WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Achievements in Water Independence

Annual Comprehensive Financial Report Fiscal Years Ended June 30, 2024 and 2023

Annual Comprehensive Financial Report
Water Replenishment District of Southern California
For the Years Ended June 30, 2024 and 2023
With Independent Auditor's Report

Prepared by: Finance Department

Our Mission Statement

"To provide, protect and preserve safe and reliable high quality groundwater"

Water Replenishment District of Southern California
Board of Directors as of June 30, 2024

Name	Division	Title	Elected/ Appointed	Current Term
Joy Langford	1	President	Elected	01/23 – 01/27
Robert Katherman	2	Vice President	Elected	01/21 – 01/25
Vera Robles DeWitt	5	Secretary	Elected	01/21 – 01/25
Sergio Calderon	4	Treasurer	Elected	01/23 – 01/27
John D.S. Allen	3	Director	Elected	01/23 – 01/27

Water Replenishment District of Southern California
Stephan D. Tucker, General Manager
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INTRODUCTORY SECTION
(Unaudited)

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WATER REPLENISHMENT DISTRICT

December 16, 2024

The Honorable Board of Directors of the
Water Replenishment District of Southern California (WRD)

State law requires that every general-purpose government agency publish within six months of the close of each fiscal year a complete set of audited financial statements. This report satisfies that requirement for the fiscal year ending June 30, 2024.

Management assumes sole responsibility for the completeness, reliability and integrity of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. The primary objective is to provide governance and stakeholders a reasonable, rather than absolute, assurance the financial statements are not subject to or affected by any material misstatements.

Vasquez & Company LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Water Replenishment District of Southern California (WRD)'s financial statements for the fiscal year ended June 30, 2024. The Independent Auditor's report precedes the Management Discussion and Analysis (MD&A) section of this report. MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements and should be read in conjunction with this letter of transmittal.

The WRD has one blended component unit (see Notes to the Basic Financial Statements, Note 1) with a fiscal year end of June 30. Accordingly, the Southern California Water Replenishment Financing Corporation is presented as a blended component unit of the WRD.

Profile of the WRD

The WRD is a special water District that was established in 1959 by popular vote to counteract the effects of over pumping of groundwater from two major groundwater basins in Los Angeles County. It is the only replenishment district in California operating under the provisions of the California Water Code, Section 60000 et seq., which specifically governs water replenishment districts. The WRD was formed in response to a history of over pumping of the Central and West Coast groundwater basin (collectively, the "Basins") which caused wells to go dry and seawater to intrude into the potable water aquifers.

WRD manages the Basins which provide groundwater for approximately four million residents in 43 cities of southern Los Angeles County (County). The WRD protects the Basins by replenishing the groundwater, deterring sea water intrusion and removing contaminants from the groundwater. The WRD serves as the groundwater manager for the Basins, in accordance with the adjudications of the Basins and is bound by the Baldwin, Whittier, and Merced Hills to the north, the Orange County line to the east, and the Pacific Ocean to the south and west. The service territory lies entirely within the County and serves 43 cities, including Los Angeles, Long Beach, Downey, and Torrance. The approximately 420 square mile service area uses about 220,000 acre-feet of groundwater per year.

WRD's mission is "to provide, protect and preserve safe and sustainable high-quality groundwater". Although WRD does not directly serve customers, it ensures the health of the groundwater basins, to meet the demands of maintenance and preservation of the Basins and the availability of water for pumpers to pump. According to WRD estimates, local groundwater supplies on average 41 percent of the water consumed by the area served by WRD. The remaining amount comes from water imported from the Colorado River and Northern California.

WRD was originally established to oversee the replenishment of groundwater levels in the Central and West Coast groundwater basins of the County. The need for an entity to perform this function had become clear by the 1950s. The increasing population of the Los Angeles area during the early part of this century had overwhelmed the area's limited sources of surface water, so communities, private water companies, and businesses began pumping water out of the groundwater basins. Since the natural inflow to the groundwater basins relies primarily on rainfall that averages only 14 inches per year, it was not long before the pumping outstripped the basins' ability to recharge themselves through natural means. As the groundwater levels continued to go down, some wells went dry and saltwater intruded into the basins' coastal areas, causing wells to be abandoned.

The West Basin Water Association was formed in 1947, and the Central Basin Water Association was formed in 1952. These associations developed a plan to provide supplemental water to their members, limit groundwater extraction from the basins, and create a means to provide groundwater pumping rights to users who lacked access to other supplemental water supplies. At about the same time, the entities went to court seeking specific assignments for groundwater rights. In 1956 and 1961, the court awarded varying amounts of groundwater rights to several of the entities. During fiscal year 1997/98, 150 parties to these judgments held a total of 217,367 acre-feet of water rights in the Central Basin, and 68 parties held a total of 64,468 acre-feet of water rights in the West Coast Basin. Since water rights are property rights, they can be bought and sold.

By law, WRD has broad authority to carry out its responsibilities, which include the purchase of water to replenish the basins, administering clean water programs and investing in projects intended to improve the reliable supply of clean water at a reasonable cost. In addition, WRD operates several clean water programs under the authority of legislation (1991) that broadened its mission to include the detection, prevention, and removal of contaminants in the groundwater. In response to this legislation, WRD has established programs to monitor water quality, remove containments, and mitigate saltwater intrusion.

Local Economy

Like much of the world, the Los Angeles region has witnessed a tumultuous few years. After an extended period of strong and steady economic growth through the late 2010s, Los Angeles was hit with the COVID-19 pandemic in 2020 and the sharp economic dislocations that ensued. Los Angeles County saw a 5.0 percent contraction in real gross county product (GCP) and severe job losses, with total employment falling by 8.6 percent. It saw an exodus of workers from the urban core, tourism grind to a halt, and extended shortages of goods from supply chain disruptions.

By the end of 2022, the Los Angeles economy had recovered the number of jobs lost during the pandemic. Moreover, inflation had subsided by the end of 2023, and the Federal Reserve had paused its rate hikes, easing fears that the country would tip into recession. However, Los Angeles did not emerge unscathed. Income inequality, as measured by the ratio of the mean income for the top 20 percent of earners over the mean income for the bottom 20 percent of earners, continued to widen in Los Angeles County after seeing some positive progress prior to the pandemic. Additionally, there were fewer employees in the County by the middle of 2023 than in the middle of 2022, and the number of business establishments appears to have flat-lined. By one measure, Los Angeles County is nearly 200,000 jobs below where it should be based on pre-pandemic trends.

In early 2024, this is the situation in which Los Angeles finds itself. As the COVID-19 pandemic and inflation fade into the distance, old and persistent challenges are reemerging to take center stage. How the Los Angeles region collectively addresses these challenges—and positions itself to take advantage of the opportunities that arise from these challenges— will shape the trajectory, equity and resilience of the regional economy into the future. The challenges that Los Angeles faces are numerous and intertwined and all cannot be addressed in these pages. Three primary challenges stand out, though, namely regional population decline, housing affordability, and the cost of doing business.

Population decline is not just a Los Angeles phenomenon. The largest cities across California have seen population losses since 2018, ranging from -3.4 percent in San Diego to -8.3 percent in San Jose. U-Haul recently noted in its U-Haul Growth Index that across all 50 states, California saw the largest net loss of one-way movers for the fourth year in a row. This result can quickly lead to a downward spiral: a smaller consumer base leads to reduced demand and lower tax revenues; the tax revenues that are generated are no longer sufficient to cover the expense of government services; and the government raises taxes in response, further incentivizing residents to leave and stifling economic growth as well.

In general, the factors behind regional population decline are many, ranging from the high cost of housing to demographic birth and death trends to high regulations and taxes to reduced immigration. Through increased capital investment and innovation, though, the Los Angeles region could spur economic growth even with a declining population. Therein lies the opportunity to reverse the current situation. Through policies and other actions that reduce the cost of living and increase quality of life in the region, policymakers could create conditions necessary to attract and retain more local investment and entrepreneurial activity.Moreover, in the process, they could convince more residents to remain in the State.

Housing affordability is a significant challenge in the Los Angeles region. Data from the California Association of Realtors (CAR) show that as of the third quarter of 2023, only 11 percent of households in Los Angeles County can afford to purchase a medianpriced, single-family home here. This is down from 31 percent just 10 years earlier. While California and the nation saw similar downward trends over that period, they still fared better than Los Angeles. Currently, 15 percent and 34 percent of households can afford median-priced, single-family home in California and nationally, respectively. This lack of affordability hits Black and Latino communities particularly hard. In 2022, CAR statistics showed that while 17 percent of all households could afford a median-priced home in Los Angeles County, only 9 percent of Black and 10 percent of Latino households could. For Non-Hispanic White and Asian households, the numbers were higher at 25 percent and 22 percent, respectively. Renters are not immune from these effects either. The latest numbers from the U.S. Census Bureau indicate that a majority of renters in Los Angeles County (55.3 percent) are rent-burdened, meaning they pay more than 30 percent of their household income in rent and nearly 30 percent are severely rent-burdened, paying more than 50 percent of their household income.

There are a number of factors that have combined to drive housing prices higher in Los Angeles. The primary culprit is an insufficient supply of housing. According to the California Department of Housing and Community Development, housing production statewide averaged less than 80,000 new homes each year, below the projected need of 180,000 homes annually. For the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (MSA), the number of private housing units authorized for construction has reached 35,000 units only once since 2012, and last year fell to 28,700 units. The COVID-19 pandemic also played a role. The work from-home orders pushed Angelenos to secure more housing away from central business districts in the County, either as second homes or as more spacious primary residences.

The Los Angeles region needs to markedly increase the local housing supply to help moderate prices and increase affordability. Its opportunity in facing this challenge is to employ innovative approaches to develop new housing at scale. These range from regulations encouraging faster accessory dwelling unit (ADU) development to financing more adaptive reuse, particularly in underused downtown areas. They also include reducing potential barriers to increased housing development, such as the setting of impact fees; based on a 2015 survey, the average impact fee on a single-family home in California is more than four times that in other states.

Cost of Doing Business - The difficulties people have in opening and operating a business in a region have straightforward implications for economic growth. Moreover, the Los Angeles region is one of the most expensive places to do business. S&P Global Market Intelligence compared the Los Angeles-Long Beach-Anaheim MSA to 380 other metropolitan areas through its Metro Business Cost Index (BCI) and found that in 2023, Los Angeles had the sixth highest business costs in the country. The county's business costs are almost 20 percent higher than the national average. By comparison, the business costs in Austin (ranked 67th with a BCI of 100.1) and Phoenix (ranked 81st with a BCI of 99.3) are essentially at the national average. Las Vegas (ranked 124th with a BCI of 96.4) comes in slightly below.

The Business Cost Index is a composite measure that weights regional labor, energy, real estate and tax costs. For the Los Angeles area, labor costs are 13 percent higher than the national average, while energy costs, real estate costs and taxes are 91 percent, 51 percent and 40 percent higher, respectively. The biggest component of the BCI is the cost of labor. Over the past five years, the growth in compensation for private employment in Los Angeles County has outstripped that of the United States. To some extent, this reflects the higher cost of living in the Los Angeles region, addressing factors like the higher cost of housing discussed earlier. Additionally, increasing compensation to help workers better afford to live in an expensive region is not a bad thing in and of itself. At the same time, however, these faster growth rates in private compensation experienced in Los Angeles are being applied to an already higher wage base, so the differential in wages between Los Angeles and other parts of the United States can be expected to grow into the future. Energy costs represent the most extreme component of the BCI concerning divergence from national averages. Over just the past five years, the average cost of electricity in Los Angeles has increased substantially relative to the United States. At the beginning of 2019, electricity costs in the Los Angeles area were 36 percent higher than national averages; by the end of 2023, they were 70 percent higher. The rapid and substantial rise in energy costs in the Los Angeles basin cannot be attributed solely to regional policies and actions. State policies regarding greenhouse gas reductions, financial losses from massive wildfires across the state, and extended droughts that constrain the amount of hydropower available all play a role.

The Los Angeles region has the opportunity to employ solutions that balance the need to reduce costs for businesses while still supporting the needs of workers and other residents. Investments in energy infrastructure, such as California's Hydrogen Hub based in Los Angeles, can reduce utility costs across the region for businesses (and consumers) while also creating good-paying, skilled jobs.

Relevant Financial Policies

Internal Control Structure

WRD management is responsible for the establishment and maintenance of the internal control structure that ensures that the assets of the WRD are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. WRD's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Investment Policy

The Board of Directors annually adopts an investment policy that conforms to California State law, WRD ordinance and resolutions, prudent money management, and the "prudent person" standards. The Investment Policy's objectives are safety, liquidity, and yield. WRD funds are normally invested in the State Treasurer's Local Agency Investment Fund, Certificates of Deposit, Government Agency Obligations or other specifically authorized investments.

Replenishment Assessment

Following several public budget workshops, WRD Board of Directors voted to increase the Fiscal Year 2024 Replenishment Assessment to $423.00 per acre-foot. Despite rising operating costs, WRD managed to stay the course through general belt-tightening and a conscious decision to reduce purchases for increasingly expensive imported water in favor of more cost-effective local supply.

Fitch Ratings and Standard & Poor's affirms WRD's AA & AA+ Debt Rating
Reflecting confidence in WRD's financial stability and management, both major rating agencies assigned AA and AA+ long-term rating to the 2018 Replenishment Assessment Revenue Bonds, which is at or near the top rating for water agencies in the state.

WRD Achievements
This was another exceptional and productive year for the Water Replenishment WRD of Southern California. Each Department has worked diligently in their specific area of expertise and as a whole to maintain optimal groundwater quality and levels for our stakeholders.

Completed the development of a field condition assessment tool (i.e., asset management planning [AMP] tool) for use by Operations and Engineering staff to streamline the process of conducting condition assessments of treatment facility assets. The tool was utilized to complete a comprehensive condition assessment of all assets at the water treatment plants. Results were used to identify assets for future capital replacement as well as to prioritize maintenance activities for assets in less-than-optimal condition.

Produced over 15,000 AF of advanced treated recycled water at WRD's three advanced water treatment facilities which are known as the Albert Robles Center for Water Recycling and Environmental Learning (ARC), Leo J Vander Lans Advanced Water Treatment Facility (LVL AWTF), and Robert W. Goldsworthy Desalter. Performed O&M and Capital projects to reliably deliver 5 million gallons of water per day to the Alamitos Barrier Project. Continued to work to improve the quality of groundwater to local communities through Safe Drinking Water Disadvantaged Community Program projects.

WRD and the Los Angeles Regional Water Quality Control Board (LARWQCB) signed an MOU to work collaboratively on mutually selected sites and/or areas to evaluate groundwater contamination or threat of contamination to the Basin. The MOU may help to identify other "high priority" sites and possible identification of groundwater remediation projects that could be partially funded by a grant program such as Proposition 1 or Site Cleanup Subaccount Program (SCAP). Quarterly meetings are held between the WRD and LARWQCB.

Developed and implemented a PFAS Remediation Program to provide funding for the pumping community to install the new water treatment systems. This program not only restores groundwater production from wells that have been shut down due to PFAS contamination, but also prevents the further spread of PFAS in drinking aquifers. Thus far, there are 14 pumpers with a total of 42 wells in the Program. Funding Agreements that total $27.3 million in funding have been executed with 6 pumpers.

Developed the 2024-2026 WRD's 2-year strategic plan and continued implementation of the District's Diversity, Equity, and Inclusion (DEI) initiative. Implemented NEOGOV, a new Human Resources performance management system. Coordinated with the Los Angeles County Registrar's office for two Board election seats in 2024 General Election.

Received Distinguished Budget Presentation Award from the Government Finance Officers Association for the Fiscal Year 2024 budget. Completed the implementation of the new centralized budget system.

Developed a comprehensive virtual field trip program for Kindergarten through 12th-grade students at the Albert Robles Center for Water Recycling and Environmental Learning. Hosted 33 in-person and virtual Eco-Gardener classes and distributed 5,500 Water Awareness calendars to stakeholders and constituents. Developed four newsletters mailed to half a million residents throughout the service area. WRD was recognized as the WateReuse California and National Awards for Excellence in Outreach and Education Program of the Year for the district's efforts to educate students about groundwater.

Awards and Acknowledgements

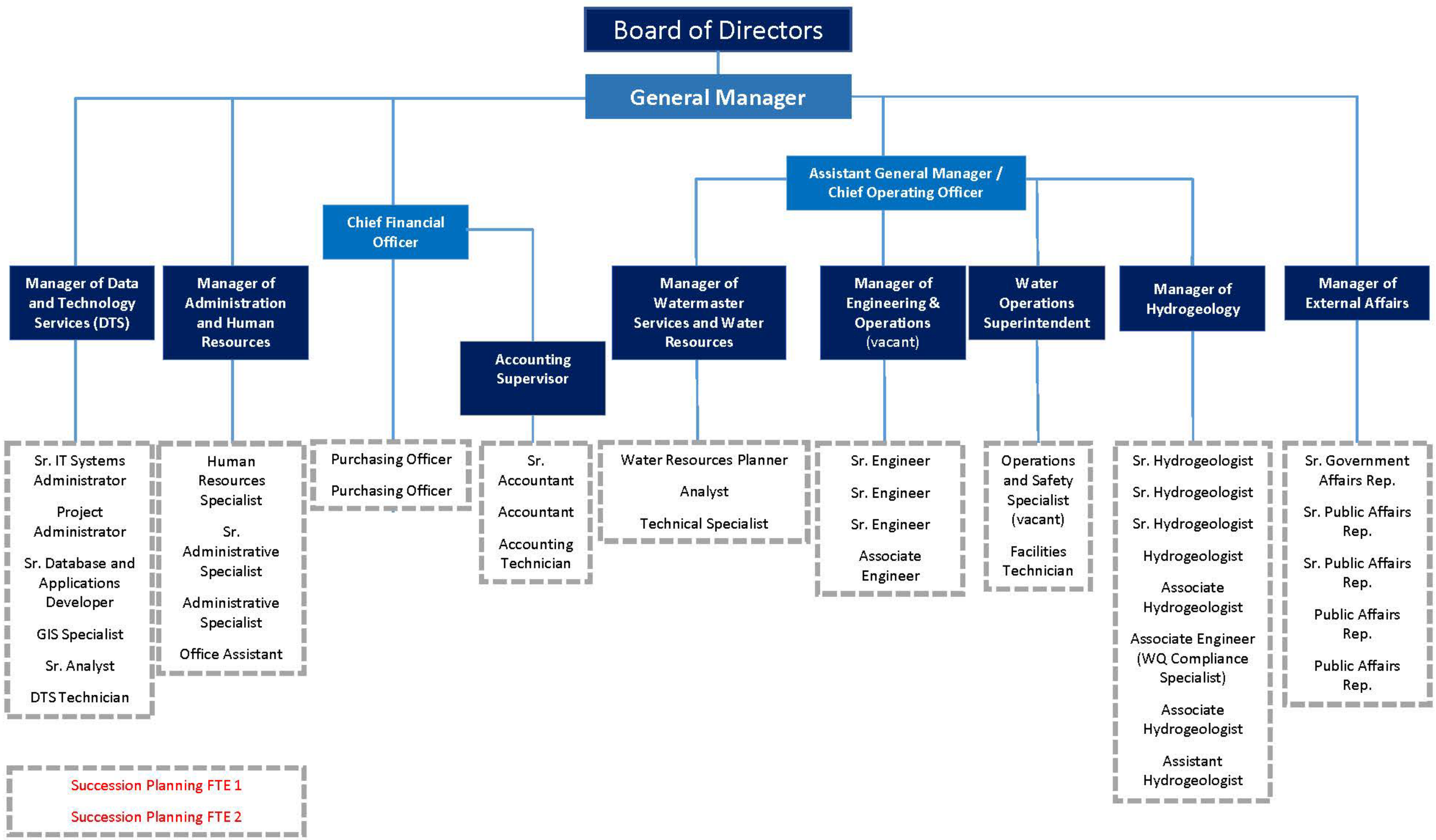
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WRD for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the nineteenth consecutive year that WRD has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was accomplished by the combined efforts of WRD staff. We appreciate the dedicated efforts and professionalism that our staff members bring to WRD. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Water Replenishment District of Southern California's fiscal policies.

Respectfully submitted,

Gregory J. Black
Chief Financial Officer
Water Replenishment District of Southern California



48 Total Full Time Equivalent (FTE) positions
2 Succession Planning FTEs


NEWPORT INGLEWOOD UPLIFT
DIVISION 1
DIVISION 2
DIVISION 3
DIVISION 4
DIVISION 5
WEST COAST GROUNDWATER BASIN
CENTRAL GROUNDWATER BASIN
West Coast Barrier
Dominguez Gap Barrier
Alamitos Barrier
Montebello Forebay Spreading Grounds
ALBERT ROBLES CENTER
GOLDSWORTHY DESALTER
LEO J. VANDER LANS ADVANCED WATER TREATMENT FACILITY
Los Angeles
Culver City
Monterey Park
Montebello
Commerce
Pico Rivera
Whittier
La Habra Heights
Vernon
Maywood
Bell
Huntington Park
Cudahy
Bell Gardens
South Gate
Lynwood
Downey
Sante Fe Springs
Inglewood
Hawthorne
El Segundo
Manhattan Beach
Hermosa Beach
Redondo Beach
Lawndale
Gardena
Compton
Paramount
Norwalk
La Mirada
Bellflower
Cerritos
Artesia
Lakewood
Hawaiian Gardens
Torrance
Carson
Long Beach
Signal Hill
Lomita
Palos Verdes Estates
Rolling Hills Estates
Rolling Hills
Rancho Palos Verdes

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Water Replenishment District of Southern California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill
Executive Director/CEO

FINANCIAL SECTION

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+ COMPANY LLP

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Independent Auditor's Report

The Honorable Members of the Board
Water Replenishment District of Southern California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Water Replenishment District of Southern California (the District), which comprise the statements of net position as of June 30, 2024 and 2023, the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the basic financial statements, (collectively, the District's basic financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2024 and 2023, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Implementation of a New Accounting Standard
As discussed in Note 2, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, during the fiscal year ended June 30, 2024. Our opinion is not modified with respect to this matter.

Prior Year Adjustments
As discussed in Note 19 to the financial statements, the 2023 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, and the required supplementary information on pages 81 through 86, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vasquez & Company LLP

Glendale, California
December 16, 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Water Replenishment District of Southern California (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased by 12.2% or $21,212,662 from $173,300,132 in fiscal year 2023 to $194,512,794 in fiscal year 2024. Net position increased by 2.9% or $4,831,503 from $168,468,629 in fiscal year 2022 to $173,300,132 in fiscal year 2023. This increase includes prior period adjustment of $7,548,280.

- The District's total operating revenues increased by 1.4% or $1,286,553 from $91,552,162 in fiscal year 2023 to $92,838,715 in fiscal year 2024.

- The District's total expenses decreased by 0.1% or $111,538 from fiscal year 2023 to 2024. This was primarily due to the following:

  - Operating expenses including cost of water injection, water spreading, water treatment subsidies cost, connection fees, and depreciation expense increased by $1.9 million; but were offset by a decrease in non-operating expenses including a $250 thousand decrease in interest expense and fiscal charges, $1.7 million decrease in election costs, and $64.2 thousand decrease in other expenses.

- From fiscal year 2022 to 2023, the District's total expenses increased by 15.1% or $12,776,264 primarily due to the following:

  - Operating expenses including cost of water injection, water spreading, connection fees, write-off of construction projects, and depreciation expense increased by $10.0 million; but were offset by non-operating expenses including $829 thousand decrease in interest expense and fiscal charges, $3.4 million increase in election costs, and $1.9 million increase in other expenses.

Required Financial Statements

This annual report includes the basic financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District.

The Statement of Net Position includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. 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 fiscal stability and creditworthiness.

The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, noncapital financing, and capital and related financing activities.

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

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 Statement of Net Position 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 deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting 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. One can think of the District's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - as a 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, and new or changed government legislation, such as changes in Federal and State water quality standards.

Statements of Net Position

Condensed Statements of Net Position

	June 30		Change		June 30	Change	
	2024	2023 (As Restated)	Amount	%	2022 (As Restated)	Amount	%
Current assets	$ 139,944,209	$ 120,822,509	$ 19,121,700	15.8	$ 116,280,050	$ 4,542,459	3.9
Restricted assets	21,378,455	32,890,552	(11,512,097)	-35.0	42,274,401	(9,383,849)	-22.2
Other noncurrent assets	12,547,453	10,933,497	1,613,956	14.8	2,581,395	8,352,102	323.5
Capital assets, net	336,164,408	331,656,029	4,508,379	1.4	331,901,299	(245,270)	-0.1
Total assets	510,034,525	496,302,587	13,731,938	2.8	493,037,145	3,265,442	0.7
Deferred outflows of resources	11,853,678	8,328,593	3,525,085	42.3	6,376,182	1,952,411	30.6
Current liabilities	35,996,285	33,636,334	2,359,951	7.0	28,205,500	5,430,834	19.3
Noncurrent liabilities	289,330,271	295,552,864	(6,222,593)	-2.1	297,225,823	(1,672,959)	-0.6
Total liabilities	325,326,556	329,189,198	(3,862,642)	-1.2	325,431,323	3,757,875	1.2
Deferred inflows of resources	2,048,853	2,141,850	(92,997)	-4.3	5,513,375	(3,371,525)	-61.2
Net position							
Net investment in capital assets	67,466,776	66,484,126	982,650	1.5	68,594,425	(2,110,299)	-3.1
Unrestricted	127,046,018	106,816,006	20,230,012	18.9	99,874,204	6,941,802	7.0
Total net position	$ 194,512,794	$ 173,300,132	$ 21,212,662	12.2	$ 168,468,629	$ 4,831,503	2.9

As noted earlier, over time, changes in net position may serve as a useful indicator of a government's financial condition. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $194.5 million and $173.3 million as of June 30, 2024 and 2023, respectively.

Total assets increased $13.7 million or 2.8% in the current year primarily due to an increase in cash reserve from revenues and capital grants and an increase in capital expenses for various projects during the year.

Total liabilities decreased by $3.9 million or 1.2% due to principal repayments of long-term debt during the year.

At the end of fiscal years 2024 and 2023, the District shows a positive balance in unrestricted net position of $127.0 million and $106.8 million, respectively.

Statements of Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Years Ended June 30,		Change		Year ended	Change	
	2024	2023 (As Restated)	Amount	%	2022 (As Restated)	Amount	%
Revenues:							
Operating revenues	$ 92,838,715	$ 91,552,162	$ 1,286,553	1.4	$ 92,140,513	$ (588,351)	-0.6
Nonoperating revenues							
Property taxes	953,015	910,297	42,718	4.7	811,900	98,397	12.1
Interest and investment earnings	4,831,905	940,716	3,891,189	413.6	48,298	892,418	1847.7
Other revenues	902,891	3,628,553	(2,725,662)	-75.1	883,190	2,745,363	310.8
Total revenues	99,526,526	97,031,728	2,494,798	2.6	93,883,901	3,147,827	3.4
Expenses							
Operating expenses	84,846,573	82,906,635	1,939,938	2.3	72,883,508	10,023,127	13.8
Nonoperating expenses							
Interest expense and fiscal charges	8,770,419	9,020,576	(250,157)	-2.8	9,849,814	(829,238)	-8.4
Election costs	1,700,000	3,437,046	(1,737,046)	100.0	-	3,437,046	100.0
Other expenses	1,989,936	2,054,209	(64,273)	-3.1	1,908,880	145,329	7.6
Total expenses	97,306,928	97,418,466	(111,538)	-0.1	84,642,202	12,776,264	15.1
Income before capital contributions	2,219,598	(386,738)	2,606,336	-673.9	9,241,699	(9,628,437)	-104.2
Capital contributions - capital grants	18,993,064	5,218,241	13,774,823	264.0	5,306,076	(87,835)	-1.7
Change in net position	21,212,662	4,831,503	16,381,159	339.0	14,547,775	(9,716,272)	-66.8
Net position - beginning of year - as restated	173,300,132	168,468,629	4,831,503	2.9	161,469,134	6,999,495	4.3
Prior period adjustment	-	-	-	0.0	(7,548,280)	7,548,280	100.0
Net position - end of year	$ 194,512,794	$ 173,300,132	$ 21,212,662	12.2	$ 168,468,629	$ 4,831,503	2.9

The 2023 financial statements have been restated to reflect adjustments to certain account balances previously reported. Refer to Notes 6 and 19 for detailed information.

The Statement of Revenues, Expenses and Changes in Net Position shows how the District's net position changed during the fiscal year. The net position increased $21.2 and $4.8 million during the fiscal years ended June 30, 2024 and 2023, respectively. In fiscal year 2024, the increase in net position is due to total revenues of $99.5 million exceeding total expenses of $97.3 million with capital contributions of $19.0 million. In fiscal year 2023, the increase in net position is due to total revenues of $97.0 million and capital contributions of $5.2 million exceeding total expenses of $97.4 million.

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2024, total revenues increased by $2.5 million and total expenses decreased by $111 thousand for a net increase in income before capital contributions of $2.6 million. The District also saw an increase in capital contributions of $13.8 million for a net increase in change in net position for 2024 of $16.4 million.

In fiscal year 2023, total revenues increased $3.1 million and total expenses increased $12.8 million for a net decrease in income before capital contributions of $9.6 million. The District also saw a decrease in capital contributions of $88 thousand for a net decrease in the change in net position for 2023 of $9.7 million.

Operating Revenues

	2024	2023 (As Restated)	Change	2022	Change
Operating Revenues:					
Water replenishment assessment	$ 68,128,910	$ 70,161,743	$ (2,032,833)	$ 75,911,260	$ (5,749,517)
PFAS program revenue	1,989,936	2,054,209	(64,273)	766,312	1,287,897
Desalter assessments	3,596,364	3,052,449	543,915	3,470,172	(417,723)
Water treatment subsidies	1,153,167	1,158,975	(5,808)	2,014,334	(855,359)
Carryover conversion	15,919,629	12,985,921	2,933,708	7,729,897	5,256,024
Recycled water	2,050,709	2,138,865	(88,156)	2,248,538	(109,673)
Total operating revenues	$ 92,838,715	$ 91,552,162	$ 1,286,553	$ 92,140,513	$ (588,351)

Total operating revenues increased by $1.3 million from $91.6 million in fiscal year 2023 to $92.8 million in fiscal year 2024 primarily due to an increase in carryover conversion income.

Total operating revenues decreased by $588 thousand from $92.1 million in fiscal year 2022 to $91.6 million in fiscal year 2023 primarily due to decreased pumping activities and the rate increase during the year.

Operating Expenses

	2024	2023 (As Restated)	Change	2022	Change
perating Expenses:					
Water supply management:					
Water purchases - injecting	$ 30,361,374	$ 25,404,081	$ 4,957,293	$ 25,983,785	$ (579,704)
Water purchases - spreading	5,386,560	8,714,513	(3,327,953)	6,315,554	2,398,959
Connection fees	1,942,795	2,220,038	(277,243)	2,118,009	102,029
Water treatment subsidies cost	1,379,757	-	1,379,757	-	-
General and administrative	34,871,149	35,568,122	(696,973)	27,305,699	8,262,423
Depreciation and amortization	10,904,938	10,999,881	(94,943)	11,160,461	(160,580)
Total operating expenses	$ 84,846,573	$ 82,906,635	$ 1,939,938	$ 72,883,508	$ 10,023,127

Total operating expenses increased by $1.9 million from $82.9 million in fiscal year 2023 to $84.8 million in fiscal year 2024 primarily due to an increase in water purchases from spreading recycled water and reimbursement of water treatment subsidies.

Total operating expenses increased by $10.0 million from $72.9 million in fiscal year 2022 to $82.9 million in fiscal year 2023. The main reason for the change was the increase in water purchases from spreading recycled water and the increase in general and administrative expenses from salaries and employee benefits.

Capital Assets

At June 30, 2024 and 2023, the District's investment in capital assets amounted to $336.2 million and $331.7 million (net of accumulated depreciation), respectively. This investment in capital assets includes land, utility plant, monitoring and injection equipment, service connections, office furniture and equipment, and construction-in-progress. Major capital asset additions during fiscal year 2024 and 2023 include expenditures related to the Albert Robles Center for Water Recycling and Environmental Learning, Leo J. Vander Lans Advanced Water Treatment Facility Expansion Project, Goldsworthy Desalter and the Regional Groundwater Monitoring Program.

The capital assets of the District are summarized below and more fully analyzed in Note 6 – Capital Assets to the Basic Financial Statements.

	Balance July 1, 2023	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2024
Non-depreciable assets	$ 80,995,971	$ 15,413,317	$ (2,505,519)	$ 93,903,769
Depreciable assets	326,805,703	2,505,519	(70,599)	329,240,623
Accumulated depreciation	(76,145,645)	(10,904,938)	70,599	(86,979,984)
Capital assets, net	$ 331,656,029	$ 7,013,898	$ (2,505,519)	$ 336,164,408

	Balance July 1, 2022	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2023
Non-depreciable assets (as restated)	$ 70,413,400	$ 10,582,571	$ -	$ 80,995,971
Depreciable assets	326,307,103	498,600	-	326,805,703
Accumulated depreciation	(65,145,764)	(10,999,881)	-	(76,145,645)
Capital assets, net	$ 331,574,739	$ 81,290	$ -	$ 331,656,029

Long-Term Debt

At June 30, 2024 and 2023, the District had long-term debt of $282.7 million and $290.6 million respectively. See Note 11 – Long-Term Debt to the Basic Financial Statements for further details.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Replenishment Assessment Revenue Bonds				
Series 2015	$ 130,840,000	$ -	$ (3,125,000)	$ 127,715,000
Add: Unamortized premium	17,673,786	-	(800,322)	16,873,464
Series 2018	62,520,000	-	(1,200,000)	61,320,000
Add: Unamortized premium	8,373,154	-	(333,813)	8,039,341
Clean Water State Revolving Fund Loan	71,151,062	-	(2,409,807)	68,741,255
Total long-term debt	$ 290,558,002	$ -	$ (7,868,942)	$ 282,689,060

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Replenishment Assessment Revenue Bonds				
Series 2015	$ 133,815,000	$ -	$ (2,975,000)	$ 130,840,000
Add: Unamortized premium	18,474,108	-	(800,322)	17,673,786
Series 2018	63,665,000	-	(1,145,000)	62,520,000
Add: Unamortized premium	8,706,967	-	(333,813)	8,373,154
Clean Water State Revolving Fund Loan	73,537,800	-	(2,386,738)	71,151,062
Total long-term debt	$ 298,198,875	$ -	$ (7,640,873)	$ 290,558,002

Requests for Information

This Annual Comprehensive Financial Report is designed to provide customers, stakeholders and other interested parties with an overview of the District's financial operations and overall 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 Chief Financial Officer at 4040 Paramount Boulevard, Lakewood, California 90712.

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BASIC FINANCIAL STATEMENTS

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	June 30	
	2024	2023 (As Restated)
ASSETS		
Current assets		
Cash and cash equivalents	$ **101,782,580**	$ 89,080,724
Receivables:		
Water replenishment assessments	**34,313,413**	30,650,738
Notes receivable - due within one year	**313,953**	313,953
Other receivable	**3,528,423**	703,267
Prepaid items and deposits	**5,840**	73,827
Total current assets	**139,944,209**	120,822,509
Noncurrent assets		
Restricted cash and cash equivalents	**21,378,455**	32,890,552
Notes receivable - due in more than one year	**1,988,373**	2,302,326
Regulatory assets	**10,559,080**	8,631,171
Capital assets:		
Nondepreciable	**93,903,769**	80,995,971
Depreciable, net of accumulated depreciation	**242,260,639**	250,660,058
Capital assets, net	**336,164,408**	331,656,029
Total noncurrent assets	**370,090,316**	375,480,078
Total assets	**510,034,525**	496,302,587
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	**4,522,474**	4,740,477
Deferred outflows related to OPEB	**7,331,204**	3,588,116
Total deferred outflows of resources	**11,853,678**	8,328,593

(Continued)

See notes to the basic financial statements.

	June 30	
	2024	2023 (As Restated)
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	**$ 17,060,899**	$ 15,126,153
Accrued wages and related payables	**311,407**	244,514
Retention payable	**407,888**	568,385
Deposits payable	**538,187**	317,396
Interest payable	**4,147,869**	4,252,716
Unearned revenue	**5,037,620**	5,042,675
Compensated absences - due within one year	**213,599**	284,256
Lease payable, due within one year	**86,313**	93,482
Subscription payable, due within one year	**79,463**	66,675
Long-term debt - due within one year	**8,113,040**	7,640,082
Total current liabilities	**35,996,285**	33,636,334
Noncurrent liabilities		
Compensated absences, due in more than one year	**1,263,297**	1,050,969
Lease payable, net of current portion	**889,332**	975,645
Subscription payable, net of current portion	**160,989**	240,452
Long-term debt, due in more than one year	**274,576,020**	282,917,920
Net pension liability	**7,960,338**	7,245,054
Net OPEB liability	**4,480,295**	3,122,824
Total noncurrent liabilities	**289,330,271**	295,552,864
Total liabilities	**325,326,556**	329,189,198
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	**75,341**	120,027
Deferred inflows related to OPEB	**1,973,512**	2,021,823
Total deferred inflows of resources	**2,048,853**	2,141,850
NET POSITION		
Net position		
Net investment in capital assets	**67,466,776**	66,484,126
Unrestricted	**127,046,018**	106,816,006
Total net position	**$ 194,512,794**	$ 173,300,132

See notes to the basic financial statements.

	Years ended June 30	
	2024	2023 (As Restated)
Operating revenues		
Water replenishment assessments	**$ 68,128,910**	$ 70,161,743
PFAS program revenue	**1,989,936**	2,054,209
Desalter assessments	**3,596,364**	3,052,449
Water treatment subsidies	**1,153,167**	1,158,975
Carryover conversion	**15,919,629**	12,985,921
Recycled water	**2,050,709**	2,138,865
Total operating revenues	**92,838,715**	91,552,162
Operating expenses		
Water supply management:		
Water purchases - injecting	**30,361,374**	25,404,081
Water purchases - spreading	**5,386,560**	8,714,513
Connection fees	**1,942,795**	2,220,038
Water treatment subsidies cost	**1,379,757**	-
General and administrative	**34,871,149**	35,568,122
Depreciation and amortization	**10,904,938**	10,999,881
Total operating expenses	**84,846,573**	82,906,635
Net operating income	**7,992,142**	8,645,527
Nonoperating revenues (expenses)		
Property taxes	**953,015**	910,297
Interest and investment earnings	**4,831,905**	940,716
Interest expense and fiscal charges	**(8,770,419)**	(9,020,576)
Election costs	**(1,700,000)**	(3,437,046)
Other revenues	**902,891**	3,628,553
PFAS Funding Program	**(1,989,936)**	(2,054,209)
Total nonoperating revenues (expenses)	**(5,772,544)**	(9,032,265)
Capital contributions		
Capital contributions from other government	**18,993,064**	5,218,241
Total capital contributions	**18,993,064**	5,218,241
Changes in net position	**21,212,662**	4,831,503
Net position		
Beginning of year	**173,300,132**	168,468,629
End of year	**$ 194,512,794**	$ 173,300,132

See notes to the basic financial statements.

	Years ended June 30 2024	2023 (As Restated)
Cash flows from operating activities:		
Cash received from water assessments and subsidies	$ **89,176,040**	$ 87,946,409
Cash received from other nonoperating revenue	**(1,922,265)**	3,251,846
Cash paid to vendors and suppliers for materials and services	**(64,823,571)**	(56,970,078)
Cash paid to employees for salaries and wages	**(10,091,800)**	(9,024,218)
Cash paid for election expenses	**-**	(3,437,046)
Cash paid for other nonoperating expenses	**(1,989,936)**	(2,054,209)
Net cash provided by operating activities	**10,348,468**	19,712,704
Cash flows from noncapital financing Activity:		
Proceeds from property taxes	**953,015**	910,297
Cash provided by noncapital financing activity	**953,015**	910,297
Cash flows from capital and related financing activities:		
Acquisition of capital assets	**(15,413,317)**	(10,691,862)
Acquisition of regulatory assets	**(1,927,909)**	(8,631,171)
Cash paid for lease	**(93,483)**	(139,460)
Cash paid for subscription payable	**(66,675)**	(66,684)
Repayment of bonds payable	**(6,734,807)**	(6,506,738)
Proceeds from federal capital grants	**-**	-
Cost of issuance of debt	**-**	-
Interest payment	**(10,009,399)**	(10,241,410)
Deferred capital project	**-**	-
Proceeds from capital contributions - capital grants	**18,988,009**	5,216,301
Net cash used in capital and related financing activities	**(15,257,581)**	(31,061,024)
Cash flows from investing activities:		
Interest received	**4,831,905**	940,716
Issuance of notes receivable	**-**	-
Collection of notes receivable	**313,953**	104,651
Net cash provided by investing activities	**5,145,858**	1,045,367
Net increase (decrease) in cash and cash equivalents	**1,189,759**	(9,392,656)
Cash and cash equivalents:		
Beginning of year	**121,971,276**	131,363,932
End of year	$ **123,161,035**	$ 121,971,276
Financial statement presentation:		
Cash and cash equivalents	$ **101,782,580**	$ 89,080,724
Restricted assets - cash and cash equivalents	**21,378,455**	32,890,552
Total cash and cash equivalents	$ **123,161,035**	$ 121,971,276

(Continued)

See notes to the basic financial statements.

	Years ended June 30	
	2024	2023 (As Restated)
Reconciliation of operating income to net cash provided by operating activities:		
Net operating income	**$ 7,992,142**	$ 8,645,527
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	**10,904,938**	10,999,881
Election costs	**(1,700,000)**	(3,437,046)
Other nonoperating revenue	**902,891**	3,628,553
Other nonoperating expenses	**(1,989,936)**	(2,054,209)
Changes in operating assets, liabilities, and deferred outflows/inflows of resources		
(Increase) decrease in:		
Water replenishment assessments receivable, net	**(3,662,675)**	(3,605,754)
Other receivable	**(2,825,156)**	(376,706)
Prepaid items and deposits	**67,987**	(67,827)
Increase (decrease) in:		
Accounts payable and accrued expenses	**1,934,746**	4,958,474
Retention payable	**(160,497)**	(62,226)
Deposits payable	**220,791**	317,396
Pensions and OPEB-related deferred outflows of resources	**(3,525,085)**	(1,952,411)
Pensions and OPEB-related deferred inflows of resources	**(92,997)**	(3,371,525)
Accrued wages and related payables	**66,893**	48,534
Net pension liability	**715,284**	4,574,635
Net OPEB liability	**1,357,471**	1,275,871
Compensated absences	**141,671**	191,537
Net cash provided by operating activities	**$ 10,348,468**	$ 19,712,704

See notes to the basic financial statements.

Note 1 Reporting Entity

The Water Replenishment District of Southern California (the "District") was formed by a vote of the people in 1959 for the purpose of protecting the groundwater resources of the Central and West Coast groundwater basins in Southern Los Angeles County. The District provides groundwater management for four million residents in 43 cities of Southern Los Angeles County (the "County"). The District was formed in response to a history of over pumping of the basins, which caused wells to go dry and seawater to intrude into the potable water aquifers. The District's principal funding mechanisms include a water replenishment assessment on all the pumping from the groundwater basins and a general tax assessment in the form of a tax levy upon the real property and improvements within the County. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

Blended Component Unit

As required by accounting principles generally accepted in the United States of America (U.S. GAAP), these financial statements present the District and its blended component unit. The component unit, although a legally separate entity is, in substance, part of the District's operations and so data from this unit is combined with data of the District.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Management determined that the following component unit should be blended based on the criteria above:

Southern California Water Replenishment Financing Corporation

The Southern California Water Replenishment Financing Corporation ("Corporation") was incorporated on March 11, 1999. The Corporation is a California nonprofit public benefit corporation formed to assist the District in acquiring, constructing, operating and maintaining facilities, equipment, or other property needed by the District and leasing or selling such property to the District and as such has no employees or other operations.

Note 1 Reporting Entity (Continued)

Southern California Water Replenishment Financing Corporation (Continued)

Although the Corporation is a legally separate entity, it is included as a blended component unit of the District, as it is in substance a part of the District's operations. No separate financial statements are prepared for the Corporation.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the standards promulgated by the Governmental Accounting Standards Board ("GASB") commonly referred to as U.S. GAAP. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of managing the groundwater basins on a continuing basis are financed or recovered primarily through user charges (water replenishment assessments), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues from water replenishment assessments are recognized in the accounting period in which related costs or charges associated with the rates assessed are incurred. Expenses are recognized in the period incurred.

Operating revenues, such as water replenishment assessments, result from exchange transactions associated with the District's principal activity. Exchange transactions are those in which each party receives and gives up essentially equal value.

Note 2 Summary of Significant Accounting Policies (Continued)

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

Nonoperating revenues, such as grant funding and investment income, result from non-exchange transactions, in which, the District gives or receives value without directly receiving or giving value in exchange. Operating expenses, such as water purchases, are the result of the District's exchange transactions along with associated expenses for running the District's day-to-day operations. Nonoperating expenses, such as interest paid on debt service or election costs every other year, are the result of expenses that do not relate to the District's day-to-day operations.

Cash, Cash Equivalents, and Investments

Whenever possible, the District's cash is invested in interest bearing accounts. However, the safety and liquidity of the District's cash always takes priority over yield. The District considers all highly liquid investments with a maturity of 3 months or less to be cash equivalents.

Restricted Cash and Cash Equivalents

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

Water Replenishment Assessments Receivable

The District extends credit to customers in the normal course of operations. Management closely monitors outstanding balances and, based on collection experience, has determined all water replenishment assessment receivables are collectible. Allowance for doubtful accounts at June 30, 2024 and 2023 was estimated at $0.

Grants Receivable

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a grant receivable on the statements of net position and as an intergovernmental revenue or capital contribution on the statements of revenues expenses, and changes in net position.

Other Receivable

Certain uncollected reimbursable expenses based on the contract with other agencies are recorded as other receivables in the basic financial statements.

Note 2 Summary of Significant Accounting Policies (Continued)

Prepaid Items and Deposits

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

Regulatory Assets

Regulatory assets are initially measured as the amount of the incurred cost which will be recovered through future water replenishment assessments. Regulatory assets are amortized over future periods consistent with the period of recovery through rates. If all or part of an incurred cost recorded as a regulatory asset is no longer probable of being recovered, the amount that will not be recovered should be written off to earnings. If the Board subsequently allows recovery of costs that were previously disallowed, a new asset is recorded; classification of the new asset depends on how the asset would have been classified had it been previously allowed.

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. A provision for depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Service connections	50 years
Monitoring and injection equipment	3 - 20 years
Building and improvements	40 years
Improvements other than building	10 - 40 years
Machinery and equipment	10 - 20 years
Autos and trucks	3 - 7 years
Office furniture and equipment	5 - 10 years
Utility plant and equipment	30 years
Capacity rights	30 years

The District has evaluated prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management asserted that there were no impairments of capital assets as of June 30, 2024 and 2023.

Note 2 Summary of Significant Accounting Policies (Continued)

Right-of-Use Lease Assets and Lease Payable

The District recorded right-of-use lease assets and lease payable in accordance with GASB Statement No. 87, *Leases*. The right-of-use lease assets are initially measured at an amount equal to the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The lease assets are amortized on a straight-line basis over the term of the related leases or the useful life of the underlying assets, whichever is shorter.

Subscription Assets and Subscription Payable

The District has recorded subscription assets and subscriptions payable in accordance with GASB Statement No. 96, *SBITAs*. The subscription assets are initially measured at an amount equal to the related subscription liability plus payments associated with the SBITA contract made to the SBITA vendor at the commencement of subscription term, if applicable, and capitalizable initial implementation costs less any SBITA vendor incentives received from SBITA vendor at the commencement of subscription term.

A subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The amortization of the subscription asset is reported as an outflow of resources (for example, amortization expense), which may be combined with depreciation expense related to other capital assets for financial reporting purposes. Amortization should begin at the commencement of the subscription term.

Unearned Revenue

Unearned revenue is reported for resources received before the eligibility requirements are met (excluding time requirements).

Deferred Outflows of Resources and Deferred Inflows of Resources

The statements of net position reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods; therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods; therefore, are not recognized as revenue until that time.

Note 2 Summary of Significant Accounting Policies (Continued)

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by the Federal and State granting agencies.

Compensated Absences

The District's policy is to permit employees to accumulate a limited amount of earned vacation and sick leave. Sick leave is payable when an employee is unable to work because of illness. Upon termination, an employee will be paid for any unused sick leave. Accumulated vacation time is accrued at year-end to account for the District's obligation to the employees for the amount owed.

It is management's belief that the majority of the obligation will be utilized during the course of the next fiscal year. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses include amounts payable to vendors.

Long-term Debt

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

Arbitrage Rebate Requirement

The District is subject to the Internal Revenue Code ("IRC") Section 148(f), related to its tax exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The District had no rebate liability for arbitrage as of June 30, 2024 and 2023.

Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Note 2 Summary of Significant Accounting Policies (Continued)

Pensions (Continued)

The following timeframes are used for pension reporting:

CalPERS		
For the Year Ended	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Measurement Period	July 1, 2022 to June 30, 2023	July 1, 2021 to June 30, 2022

PARS		
For the Year Ended	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
Measurement Period	July 1, 2023 to June 30, 2024	July 1, 2022 to June 30, 2023

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

For the years ended June 30, 2024 and 2023, the District recognized total pension expense of $2,437,501 and $2,122,210 for all pension plans, respectively.

Other Postemployment Benefits ("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 OPEB Plan and additions to/deductions from the OPEB 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 and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Note 2 Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefits ("OPEB") (Continued)

The following timeframes are used for OPEB reporting:

For the Year Ended	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2023	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Measurement Period	July 1, 2022 to June 30, 2023	July 1, 2021 to June 30, 2022

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

The District recognized total OPEB income of $78,468 for the year ended June 30, 2024 and total OPEB expense of $736,057 for the year ended June 30, 2023.

Net Position

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

Net Investment in Capital Assets – This component of net position consists of capital assets, unexpended proceeds of debt restricted to the financing of capital assets, and related deferred charges on refunding, net of accumulated depreciation and reduced by any related debt outstanding against the acquisition, construction or improvement of those capital assets.

Restricted – This component of net position consists of constraints placed on net position use through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.

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

Note 2 Summary of Significant Accounting Policies (Continued)

Property Taxes and Assessments

The County Assessor's Office assesses all real and personal property within the County each year. The County Tax Collector's Office bills and collects the District's share of property taxes and assessments.

The County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A 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 County, 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

Water Replenishment Assessments

Water replenishment assessments are billed on a monthly basis and are recognized in the accounting period in which related costs or charges associated with the rates assessed are incurred.

Overhead Absorption

Certain operating expenses are allocated to capital assets using management's allocation of manpower and service estimates that are directly related to the construction of capital assets.

Use of Estimates

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

Note 2 Summary of Significant Accounting Policies (Continued)

Implementation of New GASB Pronouncements

During the fiscal year ended June 30, 2024, the District implemented GASB Statement No. 100. *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability estimates. The implementation of this new accounting standard was applied to the restatement discussed in Notes 6 and 19.

During the fiscal year ended June 30, 2024, the District implemented GASB Statement No. 101. *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this new accounting standard did not have an impact on the District's financial statements.

During the fiscal year ended June 30, 2024, the District implemented Implementation Guide No. 2023-1, "Implementation Guidance Update—2023. The objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. The implementation of this new accounting standard did not have an impact on the District's financial statements.

Note 3 Cash and Investments

At June 30, 2024 and 2023, cash and investments are classified in the accompanying statements of net position as follows:

	2024	2023
Cash and cash equivalents	**$ 101,782,580**	$ 89,080,724
Restricted cash and cash equivalents	**21,378,455**	32,890,552
Total cash and cash equivalents	**$ 123,161,035**	$ 121,971,276

Note 3 Cash and Investments (Continued)

Demand Deposits

At June 30, 2024 and 2023, cash and investments consisted of the following:

		2024		2023
Deposits with financial institutions	$	**77,763,770**	$	70,691,694
Investments:				
Money market funds		**29,781,850**		23,948,844
Investment with fiscal agent		**15,615,415**		27,330,738
Total investments		**45,397,265**		51,279,582
Total cash and cash equivalents	**$**	**123,161,035**	$	121,971,276

Demand deposits are held in pool by the District. The carrying amounts of cash deposits were \$77,763,770 and \$70,961,694 at June 30, 2024 and 2023, respectively. Bank balances at June 30, 2024 and 2023 were \$123,161,035 and \$121,971,276, respectively, which were fully insured and/or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

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

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

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 addresses interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Note 3 Cash and Investments (Continued)

Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury bills, bonds and notes	5 years	None	None
Bonds issued by Local Agencies or States	5 years	None	None
U.S. government sponsored agency securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% off base value	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	5 years	20%	10%
Mortgage Pass-Through Securities	5 years	None	None
Los Angels County Pooled Surplus Investment Fund	5 years	None	None
Local Agency Investment Fund (LAIF)	5 years	None	None

Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury bills, bonds and notes	None	None	None
U.S. government sponsored agency securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Investment Contracts	30 years	None	None

Note 3 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 (including investments held by the bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2024 and 2023.

Investment Type		2024 Remaining Maturity (in Years) Less Than 1 Year		2023 Remaining Maturity (in Years) Less Than 1 Year
Money market funds	$	29,781,850	$	23,948,844
Investments with fiscal agent:				
Money market mutual funds		15,615,415	$	27,330,738
Total	$	45,397,265	$	51,279,582

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the District's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard and Poor's, and Moody's Investors Service. Presented in the following table are the Standard and Poor's credit ratings for the District's investments as of June 30, 2024 and 2023.

Investment Type		2024 Total As of June 30, 2024	Minimum Legal Requirement		AAA
Money market funds	$	29,781,850	None		N/A
Investments with fiscal agent:					
Money market mutual funds		15,615,415	None	$	15,615,415
Total	$	45,397,265		$	15,615,415

Note 3 Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

	2023		
Investment Type	**Total As of June 30, 2023**	**Minimum Legal Requirement**	**AAA**
Money market funds	$ 23,948,844	None	$ N/A
Investments with fiscal agent:			
Money market mutual funds	27,330,738	None	27,330,738
Total	$ 51,279,582		$ 27,330,738

Concentration of Credit Risk

The District's investment policy contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2024 and 2023, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024 and 2023, none of the District's deposits or investments were exposed to custodial credit risk.

Note 3 Cash and Investments (Continued)

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

	2024			
Investment Type	**Quoted Prices Level 1**	**Observable Inputs Level 2**	**Unobservable Inputs Level 3**	**Totals**
Investments with fiscal agent:				
Money market mutual funds	$ **15,615,415**	$ **-**	$ **-**	$ **15,615,415**
Total leveled investments	$ **15,615,415**	$ **-**	$ **-**	$ **15,615,415**
Money market funds*				**29,781,850**
Total Investment Portfolio				$ **45,397,265**

* Not subject to fair value measurement hierarchy.

	2023			
Investment Type	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Totals
Investments with fiscal agent:				
Money market mutual funds	$ 27,330,738	$ -	$ -	$ 27,330,738
Total leveled investments	$ 27,330,738	$ -	$ -	27,330,738
Money market funds*				23,948,844
Total Investment Portfolio				$ 51,279,582

* Not subject to fair value measurement hierarchy.

Note 4 Notes Receivable

At June 30, 2024 and 2023, notes receivable consisted of the following:

		2024		2023
City of Vernon	$	**941,860**	$	1,116,279
City of Signal Hill		**1,360,466**		1,500,000
Total notes receivable	$	**2,302,326**	$	2,616,279
Due within one year	$	**313,953**	$	313,953
Due in more than one year	$	**1,988,373**	$	2,302,326

City of Vernon

On May 16, 2019, the District entered into a loan agreement with the City of Vernon for a maximum loan amount of $1,500,000 to finance the design, construction, installation and other services required to construct or rehabilitate the City's groundwater well. The loan is payable annually over a 10-year period. The loan is unsecured and non-interest-bearing. Quarterly repayment of the loan in the amount of $34,884 started upon completion of the project and full disbursement of the loan proceeds to the City. The balance at June 30, 2024 was $941,860.

City of Signal Hill

On December 19, 2019, the District entered into a loan agreement with the City of Signal Hill for a maximum loan amount of $1,500,000 to finance the design, construction, installation, rehabilitation, and other services required to construct a replacement for the City's groundwater well. The loan is payable annually over a 10-year period. The loan is unsecured and non-interest-bearing. Quarterly repayment of the loan will start upon completion of the project and full disbursement of the loan proceeds to the City. The balance at June 30, 2024 was $1,360,466.

Note 5 Regulatory Assets

The District's Board of Directors launched the PFAS Remediation Program in August 2020, where over $60 million in grant funding was established for water purveyors in the Central Basin and West Coast Basin seeking to install treatment systems to remove PFAS from drinking water wells. The program is one of the first in the State of California to administer grants specifically for the remediation of PFAS-impacted wells.

Note 5 Regulatory Assets (Continued)

On November 4, 2021, the District's Board of Directors approved the adoption of the Capital Improvement Projects Committee's five-year capital project plan which includes the PFAS Remediation Program. The program involves an estimated total of $61 million to be provided to various purveyors in the form of grants up to fiscal year 2028.

For the year ended June 30, 2024, the District spent $3,917,845 for PFAS remediation cost and recognized it as regulatory assets with the intention to fully recover the PFAS remediation cost through rate adjustments through fiscal year 2029. The balance of regulatory assets as of June 30, 2024 and 2023 was $10,559,080 and $8,631,171 respectively.

Note 6 Capital Assets

Changes in capital assets for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023 (as restated)	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2024
Capital assets, not depreciated				
Land	$ 16,673,743	$ -	$ -	$ 16,673,743
Construction-in-process	64,322,228	15,413,317	(2,505,519)	77,230,026
Total capital assets, not depreciated	80,995,971	15,413,317	(2,505,519)	93,903,769
Capital assets, being depreciated				
Building and improvements	11,158,712	-	-	11,158,712
Utility plant and equipment	285,429,135	-	-	285,429,135
Capacity rights	2,439,604	-	-	2,439,604
Monitoring and injection equipment	25,607,165	2,505,519	(70,599)	28,042,085
Service connections	401,420	-	-	401,420
Right-of-use lease assets	1,321,812	-	-	1,321,812
Subscription assets	447,855	-	-	447,855
Total capital assets, being depreciated	326,805,703	2,505,519	(70,599)	329,240,623
Less accumulated depreciation				
Building and improvements	(4,454,042)	(297,265)	-	(4,751,307)
Utility plant and equipment	(52,847,481)	(9,514,304)	-	(62,361,785)
Capacity rights	(1,463,892)	(81,309)	-	(1,545,201)
Monitoring and injection equipment	(16,850,984)	(800,223)	70,599	(17,580,608)
Service connections	(125,202)	(6,211)	-	(131,413)
Right-of-use lease assets	(312,520)	(114,102)	-	(426,622)
Subscription assets	(91,524)	(91,524)	-	(183,048)
Total accumulated depreciation	(76,145,645)	(10,904,938)	70,599	(86,979,984)
Total capital assets, being depreciated, net	250,660,058	(8,399,419)	-	242,260,639
Total capital assets, net	$ 331,656,029	$ 7,013,898	$ (2,505,519)	$ $336,164,408

Note 6 Capital Assets (Continued)

Changes in capital assets for the year ended June 30, 2023 were as follows:

	Balance July 1, 2022 (as restated)	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2023 (as restated)
Capital assets, not depreciated				
Land	$ 16,673,743	$ -	$ -	$ 16,673,743
Construction-in-process	53,739,657	10,582,571	-	64,322,228
Total capital assets, not depreciated	70,413,400	10,582,571	-	80,995,971
Capital assets, being depreciated				
Building and improvements	11,158,712	-	-	11,158,712
Utility plant and equipment	285,429,135	-	-	285,429,135
Capacity rights	2,439,604	-	-	2,439,604
Monitoring and injection equipment	25,571,918	35,247	-	25,607,165
Service connections	401,420	-	-	401,420
Right-of-use lease assets	1,306,314	15,498	-	1,321,812
Subscription assets	-	447,855	-	447,855
Total capital assets, being depreciated	326,307,103	498,600	-	326,805,703
Less accumulated depreciation				
Building and improvements	(4,156,779)	(297,263)	-	(4,454,042)
Utility plant and equipment	(43,333,377)	(9,514,104)	-	(52,847,481)
Capacity rights	(1,382,583)	(81,309)	-	(1,463,892)
Monitoring and injection equipment	(16,003,542)	(847,442)	-	(16,850,984)
Service connections	(118,991)	(6,211)	-	(125,202)
Right-of-use lease assets	(150,492)	(162,028)	-	(312,520)
Subscription assets	-	(91,524)	-	(91,524)
Total accumulated depreciation	(65,145,764)	(10,999,881)	-	(76,145,645)
Total capital assets, being depreciated, net	261,161,339	(10,501,281)	-	250,660,058
Total capital assets, net	$ 331,574,739	$ 81,290	$ -	$ $331,656,029

Major capital asset additions during 2024 and 2023 include work on various stages of construction projects. A significant portion of these additions related to various projects were completed during the current year and transferred out of construction-in-process and into the related capital assets categories.

Prior Year Adjustment of Capital Assets

Certain projects reported as construction-in-progress in prior years were determined to be not capitalizable because they were funded by grants, and ownership will transfer to the pumpers upon completion. Accordingly, construction in progress reported in prior years as part of capital assets has been adjusted to reflect the correct balance. See also Note 19.

Note 6 Capital Assets (Continued)

The District engaged in various construction projects throughout 2024 and 2023. The balances of the various construction projects that comprise the construction-in-progress balances as of June 30, 2024 and 2023 are as follows:

	2024	2023 (As restated)
Leo J. Vander Lans Advanced Water Treatment Facility (LJVWTF) Expansion	**$ 11,372,124**	$ 7,625,289
Caltrans Pipeline	**913,182**	913,182
Compliance Monitoring	**2,363**	2,363
Goldworthy Desalter	**7,240,936**	964,839
Safe Drinking Water Program	**-**	2,505,147
Dominguez Gap Recycled Water Project	**1,070,463**	1,053,264
Replenishment operations (Interconnection Pipeline)	**16,464**	16,464
Groundwater Replenishment Improvement Project (GRIP)	**927,806**	331,702
Groundwater Infrastructure Improvements	**873,497**	779,147
Environmental and Compliance Monitoring	**16,440,247**	15,370,418
Bond interest for capital projects	**19,715,369**	19,715,369
WRD Headquarter Building Improvement	**55,540**	-
Supervisory Control and Data Acquisition (SCADA)	**2,722,222**	2,721,415
Asset Management	**1,838,895**	1,764,352
Paramount Equipment/Fleet Center	**1,293,507**	966,788
Regional Brackish Water Reclamation Program	**9,811,945**	6,508,254
General Engineering Administration	**186,440**	335,788
Pipeline Projects	**13,768**	13,768
Joint LA Basin Replenishment & Extraction Project	**2,735,258**	2,734,679
Total construction-in-process	**$ 77,230,026**	$ 64,322,228

Capitalized Interest

Starting the fiscal year ended June 30, 2019, the District no longer capitalize interest due to the implementation of GASB Statement No. 89.

Note 6 Capital Assets (Continued)

At June 30, 2024 and 2023, lease assets consisted of the following major classes of underlying assets:

	2024	2023
Lease assets		
Land	**$ 1,079,305**	$ 1,094,803
Warehouse space	**$114,794**	114,794
Office equipment	**$127,713**	112,215
Total lease assets	**1,321,812**	1,321,812
Accumulated amortization		
Land	**238,374**	158,916
Warehouse space	**114,794**	110,202
Office equipment	**73,454**	43,402
Total accumulated amortization	**426,622**	312,520
Lease assets, net	**$ 895,190**	$ 1,009,292

Note 7 Unearned Revenue

Water Replenishment Assessment

Cities may prepay their water replenishment assessment per the terms of a groundwater banking agreement between the district and the respective city. There was no unearned revenue related to water replenishment assessment as of June 30, 2024 and 2023.

Advances from Caltrans

In April 2004, the District and the California Department of Transportation (Caltrans) entered into an agreement relating to groundwater in the vicinity of the I-105 freeway. The agreement calls for $8 million to be paid by Caltrans to the District to be used to pay the costs of the proposed pipeline project described in the agreement, and to pay the replenishment assessment levied against the Caltrans groundwater extractions from beneath the I-105 freeway section. Caltrans advanced the $8 million to the District to fund the proposed pipeline project. As of June 30, 2024, and 2023, the District has spent $2,962,380 and $2,957,325 on the project, leaving an unexpended balance on the advance of $5,037,620 and $5,042,675, respectively.

Note 8 Compensated Absences

Summary of changes in compensated absences for the years ended June 30, 2024 and 2023 are as follows:

Fiscal Year	Beginning Balance	Net Earned	Buy Back	Ending Balance	Due within One Year	Due in More than One Year
2023-24	**$ 1,335,225**	**$ 273,155**	**$ (131,484)**	**$ 1,476,896**	**$ 213,599**	**$ 1,263,297**
2022-23	$ 1,143,688	$ 338,680	$ (147,143)	$ 1,335,225	$ 284,256	$ 1,050,969

Note 9 Lease Liabilities

Leases

The District has the following leases as of June 30, 2024 and 2023:

City of Torrance – Land
On January 1, 2020, the District extended its lease agreement with the City of Torrance (lessor) to lease one parcel of real property known as the City of Torrance City Service Facility until January 31, 2035 for a monthly payment of $9,509 subject to adjustment every 5 years based on CPI.

3673 Industry Avenue, LLC. – Warehouse Space
On April 13, 2022, the District extended a lease agreement with 3673 Industry Avenue, LLC. (lessor) to lease the groundwater monitoring operations facility for twenty-five (25) months for a monthly payment of $4,480. The extended term of the agreement started on July 1, 2021.

Quadient Leasing USA, Inc. – Office Equipment
On December 2, 2022, the District entered into a lease agreement with Quadient Leasing USA, Inc. (lessor) to lease office equipment for 36 months from December 2, 2022 to December 1, 2025 for a monthly payment of $473.61.

Ricoh, USA, Inc. – Office Equipment
On March 1, 2022, the District entered into a lease agreement with Ricoh USA Inc. (lessor) to lease office equipment for sixty (60) months from January 1, 2022 to December 31, 2026 for a monthly payment of $1,731.

Xerox Financial Services, LLC. – Office Equipment
On June 30, 2019, the District entered into a lease agreement with Xero Financial Services, LLC. (lessor) to lease office equipment for sixty (60) months from October 1, 2019 to September 30, 2024 for a monthly payment of $642.

Note 9 Lease Liabilities (Continued)

Leases (Continued)

Since the interest rate implicit in the above leases was not readily determinable by the District, the future lease payments were discounted using an estimated incremental borrowing rate should a loan be taken to pay lease amounts during the lease terms. The discount rate used to calculate the lease liability was 6%.

The District recorded a right-to-use lease asset with a net book value of $895,190 and $1,009,292 and a lease liability of $975,645 and $1,069,127 for all these leases as of June 30, 2024 and 2023, respectively.

Lease Payable

As of June 30, 2024, lease payable consisted of the following:

	Balance July 1, 2023	Additions	Payments	Balance June 30, 2024	Due within One Year	Due in More Than One Year
City of Torrance	$ 974,717	$ -	$ (57,181)	$ 917,536	$ 60,707	$ 856,829
3673 Industry Avenue, LLC	5,349	-	(5,349)	-	-	-
Ricoh, USA, Inc.	65,424	-	(17,316)	48,108	18,384	29,724
Xerox Financial Services, LLC	10,534	-	(8,628)	1,906	1,906	-
Quandient	13,103	-	(5,008)	8,095	5,316	2,779
Total lease payable	$ 1,069,127	$ -	$ (93,483)	$ 975,645	$ 86,313	$ 889,332

As of June 30, 2023, lease payable consisted of the following:

	Balance July 1, 2022	Additions	Payments	Balance June 30, 2023	Due within One Year	Due in More Than One Year
City of Torrance	$ 1,028,576	$ -	$ (53,859)	$ 974,717	$ 57,181	$ 917,536
3673 Industry Avenue, LLC	66,610	-	(61,261)	5,349	5,349	-
Ricoh, USA, Inc.	81,734	-	(16,310)	65,424	17,316	48,108
Xerox Financial Services, LLC	16,169	-	(5,635)	10,534	8,628	1,906
Quandient	-	15,498	(2,395)	13,103	5,008	8,095
Total lease payable	$ 1,193,089	$ 15,498	$ (139,460)	$ 1,069,127	$ 93,482	$ 975,645

Note 9 Lease Liabilities (Continued)

Lease Payable (Continued)

Payments of principal and interest for each of the next five fiscal years and increments thereafter are as follows:

Years ending June 30	Principal	Interest	Total
2025	$ 86,313	$ 56,174	$ 142,487
2026	86,748	50,972	137,720
2027	80,366	45,839	126,205
2028	76,273	41,258	117,531
2029	80,977	36,554	117,531
2030-2034	495,742	100,729	596,471
2035	69,226	1,391	70,617
Total	$ 975,645	$ 332,917	$ 1,308,562

Note 10 Subscription Payable

The District has entered into IT software subscription agreements with three SBITA vendors with subscription terms ranging from 3-5 years. Subscription payable is measured at the present value of the subscription payments expected to be made during the subscription term. The District used an estimated borrowing rate of 6% in calculating the subscription payable at implementation date. The District recorded a subscription asset with a net book value of $264,807 and $356,331 and a subscription payable of $240,452 and $307,127 for all these leases as of June 30, 2024 and 2023, respectively.

As of June 30, 2024, subscription payable consisted of the following:

	Balance July 1, 2023	Additions	Payments	Balance June 30, 2024	Due within One Year	Due in More Than One Year
NEOGOV	$ 35,046	$ -	$ (13,721)	$ 21,325	$ 21,325	$ -
Microsoft Corporation	122,710	-	(21,768)	100,942	23,074	77,868
Questica LTD	149,371	-	(31,186)	118,185	35,064	83,121
Total subscription payable	$ 307,127	$ -	$ (66,675)	$ 240,452	$ 79,463	$ 160,989

As of June 30, 2023, subscription payable consisted of the following:

	Balance July 1, 2022	Additions	Payments	Balance June 30, 2023	Due within One Year	Due in More Than One Year
NEOGOV	$ -	$ 42,958	$ (7,912)	$ 35,046	$ 13,721	$ 21,325
Microsoft Corporation	-	143,246	(20,536)	122,710	21,768	100,942
Questica LTD	-	187,607	(38,236)	149,371	31,186	118,185
Total subscription payable	$ -	$ 373,811	$ (66,684)	$ 307,127	$ 66,675	$ 240,452

Note 10 Subscription Payable (Continued)

The future minimum subscription obligations as of June 30, 2024, are as follows:

Years ending June 30	Principal	Interest	Total
2025	$ 79,463	$ 11,044	$ 90,507
2026	63,735	7,303	71,038
2027	69,772	3,205	72,977
2028	27,482	1,649	29,131
Total	$ 240,452	$ 23,201	$ 263,653

Note 11 Long-Term Debt

Summary of changes in long-term debt for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Replenishment Assessment Revenue Refunding Bonds,						
Series 2015	$ 130,840,000	$ -	$ (3,125,000)	$ 127,715,000	$ 3,285,000	$ 124,430,000
Add: Unamortized Premium	17,673,786	-	(800,322)	16,873,464	800,322	16,073,142
Replenishment Assessment Revenue Bonds,						
Series 2018	62,520,000	-	(1,200,000)	61,320,000	1,260,000	60,060,000
Add: Unamortized Premium	8,373,154	-	(333,813)	8,039,341	333,813	7,705,528
Clean Water State Revolving Fund Loan	71,151,062	-	(2,409,807)	68,741,255	2,433,905	66,307,350
Total long-term debt	$ 290,558,002	$ -	$ (7,868,942)	$ 282,689,060	$ 8,113,040	$ 274,576,020

Summary of changes in long-term debt for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Replenishment Assessment Revenue Refunding Bonds,						
Series 2015	$ 133,815,000	$ -	$ (2,975,000)	$ 130,840,000	$ 2,975,000	$ 127,865,000
Add: Unamortized Premium	18,474,108	-	(800,322)	17,673,786	800,322	16,873,464
Replenishment Assessment Revenue Bonds,						
Series 2018	63,665,000	-	(1,145,000)	62,520,000	1,145,000	61,375,000
Add: Unamortized Premium	8,706,967	-	(333,813)	8,373,154	333,813	8,039,341
Clean Water State Revolving Fund Loan	73,537,800	-	(2,386,738)	71,151,062	2,385,947	68,765,115
Total long-term debt	$ 298,198,875	$ -	$ (7,640,873)	$ 290,558,002	$ 7,640,082	$ 282,917,920

Note 11 Long-Term Debt (Continued)

Replenishment Assessment Revenue Refunding Bonds, Series 2015

On December 10, 2015, the District issued $148,345,000 of Replenishment Assessment Revenue Refunding Bonds, Series 2015. The bonds were rated AA+ from both Standard & Poor's and Fitch Ratings. The proceeds were used to refinance the District's outstanding 2004, 2008 and 2011 certificates of participation and provide $69,500,000, which will fund the District's 5-year capital improvement plan, including projects such as the Groundwater Reliability Improvement Project, the expansion of the Goldsworthy Desalter, the Groundwater Basin Management Program and the Safe Drinking Water Program. The bonds call for level debt service payments and mature in annual installments through the year ended June 30, 2046.

The Replenishment Assessment Revenue Bonds, Series 2015 debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2025	$ 3,285,000	$ 5,961,775	$ 9,246,775
2026	3,455,000	5,793,275	9,248,275
2027	3,630,000	5,616,150	9,246,150
2028	3,815,000	5,430,025	9,245,025
2029	4,015,000	5,234,275	9,249,275
2030-2034	23,370,000	22,865,000	46,235,000
2035-2039	30,005,000	16,226,375	46,231,375
2040-2044	38,365,000	7,870,325	46,235,325
2045-2046	17,775,000	718,100	18,493,100
	$ 127,715,000	$ 75,715,300	$ 203,430,300

Replenishment Assessment Revenue Bonds, Series 2018

On December 1, 2018, the District issued $65,785,000 of Replenishment Assessment Revenue Bonds, Series 2018. The bonds were rated AA+ from both Standard & Poor's and Fitch Ratings. The bonds will fund the District's 5-year Capital Improvement Plan including projects such as the Water Independence Now Program, Groundwater Basin Management Program, the Groundwater Quality Protection and Remediation Plan and the Regional Brackish Water Reclamation Program. The bonds call for level debt service payments and mature in annual installments through the year ended June 30, 2049.

Note 11 Long-Term Debt (Continued)

Replenishment Assessment Revenue Bonds, Series 2018 (Continued)

The Replenishment Assessment Revenue Bonds, Series 2018 debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2025	$ 1,260,000	$ 3,034,500	$ 4,294,500
2026	1,325,000	2,969,875	4,294,875
2027	1,395,000	2,901,875	4,296,875
2028	1,465,000	2,830,375	4,295,375
2029	1,540,000	2,755,250	4,295,250
2030-2034	8,980,000	12,506,250	21,486,250
2035-2039	11,530,000	9,955,000	21,485,000
2040-2044	14,810,000	6,678,750	21,488,750
2045-2049	19,015,000	2,471,875	21,486,875
	$ 61,320,000	$ 46,103,750	$ 107,423,750

Clean Water State Revolving Fund Loan

In October 2017, the Board of Directors of the District approved an agreement with California's State Water Resources Control Board (SWRCB) that will provide $95 million in funding for the construction of the Groundwater Reliability Improvement Project (GRIP), an advanced water treatment facility currently under construction in the City of Pico Rivera. Of the $95 million in funding, SWRCB has agreed to provide $15 million as grant funds while the remaining $80 million will be a loan that is payable in annual installments starting on December 31, 2020 and matures on December 31, 2048. The $80 million loan has an interest rate of 1%. During the years ended June 30, 2024 and 2023, the District did not draw down additional loans, from SWRCB. At June 30, 2024 and 2023, the outstanding balance of the loan was $68,741,255 and $71,151,062, respectively.

Note 11 Long-Term Debt (Continued)

The annual debt service requirements at June 30, 2024 are as follows:

Year Ending June 30	Principal	Interest	Total
2025	$ 2,433,905	$ 687,413	$ 3,121,318
2026	2,458,244	663,074	3,121,318
2027	2,482,826	638,491	3,121,317
2028	2,507,654	613,663	3,121,317
2029	2,532,731	588,586	3,121,317
2030-2034	13,048,668	2,557,918	15,606,586
2035-2039	13,714,282	1,892,306	15,606,588
2040-2044	14,413,848	1,192,738	15,606,586
2045-2049	15,149,097	457,487	15,606,584
	$ 68,741,255	$ 9,291,676	$ 78,032,931

Note 12 Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in IRS Code Section 457 and 401(a) Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for District employees who 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. The District is in compliance with this legislation. These assets are not the legal property of the District and are not subject to claims of the District's general creditors. The assets and related liabilities are not shown on the statements of net position. The District has little administrative involvement and does not perform the investing function for this plan. The unaudited market value of all plan assets held in trust at June 30, 2024 and 2023 were $8,403,296 and $6,441,427, respectively.

Note 13 Defined Benefit Pension Plans

CalPERS Plans

General Information about the Pension Plans

Plan Description

The District's defined benefit pension plan (the "Plan") provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is part of the Miscellaneous Risk Pool Public Agency portion of the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California.

A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefits menu by contract with CalPERS and adopts those benefits through the District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding provisions, assumptions and membership information that can be found on the CalPERS website.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for service retirement upon attainment of age 60 with at least 5 years of credited service. During the year ended June 30, 2013, California's Public Employees' Pension Reform Act ("PEPRA") went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan. PEPRA members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA employees are calculated as 2% of the average final 36 months compensation.

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

General Information about the Pension Plans (Continued)

Benefit Provided (Continued)

Participants are eligible for non-industrial disability retirement if become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the District to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit.

The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of $500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

General Information about the Pension Plans (Continued)

Employee Covered by Benefit Terms

At June 30, 2022 and 2021, the valuation dates, the following employees were covered by the benefit terms:

	2022		2021	
	Classic	PEPRA	Classic	PEPRA
Active employees	16	26	19	22
Transferred and terminated employees	34	5	33	4
Retired employees and beneficiaries	43	1	42	0
	93	32	94	26

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") 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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2023, the classic active employee contribution rates were 8.00% of annual pay, and the required employer contribution rates were 18.32% of the annual payroll; the PEPRA active employee contribution rate was 8.25% of annual pay, and the required employer contribution rates were 8.18% of the annual payroll.

For the measurement period ended June 30, 2022, the classic active employee contribution rates were 8.00% of annual pay, and the required employer contribution rates were 16.15% of the annual payroll; the PEPRA active employee contribution rate was 7.25% of annual pay, and the required employer contribution rates were 7.73% of the annual payroll.

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

June 30, 2024 reporting year

The June 30, 2022 valuations were rolled forward to determine the June 30, 2023 (measurement date) total pension liabilities 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
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

June 30, 2023 reporting year

The June 30, 2021 valuations were rolled forward to determine the June 30, 2022 total pension liabilities 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
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Change of Assumption

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions were reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date. No new assumptions were noted in the GASB 68 accounting valuation reports for the June 30, 2023, measurement date.

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:

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class (1)	Assumed Asset Allocation	Real Return (1,2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

(1) *An expected inflation of 2.30% used for this period.*
(2) *Figures are based on the 2021 Asset Liability Management study.*

Discount Rate

The discount rate used to measure the June 30, 2023 and 2022 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 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date of June 30, 2023, 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 (7.90%) or 1 percentage-point higher (5.90%) than the current rate:

	Plan's Net Pension Liability		
Measurement Date	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
June 30, 2023	$ 13,138,263	$ 7,942,766	$ 3,666,425

The following presents the net pension liability of the Plan as of the measurement date of June 30, 2022, 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 (7.90%) or 1 percentage-point higher (5.90%) than the current rate:

	Plan's Net Pension Liability		
Measurement Date	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
June 30, 2022	$ 11,980,758	$ 7,221,058	$ 3,305,006

Pension Plan Fiduciary Net Position

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

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement periods July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022:

	Increase (Decrease)		
Measurement Date	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) =(a) - (b)
Balance at June 30, 2022 (Valuation Date)	$ 34,916,145	$ 27,695,087	$ 7,221,058
Balance at June 30, 2023 (Measurement Date)	38,415,239	30,472,473	7,942,766
Net changes during July 1, 2022 to June 30, 2023	3,499,094	2,777,386	721,708

	Increase (Decrease)		
Measurement Date	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) =(a) - (b)
Balance at June 30, 2021 (Valuation Date)	$ 30,793,390	$ 28,146,503	$ 2,646,887
Balance at June 30, 2022 (Measurement Date)	34,916,145	27,695,087	7,221,058
Net changes during July 1, 2021 to June 30, 2022	4,122,755	(451,416)	4,574,171

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool for the measurement periods ended June 30, 2023 and 2022.

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation dates (June 30, 2022 and 2021). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement dates (June 30, 2023 and 2022). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2023 and June 30, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement periods (2022-23 and 2021-2022).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of the market value of assets.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the District's share of contribution.

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The District's proportionate share of the net pension liability was as follows:

2024		2023	
June 30, 2023	0.15432%	June 30, 2022	0.13940%
June 30, 2024	0.15884%	June 30, 2023	0.15432%
Change - Increase (Decrease)	0.004518%	Change - Increase (Decrease)	0.014924%

For the years ended June 30, 2024 and 2023, the District recognized pension expense in the amounts of $2,386,891 and $2,078,795 for CalPERS plan, respectively.

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The EARSL for the miscellaneous plan risk pool for the 2021-22 measurement period is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired).

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

At June 30, 2024, and 2023, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	**$ 1,523,177**	**$ -**	$ 1,761,056	$ -
Differences between actual and expected experience	**405,759**	**(62,943)**	145,015	(97,122)
Changes of assumptions	**479,541**	**-**	739,948	-
Adjustment due to differences in proportions	**268,206**	**-**	357,908	-
Differences between the District's contribution and proportionate share of contribution	**495,141**	**-**	307,385	-
Net differences between projected and actual earnings on plan investments	**1,286,005**	**-**	1,322,706	-
Total	**$ 4,457,829**	**$ (62,943)**	$ 4,634,018	$ (97,122)

The $1,523,177 and $1,761,056 reported as deferred outflows of resources related to pensions as of June 30, 2024 and 2023, respectively, resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the years ending June 30, 2025 and June 30, 2024.

Note 13 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

2024			2023		
Year Ending June 30,		**Deferred Outflows (Inflows) of Resources**	Year Ending June 30,		Deferred Outflows (Inflows) of Resources
2025	**$**	**1,050,218**	2024	$	922,227
2026		**679,323**	2025		704,619
2027		**1,105,267**	2026		339,979
2028		**36,901**	2027		809,015
2029		**-**	2028		-
Thereafter		**-**	Thereafter		-
Total	**$**	**2,871,709**	**Total**	$	2,775,840

Public Agency Retirement System ("PARS") Plan

General Information about the Pension Plan

Plan Description

The District provides retirement benefits to its elected directors who do not participate in CalPERS through a single-employer defined benefit plan administered as part of the Public Agency Retirement System (PARS). A separate audited GAAP-basis post-employment benefit plan report is not available for this Plan. Directors who retire at age 50 with 5 years of service with the District are eligible to receive pension benefits under the plan. The plan provides a benefit equal to the "3% at 60" plan factor of final average compensation for all years of service. The plan provides a benefit equal to "2% at 62" for Board members of the District hired after December 31, 2012 and are not participating in the CalPERS plan.

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

Benefit Provided

The plan provides a Tier I benefit for Board Members of the District on or after January 1, 2003 and hired prior on or before December 31, 2012 equal to the CalPERS "3.0% at 60" benefit. Final average compensation for Tier I is defined as the highest year of W-2 and/or 1099 compensation paid by the District.

The plan provides a Tier II benefit for Board Members of the District hired after December 31, 2012 equal to the CalPERS "2.0% at 62" benefit. Final average compensation for Tier II is the highest average annual compensation paid to an employee during any consecutive thirty-six (36) months of compensation with the District and shall be based on normal monthly rate of pay of similarly-situated employees and shall not exceed an annual amount equal to 120% of the maximum taxable earnings under Social Security as of 2012 (adjusted annually by CPI).

Eligibility for an immediate benefit under Tier I is defined as reaching age 50 and completing five years of continuous service with the District. Eligibility for an immediate benefit under Tier II is defined as reaching age 52 and completing five years of continuous service with the District.

The plan provides a deferred retirement benefit to those members who terminate employment after completing at least five years of full-time continuous service with the District but do not meet the age requirements for an immediate benefit. The benefit will commence upon satisfying all of the Tier I or Tier II eligibility requirements.

Members contribute 8% of their compensation to the Plan each year. If a member terminates prior to completing five years of full-time continuous service, then he or she will receive a refund of contributions accumulated with 5% interest per annum. The same benefit, along with an additional lump sum of $500, is paid to the surviving spouse or the designated beneficiary upon the death of a member who was actively employed at the time of his or her death.

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

General Information about the Pension Plan (Continued)

Employee Covered by Benefit Terms

At June 30, 2022, the valuation date, the following employees were covered by the benefit terms:

	2022
Active employees	5
Transferred and terminated employees	0
Retired employees and beneficiaries	1
	6

Contributions

Employees contribute 8.00% of compensation, the employer contributed 9.01% of compensation during the years ended June 30, 2024 and 2023.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method:	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 06/30/2022	1 year
Amortization growth rate	0.00%
Asset Valuation Method:	
Smoothing period None	None
Recognition method None	None
Corridor None	None
Actuarial Assumptions:	
Investment Rate of Return	4.50%
Inflation	2.30%
Salary increases	3.00%
Cost of Living Adjustments	2.00%

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

General Information about the Pension Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Withdrawal	None assumed.
Disability	None assumed.
Mortality	Pre-retirement: Consistent with the Non-Industrial Rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2021. Post-retirement: Consistent with the Non-Industrial Rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2021.
Retirement	Individual retirement ages are assumed for each member.
Maximum Benefits and Salary	No benefit maximum is applied. Compensation for Tier II is limited to 120% of the maximum taxable earnings under Social Security, assumed to increase 2.30% per year in future years.
Form of Payment	Single Life Annuity

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	4.50%
Inflation	2.30%
Salary increases	3.00%
Investment Rate of Return	5.00%
Cost of Living Adjustments	2.00%
Cost of Living Adjustments	2.00%
Withdrawal	None assumed.
Disability	None assumed.
Mortality	Pre-retirement: Consistent with the Non-Industrial Rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2021. Post-retirement: Consistent with the Non-Industrial Rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2021.

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

General Information about the Pension Plan (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return was selected by the District. Below is a projection of the 30-year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the Plan's current asset allocation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2024 and 2023, as shown below:

2024

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Long-term Expected Geometric Real Rate of Return
US Cash	5.00%	0.94%	0.91%
US Core Fixed Income (Aggregate)	52.25%	2.52%	2.36%
US Short Govt/Credit Bonds	25.75%	1.65%	1.59%
US High Yield Bonds	2.00%	4.43%	3.87%
US Large & Mid Cap Equity	7.50%	5.41%	3.74%
US Mid Cap Equity	1.50%	5.98%	3.90%
US Small Cap Equity	2.50%	6.99%	4.41%
Foreign Developed Equity	2.00%	6.92%	5.12%
Emerging Markets Equity	1.00%	9.34%	6.21%
US REITs	0.50%	6.91%	4.72%
Total	100.00%		
Assumed Inflation - Mean		2.31%	2.30%
Assumed Inflation - Standard Deviation		1.45%	1.45%
Portfolio Real Mean Return		2.81%	2.67%
Portfolio Nominal Mean Return		5.12%	5.04%
Portfolio Standard Deviation			4.03%
Long-term Expected Rate of Return			4.50%

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

Long-Term Expected Rate of Return (Continued)

2023

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Long-term Expected Geometric Real Rate of Return
US Cash	4.94%	0.51%	0.49%
US Core Fixed Income	80.69%	2.07%	1.93%
US Equity Market	10.99%	5.56%	3.90%
Foreign Developed Equity	1.81%	6.89%	5.07%
Emerging Markets Equity	1.11%	9.58%	6.18%
US REITs	0.46%	6.96%	4.74%
Total	100.00%		
Assumed Inflation - Mean		2.32%	2.32%
Assumed Inflation - Standard Deviation		1.42%	1.42%
Portfolio Real Mean Return		2.57%	2.43%
Portfolio Nominal Mean Return		4.88%	4.80%
Portfolio Standard Deviation			4.23%
Long-term Expected Rate of Return			4.50%

Discount Rate

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return of 4.5%.

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2023 to June 30, 2024.

	2024		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) -(b)
Balances at June 30, 2023 (Measurement Date)	$ $548,142	$ $524,146	$ 23,996
Changes Recognized for the Measurement Period:			
Service cost	38,312	-	38,312
Interest on the total pension liability	26,059	-	26,059
Effect of economic/demographic gains or losses	-	-	-
Change of assumptions or inputs	-	-	-
Contributions from the employer	-	25,724	(25,724)
Contributions from employees	-	14,988	(14,988)
Net investment income	-	32,827	(32,827)
Benefit payments including refunds of employee contributions	(14,873)	(14,873)	-
Administrative expense	-	(2,744)	2,744
Net Changes during July 1, 2023 to June 30, 2024	49,498	55,922	(6,424)
Balances at June 30, 2024 (Measurement Date)	$ 597,640	$ 580,068	$ 17,572

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

The following table shows the changes in net pension liability (asset) recognized over the measurement period of July 1, 2022 to June 30, 2023.

	2023		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) -(b)
Balances at June 30, 2022 (Valuation Date)	$ 513,356	$ 489,824	$ 23,532
Changes Recognized for the Measurement Period:			
Service cost	37,196	-	37,196
Interest on the total pension liability	24,451	-	24,451
Effect of economic/demographic gains or losses	(21,585)	-	(21,585)
Change of assumptions or inputs	9,305	-	9,305
Contributions from the employer	-	25,603	(25,603)
Contributions from employees	-	14,864	(14,864)
Net investment income	-	10,978	(10,978)
Benefit payments including refunds of employee contributions	(14,581)	(14,581)	-
Administrative expense	-	(2,542)	2,542
Net Changes during July 1, 2022 to June 30, 2023	34,786	34,322	464
Balances at June 30, 2023 (Measurement Date)	$ 548,142	$ 524,146	$ 23,996

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

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

The following presents the net pension liability of the Plan as of the measurement date June 30, 2024, calculated using the discount rate of 4.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.50%) or 1 percentage-point higher (5.50%) than the current rate:

	Plan's Net Pension Liability (Asset)		
Measurement Date	Discount Rate -1% (3.50%)	Current Discount Rate (4.50%)	Discount Rate +1% (5.50%)
June 30, 2024	$ 103,490	$ 17,572	$ (53,608)

The following presents the net pension liability of the Plan as of the measurement date June 30, 2023, calculated using the discount rate of 4.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.50%) or 1 percentage-point higher (5.50%) than the current rate:

	Plan's Net Pension Liability (Asset)		
Measurement Date	Discount Rate -1% (3.50%)	Current Discount Rate (4.50%)	Discount Rate +1% (5.50%)
June 30, 2023	$ 103,884	$ 23,996	$ (42,127)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available upon request.

For the measurement periods ended June 30, 2024 and June 30, 2023, the District incurred a pension expense of $50,610 and $43,415, respectively.

Note 13 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

Pension Plan Fiduciary Net Position (Continued)

As of June 30, 2024 and June 30, 2023, the District has deferred outflows and deferred inflows of resources related to pension as follows:

	2024		2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,114	$ (12,398)	$ 18,487	$ (22,905)
Changes of assumptions	18,890	-	29,371	-
Net differences between projected and actual earnings on pension plan investments	33,641	-	58,601	-
Total	$ 64,645	$ (12,398)	$ 106,459	$ (22,905)

The amounts above are net of outflows and inflows recognized as expense in the 2023-2024 measurement period and 2022-2023 measurement period.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

2024		2023	
Year Ending June 30,	**Deferred Outflows (Inflows) of Resources**	Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2025	$ 26,847	2024	$ 24,328
2026	28,401	2025	28,592
2027	(1,257)	2026	30,146
2028	(1,744)	2027	488
2029	-	2028	-
Thereafter	-	Thereafter	-
Total	$ 52,247	Total	$ 83,554

Note 14 Other Postemployment Benefits ("OPEB")

General Information about the OPEB

Plan Description

Union employees hired prior to December 20, 2001 qualify for postemployment healthcare benefits if they retire with 12 or more years of service at the District; however, they receive no benefits until age 55. Retirees, spouses and surviving spouses receive a benefit equal to the entire medical and dental premium cost. In addition, retirees participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Union employees hired on or after December 20, 2001 and before January 1, 2012 qualify for postemployment healthcare benefits if they retire from the District at age 55 or older with 12 or more years of service. Retirees, spouses and surviving spouses receive a benefit equal to the entire medical and dental premium cost. In addition, retirees participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Union employees hired after December 31, 2011 qualify for postemployment healthcare benefits if they retire from the District at age 55 or older with 10 or more years of service. They will be eligible for an employer contribution toward the cost of medical and dental coverage according to the following schedule:

Credited Years of Service	Percentage of Employer Contribution
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

Union employees hired after December 31, 2011 are not eligible to participate in the Medical Reimbursement Program or the Vision Reimbursement Program.

Note 14 Other Postemployment Benefits ("OPEB") (Continued)

General Information about the OPEB (Continued)

Plan Description (Continued)

Non-Union employees who commenced employment with the District on or before December 20, 2001, and their dependents, qualify for postemployment healthcare benefits if the employee had at least twelve years of service with the District and has reached the age of 55, regardless of the employee's then current employment status with the District when they reach age 55. In addition, retirees and their dependents participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Non-Union employees who commenced employment with the District on December 21, 2001 or thereafter, and their dependents, qualify for postemployment healthcare benefits if the employee had at least twelve years of service with the District and has reached age 55 at the time of retirement from the District. In addition, retirees and their dependents participate in a Medical Reimbursement Program and Vision Reimbursement Program.

The Plan is a single-employer defined benefit OPEB plan administered by the District. The District's Board has the authority to establish and amend the benefit terms and financing requirements of the Plan.

Employee Covered by Benefit Terms

At June 30, 2023, valuation date, the following employees were covered by the benefit terms:

Category	Count
Active employees	53
Retired members and beneficiaries	19
Terminated vested	1
	73

Contribution

The annual contribution is based on the actuarially determined contribution. For the fiscal years ended June 30, 2024 and 2023, the District's actual contributions were $2,355,460 and $569,767 in total payments, which were recognized as a reduction to the OPEB liability.

Note 14 Other Postemployment Benefits ("OPEB") (Continued)

General Information about the OPEB (Continued)

Net OPEB Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2023 valuation calculated the total OPEB liabilities based on the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal actuarial cost method
Actuarial assumptions:	
Net Investment Rate of Return	5.50%
Inflation	2.62%
Payroll Growth	3.25% per year
Health Plan Participation	100.00%
Morbidity Factors	CalPERS 2021 Experience Study
Disability	None assumed.
Mortality	The mortality rates used in this valuation are those described in the 2021 CalPERS experience study. Pre-retirement: CalPERS 2021 Mortality Post-retirement: CalPERS 2021 Mortality
Pre-Excise Tax Health Care Trend	Pre-65: Actual for 2023, decreasing to 4.5% for 2052 and later Post-65: Actual for 2023, decreasing to 4.5% for 2052 and later

Change of Assumption

There were no changes in assumptions during the June 30, 2023 valuation date and June 30, 2023 measurement date.

Note 14 Other Postemployment Benefits ("OPEB") (Continued)

General Information about the OPEB (Continued)

Total OPEB Liability

Long-Term Expected Rate of Return

As of June 30, 2023, and 2022, the measurement dates, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

Asset Class (1)	Target Allocation	Long-Term Expected Real Rate of Return (2)
Equity	34.00%	7.12%
Fixed Income	41.00%	2.06%
REITs/TIPS	22.00%	4.53%
Others	3.00%	1.98%
Total	100.00%	

(1) Target asset allocation in the CERBT Strategy 2 investment policy.
(2) JP Morgan arithmetic Long Term Capital Market assumptions and expected inflations of 2.62%.

Discount Rate

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

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.62% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Fidelity 20yr General Obligation Bond index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

Note 14 Other Postemployment Benefits ("OPEB") (Continued)

General Information about the OPEB (Continued)

Total OPEB Liability (Continued)

Discount Rate (Continued)

	June 30, 2023	June 30, 2022
Discount Rate	5.50%	6.73%
Fidelity 20yr GO Bond Index	3.86%	3.69%

Change in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over the measurement period of July 1, 2022 to June 30, 2023.

	2023		
	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2022 (Measurement date):	$ 14,313,839	$ 11,191,015	$ 3,122,824
Changes Recognized for the Measurement Period:			
Service cost	366,601	-	366,601
Interest on the total pension liability	968,821	-	968,821
Differences between expected and actual experience	(335,977)	-	(335,977)
Change of assumptions	2,567,015	-	2,567,015
Net investment income	-	391,390	(391,390)
Contributions from the employer	-	569,767	(569,767)
Benefit payments, including refunds of employee contributions	(569,767)	(569,767)	-
Administrative expense	-	(3,200)	3,200
Change in benefit terms	(1,251,032)	-	(1,251,032)
Net changes during July 1, 2022 to June 30, 2023	1,745,661	388,190	1,357,471
Balances at June 30, 2023 (Measurement Date)	$ 16,059,500	$ 11,579,205	$ 4,480,295

Note 14 Other Postemployment Benefits ("OPEB") (Continued)

Change in Net OPEB Liability (Continued)

The following table shows the changes in net OPEB liability recognized over the measurement period of July 1, 2021 to June 30, 2022.

	2022		
	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2021 (Measurement date):	$ 13,633,265	$ 11,786,312	$ 1,846,953
Changes Recognized for the Measurement Period:			
Service cost	352,501	-	352,501
Interest on the total pension liability	922,982	-	922,982
Differences between expected and actual experience	(43,275)	-	(43,275)
Change of assumptions	-	-	-
Net investment income	-	(1,482,317)	1,482,317
Contributions	-	-	-
Contributions from the employer	-	1,441,634	(1,441,634)
Benefit payments, including refunds of employee contributions	(551,634)	(551,634)	-
Administrative expense	-	(2,980)	2,980
Net changes during July 1, 2021 to June 30, 2022	680,574	(595,297)	1,275,871
Balances at June 30, 2022 (Measurement Date)	$ 14,313,839	$ 11,191,015	$ 3,122,824

Sensitivity of the net OPEB liability to changes in the discount rate

The following table 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 or 1-percentage-point higher than the current discount rate:

	Plan's Net OPEB Liability		
Measurement Date	**Discount Rate (4.50%)**	**Discount Rate (5.50%)**	**Discount Rate (6.50%)**
June 30, 2023	$ 6,848,372	$ 4,480,295	$ 2,542,041

	Plan's Net OPEB Liability		
Measurement Date	**Discount Rate (5.73%)**	**Discount Rate (6.73%)**	**Discount Rate (7.73%)**
June 30, 2022	$ 5,475,299	$ 3,122,824	$ 1,249,279

Note 14 Other Postemployment Benefits ("OPEB") (Continued)

Change in Net OPEB Liability (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost 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 healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Plan's Net OPEB Liability		
Measurement Date	**Trend - 1%**	**Current Trend Rate**	**Trend +1%**
June 30, 2023	$ 2,287,936	$ 4,480,295	$ 7,228,046
June 30, 2022	$ 197,366	$ 3,122,824	$ 3,871,638

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The District recognized total OPEB income of $78,468 for the year ended June 30, 2024 and OPEB expense of $736,057 for the year ended June 30, 2023. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	$ 2,355,460	$ -	$ 569,767	$ -
Differences between actual and expected experience	$1,208,353	$353,317	$1,464,752	63,173
Changes of assumptions	2,526,173	1,620,195	351,265	1,958,650
Net differences between projected and actual earnings on OPEB plan investments	1,241,218	-	1,202,332	-
Total	$ 7,331,204	$ 1,973,512	$ 3,588,116	$ 2,021,823

The $2,355,460 and $569,767 reported as deferred outflows of resources related to OPEB resulting from the District's contribution subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the years ending June 30, 2025 and June 30, 2024, respectively.

Note 14 Other Postemployment Benefits ("OPEB") (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expenses based on expected average remaining service lifetime for the measurement periods as follows:

2024			2023		
Year Ending June 30,		**Deferred Outflows/(Inflows) of Resources**	Year Ending June 30,		Deferred Outflows/(Inflows) of Resources
2025	$	594,834	2024	$	271,626
2026		569,180	2025		279,470
2027		688,634	2026		253,816
2028		211,505	2027		373,268
2029		173,003	2028		(103,857)
Thereafter		765,076	Thereafter		(77,797)
	$	3,002,232		$	996,526

Note 15 Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2024 and 2023, the District participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of $5,000,000, combined single limit at $5,000,000 per occurrence. The District purchased additional excess coverage layers: $55 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

Note 15 Risk Management (Continued)

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to $100,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages. The District purchased additional coverage of $1,000,000, which increases the limit on the insurance coverage noted above.

- The District has coverage for the replacement cash value of scheduled buildings, personal property, fixed equipment subject to $1,000 deductible per occurrence. However, if real property is not repaired or replaced within a reasonable period of time, then the actual cash value applies. Scheduled vehicles and mobile equipment are covered for actual cash value, subject to $500 deductible and $1,000 deductible per occurrence respectively. The District has a total insurable value of $182,164,181 and $169,570,540 for the years ended June 30, 2024 and 2023, respectively.

- Boiler and machinery coverage for the replacement cost of scheduled equipment up to $100 million program sublimit, subject to various deductibles ($25,000 - $100,000) depending on the type of equipment.

- Public officials' personal liability coverage up to $100,000 for each occurrence, with an annual aggregate of $100,000 per each elected/appointed official to which this coverage applies is subject to the terms, with a deductible of $1,000 per claim.

- Workers' compensation insurance provides coverage up to California statutory limits for all work related injuries/illnesses covered by California law.

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 ended June 30, 2024 and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

Note 16 Net Position – Net Investment in Capital Assets

The calculation of net position – balances of net investment in capital assets at June 30, 2024 and 2023 are as follows:

		2024		2023 As Restated
Capital assets, net	$	336,164,408	$	331,656,029
Long-term debt		(282,689,060)		(290,558,002)
Lease Payable		(975,645)		(1,069,127)
Subscription payable		(240,452)		(307,127)
Retention payable		(407,888)		(568,385)
Unspent debt proceeds		15,615,413		27,330,738
Net investment in capital assets	$	67,466,776	$	66,484,126

Note 17 Commitments

Replenishment Water Purchases

The District purchases replenishment water from Metropolitan Water District (MWD) member agencies and recycled water providers. These agencies set the price for the replenishment water that the District buys for the spreading grounds, seawater barrier injection wells, and In-Lieu water when available. The cost for replenishment water is a direct pass-through from the District to the water suppliers on the District's replenishment assessment. As a result, the District maintains numerous water purchase agreements with these agencies to keep the annual replenishment water purchases minimized and stable from year to year. In doing so, each year the District can provide the lowest annual replenishment water cost and reduce the impact on the replenishment assessment.

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 and other District activities. The financing of such contracts is provided primarily from the proceeds of bonds issued by the District. The District has committed to approximately $40.6 million of open construction contracts as of June 30, 2024.

Note 17 Commitments (Continued)

Construction Contracts (Continued)

The contracts outstanding include:

Project Name		Total Approved Contract		Construction Costs to-date		Balance to Complete
LJVWTF Expansion Improvement	$	18,985,389	$	11,818,902	$	7,166,487
Goldsworthy Desalter Expansion (Brackish Groundwater Reclamation Program)		37,910,812		5,459,613		32,451,199
Caltrans Pipeline		745,698		745,698		-
Groundwater Infrastructure Improvement		1,021,000		1,021,000		-
Interconnection Pipeline		3,800,000		3,800,000		-
Headquarter Buil ding Improvement		260,777		30,315		230,462
Groundwater Replenishment Improvement Project (ARC)		228,587		225,728		2,859
General Engineering Admin (New)		410,476		410,476		-
Environmental and Compliance Monitoring		2,888,868		2,591,601		297,267
Whittier Narrow Conservation Pool		1,475,000		1,475,000		-
SCADA System Master		2,896,741		2,896,741		-
Asset Management		1,698,539		1,663,275		35,264
Paramount Equip/Fleet Center		1,653,238		1,192,532		460,706
Regional Brackish Reclamation Program (New)		9,012,959		9,012,959		-
Joint LA Basin Replenishment & Extraction Project		2,572,600		2,572,600		-
	$	85,560,684	$	44,916,440	$	40,644,244

PFAS Remediation Program

The District is committed to managing and protecting local groundwater resources for over four million residents living in the 43 cities of Southern Los Angeles County. The District is working with water purveyors to address per- and polyfluoroalkyl substances (PFAS), including Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonate (PFOS), in groundwater and ensure that all potable water is safe to drink(i.e., meets all State and Federal drinking water standards). In August 2020, the District Board of Directors established the PFAS Remediation Program, a $61 million grant program to remediate drinking water wells located in the Central Basin and West Coast Basin that contain PFAS above regulatory limits.

PFAS are a large group of man-made compounds that have been used for decades all over the world in industrial manufacturing, firefighting foams (aqueous film-forming foam [AFFF]), and consumer products including fast-food wrappers, pizza boxes, non-stick cookware (Teflon™), clothing (Gore-Tex®), fabric protectant (Scotchgard™), stain-resistant carpets, and personal care products. Both PFOA and PFOS have been phased out of products made in the United States since the 2000s. More information about the PFAS Remediation Program is posted on the District's website at www.wrd.org.

Note 17 Commitments (Continued)

Goldsworthy Desalter Expansion (Brackish Groundwater Reclamation Program)
Within the West Coast Basin, a significant plume (approximately 600,000 acre-feet) of brackish groundwater containing high Total Dissolved Solids (TDS) has been trapped due to seawater intrusion and implementation of the West Coast Seawater Intrusion Barrier. The District began the Brackish Groundwater Reclamation Program (BGRP) to evaluate the feasibility of remediating a portion of the high TDS plume. The Feasibility Study was completed in 2021. The study evaluated various siting options, treatment technologies, project economics, and conveyance of treated water to stakeholders in the West Coast Basin. On April 2, 2024, the District Board of Directors approved award of a progressive design build services agreement with McCarthy-Jacobs for the Torrance Groundwater Desalter Expansion (TGDE) project, which is the current focus of the BGRP. Funding assistance for the TGDE project has been secured from the United States Bureau of Reclamation (USBR) and the Clean Water State Revolving Fund (CWSRF).

Leo J Vander Lans Advanced Water Treatment Facility (LVL AWTF) Onsite Inland Injection Well Project
The LVL AWTF provides recycled water to the Alamitos Seawater Intrusion Barrier (Barrier). Built in 2003, LVL receives tertiary-treated wastewater from the Sanitation Districts of Los Angeles County's (LACSD) Long Beach Water Reclamation Plant (LBWRP) and provides treatment via microfiltration (MF), reverse osmosis (RO) and advanced oxidation process (AOP) with ultraviolet light (UV). In 2014, the expansion of LVL AWTF increased its treatment capacity from 3 million gallons per day (mgd) to 8 mgd. LVL has an agreement in place with the Long Beach Water Department for supply of 6,500 AFY of tertiary effluent. Currently, LVL production is limited to the Barrier Demand. At specific times of year, there is more tertiary effluent available than demand in the barrier. This project will construct a 2 mgd injection well on site at LVL (inland of the Barrier wells), allowing for up to 2 mgd to be injected into the Central Basin when excess tertiary effluent is available. This project will improve LVL AWTF operations by allowing more constant operation of the plant due to not being dependent on Barrier operations for LVL AWTF production. The District Board of Directors approved (a) on December 21, 2021, a $5 million contract with Yellow Jacket Drilling Service to install injection and monitoring wells associated with the project and (b) on June 22, 2023, a $3.5 million contract with Vicon Enterprise for wellhead and pipeline construction services. A $1.5 million grant was received from the Pepsi Corporation. This project will improve LVL AWTF operations by allowing more constant operation of the plant due to not being dependent on Barrier operations for LVL AWTF production.

Note 18 Contingencies

Litigation

The District is currently not engaged in any litigation. Additionally, the District is unaware of any potential claims that will have any material adverse effect on the District's financial condition.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements by the grantor agencies for expenditures disallowed under the terms of the grant. District management believes that such disallowances, if any, would not be significant.

Note 19 Restatement of Fiscal Year 2023 Financial Statements

The fiscal year 2023 financial statements have been restated for the impact of the correction of the Construction-in-Progress amount as discussed in Note 6 and other receivable amounts reported in the fiscal year 2023. The impact of the restatement on the previously issued financial statements as of and for the year ended June 30, 2023 is as follows:

	Statement of Net Position		
	Capital assets - Non Depreciable	Other Receivable	Net Position
June 30, 2023 balance as previously reported	$ 92,419,212	$ 104,425	$ 184,124,532
Prior period adjustment	(11,423,241)	598,842	(10,824,400)
June 30, 2023 balance as restated	$ 80,995,971	$ 703,267	$ 173,300,132

	Statement of Revenues, Expenses and Changes in Net Position		
	Operating Expenses	Capital contributions from other government	Net Position, beginning of the year
June 30, 2023 balance as previously reported	$ 80,022,131	$ 5,609,857	$ 176,016,909
Prior period adjustment	2,884,504	(391,616)	(7,548,280)
June 30, 2023 balance as restated	$ 82,906,635	$ 5,218,241	$ 168,468,629

Note 20 Subsequent Events

The District has evaluated events subsequent to the balance sheet date through December 16, 2024, the date on which the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Water Replenishment District of Southern California
Schedule of District's Proportionate Share of the Net Pension Liability and Related Ratios
California Public Employees' Retirement System ("CalPERS")

	Last Ten Fiscal Years									
Measurement Date	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
District's proportion of the net pension liability	0.04592%	0.11629%	0.48070%	0.05019%	0.05057%	0.52840%	0.05507%	0.04894%	0.15432%	0.15884%
District's proportionate share of the net pension liability	$ 2,857,450	$ 3,190,280	$ 4,188,699	$ 4,977,020	$ 4,872,655	$ 5,414,574	$ 5,992,089	$ 2,646,887	$ 7,221,058	$ 7,942,766
District's covered payroll	$ 3,413,694	$ 3,501,750	$ 3,748,587	$ 3,843,634	$ 4,290,759	$ 4,562,925	$ 4,699,813	$ 4,840,807	$ 5,192,974	$ 6,563,893
District's proportionate share of its the net pension liability as a percentage of its covered payroll	83.71%	91.11%	111.74%	129.49%	113.56%	118.66%	127.50%	54.68%	139.05%	121.01%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	81.98%	81.25%	77.11%	78.56%	73.43%	78.52%	91.40%	79.32%	79.32%

	Last Ten Fiscal Years									
Measurement Period	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Total pension liability										
Service cost	$ 14,757	$ 14,757	$ 13,512	$ 13,512	$ 10,999	$ 10,999	$ 36,870	$ 37,976	$ 37,196	$ 38,312
Interest	13,202	14,546	15,988	20,409	19,666	18,042	18,574	23,345	24,451	26,059
Differences between expected and actual experience	-	-	59,815	-	(79,798)	-	-	-	-	-
Effect of economic/demographic gains or losses	-	-	-	-	-	-	37,609	-	(21,585)	-
Changes of assumptions	-	-	-	-	18,590	-	42,052	-	9,305	-
Benefit payments, including refunds of employee contributions	(5,191)	(1,814)	(1,850)	(16,208)	(1,925)	(1,963)	(4,038)	(56,919)	(14,581)	(14,873)
Net change in total pension liability	22,768	27,489	87,465	17,713	(32,468)	27,078	131,067	4,402	34,786	49,498
Total pension liability - beginning	227,842	250,610	278,099	365,564	383,277	350,809	377,887	508,954	513,356	548,142
Total pension liability - ending (a)	$ 250,610	$ 278,099	$ 365,564	$ 383,277	$ 350,809	$ 377,887	$ 508,954	$ 513,356	$ 548,142	$ 597,640
Plan Fiduciary Net Position										
Contributions - employer	$ 17,390	$ 21,266	$ 13,308	$ 12,571	$ 18,066	$ 16,904	$ 15,582	$ 22,307	$ 25,603	$ 25,724
Contributions - employee	-	-	6,406	6,051	8,696	12,291	13,835	13,367	14,864	14,988
Net investment income	4,313	9,664	14,356	6,208	28,020	22,680	40,889	(65,882)	10,978	32,827
Benefit payments, including refunds of employee contributions	(5,191)	(1,814)	(1,850)	(16,208)	(1,925)	(1,963)	(4,038)	(56,919)	(14,581)	(14,873)
Administrative expense	(1,857)	(2,821)	(1,979)	(2,082)	(2,185)	(2,460)	(2,752)	(2,909)	(2,542)	(2,744)
Net change in plan fiduciary net position	14,655	26,295	30,241	6,540	50,672	47,452	63,516	(90,036)	34,322	55,922
Plan fiduciary net position - beginning	340,489	355,144	381,439	411,680	418,220	468,892	516,344	579,860	489,824	524,146
Plan fiduciary net position - ending (b)	$ 355,144	$ 381,439	$ 411,680	$ 418,220	$ 468,892	$ 516,344	$ 579,860	$ 489,824	$ 524,146	$ 580,068
District's net pension liability (assets) - ending (a)-(l	$ (104,534)	$ (103,340)	$ (46,116)	$ (34,943)	$ (118,083)	$ (138,457)	$ (70,906)	$ 23,532	$ 23,996	$ 17,572
Plan fiduciary net position as a percentage of of the total pension liability (asset)	141.71%	137.16%	112.62%	109.12%	133.66%	136.64%	113.93%	95.42%	95.62%	97.06%
Covered payroll	$ 88,771	$ 88,771	$ 100,642	$ 87,336	$ 87,366	$ 159,958	$ 164,757	$ 158,172	$ 188,351	$ $192,591
District's net pension asset as a percentage of covered payroll	-117.76%	-116.41%	-45.82%	-40.01%	-135.16%	-86.56%	-43.04%	14.88%	12.74%	9.12%

	Last Ten Fiscal Years									
Fiscal year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Actuarially determined contribution	$ 904,036	$ 801,773	$ 830,116	$ 901,063	$ 774,592	$ 1,190,808	$ 1,451,647	$ 1,579,674	$ 1,761,057	$ 1,523,177
Contributions in relation to the actuarially determined contributions	(904,036)	(801,773)	(830,116)	(901,063)	(774,592)	(1,190,808)	(1,451,647)	(1,579,674)	(1,761,057)	(1,523,177)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,501,750	$ 3,748,587	$ 3,843,634	$ 4,290,759	$ 4,562,925	$ 4,699,813	$ 4,840,807	$ 5,192,974	$ 6,563,893	$ 7,047,043
Contributions as a percentage of covered payroll	25.82%	21.39%	21.60%	21.00%	16.98%	25.34%	29.99%	30.42%	26.83%	21.61%

Notes to Schedule

Changes of Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2022 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. For pooled plans this is a Class 3 benefit and there is no normal cost surcharge. The impact on the unfunded liability is included in the pool's differences between expected and actual experience.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Last Ten Fiscal Years [1]

Fiscal year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Actuarially determined contribution	$ 3,257	$ 14,757	$ 14,757	$ 13,512	$ 11,729	$ 14,061	$ 14,412	$ 24,417	$ 27,101	$ 78,825
Contributions in relation to the actuarially determined contributions	(17,390)	(21,266)	(13,308)	(12,571)	(18,066)	(16,904)	(15,582)	(22,307)	(25,603)	(25,723)
Contribution deficiency (excess)	$ (14,133)	$ (6,509)	$ 1,449	$ 941	$ (6,337)	$ (2,843)	$ (1,170)	$ 2,110	$ 1,498	$ 53,102
Covered payroll (2)	$ 88,771	$ 88,771	$ 100,642	$ 87,336	$ 87,366	$ 159,958	$ 164,757	$ 158,172	$ 188,351	$ 192,591
Contributions as a percentage of covered payroll	19.59%	23.96%	13.22%	14.39%	20.68%	10.57%	9.46%	14.10%	13.59%	13.36%

[1] Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be displayed as it becomes available.

Notes to Schedule

Changes of assumptions: Discount rate of 4.50 percent in 2024 and in 2023.

Valuation date:	June 30, 2022

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method:	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 06/30/2022	1 year
Amortization growth rate	0.00%
Asset Valuation Method:	
Smoothing period None	None
Recognition method None	None
Corridor None	None
Actuarial Assumptions:	
Investment Rate of Return	4.50%
Inflation	2.30%
Salary increases	3.00%
Investment Rate of Return	5.00%
Cost of Living Adjustments	2.00%
Cost of Living Adjustments	2.00%
Withdrawal	None assumed.
Disability	None assumed.
Mortality	Pre-retirement: Consistent with the Non-Industrial Rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2021. Post-retirement: Consistent with the Non-Industrial Rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2021.
Retirement	Individual retirement ages are assumed for each member.
Maximum Benefits and Salary	No benefit maximum is applied. Compensation for Tier II is limited to 120% of the maximum taxable earnings under Social Security, assumed to increase 2.30% per year in future years.
Form of Payment	Single Life Annuity

Water Replenishment District of Southern California
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios

	Last Ten Fiscal Years (1)						
Measurement period	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21 (2)**	**2021-22**	**2022-23**
Total OPEB Liability							
Service cost	$ 363,121	$ 387,880	$ 498,970	$ 510,409	$ 535,930	$ 352,501	$ 366,601
Interest	638,606	765,695	844,995	973,429	1,037,322	922,982	968,821
Change of benefit terms	-	247,812	-	-	(1,010,058)	-	(1,251,032)
Differences between expected and actual experience	106,713	9,090	1,004,789	(36,482)	1,109,190	(43,275)	(335,977)
Changes of assumptions	1,026,121	-	(48,676)	-	(2,596,692)	-	2,567,015
Benefit payments, including refunds of employee contributions	(240,933)	(301,888)	(386,027)	(420,825)	(629,550)	(551,634)	(569,767)
Net change in total OPEB liability	1,893,628	1,108,589	1,914,051	1,026,531	(1,553,858)	680,574	1,745,661
Total OPEB liability - beginning	9,244,324	11,137,952	12,246,541	14,160,592	15,187,123	13,633,265	14,313,839
Total OPEB liability - ending (a)	$ 11,137,952	$ 12,246,541	$ 14,160,592	$ 15,187,123	$ 13,633,265	$ 14,313,839	$ 16,059,500
Plan Fiduciary Net Position							
Contributions - employer	1,048,933	301,888	1,264,283	1,120,825	1,519,550	1,441,634	569,767
Contributions - employee	-	-	-	-	-	-	-
Net investment income	382,144	376,091	512,264	432,290	1,784,539	(1,482,317)	391,390
Benefit payments, including refunds of employee contributions	(240,933)	(301,888)	(386,027)	(420,825)	(629,550)	(551,634)	(569,767)
Administrative expense	(2,853)	(3,271)	(1,481)	(3,941)	(3,317)	(2,980)	(3,200)
Net change in plan fiduciary net position	$ 1,187,291	$ 372,820	$ 1,389,039	$ 1,128,349	$ 2,671,222	$ (595,297)	$ 388,190
Plan fiduciary net position - beginning	5,037,591	6,224,882	6,597,702	7,986,741	9,115,090	11,786,312	11,191,015
Plan fiduciary net position - ending (b)	$ 6,224,882	$ 6,597,702	$ 7,986,741	$ 9,115,090	$ 11,786,312	$ 11,191,015	$ 11,579,205
District's Net OPEB liability - end of year (a)-(b)	$ 4,913,070	$ 5,648,839	$ 6,173,851	$ 6,072,033	$ 1,846,953	$ 3,122,824	$ 4,480,295
Plan fiduciary net position as a percentage of the total pension liability	56%	54%	56%	60%	86%	78%	72%
Covered payroll	N/A	N/A	$ 4,476,287	$ 5,753,939	$ 5,757,206	$ 5,617,347	$ 6,906,999
District's net OPEB liability as percentage of covered-employee payroll	N/A	N/A	138%	106%	32%	56%	65%

(1) Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.
(2) 2022 balances were restated.

	Last Ten Fiscal Years (1)							
Fiscal Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Actuarially determined contribution (1)	$ 627,990	$ 754,917	$ 740,962	$ 740,962	$ 1,004,511	$ 1,044,115	$ 713,405	$ 989,930
Contributions in relation to the actuarially determined contribution	(1,048,933)	(301,888)	(1,202,789)	(1,120,825)	(1,519,550)	(1,466,365)	(569,767)	(569,765)
Contribution deficiency (excess)	$ (420,943)	$ 453,029	$ (461,827)	$ (379,863)	$ (515,039)	$ (422,250)	$ 143,638	$ 420,165
Covered payroll	N/A	N/A	$ 4,476,287	$ 5,753,939	$ 5,757,206	$ 5,617,347	$ 6,906,999	7,235,071
Contributions as a percentage of covered-employee payroll	N/A	N/A	27%	19%	26%	26%	8%	8%

(1) Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes

Notes to Schedule

Valuation date:	June 30, 2023
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Straight-line
Inflation	2.62%
Payroll Growth	3.25%
Investment rate of return	5.50%
Disability	None assumed
Mortality	The mortality rates used are those described in the 1021 CalPERS experience study.

STATISTICAL SECTION
(Unaudited)

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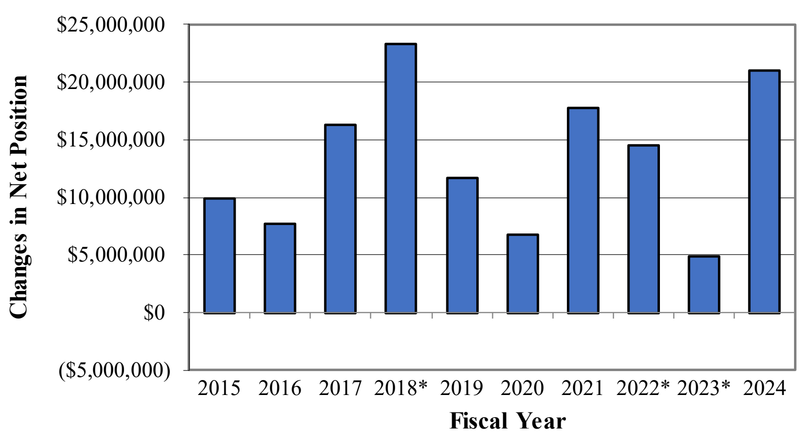
This part of the Water Replenishment District of Southern California's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents **Page**

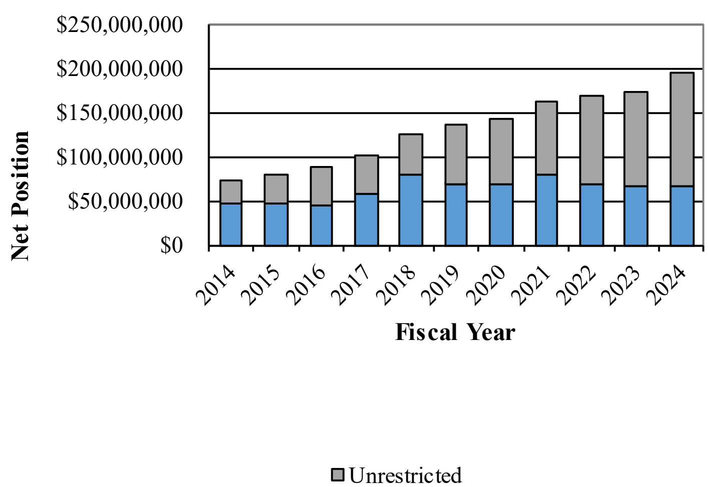
	Fiscal Year				
	2015	**2016**	**2017**	**2018***	**2019**
Changes in net position:					
Operating revenues (see Schedule 2)	$ 80,154,123	$ 59,852,856	$ 74,573,333	$ 74,289,639	$ 69,700,370
Operating expenses (see Schedule 3)	(69,991,319)	(51,786,834)	(62,347,174)	(57,072,594)	(55,541,243)
Depreciation and amortization	(2,629,444)	(4,003,734)	(4,014,947)	(4,112,063)	(4,657,627)
Operating income	7,533,360	4,062,288	8,211,212	13,104,982	9,501,500
Non-operating revenues(expenses)					
Property taxes, net of collection expenses	581,180	585,957	613,015	658,530	717,812
Interest and investment earnings	163,704	562,438	864,242	1,027,074	940,725
Interest expense and fiscal changes	(2,144,351)	(2,148,520)	(2,875,746)	(6,174,350)	(10,105,952)
Election costs	(1,397,597)	-	(1,374,823)	(1,100,000)	(601,323)
Gain/(loss) on sale/disposition of assets	-	-	-	-	(1,367,459)
Other revenue/(expense), net	4,102,881	4,192,116	3,270,421	4,209,797	2,841,726
Net non-operating revenues (expenses)	1,305,817	3,191,991	497,109	(1,378,949)	(7,574,471)
Net income before capital contributions	8,839,177	7,254,279	8,708,321	11,726,033	1,927,029
Capital contributions	1,109,714	450,878	7,550,656	11,600,940	9,740,625
Changes in net position	9,948,891	7,705,157	16,258,977	23,326,973	11,667,654
Prior period adjustment	-	-	(3,031,941)	-	-
Adjusted changes in net position	9,948,891	7,705,157	13,227,036	23,326,973	11,667,654
Net position by component:					
Net investment in capital assets	47,030,300	45,393,945	58,811,863	79,330,770	67,639,056
Restricted	-	-	-	-	1,675,642
Unrestricted	32,987,244	42,328,756	42,137,874	44,945,940	66,629,666
Total net position	$ 80,017,544	$ 87,722,701	$ 100,949,737	$ 124,276,710	$ 135,944,364



* 2017 balances were restated.

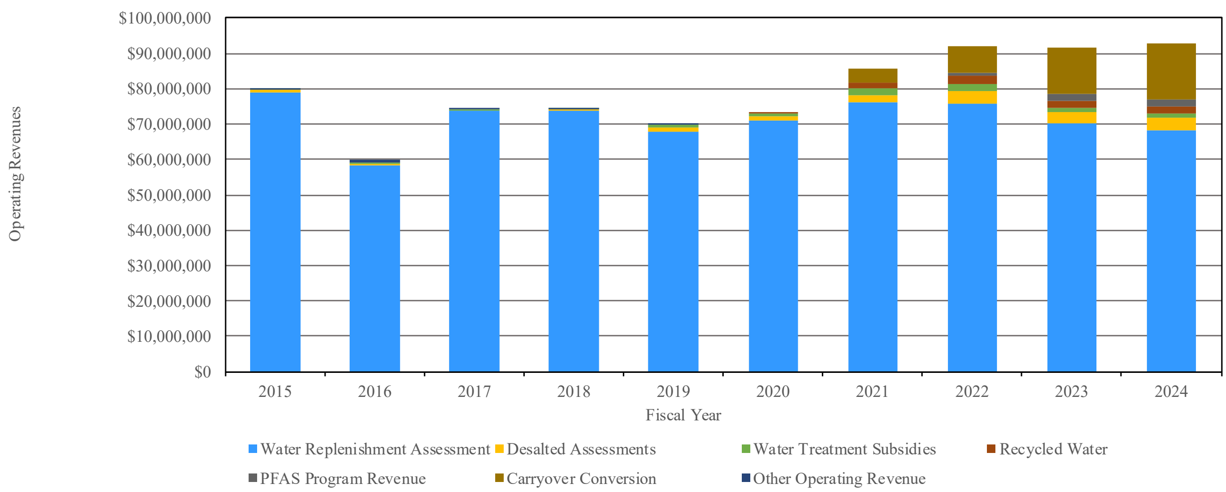
Source: Water Replenishment District Finance Department

	Fiscal Year 2020	2021	2022*	2023*	2024
Changes in net position:					
Operating revenues (see Schedule 2)	$ 73,228,665	$ 85,830,105	$ 92,140,513	$ 91,552,162	$ 92,838,715
Operating expenses (see Schedule 3)	(64,700,484)	(63,226,824)	(61,723,047)	(71,906,754)	(73,941,635)
Depreciation and amortization	(4,822,237)	(4,758,264)	(11,160,461)	(10,999,881)	(10,904,938)
Operating income	3,705,944	17,845,017	19,257,005	8,645,527	7,992,142
Non-operating revenues(expenses)					
Property taxes, net of collection expenses	744,972	808,891	811,900	910,297	953,015
Interest and investment earnings	862,544	53,882	48,298	940,716	4,831,905
Interest expense and fiscal changes	(11,957,054)	(11,730,855)	(9,849,814)	(9,020,576)	(8,770,419)
Election costs	-	(2,568,655)	-	(3,437,046)	(1,700,000)
Gain/(loss) on sale/disposition of assets	-	-	-	-	-
Other revenue/(expense), net	7,286,361	236,656	(1,025,690)	1,574,344	(1,087,045)
Net non-operating revenues (expenses)	(3,063,177)	(13,200,081)	(10,015,306)	(9,032,265)	(5,772,544)
Net income before capital contributions	642,767	4,644,936	9,241,699	(386,738)	2,219,598
Capital contributions	6,118,791	13,153,479	5,306,076	5,218,241	18,993,064
Changes in net position	6,761,558	17,798,415	14,547,775	4,831,503	21,212,662
Prior period adjustment	-	964,797	(7,548,280)	-	-
Adjusted changes in net position	6,761,558	18,763,212	6,999,495	4,831,503	21,212,662
Net position by component:					
Net investment in capital assets	69,050,712	80,503,245	68,594,425	66,484,125	67,466,776
Restricted	-	-	-	-	-
Unrestricted	73,655,210	80,965,889	99,874,204	106,816,007	127,046,018
Total net position	$ 142,705,922	$ 161,469,134	$ 168,468,629	$ 173,300,132	$ 194,512,794



*2022 and 2023 balances were restated in accordance with GASB 100.
Source: Water Replenishment District Finance Department

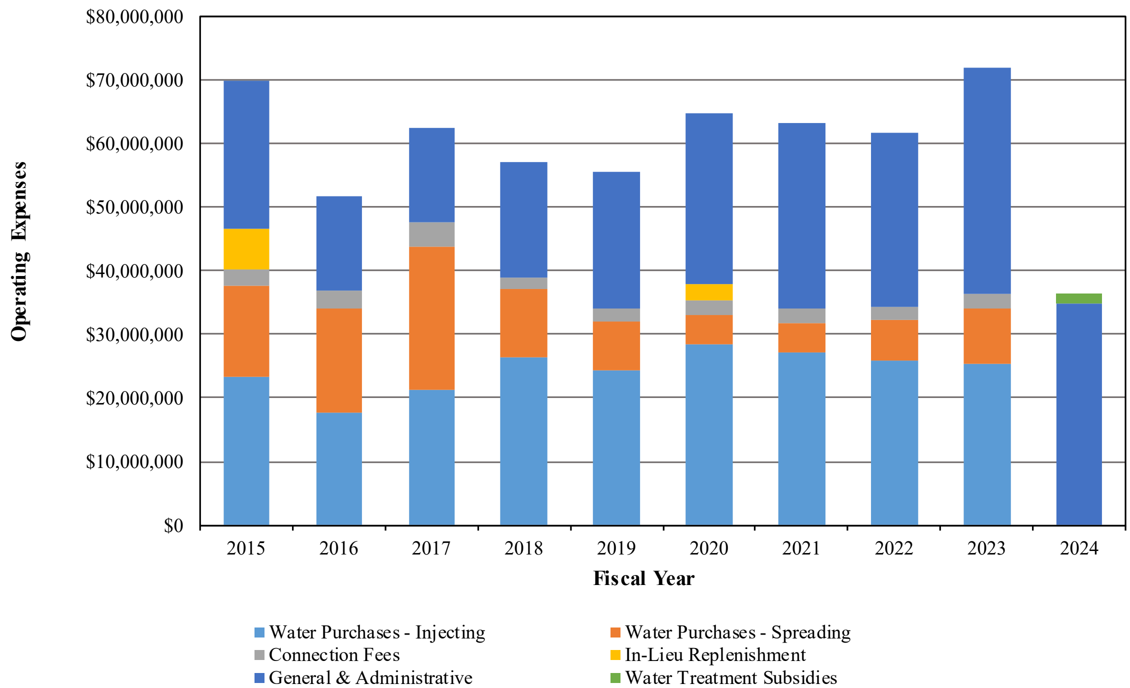
Fiscal Year	Water Replenishment Assessment	PFAS Program Revenue	Desalted Assessments	Water Treatment Subsidies	Carryover Conversion	Recycled Water	Other Operating Revenue	Total Operating Revenues
2015	$ 79,085,428	$ -	$ 517,963	$ 182,649	$ -	$ -	$ 368,083	$ 80,154,123
2016	58,128,626	-	619,806	412,706	-	-	691,718	59,852,856
2017	73,822,097	-	-	355,914	-	-	395,322	74,573,333
2018	73,687,699	-	334,381	171,759	-	-	95,800	74,289,639
2019	68,007,111	-	1,138,025	497,799	-	-	57,435	69,700,370
2020	70,948,823	-	1,114,275	758,496	-	407,071	-	73,228,665
2021	76,161,044	-	1,925,675	2,047,303	4,220,699	1,475,384	-	85,830,105
2022	75,911,260	766,312	3,470,172	2,014,334	7,729,897	2,248,538	-	92,140,513
2023	70,161,743	2,054,209	3,052,449	1,158,975	12,985,921	2,138,865	-	91,552,162
2024	68,128,910	1,989,936	3,596,364	1,153,167	15,919,629	2,050,709	-	92,838,715



Source: Water Replenishment District Finance Department

Water Replenishment District of Southern California
Operating Expenses by Activity
Last Ten Fiscal Years

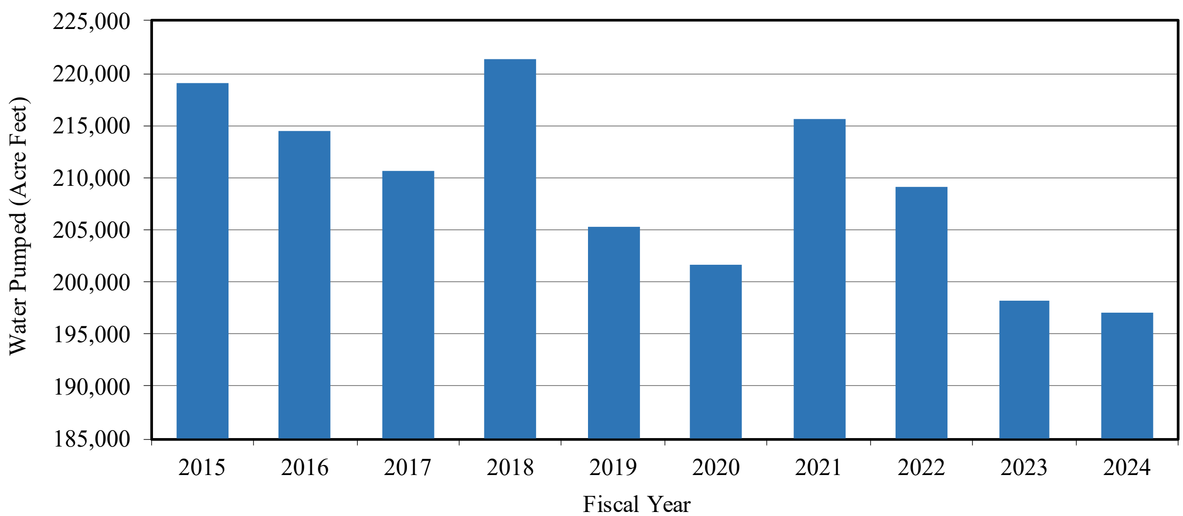
Fiscal Year	Water Purchases - Injecting	Water Purchases - Spreading	Connection Fees	In-Lieu Replenishment	Water Treatment Subsidies	General & Administrative	Total Operating Expenses (excluding Depreciation and Amortization)
2015	$ 23,385,697	$ 14,325,715	$ 2,586,820	$ 6,241,887	$ -	$ 23,451,200	$ 69,991,319
2016	17,798,133	16,290,901	2,824,490	-	-	14,873,310	51,786,834
2017	21,344,615	22,333,722	4,010,063	-	-	14,658,774	62,347,174
2018	26,328,547	10,707,564	1,970,372	-	-	18,066,111	57,072,594
2019	24,286,777	7,688,844	2,036,791	-	-	21,528,831	55,541,243
2020	28,475,096	4,591,197	2,213,180	2,532,344	-	26,888,667	64,700,484
2021	27,176,259	4,662,502	2,299,044	-	-	29,089,019	63,226,824
2022	25,983,785	6,315,554	2,118,009	-	-	27,305,699	61,723,047
2023	25,404,081	8,714,513	2,220,038	-	-	35,568,122	71,906,754
2024	29,845,576	5,386,560	1,942,795	515,798	1,379,757	34,871,149	73,941,635



* 2023 balances were restated.

Source: Water Replenishment District Finance Department

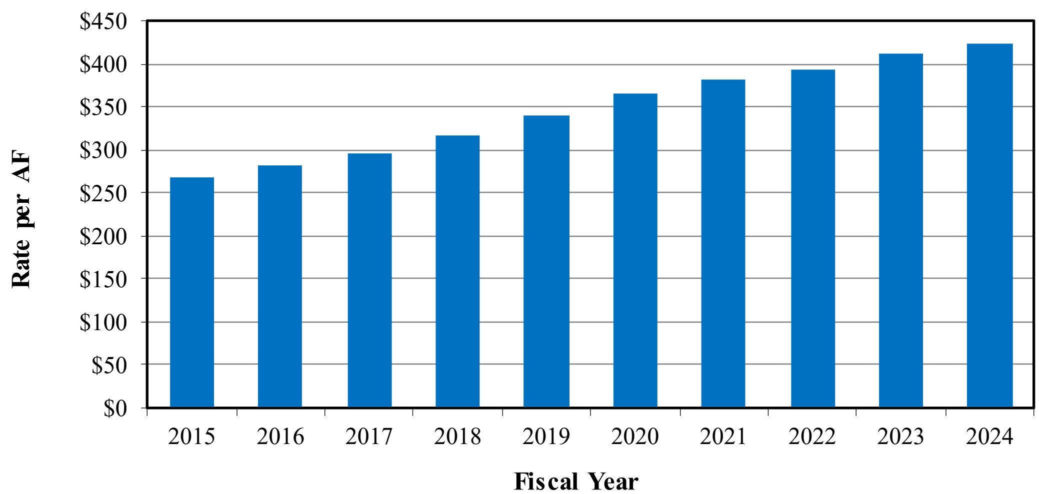
Fiscal Year	Water Pumped (Acre Feet)
2015	219,068
2016	214,489
2017	210,600
2018	221,315
2019	205,198
2020	201,748
2021	215,577
2022	209,103
2023	198,274
2024	197,117



Note: See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.

Source: Water Replenishment District Finance Department

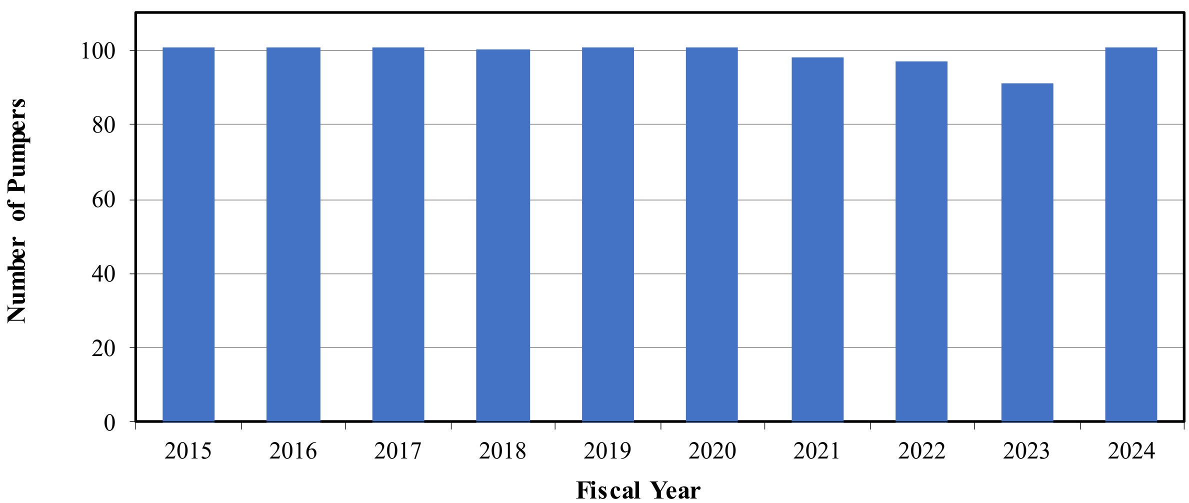
Fiscal Year		Rate per Acre Feet (AF)
2015	$	268
2016		283
2017		297
2018		318
2019		339
2020		365
2021		382
2022		394
2023		411
2024		423



Notes: Rates as of June 30 of each fiscal year.

Source: Water Replenishment District Finance Department

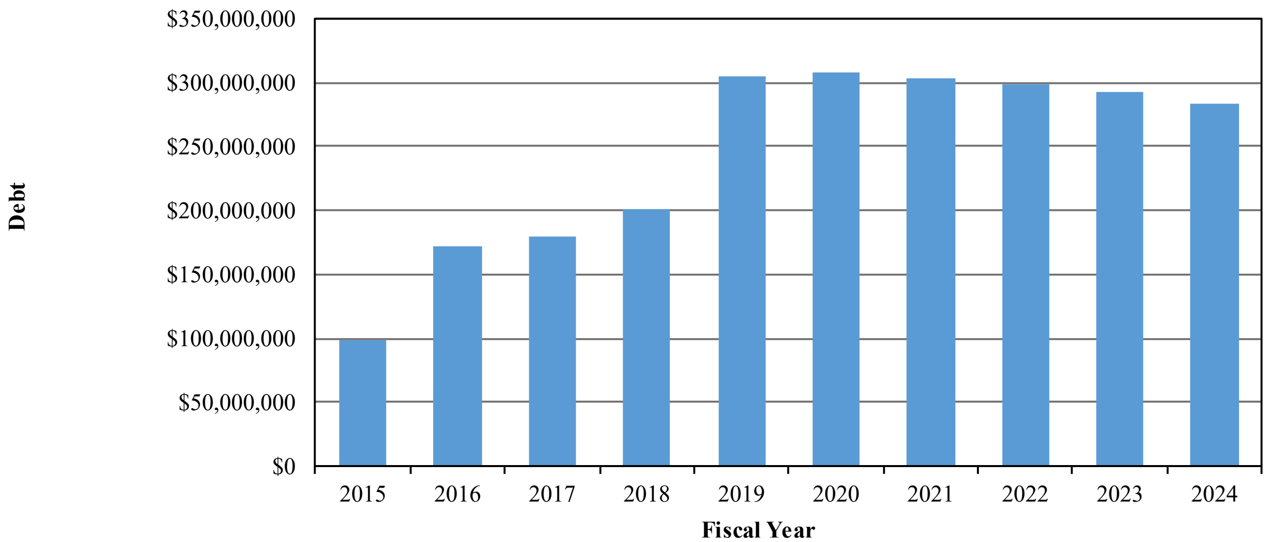
Fiscal Year	Number of Pumpers
2015	101
2016	101
2017	101
2018	100
2019	101
2020	101
2021	98
2022	97
2023	91
2024	101



Source: Water Replenishment District Finance Department

	2024		2015	
Customer	**Water Pumped (Acre Feet)**	**Percentage of Total**	**Water Pumped (Acre Feet)**	**Percentage of Total**
Golden State Water Company	26,582	13%	31,031	14%
Long Beach, City of	21,760	11%	21,771	10%
California Water Service Company	20,719	11%	16,725	8%
Downey, City of	13,222	7%	15,030	7%
Tesoro Refining & Marketing Company, LLC	8,817	4%	3,733	2%
South Gate, City of	7,824	4%	7,947	4%
Cerritos, City of	6,946	4%	7,809	4%
Compton, City of	6,539	3%	7,381	3%
Whittier, City of	6,409	3%	3,031	1%
Lakewood, City of	6,387	3%	8,670	4%
Total	125,205	64%	123,128	56%
Total Water Consumed (Acre Feet)	197,117	100%	219,068	100%

Fiscal Year	Long-Term Debt	Lease Payable	Subscription Payable	Total Debt	Per Capita	As a Share of Personal Income
2015	$ 98,300,852	$ -	$ -	$ 98,300,852	$ 9.66	0.019656%
2016	171,569,874	-	-	171,569,874	16.70	0.033312%
2017	178,903,498	-	-	178,903,498	17.26	0.033798%
2018	201,450,473	-	-	201,450,473	20.64	0.039675%
2019	304,045,943	-	-	304,045,943	28.82	0.046278%
2020	308,529,697	-	-	308,529,697	30.08	0.044910%
2021	301,458,230	1,216,785	-	302,675,015	29.68	0.044186%
2022	298,198,975	1,193,089	-	299,392,064	29.33	0.041125%
2023	290,558,002	1,069,127	307,127	291,934,256	29.94	0.034920%
2024	282,689,060	975,645	240,452	283,905,157	29.02	0.034371%



Source: Water Replenishment District Finance Department

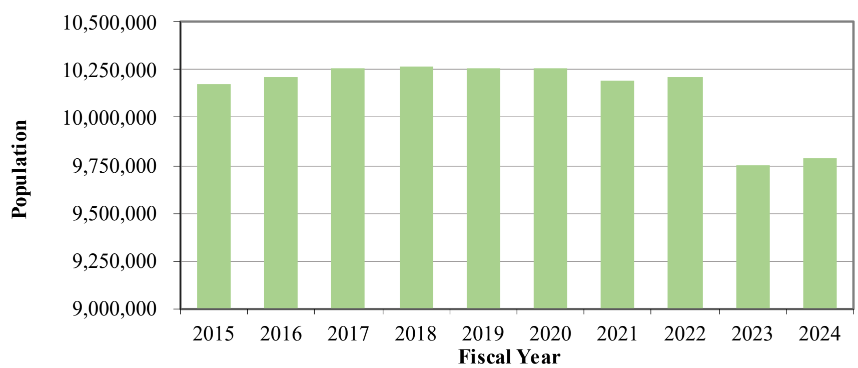
Fiscal Year	Net Revenues*	Water Purchase Payment	Revenue for Rate Covenant	Debt Service Total	Coverage Ratio
2015	$ 61,550,688	$ (46,540,119)	$ 15,010,569	$ 6,553,382	2.29
2016	50,320,057	(36,913,524)	13,406,533	4,231,240	3.17
2017	64,662,237	(47,688,400)	16,973,837	9,246,245	1.84
2018	62,118,929	(39,006,483)	23,112,446	9,247,700	2.50
2019	52,671,802	(34,012,412)	18,659,390	9,639,683	1.94
2020	55,233,875	(37,811,817)	17,422,058	13,818,064	1.26
2021	57,840,515	(34,137,805)	23,702,710	16,726,543	1.42
2022	66,519,466	(36,326,228)	30,193,238	16,593,725	1.82
2023	55,972,351	- (36,338,633)	19,633,718	16,572,704	1.18
2024	60,965,441	(37,690,729)	23,274,712	16,562,189	1.41

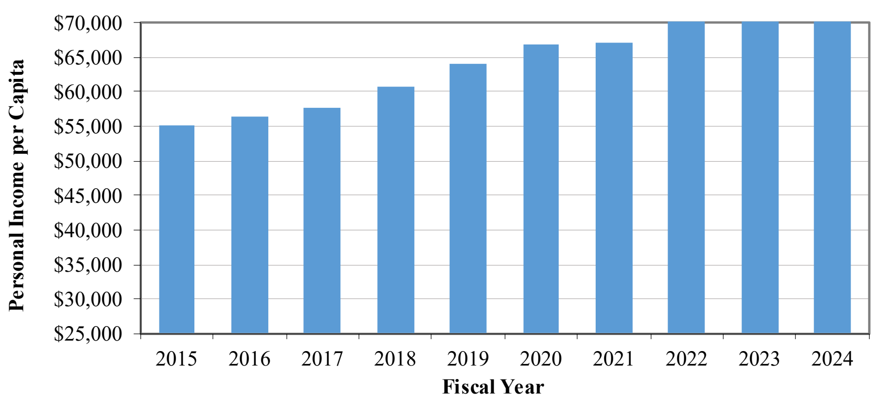
Notes:

* Net revenue is total operating revenues minus operation & maintenance expenses, excluding water purchase payment and debt services payment

Source: Water Replenishment District Finance Department

Year	Unemployment Rate (1)	Total Population (2)	Personal Income (thousands of dollars) (2)	Personal Income per Capita (2)
2015	7.3%	10,176,031	$ 560,000,000	$ 55,031
2016	4.9%	10,211,351	577,000,000	56,506
2017	4.4%	10,255,733	591,000,000	57,626
2018	4.4%	10,269,935	624,000,000	60,760
2019	4.6%	10,260,237	657,000,000	64,034
2020	18.1%	10,257,557	687,000,000	66,975
2021	9.4%	10,198,389	685,000,000	67,167
2022	4.6%	10,208,717	728,000,000	71,312
2023	4.9%	9,750,065	836,000,000	85,743
2024	5.5%	9,784,023	826,000,000	84,423





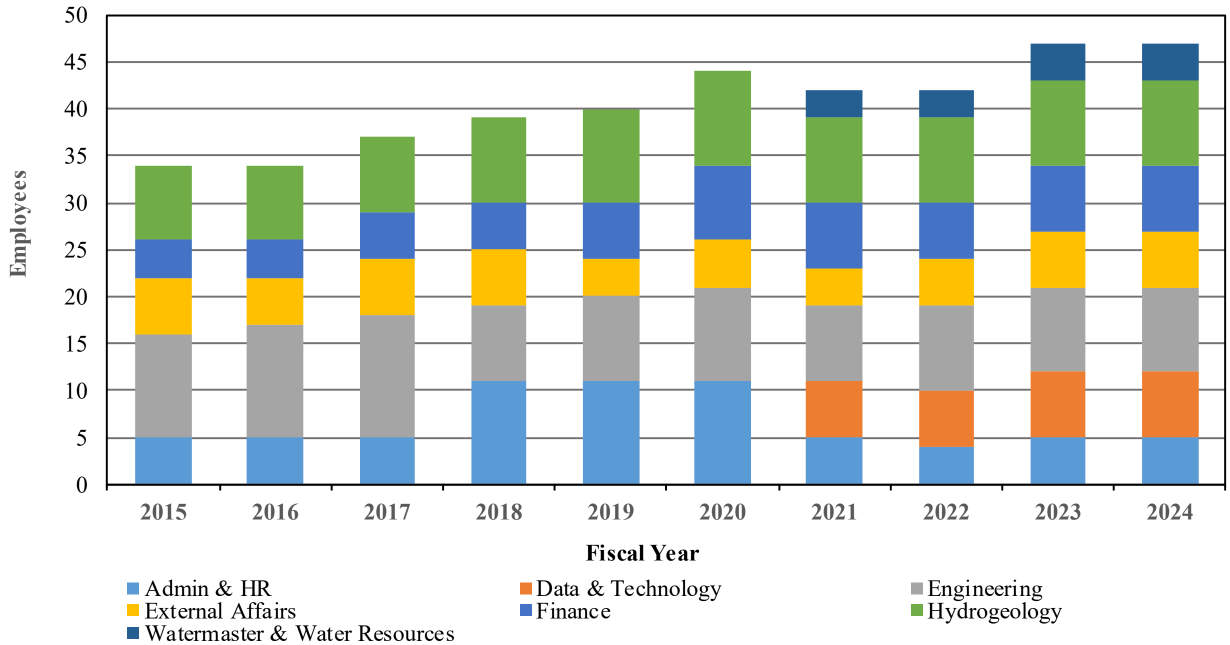
Notes:
(1) Only County data is updated annually. Therefore, the District has chosen to use its data since the County data is representative of the conditions of the District.
Sources: California Department of Finance and CaliforniaLaborMarketInfo, U.S. Bureau of Labor Statistics

(2) Per capita personal income was computed using Census Bureau mid-year population estimates and Real Per Capita Income estimates from CalGov's Los Angeles County Economic Forecast. All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Sources: Regional Economic Information System, Bureau of Economic Analysis,
CalGov.com/Los Angeles County Economic Forecast

Source: Water Replenishment District Finance Department

Department	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Admin & HR	5	5	5	11	11	11	5	4	5	5
Data & Technology	0	0	0	0	0	0	6	6	7	7
Engineering	11	12	13	8	9	10	8	9	9	9
External Affairs	6	5	6	6	4	5	4	5	6	6
Finance	4	4	5	5	6	8	7	6	7	7
Hydrogeology	8	8	8	9	10	10	9	9	9	9
Watermaster & Water Resources	0	0	0	0	0	0	3	3	4	4
Total	**34**	**34**	**37**	**39**	**40**	**44**	**42**	**42**	**47**	**47**



Other Operating and Capacity Indicators

Fiscal Year	Number of Groundwater Pumps	Acre Feet Injected
2015	353	28,881
2016	357	25,667
2017	360	25,906
2018	380	26,953
2019	383	23,057
2020	354	27,285
2021	363	26,070
2022	326	23,712
2023	326	23,403
2024	331	25,123

Note:
Number of Wells
In previous years, the count of the number of production wells was based on wells labeled as "Active" in the wells database, regardless of whether they had production in the current Fiscal Year.
In order to provide a more accurate summary of active wells, we performed a review of the historical pumping table and identified all wells that had production greater than zero during each fiscal year.
A summary of this count is provided above.

Sources: Water Replenishment District Engineering and Finance Departments

Industry	2024 Number of Employees	2024 Rank	2024 % of Total	2015 Number of Employees	2015 Rank	2015 % of Total
Educational & Health Services	947,400	1	18.71%	743,400	1	14.95%
Professional & Business Services	823,100	2	16.26%	821,000	2	16.51%
Retail Trade, Transportation & Utilities	639,500	3	12.63%	595,300	3	11.97%
Government	600,600	4	11.86%	568,500	4	11.43%
Leisure & Hospitality	550,200	5	10.87%	486,700	5	9.79%
Manufacturing	315,900	6	6.24%	369,500	6	7.43%
Financial Activities	211,200	7	4.17%	215,800	7	4.34%
Information	185,500	8	3.66%	207,400	8	4.17%
Construction	161,700	9	3.19%	151,100	9	3.04%
Other Services	152,000	10	3.00%	126,100	10	2.54%
Ten Largest Industries	**4,587,100**		**90.60%**	**4,284,800**		**86.15%**
Other Industries	475,700		9.40%	689,000		13.85%
Total Industries	5,062,800		100.00%	4,973,800		100.00%

Note: The District is presenting employment by industry as we have been unable to obtain employment numbers by individual employers.

Source: California Employment Development Department

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