

# Yuima Municipal Water District

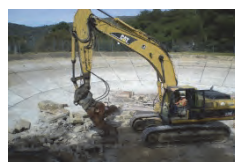
Pauma Valley, California



## Annual Comprehensive Financial Report

for the fiscal year ending June 30, 2025

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2025



Prepared By:

Yuima Municipal Water District's Finance Department  
Amy Reeh, General Manager  
Lynette Brewer, Finance and Administrative Services Manager

34928 Valley Center Road – PO Box 177 – Pauma Valley, CA 92061  
[www.yuimamwd.com](http://www.yuimamwd.com)

## OUR MISSION AND VISION

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Roland  
Simpson  
*President*

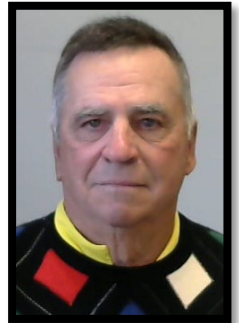


Stephen H.  
Wehr  
*Vice-President*



Don  
Broomell  
*Secretary/ Treasurer*

Vacant  
*Director*



Bruce  
Knox  
*Director*

Yuima Municipal Water District is committed to providing a diversified, sustainable water supply for water service to our Pauma Valley customers that exceeds all standards of quality and reliability at fair, reasonable, and equitable rates.

We hope to be known and respected in our community as good stewards of the public resources and responsibilities entrusted to us.

The Dedicated Staff of Yuima Municipal Water District

Lynette Brewer  
Carson Drown  
Breona Lovato  
Amy Reeh  
Noel Ruiz  
Chris Tapia  
Rosbelth Valenzuela



**YUIMA MUNICIPAL WATER DISTRICT**  
*For the Fiscal Year Ended June 30, 2025*  
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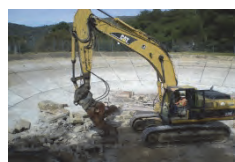
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# Introductory Section



## Annual Comprehensive Financial Report

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Board of Directors  
Roland Simpson - President  
Steve Wehr - Vice-President  
Don Broomell - Secretary/ Treasurer  
Laurie Kariya - Director  
Bruce Knox - Director

December 22, 2025

To the Ratepayers and Honorable Board of Directors of  
Yuima Municipal Water District  
34928 Valley Center Road  
Pauma Valley, CA 92061-0177

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the Yuima Municipal Water District (hereinafter referred to as “the District”) for the fiscal year ended June 30, 2025. The purpose of the report is to provide the Board of Directors, our customers, creditors, investors, and other interested parties with transparent financial information about the District.

The ACFR was prepared by the District’s Finance Department following the guidelines set forth by the Government Accounting Standards Board (GASB) and in accordance with Generally Accepted Accounting Principles (GAAP). Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner that provides a fair representation of the financial position and results of operation of the District and includes all disclosures necessary to enable readers to gain the maximum understanding of the District’s financial activity.

The District’s policy requires that an independent certified public accounting firm, selected by the Board, audit the basic financial statements on an annual basis. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2025, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statements presentation. The independent auditor, Nigro & Nigro, PC. have issued an unmodified (“clean”) opinion on the District’s financial statements for the fiscal year ended June 30, 2025. The independent auditor’s report is presented as the first component of the financial section of this report.

Management’s Discussion & Analysis (MD&A) immediately follows the independent auditor’s report in the Financial Section and provides an overview, summary, and analysis of the basic financial statements.

**YUIMA MUNICIPAL WATER DISTRICT**  
P.O. Box 177 • 34928 Valley Center Road • Pauma Valley, CA 92061  
(760) 742-3704 • (760) 742-2069 • [www.yuimamwd.com](http://www.yuimamwd.com) • e-mail: [yuima@yuimamwd.com](mailto:yuima@yuimamwd.com)

## **WATER DISTRICT PROFILE**

The District was incorporated on January 19, 1963, as a California special district by the State Legislature, with an entitlement to import water under the provisions of the *California Municipal Water District Act of 1911, section 71000 et.seq.* of the *California Water Code* as amended. The District was formed to import Colorado River water to augment local water supplies.

The District is governed by a five-member Board of Directors, elected by geographical location. Prior to the District's formation, the sole source of water was local ground water on the alluvial fan and the San Luis Rey River basin. Following a period of drought extending back to 1949, coupled with increased agricultural water demands, the water table fell drastically, and overdrafts of the underlying water basin lowered the basin's level as much as 85 feet, forcing the abandonment of some wells and giving rise to increased pumping costs. This condition also prompted the filing of the *Strub vs. Palomar Mutual Water Company* suit to which the District is successor in interest, and which limits the withdrawal of water for use within the boundaries of Improvement District "A" (IDA) from the San Luis Rey River upstream of Cole Grade Road to no more than 1,350-acre feet annually. Yuima, as successor in interest to Palomar Mutual, continues to operate the former Palomar Mutual system and properties (now known as Improvement District A) as an independent water system. Yuima is responsible for administering IDA's compliance with *Strub et al.*



The District's ordinances, policies, taxes, and rates for service are set by the five-member Board of Directors, who are elected by voters in their respective geographic divisions, to serve staggered four-year terms on its Governing Board. The Board of Directors (Board) governs the District. The Board manages the District through an appointed General Manager. The District's management team also includes the Finance & Administrative Services Manager and the Operations Manager. The District currently employs eight (8) full-time employees.

The financial data presented herein includes information for activities and entities that are significantly controlled by the District and for which the Board is primarily financially accountable.

## THE REPORTING ENTITY AND ITS SERVICES

The District is a "revenue neutral" public agency, meaning that rates are set based on projections so that each end-user pays his or her fair share of the District's costs of water acquisition, operation and maintenance, betterment, renewal, and replacement of the public water facilities. The District is an "Enterprise" district, in that operations are financed and operated in a manner similar to private business enterprises – where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges; or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Since the District is in the business of selling water and rendering services to an end user, it is required by the State of California to follow the enterprise type of fund accounting. All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all

assets and all liabilities (whether current, non-current, or restricted) associated with the activity are included in the balance sheet.

The District has established and maintains various self-balancing groups of accounts to enhance internal control and to further the attainment of other management objectives. These groups of accounts, which are funds and sub-funds of the reporting entity, are identified in the District's books and records as:

- ✓ General Fund
- ✓ Improvement District A Fund

The General Fund accounts for all activity related to water operations as well as the general operations of the District's water operations. Improvement District A Fund accounts for water operations, capital assets, and construction-in-progress transactions related exclusively to that geographically defined area.

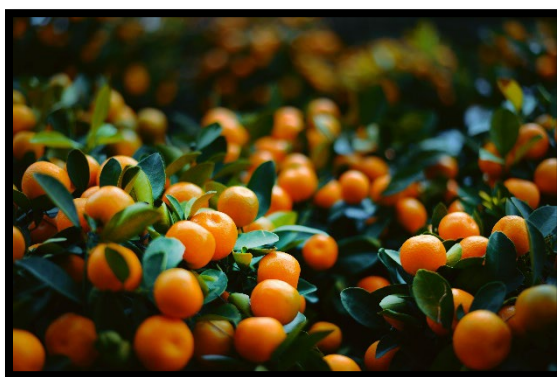
## CURRENT ECONOMIC CONDITIONS AND OUTLOOK

San Diego County had a 4.9% unemployment rate in June 2025 reflecting a slight increase from 4.5% in June of 2024. Although it is a minimal increase, the overall long term trend for the region remains below the long-term averages of 3.5 – 5.2%. San Diego County's median home price realized a small increase of 1.9% in June 2025 to \$1,075,000 from June of 2024. Those purchasing homes today can expect to pay on average an interest rate on a 30-year Fixed Rate Mortgage of 6.73%, which is slightly lower than 6.92% in June of last year.



Ten of the state's industry sectors gained jobs in June 2024. The hospitality sector continues to do well with growth in new jobs and people reentering the job market as wages increase and childcare normalizes. Education, nonfarm, health services, and leisure and hospitality sectors saw the largest employment increases with Agricultural employment adding 1000 jobs.

Over the last 60 years, the District has grown to be a strong agricultural community. Today the District serves a population of 2660 through 350 service connections provided within approximately 21 square miles of northern San Diego County. The District operates 44.1 miles of watermain, 23 productive wells, 10 potable water tanks, and 2 Ag only reservoirs. It appears unlikely that population growth will be a significant factor within the next five years. While there are no major developments planned, the District is currently in the processing of annexing 57 residential homes into its service area. These homes are currently being served by a local mutual water company. While this annexation is expected to be completed within the next year,



construction of new facilities to serve the homes will take several years to complete. This annexation is comprised of the existing population needing a more dependable source of water. Source. Because these are domestic meters the District estimates only a 16- acre foot per year increase in water sales. It is estimated that population growth will not exceed 0.5% per year over the next five years. Considering that only about 2% of total District demand is residential, the increase in population growth is expected to be negligible with respect to overall water demand during the next few years. What is expected to changed over the next five years is the demand in agricultural water.

In fiscal year 2024-25 the District purchased approximately 61% of its water from the San Diego County Water Authority (SDCWA or the “Authority”), at a cost of \$5.9 million. The Authority imports most of its water from the Metropolitan Water District of Southern California (MET). For the fiscal year ended June 30, 2025, the District billed 349 customers for 6,837-acre feet of water, representing a 24% increase in sales from the prior year of 1,337-acre feet. This significant increase is largely due to a notable reduction in rainfall.

Water sales for the past ten years have ranged from 5,212 to 8,819-acre feet. Because a large portion of our sales are agricultural in nature, sales are greatly affected by weather conditions, making sales projections difficult. The Pauma Valley area received 8.79 inches of rainfall in fiscal year 2024-25, which was a 47.8% decrease from the previous year. District records show the 10-year rainfall average to be 14.66 inches. The 2024-25 rainfall is also significantly lower than the 10-year average for the area. Yuima realized a 24% increase in the amount of water sold from the prior fiscal year again due to the large amount of rain.

As the chart to the right depicts, our agricultural customers purchased 97% of the District's total water sales in fiscal year 2024-25, while wholesale and domestic sales make up the remaining 3 %. As water is one of the largest production costs for farmers in San Diego County, rapidly increasing wholesale water rates have the potential to severely affect the profitability of agriculture and the continued viability of our customers’ agricultural businesses. The significant price increases for imported water along with fluctuating water sales have made it difficult to project long-term sales demand forecasts.



## **LONG-TERM FINANCIAL PLANNING**

Fiscal Year 2024-25 continued with the focus mainly on operation continuity while navigating additionally reporting requirements, well and infrastructure maintenance, staff transitions and continued implementation of the Groundwater Sustainability Plan. The District continues to research possible well lease for more local water production opportunities as well as grant opportunities for infrastructure replacements.



Dependence on imported water supplies increased due to an increase in demands during the fiscal year. Water sales for Fiscal Year 2024-25 increased by 1,337-acre feet due to a less rainfall during the year. The District was able to increase their local supply by 441.4-acre feet or 19.4% which helps reduce the dependance on imported water. However, the District must remain cognizant of weather conditions and the future implications of the Sustainable Ground Water Management Act. The District must continue to be cognizant of local supply when planning facility improvements in the future and will help in keeping rates stabilized in the future. The San Diego County Water Authority is in the final stages construction of an emergency flow control facility to provide an alternative source of water for Yuima for use during a North County emergency storage event or in the unlikely event of a loss of local supply.

The greatest concern over the next 5 years is the rising cost of imported water and the associated fixed costs. Due to a rate restructure at the San Diego County Water Authority, Yuima has realized an exorbitant increase in these fixed costs; roughly 89% over two fiscal years. These fixed costs are passed on directly to the customers through a fixed cost pass through charge and is detrimental to the larger agricultural customers.

## **FINANCIAL INFORMATION AND INTERNAL CONTROLS**

District management is responsible for establishing and maintaining a system of internal controls designed to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the presentation of its Financial Statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable assurance that these objectives are met as effectively as possible. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal controls should not exceed benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

Management believes that activities presented within this report comply with financial, legal, and contractual obligations, as prudent fiduciary responsibility requires. In addition, we believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. During the year, additional internal control improvements to the accounting software have been made, and we continue to identify ways in which we can strengthen our procedures.

## **ACCOUNTING SYSTEM**

The Finance department is responsible for providing financial and administrative services for the District, including financial accounting and reporting, payroll and accounts payable disbursement functions, cash, investments and debt management, budgeting, grant administration, purchasing, data processing, customer billing, processing of customer payment, customer service, internal auditing, administrative services, human resources, and special financial analyses. The District reports its activities as an enterprise fund, which is used to account for operations like business enterprises, where the provision of services is financed or recovered primarily through user charges.

## BUDGETING CONTROLS

The District views the budget as an essential tool for proper financial management. The District adopts a budget annually to outline major elements of the forthcoming year's operating and capital plans and to allocate funding required for those purposes. It is designed and presented for the general needs of the District, its staff, and its customers. It is a comprehensive and, for the most part, a balanced financial plan that features District services, resources and their allocation, financial policies, and other useful information to allow users to gain a general understanding of the District's financial status and future. The District's operating and capital budgets are approved by the Board of Directors. Board approval is required for any increase in appropriations. Actual expenditures are then compared to these appropriations each month and are distributed to all department heads monthly and to the Board quarterly. Annual operating water user rates and charges are derived from the annual operating budget and are based on historical seasonal demand, and other internal and external factors impacting the budget. The District maintains two sets of user rates and charges to account for the differing entitlement of the respective geographic areas to local water. One set is for the General District and the other for Improvement District A. Higher pumping charges apply in higher elevations throughout the District.

## CASH MANAGEMENT

The District is regulated by State law (primarily California Government Code Section 53600 et seq.) as to the types of securities in which it can invest its cash assets. In addition, the Board of Directors annually adopts an investment policy that is generally more restrictive than the State codes. The District's investment policy governs the cash management and investment of all District funds. The standard practice of the District is to maintain an appropriate balance between safety, liquidity, and yield of its investments while meeting required expenditures, and conforming to all applicable

State laws, the District's investment policy, and prudent cash management principles.

For the fiscal year 2024-25, the District's fixed income investment portfolio consisted primarily of short-term securities with an average maturity of 365 days or 12 months. These securities included the State-managed Local Agency Investment Fund (LAIF), California Cooperative Liquid Assets Securities System (CLASS) and various Certificates of Deposit (CD's).

On June 30, 2025, the District's cash assets totaled \$5.01 million dollars. The diversification of the portfolio is shown in the chart to the above. These cash balances are allocated to various restricted funds.



## **RISK MANAGEMENT**

In 1996, the District became a member of the Joint Powers Insurance Authority (JPIA), a pooled insurance program developed by the Association of California Water Agencies that provides the District's coverage for general liability insurance, property insurance, employee bonds, and other blanket coverage. In 2003 the District added the worker's compensation coverage under JPIA. During fiscal year 2024-25, the District continued its proactive liability risk management role through careful monitoring of losses and designing and implementing programs to minimize risks. In addition, management analyzes workers' compensation issues by monitoring work conditions, and organizing and implementing safety training programs to reduce employee exposure to hazards. The District proudly maintains an excellent low loss history in all JPIA programs.

## **PENSION AND DEFERRED COMPENSATION PLANS**

The District provides two complementary retirement plan programs for employees. The first is a defined benefit pension plan through the California Public Employees' Retirement System (CalPERS). Upon retirement, District employees are entitled to a specified retirement benefit. The plan is more fully described in Note 6 of the Financial Statements.

In addition, the District has adopted a Deferred Compensation Plan in accordance with Section 457(b) of the Internal Revenue Code. All contributions to the Deferred Compensation Plan are employee contributions. The employees are not liable for income taxes on amounts deferred until the funds are withdrawn. The deferred compensation plan was amended May 26, 2009, in accordance with changes in the Internal Revenue code. In accordance with these and previous Internal Revenue code revisions, all assets in the Plans are held in trust for the exclusive benefit of the participants and their beneficiaries and therefore are not recognized in the accompanying financial statements. As of June 30, 2025, two current employees were participating in the 457(b) Plan.

## **AWARDS**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Yuima Municipal Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This is the fifteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easy to read 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 respectfully submitting it to the GFOA to determine its eligibility for another certificate.

## **CONTACTING THE DISTRICT'S FINANCE DEPARTMENT**

This financial report is designed to provide the Board, customers, creditors, and investors with a general overview of the District's financial condition. Should you have any questions regarding the content of this report, please contact Amy Reeh, General Manager, at (760) 742-3704 or [amy@yuimamwd.com](mailto:amy@yuimamwd.com).

## ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the contribution of the Finance Department and our independent auditor, Nigro & Nigro, PC. We would also like to particularly thank the Board of Directors for their continued dedication to supporting the highest level of prudent fiscal management.

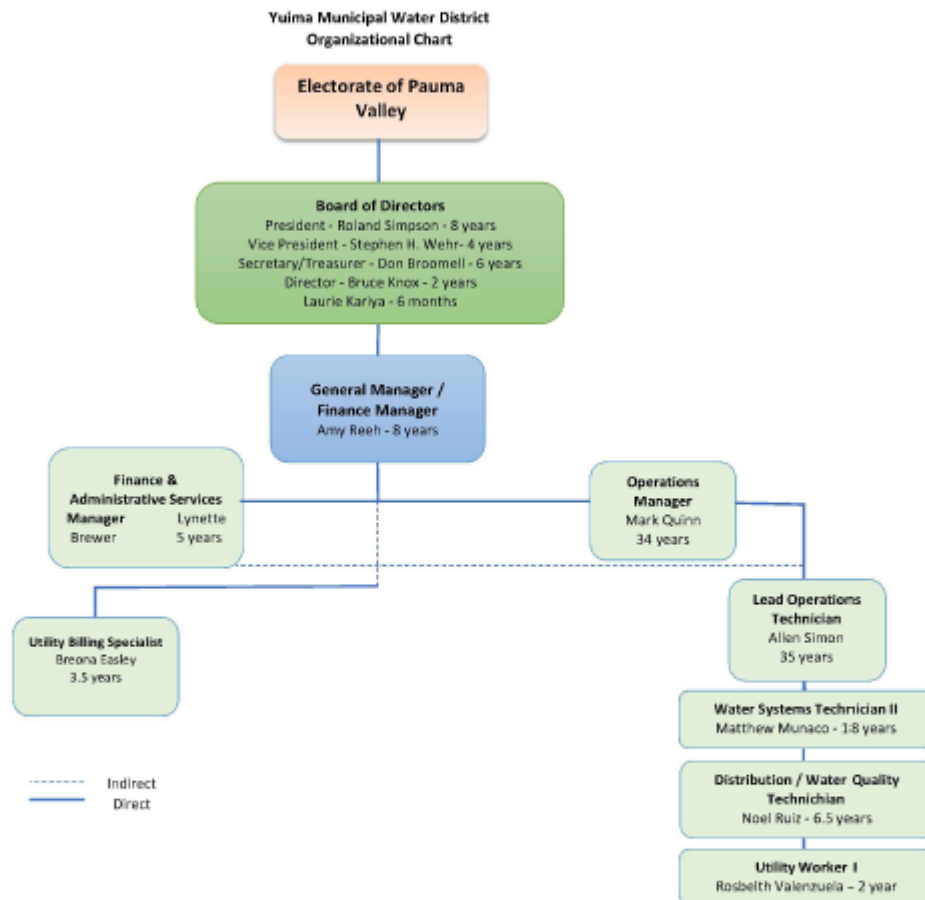
Respectfully Submitted:

A handwritten signature in blue ink that reads "Amy Reeh". The signature is fluid and cursive, with the first name "Amy" and last name "Reeh" clearly distinguishable.

Amy Reeh  
General Manager



# Yuima Municipal Water District Annual Comprehensive Financial Report



# Yuima Municipal Water District

## Annual Comprehensive Financial Report

### PRINCIPAL OFFICIALS

Fiscal Year Ended June 30, 2025

#### **BOARD OF DIRECTORS**

Roland Simpson, President  
Stephen H. Wehr, Vice President  
Don Broomell, Director  
Vacant, Director  
Bruce Knox, Director

#### **GENERAL MANAGER**

Amy Reeh

#### **GENERAL COUNSEL**

Rutan & Tucker, LLP

#### **INDEPENDENT AUDITOR**

TEAMAN, RAMIREZ & SMITH, INC.



## Yuima Municipal Water District

34928 Valley Center Road  
Pauma Valley, CA 92061

760.742.3704 phone  
760.742.2069 fax

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

**Yuima Municipal Water District  
Annual Comprehensive Financial Report**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Yuima Municipal Water District  
California**

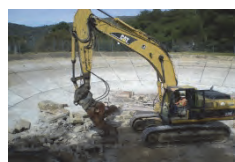
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

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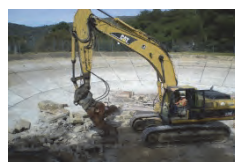


# Financial Section



## Annual Comprehensive Financial Report

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Yuima Municipal Water District  
Yuima, California

### Opinion

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

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

### Basis for Opinion

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

### Change in Accounting Principal

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

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Contributions to the Defined Benefit Pension Plan, and Schedule of Changes in the District's Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory, other information and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## **Prior-Year Comparative Information**

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

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

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 22, 2025, 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.



Murrieta, California  
December 22, 2025

## **YUIMA MUNICIPAL WATER DISTRICT**

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)*

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

### **FINANCIAL HIGHLIGHTS**

- In fiscal year 2025, the District's net position increased 4.07%, or \$639,349 from the prior year's net position of \$15,722,051 to \$16,361,400, as a result of the year's operations.
- In fiscal year 2025, operating revenues increased by 44.72%, or \$6,097,819 from \$13,635,609 to \$19,733,428 from the prior year, primarily due to a \$5,990,282 increase in water sales as a result of a significant increase in water rates and associated service fees and a small increase in water sales due to below average rainfall.
- In fiscal year 2025, operating expenses before depreciation expense increased by 30.63% or \$4,570,361 from \$14,920,598 to \$19,490,959, from the prior year, primarily due to increases in source of supply – water purchases and pumping expenses.

### **REQUIRED FINANCIAL STATEMENTS**

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

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

## YUIMA MUNICIPAL WATER DISTRICT

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)*

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#### FINANCIAL ANALYSIS OF THE DISTRICT

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

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

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

#### Condensed Balance Sheets

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 5,893,622	\$ 4,086,796	\$ 1,806,826
Non-current assets	4,536,279	5,233,172	(696,893)
Capital assets, net	<u>16,688,511</u>	<u>17,302,108</u>	<u>(613,597)</u>
<b>Total assets</b>	<u>27,118,412</u>	<u>26,622,076</u>	<u>496,336</u>
<b>Deferred outflows of resources</b>	<u>999,293</u>	<u>1,468,065</u>	<u>(468,772)</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 28,117,705</u>	<u>\$ 28,090,141</u>	<u>\$ 27,564</u>
<b>Liabilities:</b>			
Current liabilities	\$ 2,157,943	\$ 2,187,798	\$ (29,855)
Non-current liabilities	<u>6,908,362</u>	<u>7,295,155</u>	<u>(386,793)</u>
<b>Total liabilities</b>	<u>9,066,305</u>	<u>9,482,953</u>	<u>(416,648)</u>
<b>Deferred inflows of resources</b>	<u>2,690,000</u>	<u>2,885,137</u>	<u>(195,137)</u>
<b>Net position:</b>			
Net investment in capital assets	12,203,047	12,550,978	(347,931)
Restricted for OPEB expenses	708,507	681,692	26,815
Unrestricted	<u>3,449,846</u>	<u>2,489,381</u>	<u>960,465</u>
<b>Total net position</b>	<u>16,361,400</u>	<u>15,722,051</u>	<u>639,349</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 28,117,705</u>	<u>\$ 28,090,141</u>	<u>\$ 27,564</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$16,361,400 as of June 30, 2025.

## YUIMA MUNICIPAL WATER DISTRICT

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)*

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#### FINANCIAL ANALYSIS OF THE DISTRICT (continued)

##### Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (75% as of June 30, 2025) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2025, the District showed a positive balance in its unrestricted net position of \$3,449,846 which may be utilized in future years.

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Operating revenues	\$ 19,733,428	\$ 13,635,609	\$ 6,097,819
Operating expenses	<u>(19,490,959)</u>	<u>(14,920,598)</u>	<u>(4,570,361)</u>
<b>Operating income before depreciation</b>	242,469	(1,284,989)	1,527,458
Depreciation expense	<u>(686,585)</u>	<u>(714,594)</u>	<u>28,009</u>
<b>Operating income</b>	(444,116)	(1,999,583)	1,555,467
Non-operating revenues(expenses), net	1,048,174	923,702	124,472
Capital Contributions	<u>35,291</u>	<u>15,874</u>	<u>19,417</u>
<b>Change in net position</b>	639,349	(1,060,007)	1,699,356
Net position:			
<b>Beginning of year</b>	<u>15,722,051</u>	<u>16,782,058</u>	<u>(1,060,007)</u>
<b>End of year</b>	<u><u>\$ 16,361,400</u></u>	<u><u>\$ 15,722,051</u></u>	<u><u>\$ 639,349</u></u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased 4.07%, or \$639,349 from the prior year's net position of \$15,722,051 to \$16,361,400, as a result of the year's operations.

**YUIMA MUNICIPAL WATER DISTRICT***Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)*

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**FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Revenues**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
<b>Operating revenues:</b>			
Water sales	\$ 18,734,604	\$ 12,744,322	\$ 5,990,282
Other operating revenues	998,824	891,287	107,537
<b>Total operating revenues</b>	<u>19,733,428</u>	<u>13,635,609</u>	<u>6,097,819</u>
<b>Non-operating revenues:</b>			
Property taxes and assessments	595,386	577,342	18,044
Investment earnings	238,665	242,803	(4,138)
Availability charges	91,839	93,030	(1,191)
Other non-operating revenues	21,281	12,343	8,938
Lease revenue	171,458	170,499	959
Change in investment in USLRGMA	57,161	(3)	57,164
<b>Total non-operating revenues</b>	<u>1,175,790</u>	<u>1,096,014</u>	<u>79,776</u>
<b>Total revenues</b>	<u>\$ 20,909,218</u>	<u>\$ 14,731,623</u>	<u>\$ 6,177,595</u>

In fiscal year 2025, operating revenues increased by 44.72%, or \$6,097,819 from \$13,635,609 to \$19,733,428 from the prior year, primarily due to a \$5,990,282 increase in water sales as a result of a significant increase in water rates and associated service fees and a small increase in water sales due to below average rainfall. Non-operating revenues increased by 7.28%, or \$79,776 from \$1,096,014 to \$1,175,790 primarily due to increases in property taxes and assessments and change in investment in USLRGMA.



**YUIMA MUNICIPAL WATER DISTRICT***Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
<b>Operating expenses:</b>			
Source of supply – water purchases	\$ 14,013,436	\$ 9,723,667	\$ 4,289,769
Pumping	3,123,788	2,834,166	289,622
Water treatment	183,670	189,005	(5,335)
Transmission and distribution	362,708	267,141	95,567
Customer services	122,957	118,443	4,514
General plant	153,591	125,799	27,792
General and administrative	1,472,020	1,612,351	(140,331)
Other expenses	58,789	50,026	8,763
<b>Total operating expenses</b>	<u>19,490,959</u>	<u>14,920,598</u>	<u>4,570,361</u>
Depreciation expense	<u>686,585</u>	<u>714,594</u>	<u>(28,009)</u>
<b>Non-operating expenses:</b>			
Interest expense	126,334	133,125	(6,791)
Other non-operating expenses	<u>1,282</u>	<u>39,187</u>	<u>(37,905)</u>
<b>Total non-operating expenses</b>	<u>127,616</u>	<u>172,312</u>	<u>(44,696)</u>
<b>Total expenses</b>	<u>\$ 20,305,160</u>	<u>\$ 15,807,504</u>	<u>\$ 4,497,656</u>

In fiscal year 2025, operating expenses before depreciation expense increased by 30.63% or \$4,570,361 from \$14,920,598 to \$19,490,959, from the prior year, primarily due to increases in source of supply – water purchases and pumping expenses. Also, non-operating expenses decreased by 25.94%, or \$44,696 from \$172,312 to \$127,616, primarily due to a decrease in other non-operating expenses.

**Capital Assets**

	<u>Balance June 30, 2025</u>	<u>Balance June 30, 2024</u>
<b>Capital assets:</b>		
Non-depreciable assets	\$ 1,368,166	\$ 1,351,730
Depreciable assets	30,500,832	30,444,280
Accumulated depreciation	<u>(15,180,487)</u>	<u>(14,493,902)</u>
<b>Total capital assets, net</b>	<u>\$ 16,688,511</u>	<u>\$ 17,302,108</u>

At the end of year 2025, the District's investment in capital assets amounted to \$16,688,511 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$72,988 for various projects and equipment. See Note 5 for further information.

**YUIMA MUNICIPAL WATER DISTRICT**  
*Management’s Discussion and Analysis (Unaudited)*  
*For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)*

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**FINANCIAL ANALYSIS OF THE DISTRICT (continued)**

**Debt Administration**

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

	<b>Balance</b>	<b>Balance</b>
<b>Long-term debt:</b>	<b><u>June 30, 2025</u></b>	<b><u>June 30, 2024</u></b>
Loans and bonds payable	<u>\$ 4,485,464</u>	<u>\$ 4,751,130</u>

Long-term debt decreased by a total of \$265,666 for the year ended June 30, 2025. Principal payments were \$265,666. See Note 7 for further information.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION**

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

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District’s funding sources, customers, stakeholders and other interested parties with an overview of the District’s financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District’s General Manager of Yuima Municipal Water District, 34928 Valley Center Road, Pauma Valley, California, 92061 at (760) 742-3704.

# YUIMA MUNICIPAL WATER DISTRICT

## Balance Sheets

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

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2025</u>	<u>2024</u>
<b>Current assets:</b>		
Cash and cash equivalents (Note 2)	\$ 2,881,584	\$ 1,683,949
Investments (Note 2)	932,438	638,960
Accrued interest receivable	5,213	9,592
Accounts receivable	1,344,331	1,202,240
Grants receivable	189,622	33,303
Lease receivable (Note 3)	111,319	106,543
Property taxes and assessments receivable	9,426	5,636
Inventory – materials and supplies	384,228	375,170
Prepaid expenses and other deposits	35,461	31,403
<b>Total current assets</b>	<b>5,893,622</b>	<b>4,086,796</b>
<b>Non-current assets:</b>		
Net OPEB asset (Note 8)	708,507	681,692
Investments (Note 2)	1,202,748	1,872,299
Lease receivable (Note 3)	2,567,866	2,679,184
Investment in Upper San Luis Rey Groundwater Management Authority (Note 4)	57,158	(3)
Capital assets – not being depreciated (Note 5)	1,368,166	1,351,730
Capital assets – being depreciated, net (Note 5)	15,320,345	15,950,378
<b>Total non-current assets</b>	<b>21,224,790</b>	<b>22,535,280</b>
<b>Total assets</b>	<b>27,118,412</b>	<b>26,622,076</b>
<b>Deferred outflows of resources:</b>		
Deferred amounts related to net OPEB obligation (Note 8)	103,293	185,139
Deferred amounts related to net pension liability (Note 9)	896,000	1,282,926
<b>Total deferred outflows of resources</b>	<b>999,293</b>	<b>1,468,065</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 28,117,705</b>	<b>\$ 28,090,141</b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,685,126	\$ 1,723,743
Deposits and unearned revenues	83,939	101,300
Accrued interest payable	57,378	60,063
Long-term liabilities – due within one year:		
Compensated absences (Note 6)	49,199	37,026
Notes payable (Note 7)	282,301	265,666
<b>Total current liabilities</b>	<b>2,157,943</b>	<b>2,187,798</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 6)	49,198	111,080
Notes payable (Note 7)	4,203,163	4,485,464
Net pension liability (Note 9)	2,656,001	2,698,611
<b>Total non-current liabilities</b>	<b>6,908,362</b>	<b>7,295,155</b>
<b>Total liabilities</b>	<b>9,066,305</b>	<b>9,482,953</b>
<b>Deferred inflows of resources:</b>		
Deferred amounts related to leases (Note 3)	2,492,768	2,638,586
Deferred amounts related to net pension liability (Note 9)	197,232	246,551
<b>Total deferred inflows of resources</b>	<b>2,690,000</b>	<b>2,885,137</b>
<b>Net position:</b>		
Net investment in capital assets (Note 10)	12,203,047	12,550,978
Restricted for OPEB expenses	708,507	681,692
Unrestricted	3,449,846	2,489,381
<b>Total net position</b>	<b>16,361,400</b>	<b>15,722,051</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 28,117,705</b>	<b>\$ 28,090,141</b>

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

	<u>2025</u>	<u>2024</u>
<b>Operating revenues:</b>		
Water sales and pumping charges	\$ 18,734,604	\$ 12,744,322
Other operating revenues	998,824	891,287
<b>Total operating revenues</b>	<u>19,733,428</u>	<u>13,635,609</u>
<b>Operating expenses:</b>		
Source of supply – water purchases	14,013,436	9,723,667
Pumping	3,123,788	2,834,166
Water treatment	183,670	189,005
Transmission and distribution	362,708	267,141
Customer services	122,957	118,443
General plant	153,591	125,799
General and administrative	1,472,020	1,612,351
Other expenses	58,789	50,026
<b>Total operating expenses</b>	<u>19,490,959</u>	<u>14,920,598</u>
<b>Operating loss before depreciation</b>	242,469	(1,284,989)
Depreciation expense	<u>(686,585)</u>	<u>(714,594)</u>
<b>Operating loss</b>	<u>(444,116)</u>	<u>(1,999,583)</u>
<b>Non-operating revenues(expenses):</b>		
Property taxes and assessments	595,386	577,342
Investment earnings	238,665	242,803
Availability charges	91,839	93,030
Other non-operating revenues	21,281	12,343
Interest expense	(126,334)	(133,125)
Lease revenue	171,458	170,499
Change in investment in USLRGMA (Note 4)	57,161	(3)
Other non-operating expenses	<u>(1,282)</u>	<u>(39,187)</u>
<b>Total non-operating revenues(expenses), net</b>	<u>1,048,174</u>	<u>923,702</u>
<b>Net loss before capital contributions</b>	<u>604,058</u>	<u>(1,075,881)</u>
<b>Capital contributions</b>		
Capacity charges	<u>35,291</u>	<u>15,874</u>
<b>Total capital contributions</b>	<u>35,291</u>	<u>15,874</u>
<b>Change in net position</b>	639,349	(1,060,007)
<b>Net position:</b>		
Beginning of year	<u>15,722,051</u>	<u>16,782,058</u>
End of year	<u>\$ 16,361,400</u>	<u>\$ 15,722,051</u>

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

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers and others	\$ 19,595,257	\$ 13,235,711
Cash receipts from others	121,681	447,771
Cash paid to employees for salaries and wages	(941,154)	(902,367)
Cash paid to vendors and suppliers for materials and services	<u>(18,448,319)</u>	<u>(13,568,237)</u>
<b>Net cash used in operating activities</b>	<u>327,465</u>	<u>(787,122)</u>
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from property taxes	<u>591,596</u>	<u>578,841</u>
<b>Net cash provided by non-capital financing activities</b>	<u>591,596</u>	<u>578,841</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(72,988)	(473,245)
Proceeds from local capital contributions	127,130	108,904
Principal paid on long-term debt	(265,666)	(269,087)
Interest paid on long-term debt	<u>(129,019)</u>	<u>(136,584)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(340,543)</u>	<u>(770,012)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(445,086)	(747,382)
Sale of investments	895,000	843,463
Investment earnings	<u>169,203</u>	<u>190,090</u>
<b>Net cash provided by (used in) investing activities</b>	<u>619,117</u>	<u>286,171</u>
<b>Net decrease in cash and cash equivalents</b>	1,197,635	(692,122)
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>1,683,949</u>	<u>2,376,071</u>
End of year	<u><u>\$ 2,881,584</u></u>	<u><u>\$ 1,683,949</u></u>
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>		
Cash and cash equivalents	<u>\$ 2,881,584</u>	<u>\$ 1,683,949</u>
<b>Total cash and cash equivalents</b>	<u><u>\$ 2,881,584</u></u>	<u><u>\$ 1,683,949</u></u>



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

	<u>2025</u>	<u>2024</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	<u>\$ (444,116)</u>	<u>\$ (1,999,583)</u>
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>		
Depreciation	686,585	714,594
Lease revenue	171,458	170,499
Other non-operating revenues	21,281	12,343
Other non-operating expenses	(1,282)	(39,187)
<b>Change in assets – (increase)decrease:</b>		
Accounts receivable, net	(142,091)	(437,518)
Lease receivable	106,542	100,376
Grants receivable	(156,319)	176,896
Inventory – materials and supplies	(9,058)	25,533
Prepaid expenses	(4,058)	(5,450)
Net OPEB asset	(26,815)	105,165
<b>Change in deferred outflows of resources – (increase)decrease</b>		
Deferred amounts related to net OPEB obligation	81,846	(11,595)
Deferred amounts related to net pension liability	386,926	158,700
<b>Change in liabilities – increase(decrease):</b>		
Accounts payable and accrued expenses	(38,617)	263,631
Deposits and unearned revenues	(17,361)	25,277
Compensated absences	(49,709)	(20,465)
Net pension liability	(42,610)	222,074
<b>Change in deferred inflows of resources – increase(decrease)</b>		
Deferred amounts related to leases	(145,818)	(145,818)
Deferred amounts related to net OPEB obligation	-	(22,385)
Deferred amounts related to net pension liability	<u>(49,319)</u>	<u>(80,209)</u>
<b>Total adjustments</b>	<u>771,581</u>	<u>1,212,461</u>
<b>Net cash used in operating activities</b>	<u><u>\$ 327,465</u></u>	<u><u>\$ (787,122)</u></u>
<b>Non-cash investing, capital and financing transactions:</b>	<u>2025</u>	<u>2024</u>
Change in fair-value of investments	<u><u>\$ 73,841</u></u>	<u><u>\$ 59,838</u></u>

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

##### A. Description of Organization

The Yuima Municipal Water District (District) was formed in January 1963 pursuant to Section 8 of the California Municipal Water District Act of 1911 to improve the delivery of agricultural and domestic water services, and to facilitate the acquisition of supplemental water supply from the Metropolitan Water District of California within its boundaries. The District is governed by an elected, five-member Board of Directors (the “Board”). The 1963 General Obligation Bonds financed the construction of the necessary pipelines, pumping and storage facilities to bring Colorado River water from the aqueducts owned by the Metropolitan Water District and the San Diego County Water Authority to serve the properties within its boundaries, which cover about 13,460 acres in northeastern San Diego County, California; the District maintains, develops and manages such water distribution system. The District offices are located in Pauma Valley, California.

The area now known as “Improvement District A” (IDA) was originally known as Rossmoyne Villages (“Rossmoyne”). The Palomar Mutual Water Company (“Palomar Mutual”) became Rossmoyne’s successor in interest through an agreement dated February 11, 1948. In turn, Palomar Mutual transferred all of its water rights, lands and water system, together with its functions and obligations, to the District in April 1968. Among the transferred obligations was a stipulated judgment (*Strub et al. v Palomar* or “*Strub et al.*”), filed November 10, 1953 and later modified, that provides for the net delivery to IDA of no more than 1,350 acre-feet of water per calendar year from the San Luis Rey River upstream of Cole Grade Road.

The District, as successor in interest to Palomar Mutual, continues to operate IDA as an independent water system (California State System No. 3700938). While the District is responsible for administering IDA’s compliance with *Strub et al.*, that stipulated judgment does not affect or bind the 70% of the District which is outside of IDA and which operates under a separate system permit (California State System No. 3701408).

The District added another 351 acres, Annexation #1, in November 1967, and another 63 acres, Annexation #2, in November 1969, by revising its boundaries pursuant to the Reorganization Act of 1965 as amended by LAFCO. The District added another six acres, Fitzsimmons Annexation, on March 26, 1991, and de-annexed 27 acres, Adams De-annexation, on March 29, 1991. Hence the District boundaries total of 13,460.

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

## YUIMA MUNICIPAL WATER DISTRICT

### *Notes to Financial Statements*

*June 30, 2025*

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

##### **B. Basis of Presentation, Basis of Accounting**

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

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

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

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

###### **1. Cash and Cash Equivalents**

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

###### **2. Investments**

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

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

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

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

## YUIMA MUNICIPAL WATER DISTRICT

### *Notes to Financial Statements*

*June 30, 2025*

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

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

###### **2. Investments (continued)**

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

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

###### **3. Accounts Receivable and Allowance for Doubtful Accounts**

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. The District does not provide an allowance for uncollectible accounts. When accounts become past due, they are transferred to the tax roll and eventually collected.

###### **4. Prepaids**

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

###### **5. Lease Receivable and Deferred Inflows of Resources**

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

###### **6. Inventory – Materials and Supplies**

Supply inventories maintained by the District consist primarily of water meters and accessories, water pipes, valves, and various fittings. Inventories are valued at cost using the first-in, first-out method.

###### **7. Capital Assets**

Capital assets are stated at cost or at their estimated fair value. Donated assets, donated works of art and similar assets are reported at acquisition value at date of donation. Capital assets received in a service concession arrangement are also reported at acquisition value. It is the District's policy to capitalize assets costing over \$5,000 and a useful life longer than one year.

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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

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

###### 7. Capital Assets (continued)

The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
General plant	5 – 30 years
Source of supply	10 – 50 years
Pumping plant	25 years
Water treatment plant	33 1/3 years
Transmission and distribution	33 1/3 years

###### 8. Deferred Outflows/Inflows of Resources

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

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

###### 9. Compensated Absences

The liability for compensated absences is reported in the Balance Sheet. In accordance with GASB Statement No. 101, Compensated Absences, leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This analysis includes assessing relevant factors such as historical information about the use, payment or forfeiture of compensated absences, and the District's policies related to compensated absences. The measurement of compensated absences includes salary-related payments including the employer portion of medicare taxes.

###### 10. Pensions

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



## **YUIMA MUNICIPAL WATER DISTRICT**

### *Notes to Financial Statements*

*June 30, 2025*

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

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

###### **10. Pensions (continued)**

The following timeframes are used for pension reporting:

Valuation Date June 30, 2023

Measurement Date June 30, 2024

Measurement Period July 1, 2023 to June 30, 2024

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

###### **11. Postemployment Benefits Other Than Pensions (OPEB)**

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

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2023

Measurement Date June 30, 2024

Measurement Period July 1, 2023 to June 30, 2024

###### **12. Water Sales**

Most water sales are billed on a monthly cyclical basis. Estimated unbilled water revenue through year-end has been accrued.

###### **13. Deposit Connection Fees**

Connection fees are collected by the District to cover the cost of service connections within the District.

###### **14. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property-owners or real estate developers desiring services that require capital expenditures or capacity commitment.

## YUIMA MUNICIPAL WATER DISTRICT

### *Notes to Financial Statements*

*June 30, 2025*

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

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

###### 15. Net Position

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

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted net position** - This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling registrations.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

##### D. Use of Estimates

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

##### E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of San Diego County Assessor's Office assesses all real and personal property within the County each year.

Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The San Diego County Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

##### F. Reclassifications

Certain amounts from the prior year have been reclassified to conform to the current year's presentation.

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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

##### G. New Pronouncements – Governmental Accounting Standards (GASB)

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

###### **GASB Statement No. 101 – Compensated Absences**

This GASB Statement amends the definition of a compensated absence to encompass the various types of benefits offered by governmental employers and establishes a unified model for accounting and reporting. The statement also revises the related financial statement disclosure requirements, including eliminating certain disclosures previously required that GASB research found did not provide essential information to financial statement users. The GASB statement applies to all units of state and local governments. The District adopted the Statement as of July 1, 2024. See Note 6 for the effect of this Statement.

###### **GASB Statement No. 102 – Certain Risk Disclosures**

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

#### NOTE 2 – CASH AND INVESTMENTS

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

Description	June 30, 2025
Cash and cash equivalents	\$ 2,881,584
Investments	<u>2,135,186</u>
<b>Total cash and investments</b>	<b><u>\$ 5,016,770</u></b>

Cash and investments consisted of the following:

Description	June 30, 2025
Petty cash	\$ 500
Demand deposits held with financial institutions	421,760
Local Agency Investment Fund (LAIF)	11,407
California Cooperative Liquid Asset Securities System (CA CLASS)	2,447,917
Investments	<u>2,135,186</u>
<b>Total cash and investments</b>	<b><u>\$ 5,016,770</u></b>

## YUIMA MUNICIPAL WATER DISTRICT

### *Notes to Financial Statements*

*June 30, 2025*

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#### **NOTE 2 – CASH AND INVESTMENTS (continued)**

##### **Demand Deposits with Financial Institutions**

At June 30, 2025, the carrying amount of the District's demand deposits were \$421,760 and the financial institution's balances were \$179,643. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

##### **Custodial Credit Risk – Deposits**

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

##### **Local Agency Investment Fund (LAIF)**

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs to taxpayers, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and carries a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, the District held \$11,407 in LAIF.

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

#### NOTE 2 – CASH AND INVESTMENTS (continued)

##### California Cooperative Liquid Assets Securities System (California CLASS)

The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of power entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian.

The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAm (S&P Global Ratings) and AAAf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, the District held \$2,447,917 in California CLASS.

##### Investments

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

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. treasury notes	Level 1	N/A	\$ 613,707	\$ -	\$ -	\$ 613,707
U.S. agency securities	AAA	N/A	345,998	345,998	-	-
Certificates-of-deposit	N/A	N/A	1,175,481	586,440	589,041	-
<b>Total investments</b>			<b>\$ 2,135,186</b>	<b>\$ 932,438</b>	<b>\$ 589,041</b>	<b>\$ 613,707</b>

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

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District that are governed by the agreement between the District and the Trustee, rather than the general provisions of the California Government Code or the District's investment policy.

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

#### NOTE 2 – CASH AND INVESTMENTS (continued)

##### Investments (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5-years	100%	None
U.S. Government Sponsored Agency Securities	5-years	100%	None
Negotiable Certificates of Deposit (Negotiable CD)	5-years	30%	500,000
California Local Agency Investment Fund (LAIF)	N/A	100%	None
Joint Powers Authority	N/A	None	None
Placement Service Deposits	5-years	50%	None

##### Disclosures Relating to Interest Rate Risk

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

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

##### Disclosures Relating to Credit Risk

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

##### Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. At June 30, 2025, the District had the following investments that represented more than 5% of the District's total investments.

Investments with Maturity Dates	2025 Balance	Percentage of Investments
Certificate of deposit - July 11, 2025	\$ 244,931	11.47%
Certificate of deposit - March 24, 2026	243,932	11.42%
Certificate of deposit - August 18, 2026	242,897	11.38%
Certificate of deposit - February 18, 2027	246,193	11.53%
Federal Home Loan Bank - May 18, 2026	246,595	11.55%
	<u>\$ 1,224,548</u>	<u>57.35%</u>

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

#### NOTE 3 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES - LEASES

Changes in the District's lease receivable for the fiscal year ended June 30, 2025 was as follows:

Description	Balance	Additions	Deductions	Balance
	July 1, 2024			June 30, 2025
Cellular antenna site rental no.1	\$ 1,159,858	\$ -	\$ (31,127)	\$ 1,128,731
Cellular antenna site rental no.2	1,490,910	-	(42,146)	1,448,764
Cellular antenna site rental no.3	134,959	-	(33,269)	101,690
	<u>\$ 2,785,727</u>	<u>\$ -</u>	<u>\$ (106,542)</u>	<u>\$ 2,679,185</u>

The District is reporting a total lease receivable of \$2,679,185 and a total related deferred inflows of resources of \$2,492,768 for the year ending June 30, 2025. Also, the District is reporting total lease revenue of \$145,818 and interest revenue of \$6,050 related to lease payments received.

The leases held by the District do not have an implicit rate of return, therefore the District used their incremental borrowing rate of 0.22% to discount the lease revenue to the net present value. In some cases leases contain termination clauses. In these cases, the clause requires the lessee or lessor to show cause to terminate the lease.

The District's leases are noted as follows:

##### **Cellular Antenna Site Rental No. 1**

The District, on July 27, 2020, renewed a continuous lease for 51 months as lessor for the use of a cellular antenna site rental with an automatic extension for five (5) additional terms of five (5) years each. An initial lease receivable was recorded in the amount of \$1,243,911. As of June 30, 2025, the value of the lease receivable was \$1,128,731. The lease is required to make monthly fixed payments of \$2,550 for the first 51-month period, then increase upon the commencement of each five (5) year extension term by 15% of the annual rental in effect during the immediately preceding five (5) year term. The lease has an interest rate of 0.22%. The value of the deferred inflow of resources was \$1,068,299 as of June 30, 2025. The District recognized lease revenue of \$43,903 and interest revenue of \$2,533 during the fiscal year. Initial lease period and extensions have been recognized.

##### **Cellular Antenna Site Rental No. 2**

The District, on October 9, 2019, renewed a continuous lease for 60 months as lessor for the use of a cellular antenna site rental with an option to extend for four (4) additional terms of five (5) years each. An initial lease receivable was recorded in the amount of \$1,604,557. As of June 30, 2025, the value of the lease receivable was \$1,448,764. The lease is required to make yearly fixed payments of \$36,000 for the first term and increase 5.0% upon the commencement of each five (5) year term. The lease has an interest rate of 0.22%. The value of the deferred inflow of resources was \$1,328,505 as of June 30, 2025. The District recognized lease revenue of \$69,013 and interest revenue of \$3,253 during the fiscal year.

##### **Cellular Antenna Site Rental No. 3**

The District, on September 24, 2002 renewed a continuous lease for 60 months as lessor for the use of a cellular antenna site rental with an option to extend for four (4) additional terms of five (5) years each. An initial lease receivable was recorded in the amount of \$227,572. As of June 30, 2025, the value of the lease receivable was \$101,690. The lease is required to make monthly fixed payments of \$1,600 for the first 12-month period, then adjusted by the Consumer Price Index yearly. The lease has an interest rate of 0.22%. The value of the deferred inflow of resources was \$95,964 as of June 30, 2025. The District recognized lease revenue of \$32,902 and interest revenue of \$265 during the fiscal year.



**YUIMA MUNICIPAL WATER DISTRICT***Notes to Financial Statements**June 30, 2025***NOTE 3 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)**

Minimum future lease receipts for the next twenty-six fiscal years are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 111,319	\$ 5,809	\$ 117,128
2027	114,702	5,559	120,261
2028	115,187	5,302	120,489
2029	85,292	5,081	90,373
2030	91,764	4,887	96,651
2031-2035	521,418	21,146	542,564
2036-2040	651,700	14,701	666,401
2041-2045	722,394	6,718	729,112
2046-2050	265,409	1,299	266,708
Total	2,679,185	70,502	<u>\$ 2,749,687</u>
Current	<u>(111,319)</u>		
Long-term	<u>\$ 2,567,866</u>		

Changes in the District's deferred inflows of resources related to leases for June 30, 2025 is as follows:

<b>Description</b>	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2025</b>
Cellular antenna site rental no.1	\$ 1,112,202	\$ -	\$ (43,903)	\$ 1,068,299
Cellular antenna site rental no.2	1,397,518	-	(69,013)	1,328,505
Cellular antenna site rental no.3	128,866	-	(32,902)	95,964
	<u>\$ 2,638,586</u>	<u>\$ -</u>	<u>\$ (145,818)</u>	<u>\$ 2,492,768</u>

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2025, will be amortized in future periods as follows:

<b>Amortization Period Fiscal Year Ended June 30</b>	<b>Deferred Inflows of Resources</b>
2026	\$ 145,818
2027	145,818
2028	143,076
2029	112,916
2030	112,916
2031-2035	564,580
2036-2040	564,580
2041-2045	512,820
2046-2050	190,244
<b>Total</b>	<u><u>\$ 2,492,768</u></u>

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 4 – INVESTMENT IN UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Sustainable Groundwater Management Act – Upper San Luis Rey Groundwater Management Authority. The Upper San Luis Rey Groundwater Management Authority (Authority) was formed in response to the Sustainable Groundwater Management Act. The Authority was formed under a Joint Exercise of Powers Authority on May 1, 2022, pursuant to the provisions of Article 1, Chapter 5; Division 7, Title 1 commencing with Section 6500 of the Government Code of the State of California. The Authority was formed between the Member Agencies, “collectively” Yuima Municipal Water District (YMWD), Pauma Municipal Water District (PMWD), Pauma Valley Community Services District (PVCSD), Upper San Luis Rey Resource Conservation District (USLRCD), and the San Luis Rey Municipal Water District (SLRMWD). The Authority was formed for the purpose of, among other things, serving as the Groundwater Sustainability Agency (GSA) for the Subbasin and implementing the Groundwater Sustainability Plan (GSP).

In fiscal year 2025, the District’s total investment in the Authority amounted to a \$57,158 gain per the Authority’s audited financial statements as follows:

A. Entity	Upper San Luis Rey Groundwater Management Authority	
B. Purpose	To pool member resources and realize the advantages	
C. Participants	5 member agencies	
D. Governing board	Nine representatives appointed by members	
E. District payments for FY 2025: Contribution	\$1,910	
F. Condensed financial information Audit dated	June 30, 2025 December 31, 2025	
Statement of net position:	<b>June 30, 2025</b>	<b>District Share</b>
Total assets	\$ 177,877	\$ 59,292
Total liabilities	6,403	2,134
Net position	\$ 171,474	\$ 57,158
Statement of revenues, expenses and changes in net position:		
Total revenues	\$ 289,879	\$ 96,627
Total expenses	(118,398)	(39,466)
Change in net position	171,481	57,161
Beginning – net position	(7)	(3)
Ending – net position	\$ 171,474	\$ 57,158
G. District's share of year-end financial position	100.00%	33.333%

**YUIMA MUNICIPAL WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2025*

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**NOTE 5 – CAPITAL ASSETS AND DEPRECIATION**

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

<b>Description</b>	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deletions/ Transfers</b>	<b>Balance June 30, 2025</b>
<b>Non-depreciable assets:</b>				
Land	\$ 1,301,457	\$ -	\$ -	\$ 1,301,457
Construction-in-process	50,273	16,436	-	66,709
<b>Total non-depreciable assets</b>	<b>1,351,730</b>	<b>16,436</b>	<b>-</b>	<b>1,368,166</b>
<b>Depreciable assets:</b>				
General plant	2,576,776	38,050	-	2,614,826
Source of supply	8,846,123	-	-	8,846,123
Pumping plant	9,268,003	9,230	-	9,277,233
Water treatment plant	199,226	9,272	-	208,498
Transmission and distribution plant	9,554,152	-	-	9,554,152
<b>Total depreciable assets</b>	<b>30,444,280</b>	<b>56,552</b>	<b>-</b>	<b>30,500,832</b>
<b>Accumulated depreciation:</b>				
General plant	(1,983,310)	(101,847)	-	(2,085,157)
Source of supply	(3,254,902)	(171,251)	-	(3,426,153)
Pumping plant	(2,784,510)	(229,660)	-	(3,014,170)
Water treatment plant	(106,927)	(4,778)	-	(111,705)
Transmission and distribution plant	(6,364,253)	(179,049)	-	(6,543,302)
<b>Total accumulated depreciation</b>	<b>(14,493,902)</b>	<b>(686,585)</b>	<b>-</b>	<b>(15,180,487)</b>
<b>Total depreciable assets, net</b>	<b>15,950,378</b>	<b>(630,033)</b>	<b>-</b>	<b>15,320,345</b>
<b>Total capital assets, net</b>	<b>\$ 17,302,108</b>	<b>\$ (613,597)</b>	<b>\$ -</b>	<b>\$ 16,688,511</b>

**NOTE 6 – COMPENSATED ABSENCES**

As of June 30, 2025, the total liability for compensated absences was \$98,397, of which \$49,199 is expected to be paid within one year and is reported as a current liability. The beginning balance of compensated absences as of July 1, 2024, reflected an immaterial difference upon implementation of GASB Statement No. 101; therefore, no restatement was required.

<b>Balance July 1, 2024</b>	<b>Net Change</b>	<b>Balance July 1, 2025</b>	<b>Due Within One Year</b>	<b>Due in More Than One Year</b>
<b>\$ 148,106</b>	<b>\$ (49,709)</b>	<b>\$ 98,397</b>	<b>\$ 49,199</b>	<b>\$ 49,198</b>

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

#### NOTE 7 – NOTES PAYABLE

Changes in the notes payable balance are as follows:

Description	Balance	Additions	Deductions	Balance	Current Portion	Long-term Portion
	July 1, 2024			June 30, 2025		
2013 Installment note	\$ 506,130	\$ -	\$ (45,666)	\$ 460,464	\$ 47,301	\$ 413,163
2019 Installment note	4,245,000	-	(220,000)	4,025,000	235,000	3,790,000
<b>Total bonds payable</b>	<b>\$ 4,751,130</b>	<b>\$ -</b>	<b>\$ (265,666)</b>	<b>\$ 4,485,464</b>	<b>\$ 282,301</b>	<b>\$ 4,203,163</b>

#### 2013 Installment Note

On July 2013, the District entered into a Loan and Installment Sale agreement with City National Bank for \$2,420,000 with interest rate of 2.35% to 3.55%. The agreement is to provide financing for the refinancing of two installment sale agreements and for the acquisition and construction of a 1.2-million-gallon water storage tank and pump station. In the event of default, any outstanding amounts become immediately due and payable. The payments are due in semiannual installments commencing July 15, 2014 through July 15, 2033. The District only borrowed \$2,372,463 of the \$2,420,000 Installment Note since it made an additional debt service payment on the 2007 Installment Note before it was refinanced.

Annual debt service requirements for the installment note are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 47,301	\$ 15,931	\$ 63,232
2027	48,995	14,237	63,232
2028	50,750	12,482	63,232
2029	52,568	10,664	63,232
2030	54,451	8,781	63,232
2031-2034	206,399	14,912	221,311
Total	460,464	\$ 77,007	\$ 537,471
Current	(47,301)		
Long-term	\$ 413,163		

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 7 – NOTES PAYABLE (continued)

##### 2019 Installment Note

On November 2019, the District entered into an Installment Purchase Agreement with BBVA USA for \$5,000,000 with an interest rate of 2.66%. The agreement is to provide financing for the acquisition and construction of the Forebay Pump Station. In the event of default, any outstanding amounts become immediately due and payable. The payments are due in semiannual installments commencing January 15, 2020 through July 15, 2039.

Annual debt service requirements for the installment note are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 235,000	\$ 105,469	\$ 340,469
2027	240,000	99,218	339,218
2028	245,000	92,834	337,834
2029	255,000	86,250	341,250
2030	255,000	79,467	334,467
2031-2035	1,385,000	290,804	1,675,804
2036-2040	<u>1,410,000</u>	<u>95,096</u>	<u>1,505,096</u>
Total	4,025,000	<u>\$ 849,138</u>	<u>\$ 4,874,138</u>
Current	<u>(235,000)</u>		
Long-term	<u>\$ 3,790,000</u>		

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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

##### Summary

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

Description	2025
OPEB related deferred outflows	\$ 103,293
Net other post-employment benefits asset	708,507
OPEB related deferred inflows	-

#### A. General Information about the OPEB Plan

##### Plan Description - Eligibility

In May 2000, the District's Board of Directors approved and adopted a postemployment healthcare plan ("the Retiree Health Benefit Plan" or "RHB Plan") for the benefit of its management employees to be effective July 1, 2000. The plan is permitted under Government Code Section 53200 et. Seq. The Board of Directors establishes and has the authority to amend the plan provisions. The Board of Directors amended the plan on April 25, 2011 to a defined contribution plan effective July 1, 2022 for new management employees. Participants in the plan as of June 30, 2011, will continue to receive benefits under the defined benefit plan's provisions prior to this amendment. A separate financial report is not prepared for the Retiree Health Benefit Plan.

In September 2010, the District established an irrevocable trust fund through the California Public Employees' Retiree Benefits Trust (CERBT), an agent multiple-employer postemployment healthcare trust administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS' annual financial report may be obtained from CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

##### Participants

At June 30, 2025 measurement date, the following members were part of the plan:

	2025
Inactive plan members or beneficiaries currently receiving benefit payments	4
Active plan members	1
Total	5

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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

##### A. General Information about the OPEB Plan

###### Funding Policy

Under the defined contribution plan, contributions to the plan are made solely by the District which are established and may be amended by the Board of Directors. The Board of Directors has the ability to enter into a contract with a contracted employee to cover more than the policy allows. The District contributes 100% of the health insurance premiums for an eligible retired management employee and spouse, not to exceed:

- \$320 per month for retiree and spouse coverage;
- \$200 per month for retiree only coverage; and
- \$160 per month for retiree's spouse only coverage.

The District's contribution toward the health insurance premiums will cease when the retired management employee and spouse reach age 65.

###### Contributions

Benefit provisions and contribution requirements are established and may be amended by the Board of Directors. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2025, the District's contributions totaling \$45,246 in current year premium payments.

###### Accounting for the Plan

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

##### B. Net OPEB Liability (Asset)

The District's total OPEB liability (asset) was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

###### Actuarial Assumptions

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Fair value of assets as of the measurement date
Actuarial Assumptions:	CalPERS 2000-2019 Experience Study
Discount Rate	5.25%
Long-Term Expected	
Rate of Return on Investments	5.25%
Inflation	2.50%
Payroll increases	2.75%
Healthcare Trend Rates	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Disability	CalPERS 2000-2019 Experience Study
Retirement	100% at age 60
Percent Married	100% of spouses will continue coverage upon



## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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

##### B. Net OPEB Liability (Asset) (continued)

###### Discount Rate

The discount rate used to measure the total OPEB liability (asset) was 5.25%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payment for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

##### C. Changes in the Net OPEB Liability (Asset)

The changes in the total OPEB (asset) liability are as follows:

	Increase (Decrease)		
	Total	Plan Fiduciary	Net
	OPEB Liability	Net Position	OPEB Liability
Balance at June 30, 2024 (Measurement date June 30, 2023)	\$ 835,742	\$ 1,517,434	\$ (681,692)
Changes for the year:			
Service cost	23,115	-	23,115
Interest	44,053	-	44,053
Net investment income	-	94,467	(94,467)
Benefit payments	(39,507)	(39,507)	-
Administrative expenses	-	(484)	484
Net changes	27,661	54,476	(26,815)
Balance at June 30, 2025 (Measurement date June 30, 2024)	\$ 863,403	\$ 1,571,910	\$ (708,507)

###### Changes of Assumptions

In fiscal year 2024, the measurement period, there were no changes to the assumptions.

###### Change of Benefit Terms

In fiscal year 2024, the measurement period, there were no changes to the benefit terms.

###### Subsequent Events

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

###### Sensitivity of the Total OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the total OPEB liability (asset) of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current discount rate:

1% Decrease	Discount Rate	1% Increase
4.25%	5.25%	6.25%
\$ (604,618)	\$ (708,507)	\$ (795,727)

**YUIMA MUNICIPAL WATER DISTRICT***Notes to Financial Statements**June 30, 2025*

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**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)****C. Changes in the Net OPEB Liability (Asset) (continued)****Sensitivity of the Total OPEB Liability (Asset) to Changes in Medical Trend Rates**

The following presents the total OPEB liability (asset) of the District, as well as what the District's total OPEB liability (asset) would be if it were calculated using medical trend rates that are 1-percentage point lower:

	Healthcare Cost	
1% Decrease	Current Trend	1% Increase
\$ (800,632)	\$ (708,507)	\$ (591,635)

**D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the District recognized OPEB expense of \$55,031. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ -
Differences between expected and actual experience	-	-
Differences between projected and actual earnings on OPEB plan investments	103,293	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 103,293</b>	<b>\$ -</b>

The differences between projected and actual earnings on plan investments is amortized over five years. Contributions of \$45,246 were fully offset by trust reimbursements. Contributions that were reimbursed by the trust during the fiscal year represent a return of employer contributions and did not result in a deferred outflow of resources at year-end. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2026	\$ 36,328
2027	61,613
2028	8,320
2029	(2,968)
<b>Total</b>	<b>\$ 103,293</b>

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

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 9 – PENSION PLAN

##### Summary

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

Description	2025
Pension related deferred outflows	\$ 896,000
Net pension liability	2,656,001
Pension related deferred inflows	197,232

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

#### A. General Information about the Pension Plan

##### The Plan

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

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 63 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	8.000%	7.750%
Required employer contribution rates – FY 2024	17.260%	7.680%

##### Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan's June 30, 2023 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 9 – PENSION PLAN (continued)

##### A. General Information about the Pension Plan (continued)

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

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	4	4	8
Transferred and terminated members	5	5	10
Retired members and beneficiaries	11	-	11
<b>Total plan members</b>	<b>20</b>	<b>9</b>	<b>29</b>

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

##### Benefits Provided

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

##### Contributions

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

**YUIMA MUNICIPAL WATER DISTRICT***Notes to Financial Statements**June 30, 2025***NOTE 9 – PENSION PLAN (continued)****A. General Information about the Pension Plan (continued)****Contributions (continued)**

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

<u>Contribution Type</u>	<u>Miscellaneous Plans</u>		<u>Total</u>
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>	
Contributions – employer	<u>\$ 292,893</u>	<u>\$ 23,777</u>	<u>\$ 316,670</u>

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions****Proportionate Share of Net Pension Liability and Pension Expense**

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

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2025:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2025</u>	<u>Fiscal Year Ending June 30, 2024</u>	
Measurement Date	<u>June 30, 2024</u>	<u>June 30, 2023</u>	
Percentage of Risk Pool Net Pension Liability	0.054915%	0.053968%	0.000947%
Percentage of Plan Net Pension Liability	0.021900%	0.021632%	0.000268%

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

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
<b>CalPERS – Miscellaneous Plan:</b>			
Balance as of June 30, 2023 (Measurement Date)	<u>\$ 12,399,625</u>	<u>\$ 9,701,014</u>	<u>\$ 2,698,611</u>
Balance as of June 30, 2024 (Measurement Date)	<u>\$ 12,982,795</u>	<u>\$ 10,326,794</u>	<u>\$ 2,656,001</u>
<b>Change in Plan Net Pension Liability</b>	<u><b>\$ 583,170</b></u>	<u><b>\$ 625,780</b></u>	<u><b>\$ (42,610)</b></u>

**YUIMA MUNICIPAL WATER DISTRICT***Notes to Financial Statements**June 30, 2025*

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**NOTE 9 – PENSION PLAN (continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)****Proportionate Share of Net Pension Liability and Pension Expense (continued)**

For the year ended June 30, 2025, the District recognized pension expense of \$611,666. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 316,670	\$ -
Difference between actual and proportionate share of employer contributions	-	(188,272)
Adjustment due to differences in proportions	128,527	-
Differences between expected and actual experience	229,635	(8,960)
Differences between projected and actual earnings on pension plan investments	152,903	-
Changes in assumptions	68,265	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 896,000</b>	<b>\$ (197,232)</b>

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

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 9 – PENSION PLAN (continued)

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

###### Proportionate Share of Net Pension Liability and Pension Expense (continued)

An amount of \$316,670 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<b>Amortization Period</b>	<b>Deferred</b>
<b>Fiscal Year Ended June 30</b>	<b>Outflows/(Inflows)</b>
	<b>of Resources</b>
2026	\$ 153,682
2027	295,665
2028	(14,850)
2029	(52,399)
<b>Total</b>	<b>\$ 382,098</b>

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

For the measurement period ending June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023, total pension liability. The June 30, 2025, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Price Inflation Salary Increases	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds.
Post Retirement Benefit Increase	The lesser of contract COLA up to 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

###### 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:



## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

#### NOTE 9 – PENSION PLAN (continued)

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

###### Long-term Expected Rate of Return (continued)

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

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

<sup>1</sup> An expected inflation of 2.3% is used for this period.

<sup>2</sup> Figures are based on the Asset Liability Management study.

###### Discount Rate

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

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

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

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current	Discount Rate
	- 1% 5.90%	Discount Rate 6.90%	+ 1% 7.90%
CalPERS – Miscellaneous Plan	\$ 4,407,905	\$ 2,656,001	\$ 1,213,927

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 9 – PENSION PLAN (continued)

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

###### Pension Plan Fiduciary Net Position

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

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

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

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current	Discount Rate
	- 1% 5.90%	Discount Rate 6.90%	+ 1% 7.90%
CalPERS – Miscellaneous Plan	\$ 4,407,905	\$ 2,656,001	\$ 1,213,927

###### Pension Plan Fiduciary Net Position

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

##### C. Payable to the Pension Plans

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

#### NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS

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

Description	June 30, 2025
<b>Net investment in capital assets:</b>	
Capital assets – not being depreciated	\$ 1,368,166
Capital assets, net – being depreciated	15,320,345
Notes payable – current portion	(282,301)
Notes payable – non-current portion	(4,203,163)
<b>Total net investment in capital assets</b>	<b>\$ 12,203,047</b>

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS (continued)

Restricted for OPEB consisted of the following as of June 30:

<u>Description</u>	<u>June 30, 2025</u>
<b>Restricted for OPEB:</b>	
Net OPEB Asset	\$ 708,507
Less: Deferred Inflows of Resources for OPEB Related Items	<u>-</u>
<b>Total restricted for OPEB</b>	<u><u>\$ 708,507</u></u>

In addition to the regulatory restrictions imposed by state law, the Board of Directors by resolution allocated and designated unrestricted net position balances for the following purposes:

<u>Description</u>	<u>June 30, 2025</u>
<b>Designated Net Position:</b>	
Customer rate stabilization	\$ 94,995
Minimum operating reserve	1,583,968
Continuing capital projects	<u>1,770,883</u>
<b>Total designated net position</b>	<u><u>\$ 3,449,846</u></u>

#### NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The plan is under two investment group contracts, Valic and CalPERS, which offer a variety of variable rates. Eligibility to participate is after six months of service. The plan requires a minimum of \$25 per month to be allocated for each option preference. The maximum amount that may be deferred under this plan for the calendar year 2025 was \$23,500 per participant; or up to 25% of gross compensation. The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

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

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

## YUIMA MUNICIPAL WATER DISTRICT

### Notes to Financial Statements

June 30, 2025

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#### NOTE 12 – RISK MANAGEMENT POOL

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

<b>A. Entity</b>	ACWA-JPIA
<b>B. Purpose</b>	To pool member contributions and realize the advantages of self-insurance
<b>C. Participants</b>	As of September 30, 2024 – 401 member districts
<b>D. Governing board</b>	Eight representatives employed by members
<b>E. Condensed financial information</b>	September 30, 2024
<b>Audit signed</b>	March 27, 2025
<b>Statement of financial position:</b>	<b>Sept 30, 2024</b>
<b>Total assets</b>	<u>\$ 308,144,466</u>
<b>Deferred outflows</b>	<u>3,099,110</u>
<b>Total liabilities</b>	<u>177,706,110</u>
<b>Deferred inflows</b>	<u>4,357,741</u>
<b>Net position</b>	<u><u>\$ 129,179,725</u></u>
<b>Statement of revenues, expenses and changes in net position:</b>	
<b>Total revenues</b>	\$ 261,895,930
<b>Total expenses</b>	<u>(253,429,117)</u>
<b>Change in net position</b>	8,466,813
<b>Beginning – net position</b>	<u>120,712,912</u>
<b>Ending – net position</b>	<u><u>\$ 129,179,725</u></u>
<b>F. Member agencies share of year-end financial position</b>	Not Calculated

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

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

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

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

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

## **YUIMA MUNICIPAL WATER DISTRICT**

### *Notes to Financial Statements*

*June 30, 2025*

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#### **NOTE 12 – RISK MANAGEMENT POOL (continued)**

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

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

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

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

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

The District is subject to systematic risk due to receiving over 89% of its revenues from water sales and pumping charges. This dependence exposes the District to potential service interruptions or financial impacts in the event of drought conditions, regulatory restrictions, or contamination of the water source. Although the District has contingency plans and infrastructure in place to supplement supply in emergencies, such alternatives may not fully meet demand or could result in significant additional costs.

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

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

## YUIMA MUNICIPAL WATER DISTRICT

### *Notes to Financial Statements*

*June 30, 2025*

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#### **NOTE 14 – COMMITMENTS AND CONTINGENCIES**

##### **Excluded Leases – Short-Term Leases and De Minimis Leases**

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

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

##### **Construction Contracts**

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from debt proceeds, capital contributions, as well as the District's replacement reserves. As of June 30, 2025, the District estimates it will cost approximately \$40,000 to complete the projects currently in construction-in -process.

##### **Grant Awards**

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

##### **Litigation**

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

#### **NOTE 15 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through December 22, 2025, the date which the financial statements were available to be issued

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***Required Supplementary Information***

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**YUIMA MUNICIPAL WATER DISTRICT***Schedule of the District's Proportionate Share of the Net Pension Liability  
For the Year Ended June 30, 2025***Last Ten Fiscal Years****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Measurement Date</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability</b>
June 30, 2015	0.07695%	\$ 2,111,093	\$ 1,101,073	191.73%	72.19%
June 30, 2016	0.06785%	2,356,951	937,320	251.46%	70.38%
June 30, 2017	0.06422%	2,531,736	889,697	284.56%	71.66%
June 30, 2018	0.06042%	2,277,111	1,010,367	225.37%	76.68%
June 30, 2019	0.05693%	2,279,573	1,070,567	212.93%	77.77%
June 30, 2020	0.05386%	2,271,670	916,528	247.86%	79.16%
June 30, 2021	0.03642%	691,440	682,029	101.38%	93.89%
June 30, 2022	0.05292%	2,476,537	701,927	352.82%	79.09%
June 30, 2023	0.05397%	2,698,611	752,403	358.67%	78.24%
June 30, 2024	0.05492%	2,656,001	754,388	352.07%	79.54%

**Notes to Schedule:****Benefit Changes:**

There were no changes in benefits.

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

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

**From fiscal year June 30, 2016 to June 30, 2017:**

There were no changes in assumptions.

**From fiscal year June 30, 2017 to June 30, 2018:**

The discount rate was reduced from 7.65% to 7.15%.

**From fiscal year June 30, 2018 to June 30, 2022:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2022 to June 30, 2023:**

The discount rate was reduced from 7.15% to 6.90% and the inflation rate from 2.5% to 2.30%.

**From fiscal year June 30, 2023 to June 30, 2025:**

There were no significant changes in assumptions.

**YUIMA MUNICIPAL WATER DISTRICT***Schedule of the District's Contributions to the Defined Benefit Pension Plan  
For the Year Ended June 30, 2025***Last Ten Fiscal Years****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
June 30, 2016	\$ 362,982	\$ (362,982)	\$ -	\$ 937,320	38.73%
June 30, 2017	386,160	(386,160)	-	889,697	43.40%
June 30, 2018	386,811	(386,811)	-	1,010,367	38.28%
June 30, 2019	425,145	(425,145)	-	1,070,567	39.71%
June 30, 2020	225,665	(225,665)	-	916,528	24.62%
June 30, 2021	231,490	(531,490)	(300,000)	682,029	33.94%
June 30, 2022	250,560	(250,560)	-	701,927	35.70%
June 30, 2023	281,427	(281,427)	-	752,403	37.40%
June 30, 2024	278,065	(278,065)	-	754,388	36.86%
June 30, 2025	316,670	(316,670)	-	770,183	41.12%

**Notes to Schedule:**

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

**Amortization Method**

Level percentage of payroll, closed

**Salary Increases**

Depending on age, service, and type of employment

**Investment Rate of Return**

Net of pension plan investment expense, including inflation

**Retirement Age**

50 years (3%@60), 52 years (2%@62)

**Mortality**

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

# YUIMA MUNICIPAL WATER DISTRICT

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

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*			
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
<b>Total OPEB liability:</b>				
Service cost	\$ 23,115	\$ 18,589	\$ 1,515	\$ 2,132
Interest	44,053	39,106	30,393	49,126
Changes of assumptions	-	68,763	(44,771)	29,103
Differences between expected and actual experience	-	5,949	-	(279,532)
Changes of benefit terms	-	-	149,890	-
Benefit payments	(39,507)	(45,905)	(52,251)	(54,852)
<b>Net change in total OPEB liability</b>	<b>27,661</b>	<b>86,502</b>	<b>84,776</b>	<b>(254,023)</b>
<b>Total OPEB liability - beginning</b>	<b>835,742</b>	<b>749,240</b>	<b>664,464</b>	<b>918,487</b>
<b>Total OPEB liability - ending</b>	<b>863,403</b>	<b>835,742</b>	<b>749,240</b>	<b>664,464</b>
<b>Plan fiduciary net position:</b>				
Contributions - employer	-	3,475	52,251	4,666
Net investment income	94,467	24,203	(184,717)	212,194
Administrative expense	(484)	(436)	(437)	(551)
Benefit payments	(39,507)	(45,905)	(52,251)	(54,852)
<b>Net change in plan fiduciary net position</b>	<b>54,476</b>	<b>(18,663)</b>	<b>(185,154)</b>	<b>161,457</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,517,434</b>	<b>1,536,097</b>	<b>1,721,251</b>	<b>1,559,794</b>
<b>Plan fiduciary net position - ending</b>	<b>1,571,910</b>	<b>1,517,434</b>	<b>1,536,097</b>	<b>1,721,251</b>
<b>District's net OPEB liability</b>	<b>\$ (708,507)</b>	<b>\$ (681,692)</b>	<b>\$ (786,857)</b>	<b>\$ (1,056,787)</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>182.06%</b>	<b>181.57%</b>	<b>205.02%</b>	<b>259.04%</b>
<b>Covered payroll</b>	<b>181,598</b>	<b>174,844</b>	<b>163,345</b>	<b>161,534</b>
<b>District's net OPEB liability as a percentage of covered payroll</b>	<b>-390.15%</b>	<b>-389.89%</b>	<b>-481.71%</b>	<b>-654.22%</b>

### Notes to Schedule:

#### Benefit Changes:

Measurement Date June 30, 2021 – There were no changes in benefits

Measurement Date June 30, 2022 – Benefit changed for the active employee remaining in the plan effective April 2022.

Assumed retirement at age 60.

Measurement Date June 30, 2023 – There were no changes in benefits

Measurement Date June 30, 2024 – There were no changes in benefits

#### Changes in Assumptions:

Measurement Date June 30, 2021 – The discount rate changed from 5.50% to 4.75%

Measurement Date June 30, 2022 – The discount rate changed from 4.75% to 5.25%

Measurement Date June 30, 2023 – There were no changes in benefits

Measurement Date June 30, 2024 – There were no changes in benefits

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

# YUIMA MUNICIPAL WATER DISTRICT

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

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*			
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability:</b>				
Service cost	\$ 2,078	\$ 1,112	\$ 1,080	\$ 1,049
Interest	50,583	64,980	64,757	64,078
Changes of assumptions	(19,042)	(521)	-	-
Differences between expected and actual experience	-	(259,374)	-	-
Benefit payments	(65,495)	(72,354)	(51,306)	(54,290)
<b>Net change in total OPEB liability</b>	(31,876)	(266,157)	14,531	10,837
<b>Total OPEB liability - beginning</b>	950,363	1,216,520	1,201,989	1,191,152
<b>Total OPEB liability - ending</b>	918,487	950,363	1,216,520	1,201,989
<b>Plan fiduciary net position:</b>				
Contributions - employer	9,339	17,484	146,183	67,384
Net investment income	96,213	103,594	62,540	70,090
Administrative expense	(754)	(315)	(2,439)	(654)
Benefit payments	(65,495)	(72,354)	(51,306)	(54,290)
<b>Net change in plan fiduciary net position</b>	39,303	48,409	154,978	82,530
<b>Plan fiduciary net position - beginning</b>	1,520,491	1,472,082	1,317,104	1,234,574
<b>Plan fiduciary net position - ending</b>	1,559,794	1,520,491	1,472,082	1,317,104
<b>District's net OPEB liability</b>	<u>\$ (641,307)</u>	<u>\$ (570,128)</u>	<u>\$ (255,562)</u>	<u>\$ (115,115)</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<u>169.82%</u>	<u>159.99%</u>	<u>121.01%</u>	<u>109.58%</u>
<b>Covered payroll</b>	<u>130,860</u>	<u>348,380</u>	<u>334,712</u>	<u>137,234</u>
<b>District's net OPEB liability as a percentage of covered payroll</b>	<u>-490.07%</u>	<u>-163.65%</u>	<u>-76.35%</u>	<u>-83.88%</u>

### Notes to Schedule:

#### Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits  
Measurement Date June 30, 2018 – There were no changes in benefits  
Measurement Date June 30, 2019 – There were no changes in benefits  
Measurement Date June 30, 2020 – There were no changes in benefits

#### Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in benefits  
Measurement Date June 30, 2018 – There were no changes in benefits  
Measurement Date June 30, 2019 – There were no changes in benefits  
Measurement Date June 30, 2020 – There were no changes in benefits

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

**YUIMA MUNICIPAL WATER DISTRICT*****Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan  
For the Year Ended June 30, 2025*****Last Ten Fiscal Years\***

<b>Fiscal Year Ended</b>	<b><u>June 30, 2025</u></b>	<b><u>June 30, 2024</u></b>	<b><u>June 30, 2023</u></b>	<b><u>June 30, 2022</u></b>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	(45,905)	(52,251)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,905)</u>	<u>\$ (52,251)</u>
Covered payroll	<u>\$ 194,108</u>	<u>\$ 181,598</u>	<u>\$ 174,844</u>	<u>\$ 163,345</u>
Contributions as a percentage of covered payroll	0.00%	0.00%	26.25%	31.99%

**Notes to Schedule:**

<b>Valuation Date</b>	<b>June 30, 2023</b>	<b>June 30, 2023</b>	<b>June 30, 2021</b>	<b>June 30, 2021</b>
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**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value
Discount rate	5.25%	5.25%	5.25%	4.75%
Inflation	2.50%	2.50%	2.50%	2.50%
Payroll increases	2.75%	2.75%	2.75%	3.00%
Mortality	(3)	(3)	(2)	(2)
Disability	(3)	(3)	Not Valued	Not Valued
Retirement	(3)	(3)	(4)	(4)
Percent Married	100%	100%	100%	100%
Healthcare trend rates	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay

(2) CalPERS 2000-2019 Experience Study

(3) CalPERS 2000-2019 Experience Study

(4) 100% at age 60

(5) Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076;

Medicare - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076;

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

**YUIMA MUNICIPAL WATER DISTRICT*****Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan  
For the Year Ended June 30, 2025*****Last Ten Fiscal Years\***

<b>Fiscal Year Ended</b>	<b><u>June 30, 2021</u></b>	<b><u>June 30, 2020</u></b>	<b><u>June 30, 2019</u></b>	<b><u>June 30, 2018</u></b>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	<u>(4,666)</u>	<u>(9,339)</u>	<u>(17,484)</u>	<u>(146,183)</u>
Contribution deficiency (excess)	<u>\$ (4,666)</u>	<u>\$ (9,339)</u>	<u>\$ (17,484)</u>	<u>\$ (146,183)</u>
Covered payroll	<u>\$ 161,534</u>	<u>\$ 130,860</u>	<u>\$ 348,380</u>	<u>\$ 334,712</u>
Contributions as a percentage of covered payroll	2.89%	7.14%	5.02%	43.67%

**Notes to Schedule:**

<b>Valuation Date</b>	<b>June 30, 2019</b>	<b>June 30, 2019</b>	<b>June 30, 2017</b>	<b>June 30, 2017</b>
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**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value
Discount rate	5.50%	5.50%	5.50%	5.50%
Inflation	2.75%	2.75%	2.75%	2.75%
Payroll increases	3.00%	3.00%	3.00%	3.00%
Mortality	(2)	(2)	(2)	(2)
Disability	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(4)	(4)	(4)	(4)
Percent Married	100%	100%	100%	100%
Healthcare trend rates	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay

(2) CalPERS 2000-2019 Experience Study

(3) CalPERS 2000-2019 Experience Study

(4) 100% at age 60

(5) Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076;

Medicare - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076;

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

# Statistical Section



## Annual Comprehensive Financial Report

# YUIMA MUNICIPAL WATER DISTRICT

## *Statistical Section*

*For the Year Ended June 30, 2025*

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This part of the District'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 says about the District's overall financial health.

<b>Contents:</b>	<b>Page</b>
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<b>Financial Trends</b>	51-59
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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

<b>Revenue Capacity</b>	60-66
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These schedules contain information to help the reader assess the District's most significant own source revenues, water sales.

<b>Debt Capacity</b>	67-70
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These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

<b>Demographics and Economic Information</b>	71-74
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

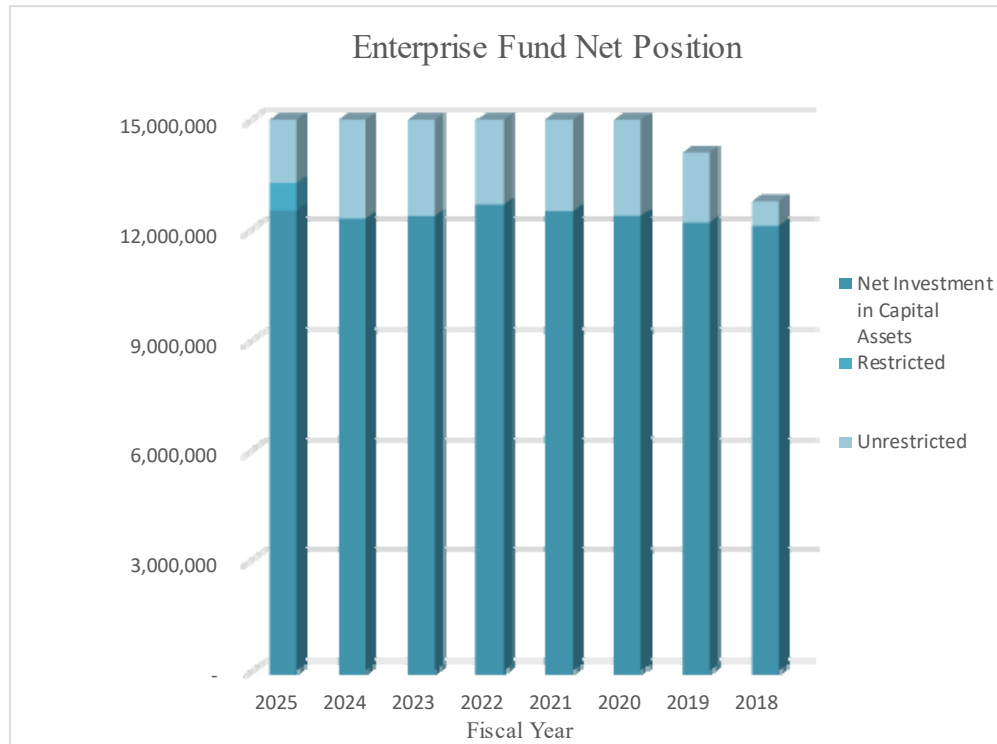
<b>Operating Information</b>	75-78
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These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.



**Yuima Municipal Water District**  
**Net Position by Component - Enterprise Fund**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Net Investment in Capital Assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Net Position</b>
2025	\$ 12,203,047	\$ 708,507	\$ 3,449,846	\$ 16,361,400
2024	12,550,978	681,692	2,489,381	15,722,051
2023	12,523,240	764,472	3,494,346	16,782,058
2022	12,296,940	-	5,889,747	18,186,687
2021	12,372,668	-	5,112,242	17,484,910
2020	12,690,506	-	4,224,815	16,915,321
2019	12,508,865	-	3,657,822	16,166,687
2018	12,376,977	-	3,488,751	15,865,728
2017	12,192,571	-	1,896,073	14,088,644
2016	12,100,947	-	681,845	12,782,792



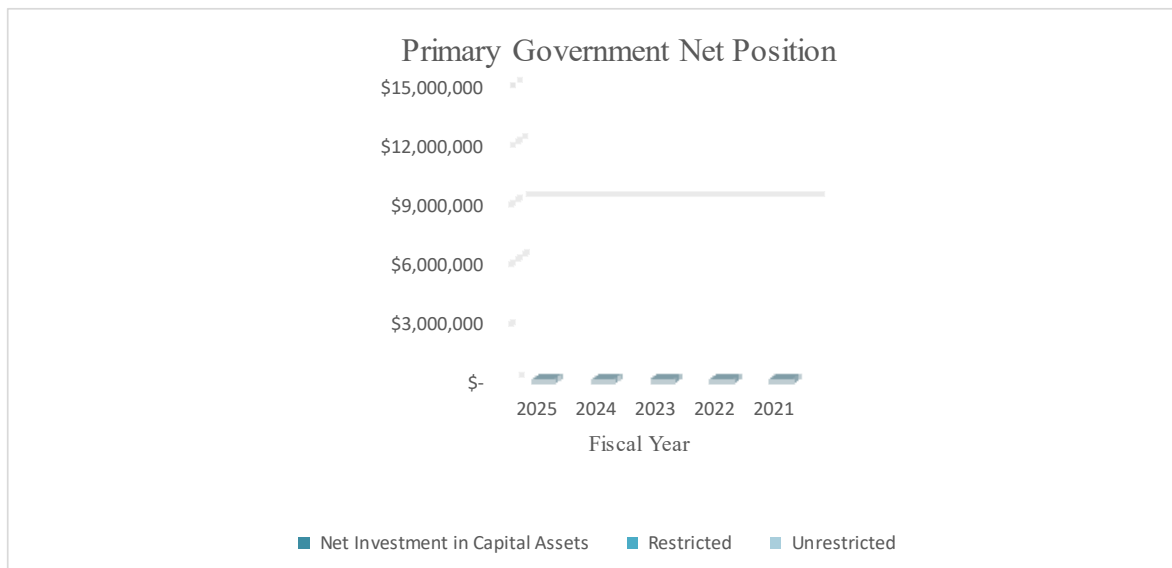
Source: Yuima Municipal Water District

Notes: The District's assets consist primarily of water treatment and distribution facilities.

**Yuima Municipal Water District**  
**Net Position by Component - Government-wide Financial Statements**  
**Last Ten Fiscal Years**

*Page 1 of 2*

	Fiscal Year <sup>(1)</sup>				
	2025	2024	2023	2022	2021
Governmental Activities:					
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total Governmental Activities Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type Activities					
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total Business-type Activities Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government					
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total Primary Government Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Source: Yuima Municipal Water District

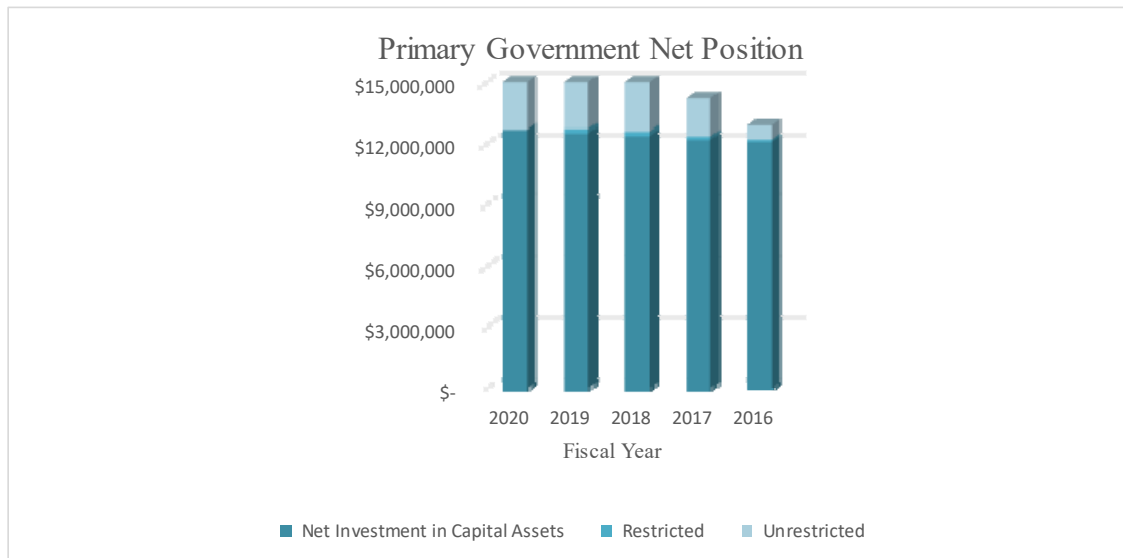
Notes: (1) In fiscal year 2020, the fire services were transferred to the County of San Diego which was the only governmental activities for the District. Starting in fiscal year 2021, no government-wide financial statements are presented since the District has only business-type activities.

(2) The District's assets consist primarily of water treatment and distribution facilities.

**Yuima Municipal Water District**  
**NetPosition by Component - Government-wide Financial Statements**  
**Last Ten Fiscal Years**

*Page 2 of 2*

	<b>Fiscal Year<sup>(1)</sup></b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Governmental Activities:					
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	223,553	227,290	177,620	120,050
Unrestricted	-	-	-	-	-
Total Governmental Activities Net Position	<u>\$ -</u>	<u>\$ 223,553</u>	<u>\$ 227,290</u>	<u>\$ 177,620</u>	<u>\$ 120,050</u>
Business - type Activities					
Net Investment in Capital Assets	\$ 12,690,506	\$ 12,508,865	\$ 12,376,977	\$ 12,192,571	\$ 12,100,947
Restricted	-	-	-	-	-
Unrestricted	4,224,815	3,657,822	3,488,751	1,896,073	681,845
Total Business-type Activities Net Position	<u>\$ 16,915,321</u>	<u>\$ 16,166,687</u>	<u>\$ 15,865,728</u>	<u>\$ 14,088,644</u>	<u>\$ 12,782,792</u>
Primary government					
Net Investment in Capital Assets	\$ 12,690,506	\$ 12,508,865	\$ 12,376,977	\$ 12,192,571	\$ 12,100,947
Restricted	-	223,553	227,290	177,620	120,050
Unrestricted	4,224,815	3,657,822	3,488,751	1,896,073	681,845
Total Primary Government Net Position	<u>\$ 16,915,321</u>	<u>\$ 16,390,240</u>	<u>\$ 16,093,018</u>	<u>\$ 14,266,264</u>	<u>\$ 12,902,842</u>



Source: Yuima Municipal Water District

Notes: (1) In fiscal year 2020, the fire services were transferred to the County of San Diego which was the only governmental activities for the District. Starting in fiscal year 2021, no government-wide financial statements are presented since the District has only business-type activities.

(2) The District's assets consist primarily of water treatment and distribution facilities.

**Yuima Municipal Water District**  
**Changes in Net Position - Enterprise Fund**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Operating Revenues</b>	<b>Operating Expenses</b>	<b>Operating Income (Loss)</b>	<b>Total Non-Operating Revenues (Expenses)</b>	<b>Income (Loss) Before Capital Contributions</b>	<b>Capital Contributions</b>	<b>Transfers In</b>	<b>Changes in Net Position</b>
2025	\$ 19,733,428	\$ 20,177,544	\$ (444,116)	\$ 1,048,174	\$ 604,058	\$ 35,291	\$ -	\$ 639,349
2024	13,635,609	15,635,192	(1,999,583)	923,702	(1,075,881)	15,874	-	(1,060,007)
2023	12,445,900	14,653,726	(2,207,826)	785,836	(1,421,990)	17,361	-	(1,404,629)
2022	16,054,868	16,145,397	(90,529)	792,306	701,777	-	-	701,777
2021	16,738,755	16,613,210	125,545	444,044	569,589	-	-	569,589
2020	14,103,426	14,241,081	(137,655)	839,191	701,536	30,992	16,106	748,634
2019	12,821,344	13,450,306	(628,962)	847,677	218,715	82,244	-	300,959
2018	16,771,256	16,574,067	197,189	1,285,979	1,483,168	177,837	-	1,661,005
2017	11,745,266	11,489,021	256,245	1,049,607	1,305,852	-	-	1,305,852
2016	9,670,633	9,845,811	(175,178)	553,649	378,471	-	-	378,471

Source: Yuima Municipal Water District

Notes: The District's assets consist primarily of water treatment and distribution facilities.

**Yuima Municipal Water District**  
**Changes in Net Position - Government-wide Financial Statements**  
**Last Ten Fiscal Years**

Page 1 of 2

	Fiscal Year				
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>	2021 <sup>(1)</sup>
<b>Expenses</b>					
Governmental Activities:					
Fire Protection	\$ -	\$ -	\$ -	\$ -	\$ -
Total Governmental Activities Expenses	-	-	-	-	-
Business-type activities:					
Water Activities	-	-	-	-	-
Interest on Long-term Debt	-	-	-	-	-
Total Business-type Activities Expenses	-	-	-	-	-
Total Primary Government Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services - Fire Protection	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants & Contributions - Fire Protection	-	-	-	-	-
Capital Grants and Contributions - Fire Protection	-	-	-	-	-
Total Governmental Activities Program Revenues	-	-	-	-	-
Business-type Activities:					
Charges for Services - Water Activities	-	-	-	-	-
Operating Grants & Contributions - Water Activities	-	-	-	-	-
Capital Grants & Contributions - Water Activities	-	-	-	-	-
Total Business-type Activities Program Revenues	-	-	-	-	-
Total Primary Government Program Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities	-	-	-	-	-
Total Primary Government Net (Expense)/Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
Governmental Activities:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-
Other	-	-	-	-	-
Total Governmental Activities	-	-	-	-	-
Business-type Activities:					
Property Taxes	-	-	-	-	-
Investment Income	-	-	-	-	-
Other	-	-	-	-	-
Special Item	-	-	-	-	-
Total Business-type Activities	-	-	-	-	-
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Change in Net Position</b>					
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities	-	-	-	-	-
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Yuima Municipal Water District

Notes: (1) In fiscal year 2020, the fire services were transferred to the County of San Diego which was the only governmental activities for the District. Starting in fiscal year 2021, no government-wide financial statements are presented since the District has only business-type activities.

**Yuima Municipal Water District**  
**Changes in Net Position - Government-wide Financial Statements**  
**Last Ten Fiscal Years**  
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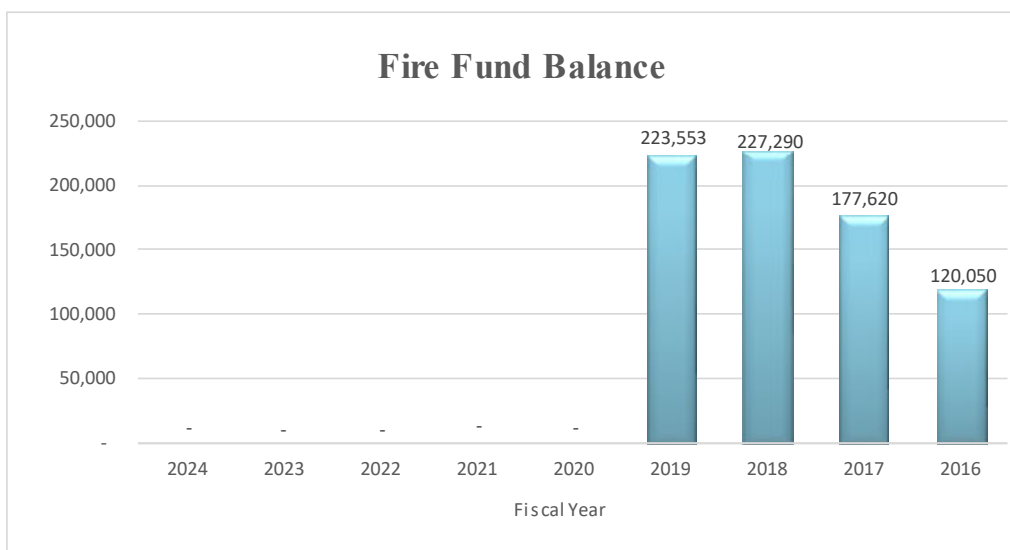
	<b>Fiscal Year</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Expenses</b>					
Governmental Activities:					
Fire Protection	\$ 229,098	\$ 63,764	\$ 21,057	\$ 288	\$ 117,154
Total Governmental Activities Expenses	<u>229,098</u>	<u>63,764</u>	<u>21,057</u>	<u>288</u>	<u>117,154</u>
Business-type activities:					
Water Activities	14,383,514	13,502,605	16,643,497	11,559,426	9,992,584
Interest on Long-term Debt	-	-	-	-	-
Total Business-type Activities Expenses	<u>14,383,514</u>	<u>13,502,605</u>	<u>16,643,497</u>	<u>11,559,426</u>	<u>9,992,584</u>
Total Primary Government Expenses	<u>\$ 14,612,612</u>	<u>\$ 13,566,369</u>	<u>\$ 16,664,554</u>	<u>\$ 11,559,714</u>	<u>\$ 10,109,738</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services	\$ 14,490	\$ 53,131	\$ 64,260	\$ 52,512	\$ 59,165
Operating Grants and Contributions	7,142	6,816	6,421	5,316	62,537
Capital Grants and Contributions	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>21,632</u>	<u>59,947</u>	<u>70,681</u>	<u>57,828</u>	<u>121,702</u>
Business-type Activities:					
Charges for Services	14,420,981	13,075,490	17,520,725	12,408,319	9,928,163
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	30,992	82,244	177,837	-	-
Total Business-type Activities Program Revenues	<u>14,451,973</u>	<u>13,157,734</u>	<u>17,698,562</u>	<u>12,408,319</u>	<u>9,928,163</u>
Total Primary Government Program Revenues	<u>\$ 14,473,605</u>	<u>\$ 13,217,681</u>	<u>\$ 17,769,243</u>	<u>\$ 12,466,147</u>	<u>\$ 10,049,865</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (207,466)	\$ (3,817)	\$ 49,624	\$ 57,540	\$ 4,548
Business-type Activities	68,459	(344,871)	1,055,065	848,893	(64,421)
Total Primary Government Net (Expense)/Revenue	<u>\$ (139,007)</u>	<u>\$ (348,688)</u>	<u>\$ 1,104,689</u>	<u>\$ 906,433</u>	<u>\$ (59,873)</u>
<b>General Revenues and Other</b>					
<b>Changes in Net Assets</b>					
Governmental Activities:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	19	80	46	30	19
Other	(16,106)	-	-	-	-
Total Governmental Activities	<u>(16,087)</u>	<u>80</u>	<u>46</u>	<u>30</u>	<u>19</u>
Business-type Activities:					
Property Taxes	460,536	447,498	429,867	416,525	390,735
Investment Income	194,582	140,140	51,431	29,495	22,222
Other	8,951	58,192	124,642	10,939	29,935
Special Item	16,106	-	-	-	-
Total Business-type Activities	<u>680,175</u>	<u>645,830</u>	<u>605,940</u>	<u>456,959</u>	<u>442,892</u>
Total Primary Government	<u>\$ 664,088</u>	<u>\$ 645,910</u>	<u>\$ 605,986</u>	<u>\$ 456,989</u>	<u>\$ 442,911</u>
<b>Change in Net Position</b>					
Governmental Activities	\$ (223,553)	\$ (3,737)	\$ 49,670	\$ 57,570	\$ 4,567
Business-type Activities	748,634	300,959	1,661,005	1,305,852	378,471
Total Primary Government	<u>\$ 525,081</u>	<u>\$ 297,222</u>	<u>\$ 1,710,675</u>	<u>\$ 1,363,422</u>	<u>\$ 383,038</u>

Source: Yuima Municipal Water District

Notes: (1) In fiscal year 2020, the fire services were transferred to the County of San Diego which was the only governmental activities for the District. Starting in fiscal year 2021, no government-wide financial statements are presented since the District has only business-type activities.

**Yuima Municipal Water District  
Fund Balances of Governmental Funds  
Last Ten Years**

Fiscal Year Ended	GOVERNMENTAL FUNDS			Total Unassigned Balance	Total Restricted Balance
	General <sup>(1)</sup> Fund	Fire <sup>(3)</sup> Fund	Total Balance		
2025	\$ -	\$ -	\$ -	\$ -	\$ -
2024	-	-	-	-	-
2023	-	-	-	-	-
2022	-	-	-	-	-
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	223,553	223,553	-	223,553
2018	-	227,290	227,290	-	227,290
2017	-	177,620	177,620	-	177,620
2016	-	120,050	120,050	-	120,050



Source: Yuima Municipal Water District

Notes: (1) The District does not have a governmental type general fund.

- (2) The Fire Mitigation Fee project consisted of building a Fire Apparatus Bay at the Cal Fire CDF location. The project was completed at a total cost of \$268,000. It was funded as a joint project with Yuima, Pauma, and Mootamai Municipal Water Districts.
- (3) The Fire Protection District (Fire Fund) was consolidated with the County of San Diego's Fire Protection CSA 135, all financial responsibility, net assets and fund balances were transferred to the County in fiscal year 2020.

**Yuima Municipal Water District**  
**Changes in Fund Balances of Governmental Fund**  
**Last Ten Fiscal Years**

*Page 1 of 2*

	Fiscal Year				
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>	2021 <sup>(1)</sup>
<b>Revenues</b>					
Fire Protection Special Tax	\$ -	\$ -	\$ -	\$ -	\$ 11,730
Mitigation Fees	-	-	-	-	2,760
Contributions	-	-	-	-	-
Investment Earnings	-	-	-	-	19
Miscellaneous (EMS Funds)	-	-	-	-	7,142
Total Revenues	-	-	-	-	21,651
<b>Expenditures</b>					
General and Administrative	-	-	-	-	180,456
Capital Expenditures	-	-	-	-	-
Fire Protection	-	-	-	-	48,642
Total Expenditures	-	-	-	-	229,098
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ (207,447)

Source: ACFR - Statement of Revenues, Expenditures and Changes in Fund Balance - Government Funds

- Notes: (1) In the 2019-20 Fiscal Year the Fire District Consolidated with the County of San Diego for fire protection. The Special Fire tax was transferred to the County in addition to the remaining balance of the Fire Fund.
- (2) CalFire did not call a "Non-Fire Season" in Fiscal Year 2017-18, therefore no fire contract charges were incurred during this reporting period.
- (3) Although Cal Fire called a regular fire season during the 2016-17 Fiscal Year, the State of California chose 10 Cal Fire Stations to fund during the non-fire season. The District's Cal Fire Station was one of the ten chosen. Therefore, no fire contract charges or contributions were incurred during this reporting period.
- (4) CalFire called an early fire season in the 2015-16 Fiscal Year. This resulted in a reduced amount for the fire contract charges that were incurred during this reporting period.



**Yuima Municipal Water District**  
**Changes in Fund Balances of Governmental Fund**  
**Last Ten Fiscal Years**

*Page 2 of 2*

	<b>Fiscal Year</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>					
Fire Protection Special Tax	\$ 11,730	\$ 51,306	\$ 52,663	\$ 51,073	\$ 51,564
Mitigation Fees	2,760	1,825	11,597	1,439	7,601
Contributions	-	-	-	-	55,844
Investment Earnings	19	80	46	30	19
Miscellaneous (EMS Funds)	7,142	6,816	6,421	5,316	6,693
Total Revenues	<u>21,651</u>	<u>60,027</u>	<u>70,727</u>	<u>57,858</u>	<u>121,721</u>
<b>Expenditures</b>					
General and Administrative	180,456	706	250	288	4,567
Capital Expenditures	-	-	-	-	-
Fire Protection	48,462	63,058	20,807	-	112,587
Total Expenditures	<u>228,918</u>	<u>63,764</u>	<u>21,057</u>	<u>288</u>	<u>117,154</u>
Net Change in Fund Balances	<u>\$ (207,267)</u>	<u>\$ (3,737)</u>	<u>\$ 49,670</u>	<u>\$ 57,570</u>	<u>\$ 4,567</u>

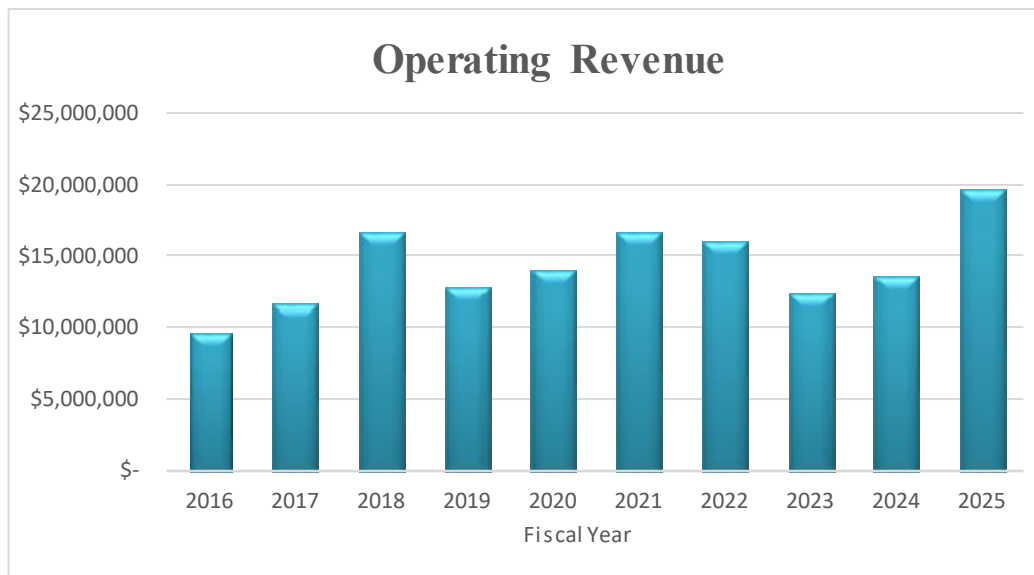
Source: ACFR - Statement of Revenues, Expenditures and Changes in Fund Balance - Government Funds

Notes: The Fire Fund has no related debt, therefore no debt expenditures or ratio is presented.

- (5) CalFire did not call a "Non-Fire Season in Fiscal Year 2014-15, therefore no fire contract charges were incurred during this reporting period.

**Yuima Municipal Water District  
Operating Revenues by Source  
Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Water Sales &amp; Pumping Charges</b>	<b>Other Services</b>	<b>Total Operating Revenues</b>	<b>Percent Change</b>
2025	\$ 18,734,604	\$ 998,824	\$ 19,733,428	44.7%
2024	12,744,322	891,287	13,635,609	9.6%
2023	11,575,405	870,495	12,445,900	-22.5%
2022	15,274,237	780,631	16,054,868	-4.1%
2021	15,847,820	890,935	16,738,755	18.7%
2020	13,269,823	833,603	14,103,426	10.0%
2019	11,991,270	830,074	12,821,344	-23.6%
2018	15,918,051	853,205	16,771,256	42.8%
2017	11,025,249	720,017	11,745,266	21.5%
2016	8,981,074	689,559	9,670,633	-11.2%



Source: Yuima Municipal Water District

Notes: (1) Ground Water figures include production in IDA past the master meter and well agreements.

**Yuima Municipal Water District  
Commodity Charges and Base Charges  
Last Ten Fiscal Years**

**Commodity Charges**

Fiscal Year Ended	Agricultural Water Rate (per acre foot)		Domestic Water Rate (per acre foot)		Average Annual Increase	Pumping Charge			Average Annual Increase
	Yuima	IDA	Yuima	IDA		Yuima	IDA (Range)		
2025 <sup>1</sup>	\$ 1,693	\$ 1,468	\$ 2,006	\$ 1,825	11%	\$ 129	\$ 92	\$ 443	26%
2024	\$ 1,563	\$ 1,240	\$ 1,780	\$ 1,729	7%	\$ 100	\$ 74	\$ 355	-1%
2023	\$ 1,641	\$ 1,112	\$ 1,641	\$ 1,551	5%	\$ 103	\$ 74	\$ 355	0%
2022	\$ 1,420	\$ 1,077	\$ 1,851	\$ 1,380	7%	\$ 103	\$ 74	\$ 355	0%
2021	\$ 1,420	\$ 1,077	\$ 1,851	\$ 1,077	0%	\$ 103	\$ 74	\$ 355	0%
2020	\$ 1,420	\$ 1,077	\$ 1,851	\$ 1,077	2%	\$ 103	\$ 74	\$ 355	0%
2019 <sup>2</sup>	\$ 1,388	\$ 1,052	\$ 1,809	\$ 1,052	0%	\$ 103	\$ 74	\$ 355	6%
2018 <sup>3,4</sup>	\$ 1,388	\$ 1,052	\$ 1,809	\$ 1,052	3%	\$ 99	\$ 70	\$ 338	1%
2017 <sup>3,4</sup>	\$ 1,316	\$ 1,052	\$ 1,715	\$ 1,052	18%	\$ 96	\$ 70	\$ 338	0%
2016	\$ 1,225	\$ 867	\$ 1,401	\$ 867	1%	\$ 96	\$ 70	\$ 338	0%

**Base Charges**

Fiscal Year Ended	Monthly Meter Charge by Meter Size									Average Annual Increase
	5/8"	1"	1½" & 1¾"	2"	3"	4"	5"	6"	8"	
2025 <sup>1</sup>	\$ 40	\$ 65	\$ 122	\$ 211	\$ 389	\$ 664	\$ 941	\$ 1,216	\$ 2,107	10%
2024	\$ 37	\$ 59	\$ 111	\$ 192	\$ 354	\$ 604	\$ 855	\$ 1,105	\$ 1,915	0%
2023	\$ 37	\$ 59	\$ 111	\$ 192	\$ 354	\$ 604	\$ 855	\$ 1,105	\$ 1,915	0%
2022	\$ 37	\$ 59	\$ 111	\$ 192	\$ 354	\$ 604	\$ 855	\$ 1,105	\$ 1,915	0%
2021	\$ 37	\$ 59	\$ 111	\$ 192	\$ 354	\$ 604	\$ 855	\$ 1,105	\$ 1,915	0%
2020	\$ 37	\$ 59	\$ 111	\$ 192	\$ 354	\$ 604	\$ 855	\$ 1,105	\$ 1,915	0%
2019	\$ 37	\$ 59	\$ 111	\$ 192	\$ 354	\$ 604	\$ 855	\$ 1,105	\$ 1,915	0%
2018 <sup>3</sup>	\$ 37	\$ 59	\$ 111	\$ 192	\$ 354	\$ 604	\$ 855	\$ 1,105	\$ 1,915	15%
2017 <sup>5</sup>	\$ 32	\$ 51	\$ 96	\$ 167	\$ 307	\$ 525	\$ 743	\$ 961	\$ 1,665	-9%
2016	\$ 35	\$ 56	\$ 106	\$ 183	\$ 338	\$ 578	\$ 817	\$ 1,057	\$ 1,831	15%

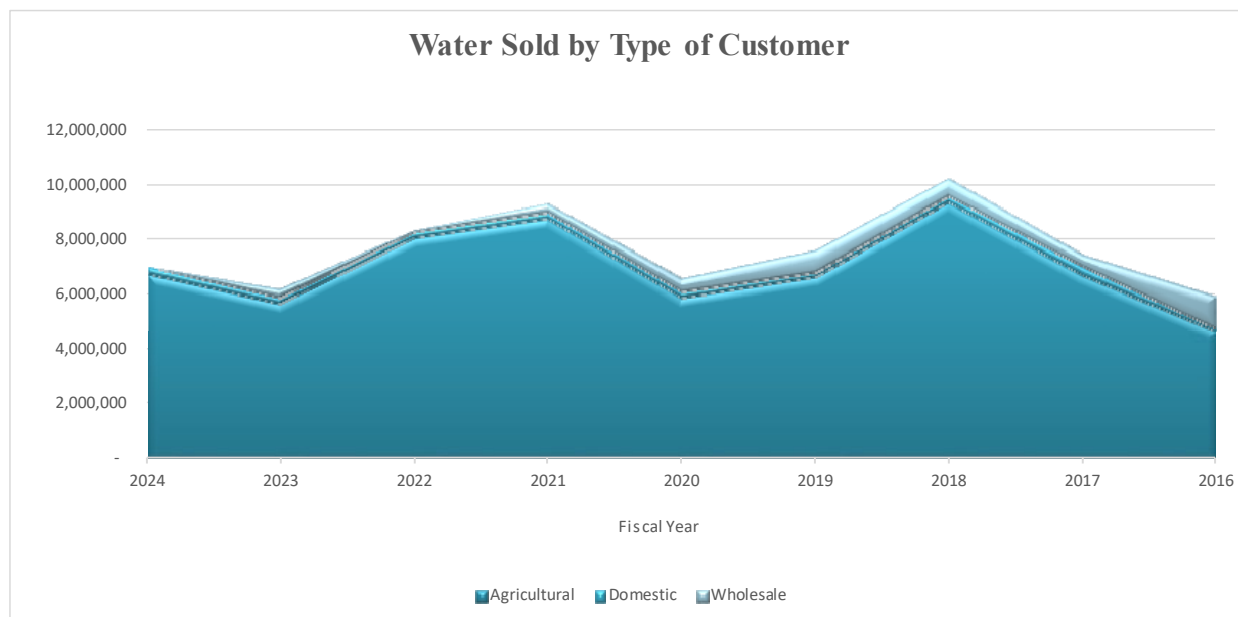
Source: Yuima Municipal Water District

- Notes: (1) Effective July 1, 2024, the Board approved a 25% increase to the pump zone charge, a 10% increase in monthly meter fees and and 18.5% increase in the water rate  
(2) Effective July 1, 2018, the Board approved a 5% increase to the pump zone charge  
(3) Effective July 1, 2017, the Board approved an increase between 5.5% and 7.1% to the base water rate and a 15% increase to the monthly meter fee.  
(4) Effective January 1, 2017, the Board approved an increase between .07% and 18% in the base water rate  
(5) Effective July 1, 2016, the Board approved an increase of .02% and .03% increase in the base water rate while increasing the meter charge by 15%.

The District annually performs a water rate study to determine the new water rates for the following fiscal year. The rate calculations begin with a determination of the total amount of revenue required and represent a balance between a fixed charge for each meter and a variable charge for the volume of water used by each customer. The allocation of revenue between base (fixed) charges and commodity (variable) charges is determined by the Board and are based upon the desired percentage of revenue to be derived from fixed and variable sources of income. Typically, 70-75% of revenue is derived from commodity charges and the remainder from the base charges.

## Yuima Municipal Water District Water Sold by Type of Customer Last Ten Fiscal Years

Fiscal Year Ended	Yuima and IDA Combined								Total Rainfall <sup>(3)</sup> (inches)	Average District Rate <sup>(4)</sup>
	Agricultural		Domestic		Wholesale Ag/Dom		Total Water Sales <sup>(1) (2)</sup>			
	Value	Acre Feet	Value	Acre Feet	Value	Acre Feet	Value	Acre Feet		
2025	\$ 9,858,296	6,660	\$ 312,307	164	\$ 24,111	13	10,194,715	6,837	8.79	\$ 1,491
2024	6,751,598	5,356	243,375	139	8,412	5	7,003,385	5,500	17.26	1,273
2023	5,668,355	4,978	209,915	132	341,996	102	6,220,266	5,212	21.24	1,193
2022	8,049,132	6,990	214,149	152	34,168	19	8,297,449	7,161	10.38	1,159
2021	8,775,608	7,485	216,449	161	333,918	234	9,325,974	7,880	5.71	1,183
2020	5,879,057	6,272	213,780	150	460,226	305	6,553,063	6,727	19.32	974
2019	6,620,209	5,656	167,250	123	827,956	562	7,615,415	6,341	19.76	1,201
2018	9,361,474	7,256	219,987	166	671,274	1,398	10,252,735	8,819	7.06	1,163
2017	6,700,996	5,370	337,513	184	415,410	824	7,453,919	6,379	22.04	1,169
2016	4,637,000	5,079	102,646	107	1,196,111	701	5,935,757	5,888	15.00	1,008



Source: Yuima Municipal Water District

Notes: (1) Yuima's primary and only significant revenue source is retail water sales. The proportion of customer type that makes up the revenue base has remained relatively unchanged for the time frame presented. Agricultural and Wholesale water customers make up the largest section of the revenue base. Consequently, demand peaks sharply during dry years when irrigation requirements are greatest and drops during wet years. As a result in fiscal years of higher rainfall a corresponding dip in Total Acre Feet Sold can be seen.

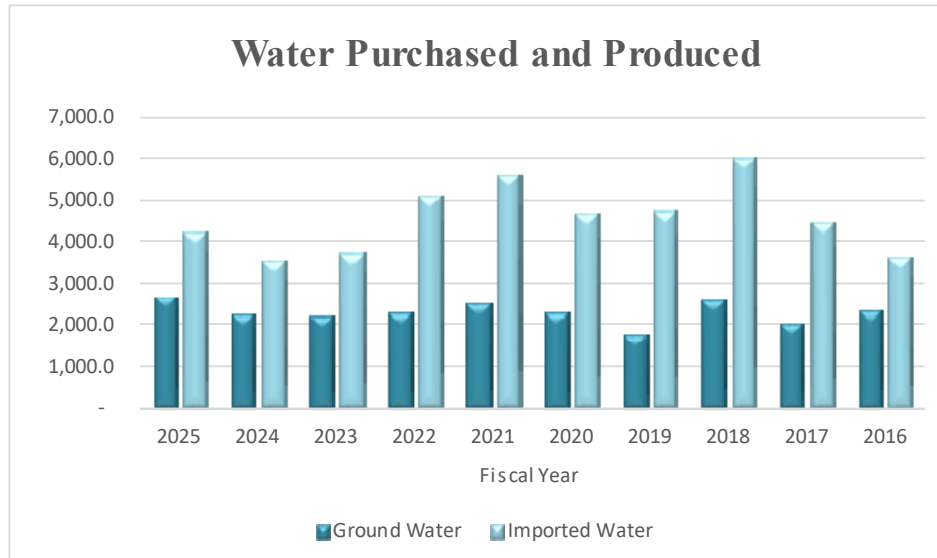
(2) Although revenue by customer type is not presented separately on the face of the financial statements, these revenues are recorded separately in the District's general ledger for tracking purposes.

(3) Rainfall is measured by a rain gauge located at the Yuima Municipal Water District's office that was installed and is maintained by the San Diego County Flood Control District.

(4) Calculated average rates. See page 65 for actual rates.

## Yuima Municipal Water District Water Purchased and Produced Last Ten Fiscal Years

Fiscal Year Ended	Yuima & IDA Combined (Acre Feet)			Percent Ground Water	Percent Imported Water
	Ground Water <sup>(1)</sup>	Imported Water	Total Water Produced		
2025	2,705.4	4,265.6	6,971.0	39%	61%
2024	2,264.0	3,536.7	5,800.7	39%	61%
2023	2,212.0	3,742.7	5,954.7	37%	63%
2022	2,287.7	5,151.2	7,438.9	31%	69%
2021	2,508.5	5,610.9	8,119.4	31%	69%
2020	2,311.4	4,684.7	6,996.1	33%	67%
2019	1,751.9	4,756.2	6,508.1	27%	73%
2018	2,601.5	6,053.5	8,655.0	30%	70%
2017	2,058.1	4,470.6	6,528.7	32%	68%
2016	2,334.3	3,621.1	5,955.4	39%	61%



Source: Yuima Municipal Water District

Notes: (1) Ground Water figures include production in IDA past the master meter and well agreements.

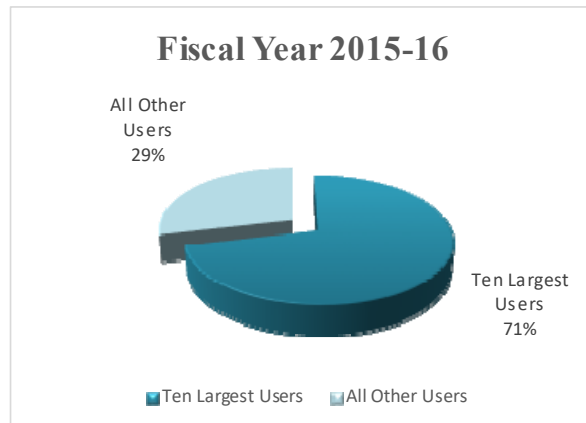
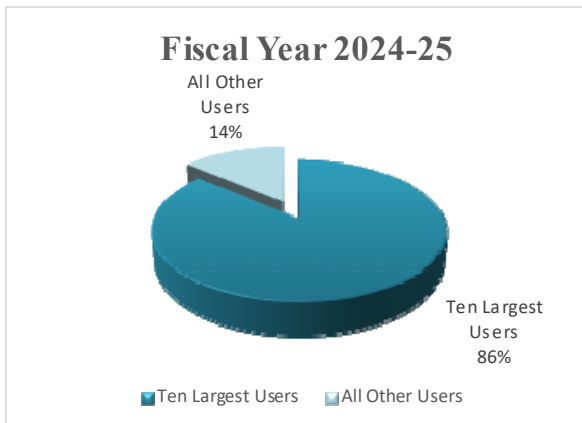
## Yuima Municipal Water District Principal Water Consumers For the Fiscal Years 2025 and 2016

**Yuima & IDA Customer Accounts  
FISCAL YEAR ENDED 2025**

Customer Name <sup>(1)</sup>	Usage in Acre Feet	Percent of Water Sold
Pauma Mtn. Ranch/Pauma Ranches	2,577	37.69%
T-Y Nursery	1,162	16.99%
Jackson Ranch	613	8.96%
Al Serrato	551	8.07%
Rancho Eugenio	273	3.99%
Valencia Groves	224	3.28%
House	186	2.71%
Brothers Nursery	124	1.81%
Cinquini	97	1.42%
Metta Forest	95	1.38%
<b>Total Top Ten Consumers</b>	<b>5,900</b>	<b>86.30%</b>
<b>Other Consumers</b>	<b>936</b>	<b>13.70%</b>
<b>Total Water Billed</b>	<b>6,836</b>	<b>100.00%</b>

**Yuima & IDA Customer Accounts  
FISCAL YEAR ENDED 2016**

Customer Name <sup>(1)</sup>	Usage in Acre Feet	Percent of Water Sold
Pauma Mtn. Ranch/Pauma Ranches	1,681	28.55%
Rancho Eugenio	423	7.18%
T-Y Nursery	476	8.08%
Val Vista	370	6.28%
Rancho Pauma	330	5.60%
Burge	238	4.04%
Pauma Ridge	233	3.96%
Humason	163	2.77%
PKB Farms	152	2.58%
House	133	2.26%
<b>Total Top Ten Consumers</b>	<b>4,199</b>	<b>71.31%</b>
<b>Other Consumers</b>	<b>1,689</b>	<b>28.69%</b>
<b>Total Water Billed</b>	<b>5,888</b>	<b>100.00%</b>



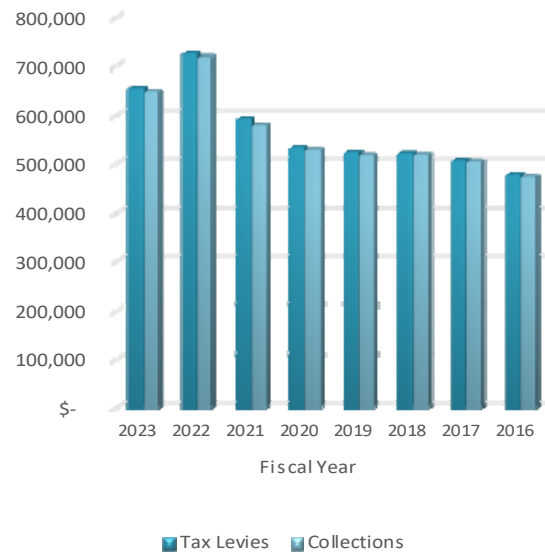
Source: Yuima Municipal Water District

Notes: (1) The District's service area has been established for many years, and with a relatively stable local economy has seen few changes to the customer base. This stability is reflected in the similarities between the current list of the largest water customers and the list from ten years ago.

**Yuima Municipal Water District  
Property Tax and Assessment Levies  
Last Ten Years**

Yuima & IDA Combined							
Fiscal Year Ended	CURRENT YEAR LEVY			Total Collections Thru 6/30	Net Uncollected at 6/30	Percent Uncollected at 6/30	
	Property Taxes <sup>(1)</sup>	Special Assessments <sup>(2)</sup>	Total Levy				
2025	\$ 595,386	\$ 91,839	\$ 687,225	\$ 677,798	\$ 9,427	1.39%	
2024	577,342	93,030	670,372	664,736	5,636	0.85%	
2023	542,562	112,157	654,719	648,563	6,155	0.95%	
2022	520,267	204,395	724,662	719,075	5,587	0.78%	
2021	494,136	98,070	592,206	578,586	13,620	2.35%	
2020	458,615	74,163	532,778	527,620	5,158	0.98%	
2019	446,790	76,447	523,237	516,716	6,520	1.26%	
2018	441,678	78,755	520,433	517,635	2,798	0.54%	
2017	427,851	77,471	505,322	503,593	1,729	0.34%	
2016	402,372	73,786	476,158	471,898	4,260	0.90%	

**Property Tax Levies and Collections**



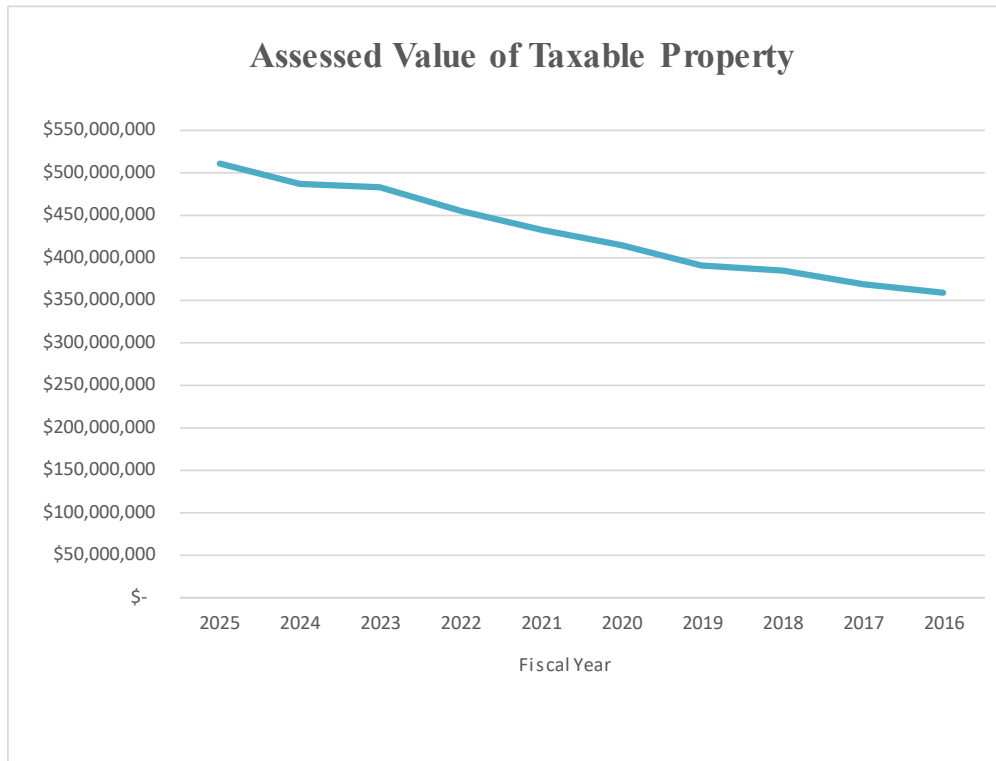
Source: Yuima Municipal Water District and the Office of the Auditor Controller, County of San Diego

Notes: (1) Property taxes represent a portion of the county 1% general tax rate.

(2) Special Assessments represent \$10 per acre water availability charge assessed on all taxable acreage in the District not otherwise deferred.

**Yuima Municipal Water District  
Assessed Value of Taxable Property  
Last Ten Years**

Yuima & IDA Combined					
Fiscal Year Ended	SECURED			Total Assessed Secured Value	Tax Rate <sup>(1)</sup>
	Real Property	Personal Property	Exemptions		
2025	\$ 520,414,624	\$ -	\$ (9,707,419)	\$ 510,707,205	-
2024	496,229,019	-	(9,522,379)	486,706,640	-
2023	491,130,160	-	(9,401,610)	481,728,550	-
2022	464,112,157	-	(9,437,305)	454,674,852	-
2021	441,500,741	-	(9,652,581)	431,848,160	-
2020	422,514,046	-	(8,417,486)	414,096,560	-
2019	396,415,578	-	(6,880,024)	389,535,554	-
2018	391,453,828	-	(6,997,093)	384,456,735	-
2017	373,794,032	-	(6,722,617)	367,071,415	-
2016	363,633,935	-	(6,392,428)	357,241,507	-



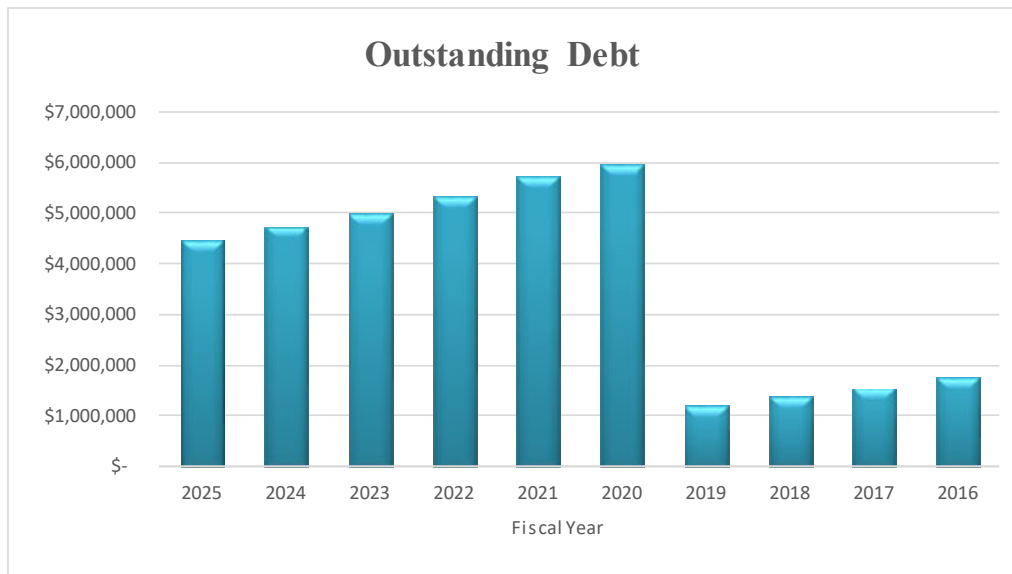
Source: Yuima Municipal Water District and the Office of the Auditor Controller, County of San Diego

Notes: (1) The District does not assess a tax rate. However, the District receives its proportionate share of property taxes levied by the County of San Diego in accordance with Proposition 13.



**Yuima Municipal Water District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal	General					Percentage			
Year	Obligation	Revenue	Term		Number of	Debt per	of Personal		Debt per
Ended	Bonds <sup>(1)</sup>	Bonds <sup>(2)</sup>	Loans	Total	Meters <sup>(3)</sup>	Meter	Income <sup>(4)</sup>	Population <sup>(5)</sup>	Capita
2025	\$ -	\$ -	\$ 4,485,464	\$ 4,485,464	353	\$ 12,707	2%	2,660	1,686
2024	-	-	4,751,130	4,751,130	349	13,614	3%	2,660	1,786
2023	-	-	5,020,217	5,020,217	346	14,509	2%	2,660	1,887
2022	-	-	5,341,540	5,341,540	346	15,438	3%	2,660	2,008
2021	-	-	5,722,662	5,722,662	346	16,539	3%	2,660	2,151
2020	-	-	5,984,115	5,984,115	346	17,295	3%	1,336	4,479
2019	-	-	1,208,032	1,208,032	341	3,543	1%	1,336	904
2018	-	-	1,379,800	1,379,800	330	4,181	1%	1,336	1,033
2017	-	-	1,547,945	1,547,945	333	4,648	1%	1,336	1,159
2016	-	-	1,788,086	1,788,086	334	5,354	1%	1,336	1,338



Source: Yuima Municipal Water District

Notes: (1) The District has not issued any General Obligation Bonds to date.

(2) The District has not issued any Revenue Bonds to date.

(3) Yuima Meters = 119; IDA Meters = 234

(4) See San Diego County Demographic and Economic Statistics Schedule. Personal Income for San Diego County was used since information for the District is unavailable.

(5) Population data provided by the 2020 U.S. Census Bureau.

**Yuima Municipal Water District  
Revenue Debt Coverage  
Last Ten Fiscal Years**

*Page 1 of 2*

Yuima & IDA Combined									
Fiscal Year Ended		Operating Revenues		Nonoperating Revenues		Gross Revenues <sup>(1)</sup>		Less: Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service
2025	\$	19,733,428	\$	1,118,629	\$	20,852,057	\$	19,490,959	\$ 1,361,098
2024		13,635,609		1,096,017		14,731,626		14,920,598	(188,972)
2023		12,445,900		948,396		13,394,296		13,987,450	(593,154)
2022		16,054,868		959,046		17,013,914		15,486,296	1,527,618
2021		16,738,755		1,018,915		17,757,670		15,960,805	1,796,865
2020		14,103,426		957,197		15,060,623		13,686,321	1,374,302
2019		12,821,344		899,976		13,721,320		12,899,095	822,225
2018		16,771,256		1,355,409		18,126,665		16,024,877	2,101,788
2017		11,745,266		1,120,009		12,865,275		10,942,559	1,922,716
2016		9,670,633		700,422		10,371,055		9,288,141	1,082,914
2015		10,885,303		864,887		11,750,190		10,959,302	790,888

Source: Yuima Municipal Water District

Notes: (1) Computation excludes fire fund revenues.

(2) The transactions to record depreciation expense are not included in Total Expenses.

(3) Includes Municipal Finance Corporation Loans. See Note 6 to the financial statements.

(4) Principal & Interest figures in 2014 are shown net of refinance.

(5) 2014 Principal & Interest correction

**Yuima Municipal Water District  
Revenue Debt Coverage  
Last Ten Fiscal Years**

*Page 2 of 2*

<b>Yuima &amp; IDA Combined</b>					
<b>DEBT SERVICE REQUIREMENTS</b>				<b>Coverage</b>	<b>Pledged Revenue</b>
<b>Principal</b>	<b>Interest</b>	<b>Total<sup>(4)</sup></b>		<b>Factor</b>	<b>Debt Limit</b>
\$ 265,666	\$ 129,020	\$ 394,686		345%	115%
269,087	136,584	405,671		-47%	115%
321,323	144,739	466,062		-127%	115%
381,122	155,265	536,386		285%	115%
261,453	163,990	425,443		422%	115%
156,917	60,279	217,196		633%	115%
152,510	39,933	192,443		427%	115%
148,230	44,213	192,443		1092%	115%
220,226	49,266	269,492		713%	115%
289,697	56,843	346,541		312%	115%
282,317	64,224	346,540		228%	115%

Source: Yuima Municipal Water District

Notes: (1) Computation excludes fire fund revenues.

(2) The transactions to record depreciation expense are not included in Total Expenses.

(3) Includes Municipal Finance Corporation Loans. See Note 6 to the financial statements.

(4) Principal & Interest figures in 2014 are shown net of refinance.

(5) 2014 Principal & Interest correction.

# Yuima Municipal Water District Computation of Direct and Overlapping Debt June 30, 2025

2024-25 Assessed Valuation: \$ 515,018,026

	Total Debt 6/30/2025	% Applicable <sup>(1)</sup>	District's Share of 6/30/2025
<b><u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Metropolitan Water District	17,155,000	0.013%	\$ 2,230
Palomar Community College District	611,941,649	0.302%	\$ 1,848,064
Palomar Pomerado Hospital District	381,893,263	0.442%	\$ 1,687,968
<b>Yuima Municipal Water District</b>	<b>0</b>	<b>100.00%</b>	<b>0</b>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 3,538,261
<b><u>OVERLAPPING GENERAL FUND DEBT</u></b>			
San Diego County General Fund Obligations	351,065,000	0.069%	\$ 242,235
San Diego County Pension Obligations	140,370,000	0.069%	\$ 96,855
San Diego County Superintendent of Schools Certificates of Participation	5,125,000	0.069%	\$ 3,536
Palomar Community College District General Fund Obligation	1,030,000	0.302%	\$ 3,111
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 345,737
Yuima Municipal Water District Notes Payable	4,485,464	100.00%	\$ 4,485,464
TOTAL DIRECT DEBT			\$ 4,485,464
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 4,831,201
Less: Yuima Municipal Water District Notes Payable (100% self-supporting)			\$ (4,485,464)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 345,737
COMBINED TOTAL DEBT			\$ 3,883,998 <sup>(2)</sup>

(1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed property value that is within the boundaries of the district divided by the overlapping district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded lease obligations.

Ratios to Assessed Valuation:

<b>Direct Debt</b>	<b>0.00%</b>
Total Direct and Overlapping Tax and Assessment Debt	0.69%
Combined Total Debt	0.75%

Source: California Municipal Statistics, Inc.

**Yuima Municipal Water District**  
**San Diego County Demographic and Economic Statistics <sup>(1)</sup>**  
**Last Ten Fiscal Years**

Year	Population	Personal Income (in thousands)	Per Capita	School Enrollment	Unemployment Rate
			Personal Income (in dollars)		
2025 <sup>(2)</sup>	N/A	N/A	N/A	N/A	4.3%
2024	3,291,101	242,163,000	73,581	478,175	4.5%
2023	3,269,755	237,505,000	72,637	476,760	4.0%
2022	3,270,767	167,801,000	51,045	481,102	3.2%
2021	3,315,404	164,786,000	49,703	490,068	7.0%
2020	3,343,355	173,279,000	51,828	502,785	13.8%
2019	3,351,786	191,558,000	57,151	506,260	3.3%
2018	3,337,456	194,633,000	58,318	508,169	3.7%
2017	3,316,192	192,107,000	57,930	505,310	4.3%
2016	3,288,612	186,900,000	56,832	504,561	5.0%

Source: County of San Diego, Annual Comprehensive Financial Report for the Year Ended June 30, 2024

Notes: (1) San Diego County, while not an exact representation of the District, is used to obtain the Demographic and Economic data shown above. There is no exact data available for the Pauma Valley area.

(2) Data for Fiscal Year 2025 not available at time of publication.

**Yuima Municipal Water District**  
**San Diego County Employment by Industry<sup>(1)</sup>**  
**Fiscal Year 2025 and 2016**

	<b>2025</b>		<b>2016</b>	
	<b>Employment at June 2025</b>	<b>% of Total Employment</b>	<b>Employment at June 2016</b>	<b>% of Total Employment</b>
Agriculture	9,400	1%	9,500	1%
Natural Resources & Mining	91,600	5%	400	0%
Construction	91,000	5%	71,800	5%
Manufacturing	109,300	7%	106,500	7%
Wholesale Trade	42,700	3%	45,700	3%
Retail Trade	135,900	8%	145,900	10%
Warehousing & Utilities	41,300	2%	28,300	2%
Information	20,300	1%	23,900	2%
Finance Activities	69,600	4%	73,500	5%
Professional & Business Services	262,200	16%	237,000	16%
Educational & Health Services	268,000	16%	198,800	14%
Leisure & Hospitality	207,800	12%	195,700	14%
Repair, Religious, Professional	58,500	3%	55,200	4%
Federal Government	46,300	3%	46,700	3%
State Government	66,500	4%	48,300	3%
Local Government	153,400	9%	151,800	11%
<b>Total, All Industries</b>	<b>1,673,800</b>	<b>100%</b>	<b>1,439,000</b>	<b>100%</b>
Civilian Employment	1,590,900	95.1%	1,499,800	94.9%
Civilian Unemployment	81,800	4.9%	80,400	5.1%
<b>Total Civilian Labor Force</b>	<b>1,672,700</b>	<b>100%</b>	<b>1,580,200</b>	<b>100%</b>
<b>Civilian Unemployment Rate</b>	<b>4.9%</b>		<b>5.1%</b>	

Source: California Employment Development Department

Notes: (1) San Diego County, while not an exact representation of the District, is used to obtain the employment profile data shown above. There is no exact data available for the Pauma Valley area.

**Yuima Municipal Water District  
San Diego County Principal Employers<sup>(1)</sup>  
Current Year and Nine Years Ago**

	2024 <sup>(2)</sup>			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
University of California - San Diego	35,802	1	2.37%	29,287	1	1.97%
Sharp Healthcare	19,468	2	1.29%	16,896	3	1.14%
County of San Diego	17,954	3	1.19%	17,044	2	1.15%
City of San Diego	11,820	4	0.78%	N/A	N/A	N/A
General Atomics	6,745	5	0.45%	5,088	10	0.34%
San Diego State University	6,454	6	0.43%	N/A	N/A	N/A
Rady Children's Hospital - San Diego	5,711	7	0.38%	5,122	9	0.34%
San Diego Community College District	5,400	8	0.36%	N/A	N/A	N/A
Sempra Energy	5,063	9	0.34%	N/A	N/A	N/A
YMCA of San Diego County	5,057	10	0.33%	5,487	8	0.37%
Total	119,474		7.92%	78,924		5.31%

Source: County of San Diego, Annual Comprehensive Financial Report

Notes: (1) San Diego County, while not an exact representation of the District, is used to obtain the employment profile data shown above. There is no exact data available for the Pauma Valley area. However, the casinos, container nurseries, and schools are the largest employers in our area.

(2) Data for fiscal year 2025 not available at time of publication

**Yuima Municipal Water District**  
**District Employees and Operational Information<sup>(1)</sup>**  
**Last Ten Fiscal Years**

**Full-time Equivalent District Employees**

<b>Fiscal Year Ended</b>	<b>Management</b>	<b>Field Operations</b>	<b>Administrative Services</b>	<b>Total Employees<sup>(1,2)</sup></b>	<b>Average Years of Service</b>
2025	3	4	1	8	4.11
2024	2	5	1	8	9.44
2023	3	4	1	8	13.75
2022	3	4	1.8	8.8	11.90
2021	1	4	2.8	7.8	12.25
2020	1	5	3.8	9.8	9.40
2019	2	5	3.8	10.8	10.00
2018	2	5	5	12	9.20
2017	2	5	3	10	10.10
2016	1	4	3	8	14.80

**Operational Information**

**Water System - Yuima & IDA Combined**

Service Area	13,491 acres
Miles of Water Main	44.12 miles
Number of Ag Only Open Reservoirs	2
Number of Treated Water Tanks <sup>(5)</sup>	20
Total Treated Storage Capacity	58.3 ac.ft.
Number of Booster Pump Stations	10
Booster Station Total Connected Horsepower	5625
Number of Producing Wells	24
Daily Production Peak <sup>(3)</sup>	9.36 mgd
Average Daily Production <sup>(4)</sup>	5.35 mgd
Number of Service Connections	353

Source: Yuima Municipal Water District

Notes: (1) Yuima is an established water district which is reflected in the relatively small changes in employees over this ten year period.

(2) The employee count represents the number of full-time employees in each department.

(3) Daily production peak is based on imported and local water supplies for the fiscal year.

(4) Average daily production is based on imported and local water supplies for the fiscal year.

(5) In 2024 Yuima began leasing a well that has 10-1,000 gallon tanks connected to it.



# Yuima Municipal Water District

## Capital Assets

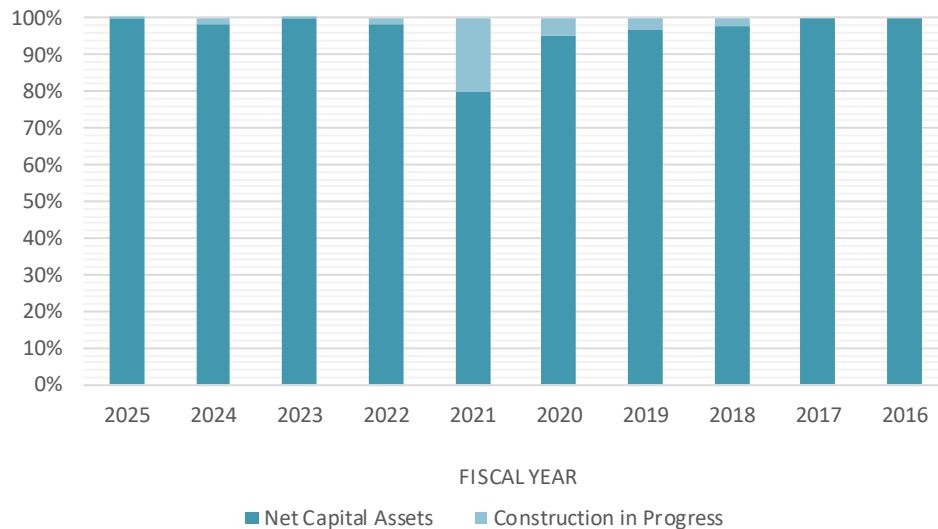
### Last Ten Years

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#### Yuima & IDA Combined

Fiscal Year Ended	Annexation Fees	Land	Source of Supply	Pumping Plant	Water Treatment Plant
2025	\$ 944,872	\$ 356,585	\$ 8,846,123	\$ 9,277,233	\$ 208,498
2024	944,872	356,585	8,846,123	9,268,003	199,226
2023	944,872	356,585	8,846,123	9,274,073	199,226
2022	944,872	356,585	8,846,123	9,250,260	199,266
2021	944,872	356,585	8,846,123	9,228,868	199,226
2020	944,872	356,585	9,032,537	3,837,537	199,226
2019	944,872	356,585	9,032,537	3,655,939	199,226
2018	944,872	356,585	9,032,538	3,587,888	199,226
2017	944,872	356,585	9,025,684	3,535,095	199,226
2016	944,872	356,585	9,025,684	3,557,628	199,226

## Capital Assets



Source: Yuima Municipal Water District

**Yuima Municipal Water District**  
**Capital Assets**  
**Last Ten Years**

*Page 2 of 2*

**Yuima & IDA Combined**

<b>Fiscal</b>						
<b>Year</b>	<b>Transmission</b>	<b>General</b>	<b>Accumulated</b>	<b>Net Capital</b>	<b>Construction</b>	
<b>Ended</b>	<b>&amp; Distribution</b>	<b>Plant</b>	<b>Depreciation</b>	<b>Assets</b>	<b>in Progress</b>	
2025	\$ 9,554,152	\$ 2,614,826	\$ (15,180,487)	\$ 16,621,801	\$ 66,710	
2024	9,554,152	2,576,776	(14,493,902)	17,251,835	50,274	
2023	8,919,274	2,575,412	(13,834,699)	17,280,866	262,591	
2022	8,919,274	2,327,678	(13,237,648)	17,606,409	38,711	
2021	8,591,483	2,224,830	(12,595,496)	17,796,491	325,354	
2020	8,301,388	2,205,997	(12,069,017)	12,809,126	4,489,890	
2019	8,280,751	2,136,464	(11,528,429)	13,077,946	638,952	
2018	8,280,751	1,872,508	(10,984,263)	13,290,105	466,672	
2017	8,021,053	1,837,999	(10,447,831)	13,472,683	267,833	
2016	8,021,053	1,709,626	(9,925,642)	13,889,032	-	

**Yuima Municipal Water District  
Operating & Capital Indicators  
Last Ten Fiscal Years**

*Page 1 of 2*

	Fiscal Year				
	2025	2024	2023	2022	2021
Service Area	13,491	13,491	13,491	13,460	13,460
Total Rainfall (inches)	8.79	17.26	21.24	10.38	5.71
Miles of Water Main (6"+)	44.12	44.12	44.12	44.12	44.12
Number of Treated Water Tanks	20	20	10	10	10
Capacity of Water Tanks (acre feet)	58.3	58.3	58.0	58.0	58.0
Number of Open Reservoirs	-	-	-	-	-
Capacity of Open Reservoirs (acre feet)	-	-	-	-	-
Number of Ag Only Open Reservoirs	2	2	2	2	2
Capacity of Ag Only Open Reservoirs (acre feet)	11.7	11.7	11.7	11.7	11.7
Number of Producing Wells	24	24	23	-	23
Maximum gallons per minute Flows (1)	3,401	3,401	2,901	2,901	2,901
Number of Pump Stations	10	10	9	9	9
Pump Capacity (horsepower)	5,625	5,625	5,500	5,500	5,500
Number of Service Connections (2)	353	349	347	346	346
Production Peak (mgd) (3)(4)	9.36	9.11	8.87	8.58	11.87
Average Annual Production (mgd)	5.35	5.18	4.20	5.87	2.60
Number of Mainline Repairs	4	4	4	3	1

Source: Yuima Municipal Water District

Notes: (1) Yuima and IDA local wells production including leased wells.

(2) Yuima connections = 119; IDA connections = 234

(3) Peak production month -August 2020.

(4) Local and imported water supplies.

**Yuima Municipal Water District**  
**Operating & Capital Indicators**  
**Last Ten Fiscal Years**

*Page 2 of 2*

	<b>Fiscal Year</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Service Area	13,460	13,460	13,460	13,460	13,460
Total Rainfall (inches)	19.32	19.76	7.06	22.04	15.00
Miles of Water Main (8"+)	44.12	44.12	44.12	44.12	44.12
Number of Treated Water Tanks	10	10	10	10	10
Capacity of Water Tanks (acre feet)	58.0	58.0	58.0	58.0	58.0
Number of Open Reservoirs	-	-	-	-	-
Capacity of Open Reservoirs (acre feet)	-	-	-	-	-
Number of Ag Only Open Reservoirs	2	2	2	2	2
Capacity of Ag Only Open Reservoirs (acre feet)	11.7	11.7	11.7	11.7	11.7
Number of Producing Wells	23	23	24	25	23
Maximum gallons per minute Flows	2,901	2,901	2,901	2,901	2,901
Number of Pump Stations	9	9	9	9	9
Pump Capacity (horsepower)	4,850	4,850	4,850	4,850	4,850
Number of Service Connections	346	341	338	334	330
Production Peak (mgd)	11.87	13.36	10.80	11.80	8.40
Average Production (mgd)	6.34	5.88	7.83	5.90	6.91
Number of Mainline Repairs	1	1	-	1	-

Source: Yuima Municipal Water District

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***Other Independent Auditors' Reports***

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

Board of Directors  
Yuima Municipal Water District  
Yuima, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Yuima Municipal Water District (District), which comprise the balance sheet as of June 30, 2025, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Murrieta, California  
December 22, 2025