official Bond – The District has purchased a $200,000 bond to cover the general manager's faithful performance of duty.

Workers' Compensation – The Insurance Authority is self-insured up to $2,000,000 and excess insurance coverage has been purchased up to the statutory limit for workers' compensation coverage. The Insurance Authority is self-insurance up to $2,000,000 and has purchased excess insurance coverage of $2,000,000 for employer's liability coverage.

Underground Storage Tank Pollution Liability – The Insurance Authority is self-insured up to $500,000 per occurrence and has purchased excess coverage of $3,000,000. The District has a $10,000 deductible.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage. Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

Unemployment Insurance – The District has elected to participate in a self-insured unemployment insurance plan with the State of California, whereby unemployment insurance claims are reimbursed directly to the Employment Development Department as incurred. These payments are made in lieu of funding an account through regular quarterly payroll tax contributions. There were no material expenditures for unemployment insurance claims for the year ended June 30, 2025.

NOTE 15– COMMITMENTS AND CONTINGENCIES

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from a combination of debt, the District's replacement reserves and capital contributions. As of June 30, 2025, the District has committed approximately $2,402,356 to complete projects currently in construction-in-progress.

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 – months (or less), including any options to extend, regardless of their probability of being exercised.

Also, d*e minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 16 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 7, 2026, the date on which the financial statements were available to be issued.

Required Supplementary Information

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2015	0.09441%	$ 6,625,697	$ 5,806,610	114.11%	79.96%
June 30, 2016	0.09221%	7,978,753	6,064,679	131.56%	76.71%
June 30, 2017	0.09439%	9,360,414	6,189,392	151.23%	75.83%
June 30, 2018	0.06493%	6,257,110	6,300,974	99.30%	84.68%
June 30, 2019	0.05755%	5,897,072	6,596,428	89.40%	86.59%
June 30, 2020	0.06282%	6,835,529	6,883,125	99.31%	85.46%
June 30, 2021	0.01628%	880,173	7,662,170	11.49%	98.26%
June 30, 2022	0.07908%	9,134,611	7,955,997	114.81%	83.77%
June 30, 2023	0.08360%	10,429,667	9,201,284	113.35%	82.71%
June 30, 2024	0.21033%	10,172,877	10,551,467	96.41%	84.40%

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:
There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:
The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:
There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:
The discount rate was reduced from 7.15% to 6.90% and the inflation rate from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2024:
There were no significant changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025:
There were no significant changes in assumptions.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of the District's Contributions to the Defined Benefit Pension Plan
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	$ 787,218	$ (787,218)	$ -	$ 6,064,679	12.98%
June 30, 2017	849,461	(849,461)	-	6,189,392	13.72%
June 30, 2018	916,920	(3,599,920)	(2,683,000)	6,300,974	14.55%
June 30, 2019	982,032	(2,182,032)	(1,200,000)	6,596,428	14.89%
June 30, 2020	1,020,661	(1,020,661)	-	6,883,125	14.83%
June 30, 2021	1,216,247	(1,216,247)	-	7,662,170	15.87%
June 30, 2022	1,368,001	(1,368,001)	-	7,955,997	17.19%
June 30, 2023	1,611,371	(1,611,616)	(245)	9,201,284	17.51%
June 30, 2024	1,667,507	(1,667,507)	-	10,551,467	15.80%
June 30, 2025	1,924,815	(1,924,815)	-	11,254,095	17.10%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%
June 30, 2025	June 30, 2023	Entry Age	Fair Value	2.30%	6.90%

Amortization Method	Level percentage of payroll, closed
Salary Increases	Depending on age, service, and type of employment
Investment Rate of Return	Net of pension plan investment expense, including inflation
Retirement Age	50 years (2%@55 and 2%@60), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

	Last Ten Fiscal Years*				
Fiscal Year Ended	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**
Measurement Date	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**
Total OPEB liability:					
Service cost	$ 253,564	$ 258,779	$ 213,756	$ 243,080	$ 238,765
Interest	616,765	615,799	591,203	691,632	668,177
Changes of assumptions	(524,396)	(530,092)	-	207,645	(194,648)
Differences between expected and actual experience	-	140,934	-	(1,052,697)	-
Benefit payments	-	(402,486)	(403,095)	(356,878)	(325,810)
Net change in total OPEB liability	345,933	82,934	401,864	(267,218)	386,484
Total OPEB liability - beginning	11,219,042	11,136,108	10,734,244	11,001,462	10,614,978
Total OPEB liability - ending	11,564,975	11,219,042	11,136,108	10,734,244	11,001,462
Plan fiduciary net position:					
Contributions - employer	524,396	402,486	793,679	740,878	786,810
Net investment income	913,309	381,901	(1,491,274)	1,883,526	467,591
Administrative expense	(3,574)	(3,073)	(4,576)	(3,487)	(4,263)
Benefit payments	(524,396)	(402,486)	(403,095)	(356,878)	(325,810)
Net change in plan fiduciary net position	909,735	378,828	(1,105,266)	2,264,039	924,328
Plan fiduciary net position - beginning	11,099,491	10,720,663	11,825,929	9,561,890	8,637,562
Plan fiduciary net position - ending	12,009,226	11,099,491	10,720,663	11,825,929	9,561,890
District's net OPEB liability	$ (444,251)	$ 119,551	$ 415,445	$ (1,091,685)	$ 1,439,572
Plan fiduciary net position as a percentage of the total OPEB liability	103.84%	98.93%	96.27%	110.17%	86.91%
Covered payroll	11,478,783	11,478,783	9,804,769	8,279,580	7,739,962
District's net OPEB liability as a percentage of covered payroll	-3.87%	1.04%	4.24%	-13.19%	18.60%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2019 – There were no changes in benefits
Measurement Date June 30, 2020 – There were no changes in benefits
Measurement Date June 30, 2021 – There were no changes in benefits
Measurement Date June 30, 2022 – There were no changes in benefits
Measurement Date June 30, 2023 – There were no changes in benefits
Measurement Date June 30, 2024 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2019 – Mortality improvement scale was updated to Scale MP-2019
Measurement Date June 30, 2020 – There were no changes in assumptions
Measurement Date June 30, 2021 – The interest rate assumption changed to 5.50% and inflation changed to 2.50%.
Measurement Date June 30, 2022 – There were no changes in assumptions
Mortality improvement scale was updated to Scale MP-2021
Measurement Date June 30, 2023 – Healthcare trend rates were updated.
Measurement Date June 30, 2023 – Healthcare trend rates were updated.
Measurement Date June 30, 2024 – Healthcare trend rates were updated.

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios (continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years*

Fiscal Year Ended	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**
Measurement Date	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**
Total OPEB liability:			
Service cost	$ 247,270	$ 240,068	$ 233,076
Interest	644,668	609,404	576,607
Changes of assumptions	(69,566)	-	-
Differences between expected and actual experience	(134,108)	-	-
Benefit payments	(281,424)	(303,478)	(280,334)
Net change in total OPEB liability	406,840	545,994	529,349
Total OPEB liability - beginning	10,208,138	9,662,144	9,132,795
Total OPEB liability - ending	10,614,978	10,208,138	9,662,144
Plan fiduciary net position:			
Contributions - employer	739,424	743,478	715,334
Net investment income	545,285	418,927	428,746
Administrative expense	(1,648)	(12,553)	(3,126)
Benefit payments	(281,424)	(303,478)	(280,334)
Net change in plan fiduciary net position	1,001,637	846,374	860,620
Plan fiduciary net position - beginning	7,635,925	6,789,551	5,928,931
Plan fiduciary net position - ending	8,637,562	7,635,925	6,789,551
District's net OPEB liability	$ 1,977,416	$ 2,572,213	$ 2,872,593
Plan fiduciary net position as a percentage of the total OPEB liability	81.37%	74.80%	70.27%
Covered payroll	7,265,664	6,840,936	6,703,386
District's net OPEB liability as a percentage of covered payroll	27.22%	37.60%	42.85%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits
Measurement Date June 30, 2018 – There were no changes in benefits
Measurement Date June 30, 2019 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions
Measurement Date June 30, 2018 – There were no changes in assumptions
Measurement Date June 30, 2018 – There were no changes in assumptions

Subsequent Event:

Measurement Date June 30, 2021 – None

* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan
For the Year Ended June 30, 2025

	Last Ten Fiscal Years*				
Fiscal Year Ended	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**
Actuarially determined contribution	$ 275,621	$ 268,244	$ 150,000	$ 389,000	$ 384,000
Contributions in relation to the actuarially determined contributions	(597,693)	(524,396)	(404,278)	(793,679)	(740,878)
Contribution deficiency (excess)	$ (322,072)	$ (256,152)	$ (254,278)	$ (404,679)	$ (356,878)
Covered payroll	$ 11,478,783	$ 11,478,783	$ 9,804,769	$ 8,123,104	$ 8,279,580
Contributions as a percentage of covered payroll	5.21%	4.57%	4.12%	9.77%	8.95%
Notes to Schedule:					
Valuation Date	June 30, 2023	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	(1)	(1)	(1)	(1)	(1)
Amortization period	12.4-years	12.4-years	12.4-years	12.4-years	13.4-years
Asset valuation method	5-year rolling	5-year rolling	5-year rolling	5-year rolling	5-year rolling
Discount rate	5.50%	5.50%	5.50%	5.50%	6.25%
Inflation	2.50%	2.50%	2.50%	2.50%	2.75%
Medical trend rates	(2)	(2)	(2)	(2)	(2)
Mortality	(3)	(3)	(3)	(3)	(3)
Mortality improvement	(4)	(4)	(4)	(4)	(4)

(1) Closed period, level percent of pay
(2) Non-medicare - 6.00% for 2023, decreasing to an ultimate rate of 4.0 in 2070 and later
Medicare - 4.50% for 2023, decreasing to an ultimate rate of 4.0 in 2030 and l
(3) CalPERS 2000-2019 Experience Study
(4) Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021

* Fiscal year 2018 was the first year of implementation; therefore, only seven years shown.

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan (continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years*

Fiscal Year Ended	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**
Actuarially determined contribution	$ 461,000	$ 458,000	$ 440,000
Contributions in relation to the actuarially determined contributions	(786,810)	(739,424)	(743,478)
Contribution deficiency (excess)	$ (325,810)	$ (281,424)	$ (303,478)
Covered payroll	$ 7,739,962	$ 7,265,664	$ 6,840,936
Contributions as a percentage of covered payroll	10.17%	10.18%	10.87%

Notes to Schedule:

Valuation Date	June 30, 2019	June 30, 2017	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	(1)	(1)	(1)
Amortization period	15.1-years	20-years	20-years
Asset valuation method	5-year rolling	5-year rolling	5-year rolling
Discount rate	6.25%	6.25%	6.25%
Inflation	2.75%	2.75%	2.75%
Medical trend rates	(2)	(2)	(2)
Mortality	(3)	(3)	(3)
Mortality improvement	(4)	(4)	(4)

(1) Closed period, level percent of pay
(2) Non-medicare - -5.5% for 2024, decreasing to an ultimate rate of 4.00% in 2070
Medicare - 4.50% for 2024, decreasing to an ultimate rate of 4.00% for 2030 and lat
(3) CalPERS 2000-2019 Experience Study
(4) Post-retirement mortality projected fully generational with Society of Actuaries Scale MP-2021

* Fiscal year 2018 was the first year of implementation; therefore, only eight years shown.

Other Information

CALLEGUAS MUNICIPAL WATER DISTRICT

Schedule of Historic and Projected Water Sales (Unaudited)
For the Fiscal Years Ended June 30, 2021 to 2026 With Further Projections

						Projected		
	2021	2022	2023	2024	2025	2026	2031	2036
PURVEYORS:								
City of Simi Valley:								
Ventura County Water Works District #8	20,968	18,630	13,043	14,370	16,770	16,414	16,329	16,736
Golden State Water	5,492	4,896	3,477	4,160	4,639	4,441	4,417	4,528
Total Simi Valley	26,460	23,526	16,520	18,530	21,409	20,855	20,746	21,264
City of Thousand Oaks:								
City of Thousand Oaks	10,957	9,854	6,661	7,687	9,187	8,689	8,644	8,859
California American Water Company	15,869	14,657	10,685	11,499	13,192	12,912	12,845	13,165
California Water Service Company	7,424	6,673	4,597	5,169	6,209	5,892	5,861	6,007
Total City of Thousand Oaks	34,250	31,184	21,943	24,355	28,588	27,493	27,350	28,031
City of Moor park:								
Ventura County Water Works District #1	8,044	6,849	5,193	5,763	6,948	6,426	6,392	6,552
City of Camarillo:								
City of Camarillo	5,321	5,693	2,976	2,191	3,199	3,797	3,777	3,872
Camrosa County Water District	6,416	5,152	3,225	3,355	3,878	4,316	4,293	4,400
Total City of Camarillo	11,737	10,845	6,201	5,546	7,077	8,113	8,070	8,272
City of Oxnard:								
City of Oxnard	8,807	10,040	6,909	7,807	7,674	8,080	8,038	8,238
Unincorporated:								
Berylwood Heights Mutual Water Company	-	6	-	-	-	1	1	1
Brandeis Mutual Water Company	54	49	25	39	46	42	42	43
Butler Ranch Mutual Water Company	-	-	-	-	-	-	-	-
Crestview Mutual Water Company	328	218	-	-	180	142	142	145
Oak Park Water Service	2,255	1,973	1,396	1,594	1,866	1,780	1,771	1,815
Pleasant Valley Mutual Water Company	430	243	40	84	287	212	211	217
Solano Verde Mutual Water Company	351	337	218	191	241	262	261	267
Ventura County Water Works District #19	10	10	169	21	193	79	79	81
Ventura County Water Works District #38	1,902	1,710	1,145	1,324	1,650	1,515	1,507	1,544
Total Unincorporated	5,330	4,546	2,993	3,253	4,463	4,033	4,014	4,113
TOTAL WATER SALES	94,628	86,990	59,759	65,254	76,159	75,000	74,610	76,470

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Ten Largest Customers (Unaudited)
For the Fiscal Year Ended June 30, 2025

	Water Sales[1]	Percentage of Total[2]	Water Revenue	Percentage of Total[3]
PURVEYORS:				
City of Simi Valley	16,770	22.0%	$ 33,812,098	21.8%
California American Water	13,192	17.3%	26,474,162	17.1%
City of Oxnard	7,674	10.1%	16,072,104	10.4%
City of Thousand Oaks	9,187	12.1%	18,372,725	11.8%
Ventura County Waterworks District #1	6,948	9.1%	14,248,210	9.2%
California Water Service	5,169	6.8%	12,971,515	8.4%
Golden State Water	4,639	6.1%	9,299,170	6.0%
Camrosa Water District	3,878	5.1%	7,974,616	5.1%
City of Camarillo	3,199	4.2%	6,630,799	4.3%
Triunfo Water and Sanitation District	1,866	2.5%	4,032,086	2.6%
TOTAL	72,522	95.3%	$ 149,887,486	96.7%

Source: The District
(1) In acre-feet.
(2) Based on total Fiscal Year 2024-25 water sales of 76,159 acre-feet.
(3) Based on Fiscal Year 2024-25 water sale revenues of $155,105,329

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Annual Water Rates (Unaudited)
For the Years 2017 to 2025

Year	MWD Charge	O & M	Capital Charge	Total
2017	$ 979	$ 77	$ 244	$ 1,300
2018	1,015	77	283	1,375
2019	1,050	79	294	1,423
2020	1,078	82	312	1,472
2021	1,104	84	319	1,507
2022	1,143	89	329	1,561
2023	1,209	123	300	1,632
2024	1,256	202	272	1,730
2025	1,395	214	286	1,895
2026	1,528	227	303	2,058

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Assessed Valuation and Secured Tax Levy (Unaudited)
For the Fiscal Years Ended June 30, 2017 to 2026

Fiscal Year	Assessed Valuation Within District [1]	Percent Change	Property Tax Levy	Percent Change
2017	$ 90,722,781	4.8%	$ 6,754,044	5.0%
2018	91,778,094	1.2%	7,051,746	4.4%
2019	100,662,215	9.7%	7,732,107	9.6%
2020	104,311,428	3.6%	8,057,156	4.2%
2021	108,290,803	3.8%	8,379,333	4.0%
2022	112,701,593	4.1%	8,645,821	3.2%
2023	120,594,600	7.0%	9,265,577	7.2%
2024	127,100,841	5.4%	9,861,178	6.4%
2025	132,331,892	4.1%	10,189,556	3.3%
2026	137,440,660	3.9%	10,822,721	6.2%

(1) 000's omitted

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Historic Operating Results (Unaudited)
For the Fiscal Year Ended June 30, 2021 to 2025

	2021	2022	2023	2024	2025
Revenues:					
Water sales	$140,946,567	$133,290,274	$ 95,175,211	$109,188,343	$137,449,230
Pumping power revenue	906,801	925,223	838,816	1,199,649	1,219,216
Capacity reservation charge	6,429,822	7,233,510	7,348,086	7,409,256	7,834,356
Readiness to serve - purveyors	6,295,572	6,519,444	7,582,728	8,358,300	9,096,300
SMP revenues	164,211	197,706	335,969	553,051	538,370
Interest income	2,601,655	1,423,406	3,048,694	5,541,361	7,893,891
Taxes	9,865,259	10,222,205	11,100,420	11,886,702	12,834,940
Property standby charges	1,442,109	1,420,806	1,381,714	1,377,102	1,417,723
Power Sales	673,427	464,238	171,588	537,043	620,391
Build America Bond Subsidy	1,495,182	1,435,134	1,363,563	1,288,018	602,263
Other revenues	190,103	168,036	184,876	626,788	660,841
Total Revenues	171,010,708	163,299,982	128,531,666	147,965,612	180,167,521
Expenditures:					
Cost of water	103,248,802	98,598,641	69,658,984	80,239,021	101,182,956
Capacity reservation charge-MV	1,818,375	2,124,445	2,131,550	2,066,640	2,299,106
Readiness to serve - MWD	6,227,586	6,567,393	7,408,276	8,377,792	9,137,706
Pumping power	1,455,952	1,617,340	2,787,501	2,142,534	2,204,541
O & M expenses	19,269,435	12,818,528	25,942,757	26,652,008	28,291,816
Total Expenditures	132,020,150	121,726,347	107,929,069	119,477,995	143,116,126
Net Revenues	$ 38,990,558	$ 41,573,635	$ 20,602,598	$ 28,487,617	$ 37,051,394
Debt Service:					
Interest expense	$ 9,280,000	$ 5,655,000	$ 7,720,000	$ 8,025,000	$ 8,340,000
Bond principal payments	7,770,081	6,446,341	6,948,207	6,897,160	5,829,330
Total Debt Service	$ 17,050,081	$ 12,101,341	$ 14,668,207	$ 14,922,160	$ 14,169,330
Debt Service Coverage	2.29	3.44	1.40	1.91	2.61
Cash Balance - End of Year	$186,315,054	$191,531,795	$174,709,500	$172,578,548	$180,068,682

CALLEGUAS MUNICIPAL WATER DISTRICT
Schedule of Projected Operating Results (Unaudited)
For the Fiscal Years Ended June 30, 2026 to 2030

	2026	2027	2028	2029	2030
Revenues:					
Water sales	$147,994,000	$159,434,330	$175,694,270	$187,856,250	$197,803,840
Pumping power revenue	1,200,000	1,224,000	1,248,480	1,273,450	1,298,920
Capacity reservation charge	7,741,200	7,899,090	8,698,620	9,408,800	9,985,290
Readiness to serve - purveyors	9,833,890	10,479,150	12,468,980	15,198,520	16,714,930
SMP fees	638,980	699,870	763,830	810,320	851,620
Interest income	4,845,000	5,062,380	4,279,490	3,841,960	3,494,870
Taxes	12,850,000	13,107,000	13,369,140	13,636,520	13,909,250
Property standby charges	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Pumping power revenue	600,000	600,000	600,000	600,000	600,000
Other revenues	357,580	258,890	260,240	261,630	263,060
Total Revenues	187,410,650	200,114,710	218,733,050	234,237,450	246,271,780
Expenditures:					
Cost of water	109,055,290	119,188,030	133,165,710	142,976,790	150,697,670
Capacity reservation charge-MW	2,443,880	2,473,080	2,932,610	3,642,780	4,219,280
Readiness to serve - MWD	9,833,890	10,479,150	12,468,980	15,198,520	16,714,930
Pumping power	2,100,000	2,142,000	2,184,840	2,228,540	2,273,110
O & M expenses	30,673,537	31,412,016	31,844,260	32,885,082	33,483,630
Total Expenditures	154,106,597	165,694,276	182,596,400	196,931,712	207,388,620
Net Revenues	$ 33,304,053	$ 34,420,434	$ 36,136,650	$ 37,305,738	$ 38,883,160
Debt Service:					
Interest expense	$ 8,330,000	$ 8,430,000	$ 8,740,000	$ 9,060,000	$ 9,405,000
Bond principal payments	5,513,270	5,213,680	4,891,100	4,550,860	4,188,600
Total Debt Service	$ 13,843,270	$ 13,643,680	$ 13,631,100	$ 13,610,860	$ 13,593,600
Debt Service Coverage	2.41	2.52	2.65	2.74	2.86
Projected Water Sales (Acre Feet)	75,000	73,500	73,870	74,240	74,610

Other Independent Auditors' Reports

A Professional Accountancy Corporation

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

Board of Directors
Calleguas Municipal Water District
Thousand Oaks, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the Calleguas Municipal Water District (District), which comprise the balance sheet as of June 30, 2025, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 7, 2026.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

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

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

Nigro & Nigro, PC

Murrieta, California
January 7, 2026