

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2025



YORBA LINDA WATER DISTRICT
PLACENTIA, CALIFORNIA

Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

PREPARED BY:

Yorba Linda Water District Finance Department

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YORBA LINDA WATER DISTRICT
PLACENTIA, CALIFORNIA

Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

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PLACENTIA, CALIFORNIA

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INTRODUCTORY SECTION

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Yorba Linda Water District

YL
SERVING THE COMMUNITY
SINCE 1909

October 17, 2025

To the Board of Directors and Customers of Yorba Linda Water District,

Introduction

The Yorba Linda Water District ("District") is pleased to present its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This report was prepared pursuant to the guidelines set forth by the Governmental Accounting Standards Board (GASB).

District staff prepared this financial report in conjunction with an unmodified opinion issued by the independent audit firm LSL, LLP. The independent auditor's report is located at the front of the financial section of this document. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes responsibility for the completeness and reliability of the information presented in this report. As further described below and to provide a reasonable basis for making these representations, the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal control should not outweigh its benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. Management asserts that to the best of its knowledge and belief, this financial report is complete and reliable in all material aspects.

District Structure and Leadership

The Yorba Linda Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District has provided water and/or sewer services to residents and businesses in the City of Yorba Linda, and portions of Placentia, Brea, Anaheim, and unincorporated Orange County since 1959, the year it was formed to take over the assets and water service responsibilities of the Yorba Linda Water Company, a mutual water company formed in 1909. The District is governed by a five-member Board of Directors, elected at large from within the District's service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs a staff of

81 full-time employees and 2 part-time interns. The District's Board of Directors meets bi-monthly. Meetings are publicly noticed, and customers are encouraged to attend virtually or in person.

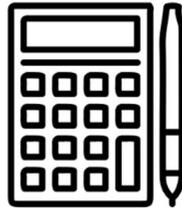
Mission/Vision Statement and Major Initiatives

The activities of the Board and District staff are driven by its Mission Statement: "Yorba Linda Water District provides reliable water and sewer services to protect public health and the environment with financial integrity and superior customer service," and its Vision Statement: "Yorba Linda Water District will accomplish its mission to improve the quality of life for those we serve by: embracing proven technology; improving customer satisfaction; providing efficient and responsive operations; ensuring reliable infrastructure; and assuring fiscal accuracy and transparency." The Mission and Vision Statements dictate the following six core values of the District:



INTEGRITY

We demonstrate integrity every day by practicing the highest ethical standards and by ensuring that our actions follow our words.



ACCOUNTABILITY

We acknowledge that both the Board and staff of the District are accountable to the public that we serve, as well as to each other.



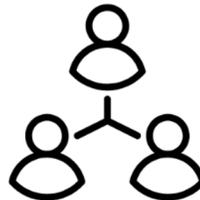
RESPONSIBILITY

We take full responsibility for our actions. We maintain a commitment of courtesy, assessment, and resolution with all customer concerns.



RESPECT

We ensure every voice of the District is treated with dignity and civility; differences are valued and individual abilities and contributions are recognized.



TEAMWORK

We work together by sharing information and resources to achieve common goals.



TRANSPARENCY

We listen to our customers and communicate openly about our policies, processes, and plans for the future.

District Services

The District's service area is distinguished by its larger-than-average residential lots and extensive network of horse trails. The City of Yorba Linda's median household income is approximately 34% greater than the overall median income for Orange County.

Bordered by Chino Hills State Park to the north and east and the Santa Ana River to the south, the District's service area includes the City of Yorba Linda and portions of Placentia, Brea, Anaheim, and unincorporated Orange County. The complex system of pipes, valves, pressure control stations, pump stations, fire hydrants, Heli-Hydrants, and reservoirs are strategically located throughout the service area to:

- Deliver reliable, high-quality drinking water to customers
- Support firefighting and emergency response needs
- Safely transport wastewater to the Orange County Sanitation District (OCSAN) treatment facilities in Fountain Valley, California.

The District provides water, sewer, or a combination of both services to residents and businesses within its service area, which includes approximately 14,475 acres of land, comprising 22.6 square miles. The District serves a population of approximately 84,000 and currently provides water service to approximately 25,600 residential, commercial, and light industrial connections. Residential customers make up approximately 93% of the District's customer base and consume approximately 75% of the water provided annually by the District. The District also provides sewer collection service for approximately 25,200 customer connections.

User Rates & Charges

As a Special District, the Board, as part of the annual budget development process, approves rates and charges to ensure the cost of service and debt service obligations are met and to allow for the effective planning of future capital improvements. On June 8, 2021, the Board of Directors approved a 5-year rate structure with an effective date of July 1, 2021. This rate structure was adopted in compliance with Proposition 218, which mandates an extensive public notification and hearing process. Of the 29,149 parcels within the District's service area eligible to protest the rate adjustment, only 413 (1.4%) were submitted by the June 8, 2021 public hearing, well below the 14,575 required to reject the proposed rates. The adoption of this rate structure significantly strengthened the District's long-term financial outlook and marked a critical step toward achieving financial stability and building resilience against fluctuations in water demand. As a result, the District now operates on a more predictable and sustainable financial path.

The adopted rates included the following charges:

Commodity Rate

- Comprised of the actual cost of the water (including energy and other costs directly tied to the commodity)
- Is mostly independent from the District's fixed costs
- Helps insulate the District's finances from fluctuations in water demand and conservation mandates

Fixed Meter Charge

- Monthly charge, per water service connection, based on meter size, collected on monthly water bills
- Is a consistent revenue stream unaffected by changes in demand or governmental mandates

Fixed Capital Finance Charge

- Annual charge, per water service connection, based on meter size, collected on property tax bills taxable parcels or is invoiced manually for connections that do not have a parcel number
- Assists the District with fulfilling its annual debt service obligations, including principal and interest, for long-term, intergenerational capital projects

Sewer Maintenance Charge

- Fixed charge is collected for residential, sewer customers
- Fixed and volumetric charge is collected for commercial, sewer customers
- Customers with water and sewer services are sent monthly bills
- Customers with only sewer service are billed annually through property tax bill

The District's rate structure also includes an allowable pass-through charge. The "pass-through", which cannot exceed 10% of the commodity rate, allows the District to recover unanticipated increases in utility and water supply costs that rise above the projections in the rate study.

In Fiscal Year 2024-25, with an effective date of July 1, 2024, the commodity rate was adjusted to the following:

Commodity Rate	Pass-Through	Commodity Rate plus Pass-Through
\$3.43	\$0.34	\$3.77

The monthly fixed meter charges and annual fixed capital finance charges for Fiscal Year 2024-25 were set as follows:

Meter Size	Fixed Meter Charge (Monthly)	Fixed Capital Finance Charge (Annual)
5/8"	\$35.82	\$88.32
3/4"	\$35.82	\$88.32
1"	\$55.88	\$147.24
1 1/2"	\$105.95	\$294.12
2"	\$166.04	\$470.16
3"	\$356.39	\$1,028.04
4"	\$636.87	\$1,849.92
6"	\$1,608.57	\$4,698.12

The sewer maintenance fee was adjusted to \$13.77 per month in Fiscal Year 2024-25 for traditional single-family residential customers, \$13.25 per month per dwelling unit for multi-family residential customers, and \$13.77 per month plus a \$0.53 per unit volumetric charge, based on water consumption above 7 units for commercial customers.

At an average of 17 units of water per month (approximately 12,700 gallons), a typical 1" metered YLWD residential customer's monthly bill for water and sewer was about \$120 and \$14, respectively. The amount on the property owner's annual property tax bill for a 1" meter was about \$147, which would be about \$12 per month.

Fiscal Year 2025-26 is the District's final year of its approved five-year rate structure. A new five-year rate study is being conducted in Fiscal Year 2025-26 to evaluate rates for the period covering Fiscal Year 2026-27 through Fiscal Year 2030-31.

Water Supply

The District's water supply is derived from two primary sources: local groundwater and imported water. For Fiscal Year 2024-25, approximately 86% of the District's water supply came from groundwater basins managed by the Orange County Water District (OCWD), with the remaining 14% purchased through the Municipal Water District of Orange County (MWDOC).

OCWD sets an annual Basin Production Percentage (BPP), which establishes the maximum portion of an agency's total water supply that can be pumped from the groundwater basin without incurring additional costs. For Fiscal Year 2024-25, the BPP was set at 85%. Groundwater pumped above this threshold is subject to a Basin Equity Assessment (BEA) cost.

The imported water the District purchases through MWDOC originates from the Metropolitan Water District of Southern California (Metropolitan), which sources its water from the Colorado River via the Metropolitan-owned Colorado River Aqueduct and from Northern California through State Water Project. This imported water is treated at Metropolitan's Robert B. Diemer Water Treatment Plant, located at Valley View Avenue and Diemer Road in Yorba Linda.

Imported water costs approximately twice as much as local groundwater for retail agencies like the District. The District's current infrastructure has the capacity to store approximately 57 million gallons of water in its reservoirs.

Economic Condition and Outlook

The District's administrative offices are located in the City of Placentia in Orange County. The local economy within the District's service area remains fiscally strong and continues to improve. Wages and housing prices remain strong and unemployment remains low. Additionally, Yorba Linda has been ranked as the fifth safest city to live in Southern California in a 2025 article published by SafeWise. These favorable conditions make the region increasingly attractive to prospective residents. As a result, there is a growing demand for housing, which drives city expansion and increases the District's potential customer base.

In July 2022, the District's Board of Directors authorized the issuance of \$32,310,000 in Revenue Bonds, Series 2022A. The proceeds were used to fund approximately \$24 million in new water capital projects, pay off a \$5.7 million balance on a revolving line of credit, and retire the remaining \$5.7 million of the Refunding Revenue Bonds, Series 2012A. Paying off the 2012A bonds resulted in savings of approximately \$348,000 in aggregate and on a net present value basis for District ratepayers. One key advantage of using bonds to finance major capital projects is that the debt repayment period can align with the useful life of the infrastructure. This enables both current and future rate payers, those who benefit from the improvements, to share in the cost. By using long-term financing, rate impacts are distributed more evenly over time, typically occurring during the years the infrastructure is in use, rather than before the project is completed or operational.

Among the growing portfolio of mandates with which the District must comply are treatment requirements for emerging types of contaminants that, due to advances in technology, can now be detected in minute quantities (i.e. parts per trillion). With the District's PFAS Water Treatment Plant becoming fully operational in April 2022, the District was able to return to its traditional operating plan for water supply purchases. This Ion-Exchange (IX) plant has 6 pre-filter units, 22 Ion-Exchange vessels, a 25 MGD booster pumping station, and a 1,000 kW natural gas back-up generator. The treatment plant requires a periodic change of resin, which is a critical component of the plant and is used to remove contaminants. In Fiscal Year 2024-25, OCWD changed the resin in 7 out of 22 vessels, which is a routine and added cost to the District.

Future Years

The District's Water Master Plan and Wastewater Master Plan were updated in September 2023 and June 2022, respectively. These master plans, in addition to the District's Asset Management Plan, have been used to update a detailed 5-year Capital Improvement Program for Fiscal Year 2025-26. Projects for systems in need of upgraded energy, capacity, and reliability, as well as in the fire protection categories are prioritized to improve quality and efficiency.

Water use efficiency rules, regulations, and mandates continue to evolve across California. Accordingly, the District will regularly update its plans, policies, and procedures to align with

new developments in this area. In Fiscal Year 2025–26, the District enters the fifth and final year of its 2021 Five-Year Water and Sewer Rate Study. Under this study, the District's commodity rate largely operates independently from the fixed rate, which covers most of the District's fixed costs. As a result, the District does not anticipate a significant financial impact in the event of reduced customer demand.

The adopted budget for Fiscal Year 2025-26 is predicated upon the assumption that customer water demand will decrease slightly from that of Fiscal Year 2024-25 in anticipation that the fiscal year's weather pattern in Fiscal Year 2025-26 will be slightly cooler and District customers will continue to consider permanent landscaping changes and water use efficiency in a growing culture of drought sensitivity. Additionally, in June 2025 a new three-year Memorandum of Understanding was adopted, which provided a 5% COLA increase in base salary in Fiscal Year 2025-26. Increased rates from other municipal entities and power costs were also considered in the Fiscal Year 2025-26 budget.

Long-term Financial Planning and Policies

The District perpetually maintains a five-year Financial Forecast to identify and focus on current and projected economic conditions. The purpose of the forecast is to identify the District's ability over the next five years to continue current services, maintain existing assets, and fund new initiatives or acquire new capital assets.

The Board of Directors also conducts an annual review and adopts a five-year forecast for Capital Improvement Projects. These investments reflect the Board of Directors' commitment to maintaining and improving the District's critical infrastructure and facilities in order to seamlessly provide its customers with safe, reliable, and cost-effective water and sewer service.

The District's Debt Management Policy has a significant impact on the District's water rates set by the Board of Directors on an annual basis. The Policy directs that the District's annual rates and charges shall be set to maintain an annual debt coverage ratio of at least 225% and to retain a minimum of AA+ rating or better from bond rating agencies. In July 2024 the District received a AAA rating from Fitch Ratings, which is the highest level on Fitch's rating scale. This upgrade is a testament to the District's dedication to financial responsibility and transparency.

Additionally, in furtherance of the District's desire to fund Net Pension and Other Post Employment Benefit (OPEB) obligations to the extent possible or reasonable, the District established a Public Agencies Post-Employment Trust made available by PARS. The District employs its Pension Rate Stabilization Program (PRSP) and Other Post-Employment Benefits (OPEB) Funding Policy that addresses the methodology and process for funding current and future contractual obligations to provide pension and retiree medical benefits as set forth in the District's personnel rules and regulations. The policy also establishes procedures that are formulated in compliance with the requirements of Section 115 of the Internal Revenue Code for a prudent and systematic investment in support of the District's goals. The Board of Directors adopted these policies and determines the level of funding for these programs to reduce the District's unfunded legacy obligations.

Technological Advancements

The District continues to embrace technological advancements and invest in infrastructure upgrades to enhance operations, improve customer service, and ensure long term system reliability. Aging infrastructure is proactively evaluated and replaced based on condition, risk and service impact thus minimizing the likelihood of failure and reducing long term maintenance costs. To keep systems up to date, the District is modernizing its software platforms. The new platforms offer enhanced functionality, improved user experience, and new features that support evolving operational needs. Cybersecurity measures, including vulnerability scanning, patch management, system updates, advanced firewalls and monitoring tools further strengthen the District's IT infrastructure. Together these initiatives reflect the District's commitment to maintaining secure, modern and efficient systems across all areas of operations.

Internal Control Structure

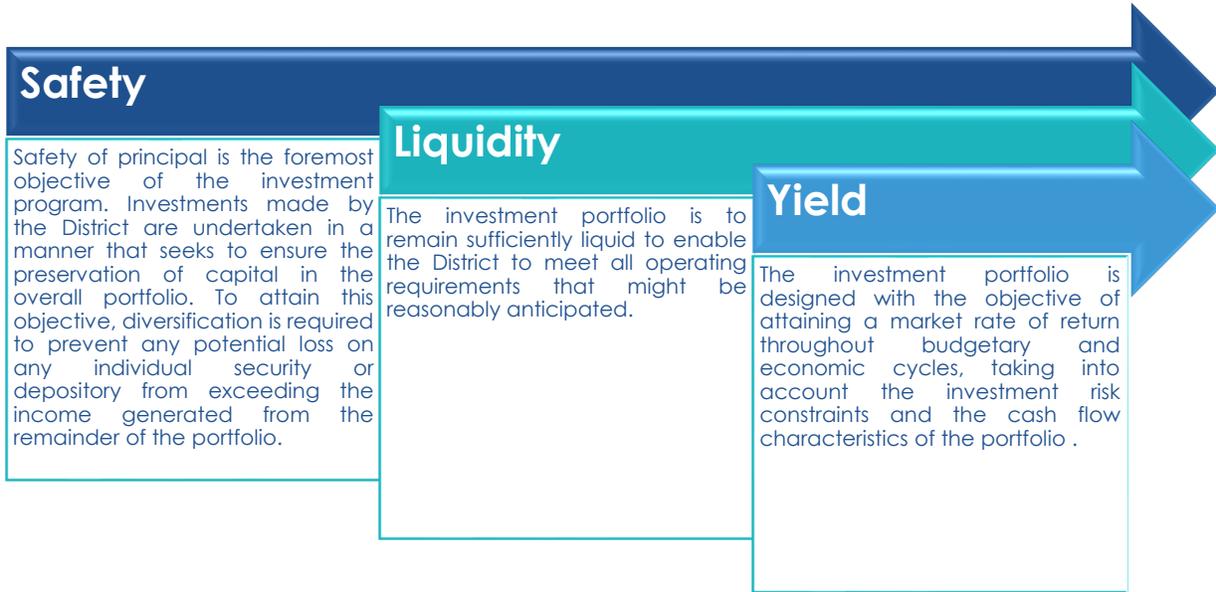
District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of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

Budgetary Control

The Board of Directors adopts an operating and capital budget on an annual basis with a mid-year review. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting processes applied to the District are consistent with the accrual basis of accounting and financial statement presentation.

Cash and Investment Management

The District's Investment Policy is reaffirmed annually by the Board of Directors. The policy sets forth, in order of priority, the District's objectives when investing, reinvesting, purchasing, acquiring, selling, and managing public funds as follows:



Audit and Financial Reporting

State law and bond covenants require the District to obtain an annual audit of its financial statements by an independent Certified Public Accountant. The accounting firm of LSL, LLP has conducted the audit of the District's financial statements. Their unmodified (clean) Independent Auditor's Report appears in the Financial Section.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Yorba Linda Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the 15th consecutive year the District has received this recognition. To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District believes that its current ACFR continues to meet the Certificate of Achievement Program requirements and will be submitting it to the GFOA to determine its eligibility for receipt of a certificate again this year.

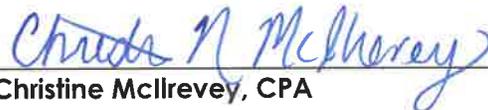
The District has also been recognized among over 400 government entities, on a national level, as a GFOA "Triple Crown Winner". To receive this recognition, governments would have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award for a single represented fiscal year. This marks the 6th consecutive year as a Triple Crown agency and the District believes its fiscal year 2025 budget and financial reporting documents will again earn the Triple Crown.

Preparation of this report was accomplished with the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the Board of Directors for their continued leadership and commitment to the sound planning and implementation of the Yorba Linda Water District's fiscal policies.

Respectfully submitted,



Mark Toy, P.E.* BC.WRE
General Manager
**Licensed in Arizona and Virginia*



Christine McIlrevey, CPA
Finance Manager

BOARD OF DIRECTORS



TOM LINDSEY
President



GENE HERNANDEZ
Vice President



BRETT R. BARBRE
Director



TRUDI DESROCHES
Director



WAYNE R. SCOTT
Director

EXECUTIVE MANAGEMENT TEAM



MARK TOY
General Manager



DOUGLASS DAVERT
Assistant General Manager



ROSANNE WESTON
Engineering Manager



LORI THOMPSON
Human Resources/Risk Manager



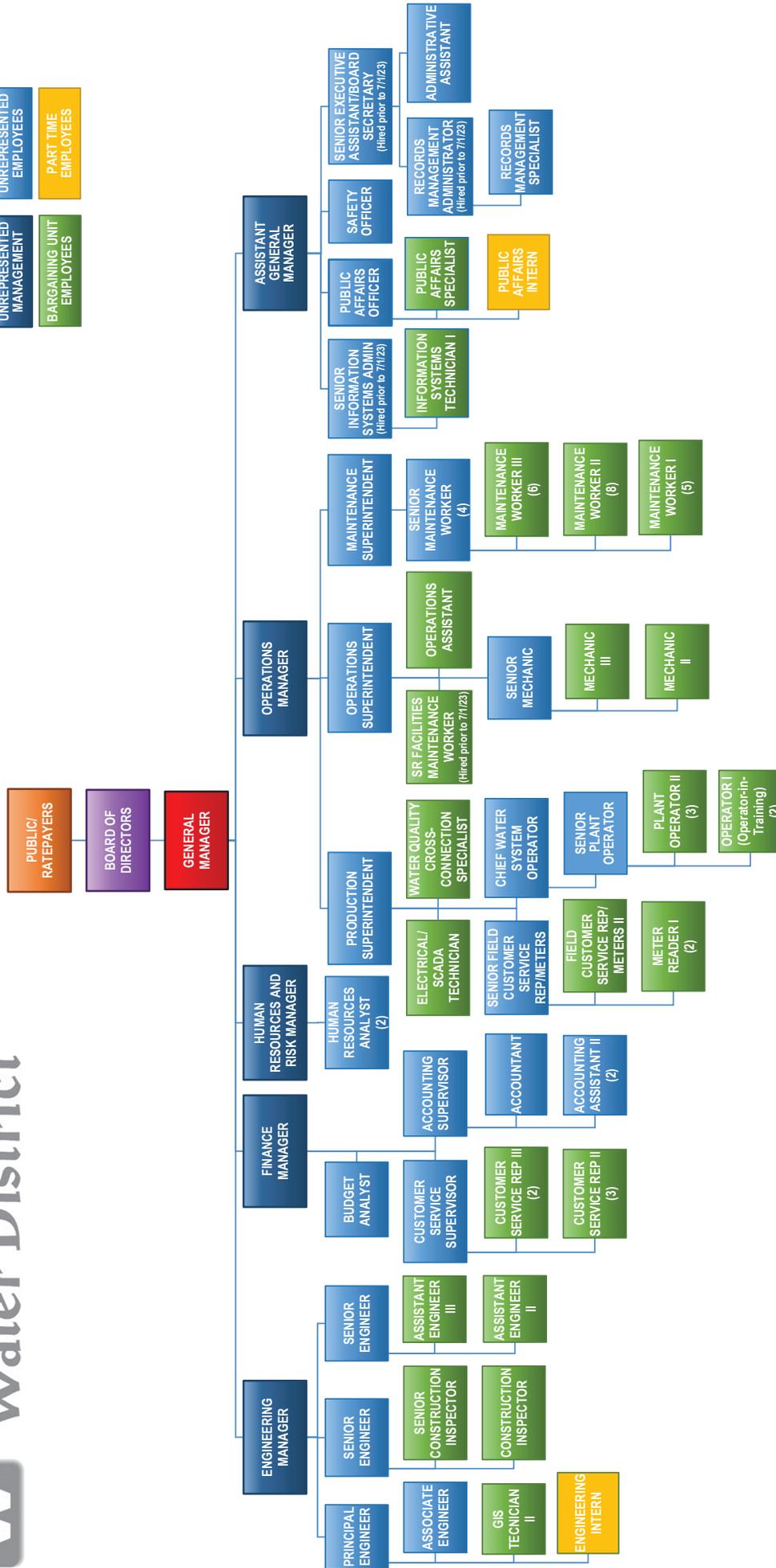
CHRISTINE MCILREVEY
Finance Manager

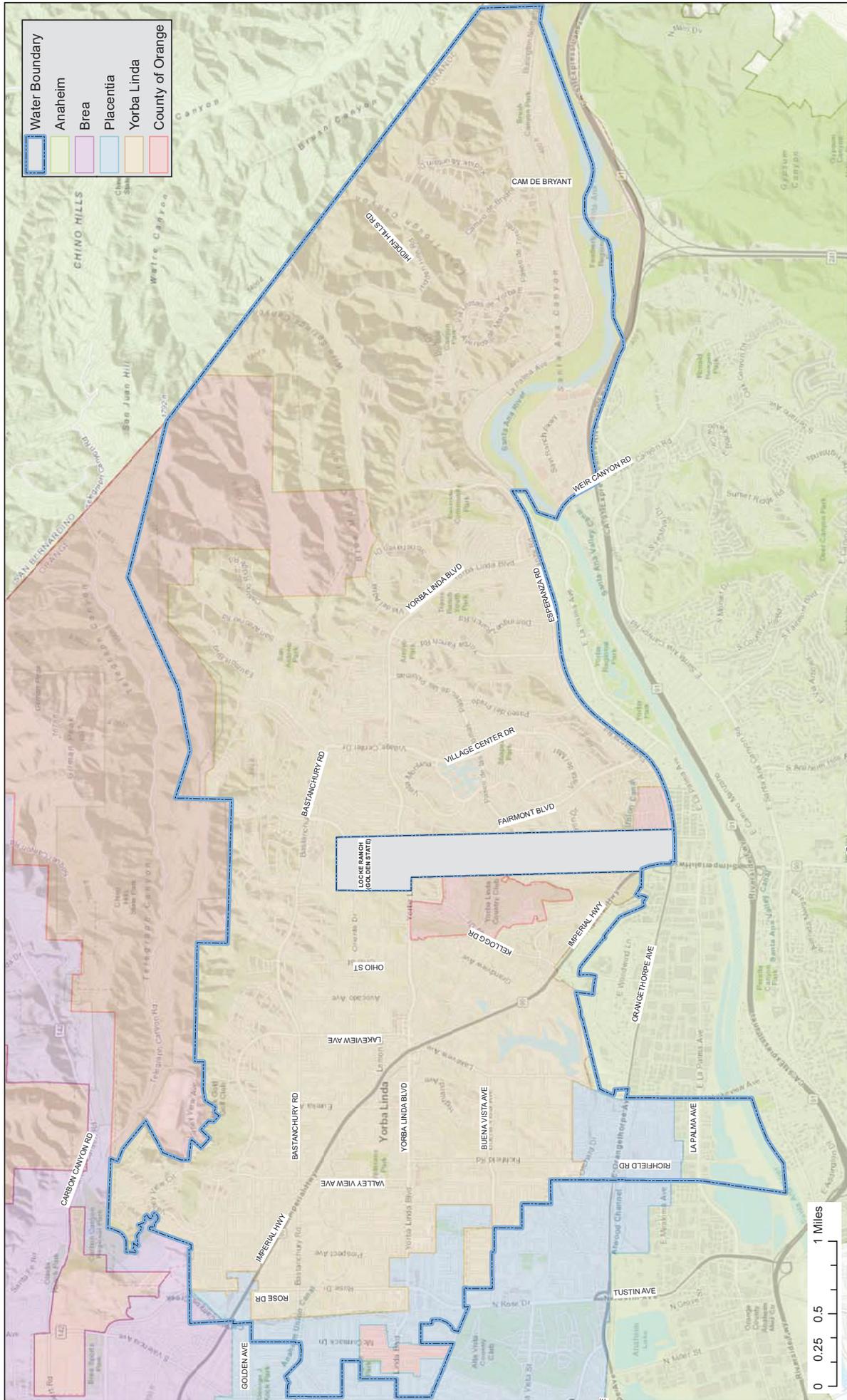


FREDDIE OJEDA
Operations Manager



Yorba Linda Water District





- Water Boundary
- Anaheim
- Brea
- Placentia
- Yorba Linda
- County of Orange

0 0.25 0.5 1 Miles



DISCLAIMER:
 This map represents a visual aid and is not intended to be used for the management of Water System facility. Data provided herein is not a guarantee of actual field conditions or a substitute for record drawings and field verification.

YORBA LINDA WATER DISTRICT SERVICE AREA

Water Service Area

Jun 2025





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Yorba Linda Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Yorba Linda Water District
Placentia, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Yorba Linda Water District (the "District"), as of and for the year ended June 30, 2025, 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 financial position of the of the District as of June 30, 2025, and the changes in financial position, and, cash flows thereof 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 and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and the State Controller's Minimum Audit Standards for California Special Districts will always detect a



To the Board of Directors
Yorba Linda Water District
Placentia, California

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining financial statements, *Schedule of Operating Expenses by Cost Center and Nature of Expenses for Water and Sewer*, and the *Schedule of Capital Assets* ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and



To the Board of Directors
Yorba Linda Water District
Placentia, California

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 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.

LSL, LLP

Irvine, California
October 17, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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YORBA LINDA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2025

The Yorba Linda Water District ("District") financial statements are prepared in conformity with Generally Accepted Accounting Principles ("GAAP") and include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. Readers should evaluate the financial statements with the accompanying Notes to Financial Statements. The Notes to Financial Statements are an integral part of the financial statements and provide useful explanations and detailed information on the presented financial statements. The Management's Discussion and Analysis ("MD&A") precedes the financial statements, and its purpose is to provide an overall analysis of the District's financial position and results of operations for the fiscal year ended June 30, 2025.

Financial Highlights

- During the year, the District's service area experienced dryer weather conditions compared to the prior fiscal year. These conditions increased demand during the year for irrigation and other water usage resulting in an increase in both water revenues and in water variable costs.
- The District's total revenues were \$63.0 million, an increase of 14.5% from the prior fiscal year. This increase was primarily due to the increased water sales as well as an increase in customer rates effective July 1, 2024.
- During the year, the District's total expenses were \$55.6 million, an increase of 5.6% from the prior fiscal year. The increase in expenses is primarily due to the increased water demand as well as increases in purchased, imported water and increases to the replenishment assessment rate for pumping groundwater.
- The District had a 2.2% net increase to capital assets of \$4.7 million during the fiscal year. This increase was primarily due to additions to depreciable capital assets of \$3.6 million and additions to construction in progress of \$10.7 million related to ongoing District construction projects, offset by an increase in depreciation during the fiscal year.

Required Financial Statements

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

The District's statements consist of two funds; the Water Fund and the Sewer Fund. The District's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water and sewer to the customers of the District are financed primarily through user charges.

The *Statement of Net Position* presents the financial position of the District at June 30, 2025. This statement includes five components: District assets plus deferred outflow of resources, less liabilities and deferred inflows of resources, with the remaining difference between those items being reported as net position. It 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.

YORBA LINDA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2025

The Statement of Revenues, Expenses and Changes in Net Position accounts for the annual results of operations. This statement shows the current year's revenues, expenses, capital contributions, and calculates the overall change 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 may be used to evaluate profitability/sustainability/lucrativeness and credit worthiness.

Both the *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* are shown using the accrual basis of accounting. This means revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments.

The final financial statement required is the *Statement of Cash Flows*, which provides information about changes in cash and cash equivalents during the reported fiscal year. This statement reports on cash receipts, cash payments and net changes in cash resulting from operating, investing, non-capital financing, and capital and related financing activities. It helps answer key questions such as: where did the cash come from, how was it used, and how did the cash balance change during the reporting period.

Financial Analysis of the District

The condensed schedules on the following pages contain summary financial information extracted from the basic financial statements and are meant to assist readers in evaluating the District's overall financial position and results of operations. These statements report on the District's net position and changes in them. One can think of the District's net position as a way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to take into consideration other factors such as changes in economic conditions, conservation mandates, population growth, weather patterns, zoning, response to unanticipated events, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 21 through 45.

YORBA LINDA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2025

Statement of Net Position

The Statement of Net Position for the year ended June 30, 2025 is as follows:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Assets:			
Current Assets	\$ 74,311,009	\$ 64,665,730	\$ 9,645,279
Restricted Assets	7,088,061	9,749,222	(2,661,161)
Leases Receivable	282,195	84,765	197,430
Capital Assets, net			
Not Depreciable	2,669,219	13,633,078	(10,963,859)
Depreciable, net of Accumulated Depreciation/Amortization	213,671,651	197,961,502	15,710,149
Total Assets	<u>298,022,135</u>	<u>286,094,297</u>	<u>11,927,838</u>
 Deferred Outflows of Resources:	 <u>4,951,467</u>	 <u>6,403,467</u>	 <u>(1,452,000)</u>
 Liabilities:			
Liabilities Payable from Unrestricted Current Assets	14,718,353	12,316,300	2,402,053
Noncurrent Liabilities	82,605,449	85,296,968	(2,691,519)
Total Liabilities	<u>97,323,802</u>	<u>97,613,268</u>	<u>(289,466)</u>
 Deferred Inflows of Resources:	 <u>1,168,039</u>	 <u>1,349,252</u>	 <u>(181,213)</u>
 Net Position:			
Net Investment in Capital Assets	157,627,854	158,153,034	(525,180)
Restricted	6,143,180	1,790,643	4,352,537
Unrestricted	40,710,727	33,591,567	7,119,160
Total Net Position	<u>\$ 204,481,761</u>	<u>\$ 193,535,244</u>	<u>\$ 10,946,517</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 \$204.5 million as of June 30, 2025. Total Assets increased by \$11.9 million mainly due to an increase in cash and cash equivalents, an increase in prepaid expenses due to a prepayment of water purchases from Municipal Water District of Orange County (MWD OC) as part of their reverse cyclic purchase program, and an increase in Capital Assets. These increases were offset by a decrease in unspent bond proceeds pertaining to the 2022A Revenue Bonds.

The largest portion of the District's Net Position (77.1% as of June 30, 2025) reflects the District's Investment in Capital Assets (net of accumulated depreciation) less any related debt (net investment in capital assets) used to acquire those assets that remain outstanding. For the year ended June 30, 2025, Net Investment in Capital Assets decrease by \$0.5 million mainly due to the drawdown of unspent 2022A Revenue Bond proceeds, offset by an increase in Capital Assets. The District uses capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

YORBA LINDA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2025

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2025 is as follows:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 49,723,579	\$ 42,366,064	\$ 7,357,515
Sewer Revenue	4,582,075	4,002,126	579,949
Other Operating Revenue	1,715,620	1,963,537	(247,917)
Total Operating Revenues	<u>56,021,274</u>	<u>48,331,727</u>	<u>7,689,547</u>
Non-operating Revenues:			
Investment Income	3,321,866	3,302,499	19,367
Property Taxes	2,572,800	2,423,322	149,478
Grants Revenue	291,176	-	291,176
Other Nonoperating Revenues	780,884	956,382	(175,498)
Total Nonoperating Revenues	<u>6,966,726</u>	<u>6,682,203</u>	<u>284,523</u>
Total Revenues	<u>62,988,000</u>	<u>55,013,930</u>	<u>7,974,070</u>
Expenses:			
Operating Expenses:			
Variable Water Costs	20,461,858	16,900,164	3,561,694
Personnel Services	14,642,400	13,352,318	1,290,082
Supplies and Services	8,457,165	8,769,138	(311,973)
Depreciation/amortization	9,362,890	9,188,082	174,808
Total Operating Expenses	<u>52,924,313</u>	<u>48,209,702</u>	<u>4,714,611</u>
Nonoperating Expenses:			
Interest Expense	2,139,666	2,218,001	(78,335)
Losses on Sale of Capital Assets	165,283	2,190,824	(2,025,541)
Grant Expenditures	291,176	-	291,176
Other Nonoperating Expenses	68,249	32,180	36,069
Total Nonoperating Expenses	<u>2,664,374</u>	<u>4,441,005</u>	<u>(1,776,631)</u>
Total Expenses	<u>55,588,687</u>	<u>52,650,707</u>	<u>2,937,980</u>
Net Income(Loss) before Capital Contributions	7,399,313	2,363,223	5,036,090
Capital Contributions	3,547,204	948,660	2,598,544
Change in Net Position	10,946,517	3,311,883	7,634,634
Net Position, Beginning of Year	<u>193,535,244</u>	<u>190,223,361</u>	<u>3,311,883</u>
Net Position, End of Year	\$ <u>204,481,761</u>	\$ <u>193,535,244</u>	\$ <u>10,946,517</u>

The Statement of Revenues, Expenses and Changes of Net Position shows how the District's net position changed between the referenced fiscal years. The District's net position increased by approximately \$10.9 million for the fiscal year ended June 30, 2025.

YORBA LINDA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2025

In 2025, the District's Total Revenues increased by \$8.0 million or 15%, primarily due to an increase in Water Revenue resulting from a 9% increase in water rates and increased consumption. Total Expenses increased by \$2.9 million or 6% primarily due to an increase in Variable Water Costs of \$3.6 million and an increase of \$1.3 million in Personnel Services, offset by a decrease of \$2.0 million in Losses on Sales of Capital Assets. The increase in Variable Water Costs is predominantly due to an increase in the replenishment assessment rate for groundwater and an increase in the water rate for purchasing imported water, as well as an increase in water demand. The increase in Personnel Services is due to merit increases, a cost-of-living adjustment effective in July 2024, and an increase in benefits due to increases in insurance costs. The decrease in Losses on Sale of Capital Assets is mainly due to the \$2.1 million written off in the prior fiscal year for the District's sewer laterals, previously included in capital assets.

Capital Assets

Changes in Capital Asset amounts for the year ended June 30, 2025, were as follows:

	<u>Balance 2024</u>	<u>Adjustments/ Additions/Transfer</u>	<u>Deletions</u>	<u>Balance 2025</u>
Capital Assets:				
Capital Assets, Not Being Depreciated/Amortized	\$ 13,633,078	\$ (10,919,635)	\$ (44,224)	\$ 2,669,219
Capital Assets, Being Depreciated/Amortized	344,014,405	25,260,982	(841,176)	368,434,211
Less Accumulated Depreciation/Amortization	<u>(146,052,903)</u>	<u>(9,362,890)</u>	<u>653,233</u>	<u>(154,762,560)</u>
Total Capital Assets, Net	<u>\$ 211,594,580</u>	<u>\$ 4,978,457</u>	<u>\$ (232,167)</u>	<u>\$ 216,340,870</u>

At the end of fiscal year 2025, the District's Capital Assets, net of accumulated depreciation, amounted to \$216.3 million. Capital Assets includes land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, equipment, vehicles and construction-in-process. Major capital asset projects in fiscal year 2025 included rehabilitations of Booster Pump Station, Waterline replacements, Pressure Reducing Station replacements, Fire Flow enhancements, and additions to Water Mains.

Additional information regarding capital assets is included in Note 4 of the Notes to the Basic Financial Statements.

YORBA LINDA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2025

Long-Term Liabilities

Changes in Long-Term Debt amounts for the year ended June 30, 2025, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
2017A Revenue Bonds	\$ 22,825,000	\$ -	\$ (1,095,000)	\$ 21,730,000
2022A Revenue Bonds	31,830,000	-	(505,000)	31,325,000
Subtotal	<u>54,655,000</u>	<u>-</u>	<u>(1,600,000)</u>	<u>53,055,000</u>
Add (Less):				
2017A Premium	2,967,901	-	(208,274)	2,759,627
2022A Premium	3,098,549	-	(109,683)	2,988,866
Total Revenue Bonds	<u>60,721,450</u>	<u>-</u>	<u>(1,917,957)</u>	<u>58,803,493</u>
Compensated Absences *	1,173,286	142,027	-	1,315,313
Total Long-Term Debt	<u>\$ 61,894,736</u>	<u>\$ 142,027</u>	<u>\$ (1,917,957)</u>	<u>\$ 60,118,806</u>

*The change in compensated absences is shown as a net effect of additions and deletions.

In fiscal year 2025, long-term debt decreased by \$1.8 million due to principal payments on the 2017A Revenue Bonds and 2022A Revenue Bonds.

Additional information regarding long-term liabilities can be found in Note 7 in Notes to Basic Financial Statements.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Finance Department at 1717 E. Miraloma Avenue, Placentia, California 92870 (714) 701-3040.

BASIC FINANCIAL STATEMENTS

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YORBA LINDA WATER DISTRICT
Statement of Net Position
June 30, 2025

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 65,468,007
Receivables (net of uncollectibles):	
Accounts Receivable - Water and Sewer Services	6,084,891
Accounts Receivable - Property Taxes	153,310
Accrued Interest Receivable	169,560
Grant Receivable	194,829
Lease Receivable	102,679
Other Receivables	9,693
Prepaid Expenses and Deposits	1,630,262
Inventory	497,778
Restricted:	
Restricted Cash and Cash Equivalents	4,331,940
Investments - Pension Trust	1,082,775
Investments - OPEB Trust	398,860
Investments - Deposits	329,605
Cash with Fiscal Agent	944,881

Total current assets	<u>81,399,070</u>
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Noncurrent:

Leases Receivable	282,195
Non-depreciable Capital Assets	2,669,219
Capital Assets, net of Depreciation/Amortization	<u>213,671,651</u>

Total noncurrent assets	<u>216,623,065</u>
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Total assets	<u>298,022,135</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows - Pension Plans	4,351,616
Deferred Outflows - OPEB	<u>599,851</u>

Total deferred outflows of resources	<u>4,951,467</u>
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YORBA LINDA WATER DISTRICT
Statement of Net Position
June 30, 2025

LIABILITIES

Current liabilities:

Accounts Payable	9,879,799
Grant Payable - Subrecipient	194,829
Accrued Expenses	601,256
Accrued Interest	626,661
Unearned Revenue	22,919
Compensated Absences Payable	604,795
Customer and Construction Deposits	1,059,722
Leases Payable	7,100
Subscriptions Payable	46,272
Certificates of Participation	1,675,000

Total current liabilities 14,718,353

Noncurrent liabilities:

Unearned Annexation Revenue	10,157,815
Compensated Absences	710,518
Leases Payable	214,250
Subscriptions Payable	11,985
Certificates of Participation	57,128,493
Net Pension Liability	13,510,965
Net OPEB Liability	871,423

Total noncurrent liabilities 82,605,449

Total liabilities **97,323,802**

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows - Deferred Charge on Refunding	323,232
Deferred Inflows - Pension Plans	173,223
Deferred Inflows - OPEB	271,365
Deferred Inflows - Leases	400,219

Total deferred inflows of resources **1,168,039**

NET POSITION

Net Investment in Capital Assets	157,627,854
Restricted - Pension Benefits	1,082,775
Restricted - Water Conservation	85,337
Restricted - Other Postemployment Benefits	398,860
Restricted - Depository Cash	329,605
Restricted - Rate Stabilization Fund	4,246,603
Net Position, Unrestricted	40,710,727

Total net position **\$ 204,481,761**

YORBA LINDA WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

OPERATING REVENUES	
Water Revenues	\$ 49,723,579
Sewer Revenues	4,582,075
Other Operating Revenue	1,715,620
Total operating revenues	<u>56,021,274</u>
OPERATING EXPENSES	
Variable Water Costs	20,461,858
Personnel Services	14,642,400
Supplies and Services	8,457,165
Depreciation and Amortization Expense	9,362,890
Total operating expenses	<u>52,924,313</u>
Operating income (loss)	<u>3,096,961</u>
NONOPERATING REVENUES (EXPENSES)	
Property Taxes	2,572,800
Investment Income	3,321,866
Annexation Revenue Fees	495,436
Grants Revenue	291,176
Interest Expense	(2,139,666)
Gains (Losses) on Sale of Capital Asset	(165,283)
Grant Expenditures	(291,176)
Other Nonoperating Revenues	285,448
Other Nonoperating Expenses	(68,249)
Total nonoperating revenues (expenses)	<u>4,302,352</u>
Income (loss) before capital contributions	<u>7,399,313</u>
Capital Contributions	3,547,204
Change in net position	<u>10,946,517</u>
Net position-beginning	193,535,244
Net position-ending	<u><u>\$ 204,481,761</u></u>

YORBA LINDA WATER DISTRICT
Statement of Cash Flows
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 55,815,402
Payments to suppliers and service providers	(28,063,215)
Payments to employees for salaries and benefits	<u>(13,595,142)</u>
Net cash provided by (used for) operating activities	<u>14,157,045</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Taxes	2,482,476
Operating grants and contributions	<u>68,508</u>
Net cash provided by (used for) noncapital financing activities	<u>2,550,984</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments from other funds on interfund borrowings	-
Acquisition and construction of capital assets	(10,750,384)
Principal paid on capital debt	(1,737,198)
Interest paid on capital debt	(1,777,906)
Proceeds from sales of assets	<u>66,884</u>
Net cash provided by (used for) capital and related financing activities	<u>(14,198,604)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	2,426,620
Lease revenue	<u>123,109</u>
Net cash provided by (used for) investing activities	<u>2,549,729</u>
Net increase (decrease) in cash and cash equivalents	5,059,154
Cash and cash equivalents-beginning	<u>65,685,674</u>
Cash and cash equivalents-ending	<u>\$ 70,744,828</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and cash equivalents	\$ 65,468,007
Restricted cash and cash equivalents	4,331,940
Cash with fiscal agent	<u>944,881</u>
Total cash and cash equivalents	<u>\$ 70,744,828</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	\$ 3,096,961
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation/amortization expense	9,362,890
(Increase) decrease in accounts receivable	(151,779)
(Increase) decrease in inventories	(25,105)
(Increase) decrease in prepaid items	(1,293,292)
Increase (decrease) in accounts payable	2,174,205
Increase (decrease) in accrued liabilities	72,232
Increase (decrease) in deposits payable	(54,093)
Increase (decrease) in compensated absences	142,027
Increase (decrease) in net pension liability	937,795
Increase (decrease) in net OPEB liability	<u>(104,796)</u>
Total adjustments	<u>11,060,084</u>
Net cash provided by (used for) operating activities	<u>\$ 14,157,045</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES	
Unrealized gain/(loss) on fair value of investments	\$ (165,283)
Amortization on bond discount/(premium)	(317,957)
Deferred (gain)/loss on revenue bonds	(65,266)
Capital contributions	<u>(3,547,204)</u>

See Notes to Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Yorba Linda Water District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Yorba Linda Water District's significant accounting policies are described below.

A. Organization and Description of the Reporting Entity

The Yorba Linda Water District is an independent special district established in 1959, which operates under the authority of Division 12 of the California Water Code for the purpose of providing water and sewer services to properties within the District. The District is governed by a five member Board of Directors elected by the voters in the area to four-year terms. The District provides two services that include water and sewer. Water is provided to most of the service area. Sewer is provided to the entire service area. The District's service area includes Yorba Linda, portions of Placentia, Anaheim, and Brea, and areas of unincorporated Orange County. The District provides water and sewer services to approximately 84,000 residents.

The financial statements present the District (the primary government), the Yorba Linda Water District Public Financing Corporation (the Corporation), and the Yorba Linda Water District Financing Authority (the Authority). The Corporation and the Authority meet the definition of a component unit and are presented on a blended basis, as if they are part of the primary government. Although they are legally separate entities, the governing board of the Corporation and the Authority are composed of the same membership as the District's Board of Directors. The District may impose its will on the Corporation and the Authority, including the ability to appoint, hire, reassign, or dismiss management. There is also a financial benefit/burden relationship between the District and the Corporation and the Authority.

The Corporation, a California nonprofit public benefit corporation, was formed in July 2003 for the purpose of providing assistance to the District and other public agencies in the state of California, of which the District is a member or is otherwise engaged in the financing, refinancing, acquiring, constructing, and rehabilitating of facilities, land, and equipment; the sale or leasing of facilities, land, and equipment for the use, benefit, and enjoyment of the public served by such agencies; and any other purpose incidental thereto. There are no separate financial statements for the Corporation.

The Authority, a public agency, was organized pursuant to a Joint Exercise of Powers Agreement (the JPA Agreement) between the District and the California Municipal Finance Authority (CMFA), dated April 11, 2017. The Authority is statutorily authorized by Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code and is empowered under the JPA Agreement to issue its bonds for, among other things, the purposes of the plan of financing described herein. Separate basic financial statements prepared for the Authority may be obtained from the Yorba Linda Water District at 1717 East Miraloma Avenue, Placentia, California 92870.

B. Basic Financial Statements

The basic financial statements are composed of the statement of net position, the statement of revenues, expenses, and changes in net position, the statement of cash flows, and the notes to the basic financial statements.

C. Basis of Presentation

The accounts of the District are that of an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the statement of net position. The statement of revenues, expenses, and changes in net position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

E. Cash and Cash Equivalents

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

F. Investments and Investment Policy

The District has adopted an investment policy directing the District's General Manager or Finance Manager to invest, reinvest, sell, or exchange securities.

Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

G. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management evaluates all accounts receivable and, if it is determined that they are uncollectible, they are written off as a bad debt expense. A charge of \$21,809 was made to bad debt expense for the year ended June 30, 2025. Management has evaluated the remaining accounts receivable and has determined that they are collectible.

H. Prepaid Expenses

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

I. Inventory

Inventory consists primarily of materials and supplies used in the construction and maintenance of the water and sewer systems and are stated at cost using the average- cost method on a first-in, first-out basis.

J. Capital Assets and Right-to-Use Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000 with an expected useful life of greater than one year. Contributed assets are recorded at acquisition value at the date of acquisition. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-to-use lease assets are defined by the District as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$5,000 or more. Such assets are recorded at the present value of the lease liability, including expenses to place the asset into service.

Right-to-use subscription assets are defined by the District as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$15,000 or more. Such assets are recorded at the present value of the subscription liability, including implementation costs to place the asset into service.

Depreciation and amortization expense is recorded on the straight-line basis over the estimated useful lives of the assets as follows:

Source of Supply	30 to 75 Years
Pumping Plant	20 to 40 Years
Water Treatment Plant	12 to 40 Years
Sewer Plant	5 to 60 Years
Transmission and Distribution Plant	10 to 40 Years
General Plant	3 to 40 Years
Lease and Subscription Assets	3 to 40 Years

K. 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 future periods and will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflow related to loss on refunding. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to pensions and OPEB for employer contributions made after the measurement date of the net pension liability and the net OPEB liability.
- Deferred outflows related to pensions and OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows from OPEB resulting from changes in assumptions and to employer's proportion. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree health benefits through the plan.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- Deferred inflow related to gain on refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows related to OPEB for differences between actual and expected experiences. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension and retiree health benefits through the respective plans.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Deferred inflows related to pensions and OPEB for differences between changes of assumptions and changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions for pension. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to leases relates to the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

L. Customer Deposits

Customer deposits may be collected at the time water service is initiated. Deposits may be applied to customer accounts or refunded at the time an account is closed.

M. Construction Advances, Deposits, and Bonding Deposits

Construction deposits are collected by the District to cover the cost of construction projects within the District. Funds in excess of project costs are refunded to the customer.

The District's policy is to maintain certain bonding requirements for water and sewer construction projects performed within District boundaries to ensure the proper completion of the project. Deposited amounts are refunded upon final approval of the project.

N. Unearned Revenue

Unearned revenue consists of (1) developer payments that are recognized as revenue when water consumption within the area occurs and (2) customer refunds that have not been cashed.

O. Unearned Annexation Revenue

The District collects a fee from newly annexed developments for all residential and commercial properties. This fee is in lieu of the District's share of 40 years of the 1% property tax revenue that the District no longer receives post-Proposition 13. The fee is a present worth value required to generate a 40-year revenue stream equivalent to the lost property tax revenue.

The fee is calculated based on the fair market value estimate of the improved property at the time the fee is collected and is based on the current rate of return on the District's investments. The deposit balance accrues interest and provides a source of operational revenue for the District and is amortized on a straight- line basis over 40 years.

P. Net Position

In the statement of net position, net position is classified in the following categories:

Net Investment in Capital Assets

This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt and capital related payables that are attributed to the acquisition, construction, or improvement of the assets.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Net Position

This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments. Amounts reported in restricted net position for the year ended June 30, 2025, represent the following:

- a. Amount of \$85,337 which is the balance remaining of administrative penalty fees collected by the District that must be used for costs related to conservation efforts, water use efficiency improvements, water conservation education, and regulatory compliance.
- b. Amount of \$1,082,775 represents funds held in a trust with PARS that is restricted for future contributions to pension plans and \$398,860 represents funds held in a trust with PARS that is restricted for future contributions to an OPEB plan.
- c. Amount of \$4,246,603 represents funds held for the rate stabilization fund in CAMP and US Bank investments required by the 2022A Bond issuance.
- d. Amount of \$329,605 represents funds in a depository cash account that is restricted for the Cielo Vista Development.

Unrestricted Net Position

This amount is all net position that does not meet the definition of net investment in capital assets or restricted net position.

Q. Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's practice to consider restricted – net position to have been depleted before unrestricted - net position is applied.

R. Operating Revenues and Expenses

Operating revenues, such as charges for services (water sales and sewer service charges), result from exchange transactions associated with the principal activity of the District. Nonoperating revenues, such as property taxes, and investment income, result from nonexchange transactions or ancillary activities in which the District receives value without directly giving equal value in exchange.

Operating expenses include the costs of providing water, sewer, and related services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

S. Property Taxes and Assessments

The Orange County Assessor's Office assesses all real and personal property within Orange County each year. The Orange County Tax Collector's Office bills and collects the District's share of property taxes and assessments. The Orange County Auditor-Controller's Office remits current and delinquent property tax collections to the District throughout the year. Property taxes in California are levied in accordance with Article XIII A of the State Constitution at 1% of countywide assessed valuations. This levy is allocated pursuant to state law to the appropriate units of local governments.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes receivable at year-end are related to property taxes collected by the Orange County Tax Collector, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien Date	January 1
Levy Date	July 1
Due Dates	First Installment – November 1 Second Installment – March 1
Collection Dates	First Installment – December 10 Second Installment – April 10

T. Water and Sewer Sales

The District recognizes water and sewer service charges based on cycle billings rendered to the customers each month.

U. Capital Contributions

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

V. 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 CalPERS plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

W. Post-Employment Benefits Other Than Pensions (OPEB)

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

X. Budgetary Policies

The District adopts annual nonappropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Y. Use of Estimates

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and, accordingly, include amounts that are based on management's best estimates and judgments. Accordingly, actual results could differ from the estimates.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30 are reported in the accompanying statement of net position as follows:

Unrestricted Current Assets:	
Cash and Cash Equivalents	\$ 65,468,007
Restricted Current Assets:	
Cash and Investments - Pension Trust	1,082,775
Cash and Investments - OPEB Trust	398,860
Cash and Investments - Depository Cash	329,605
Cash with Fiscal Agent	944,881
Restricted Cash - Rate Stabilization Fund	4,246,603
Restricted Cash - Water Conservation	85,337
Total cash and investments	<u>\$ 72,556,068</u>

Cash and Investments as of June 30 consisted of the following:

Cash on Hand	\$ 550
Deposits with Financial Institutions	2,554,993
Investments	70,000,525
Total cash and investments	<u>\$ 72,556,068</u>

A. 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.

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy. This table does not address investments of the employer contributions to the other post-employment benefit trust that are governed by the trust agreement or the investments of funds within the pension and other postemployment benefit (OPEB) trusts that are governed by the agreement between the District and the trustees, rather than the general provisions of the California Government Code or the District’s Investment Policy.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Credit Rating
Bank or Savings and Loans	5 Years	None	None	FDIC
Negotiable Certificates of Deposit	5 Years	30%	5%	A and FDIC Collateralized
Local Agency Investment Fund	N/A	None	None	None
California Asset Management Program	N/A	N/A ⁽¹⁾	None	N/A
United States Treasury Bills, Notes, and Bonds	5 Years	None	None	N/A
United States Government-Sponsored Agency Securities	5 Years	None	None	N/A
Corporate Bonds	5 Years	30%	5%	A
Banker's Acceptance	180 Days	10%	5%	A-1
Commercial Paper	270 Days	25%	5%	A-1
CalTRUST Investment Pool	N/A	None	None	N/A
Money Market Mutual Funds	N/A	20%	None	N/A
ABS/MBS	5 Years	10%	5%	AA
Supranationals	5 Years	10%	5%	AA
Municipal Obligations	5 Years	30%	None	N/A

¹ Limited to bond proceeds held by the District. N/A Not Applicable

B. Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by the provisions of debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. Investments authorized for funds held by bond trustees include, U.S. Treasury Bills, Notes and Bonds, U.S. Treasury Obligations, Resolution Funding Corp (REFCORP), Prefunded Municipal Bonds, U.S. Government-Sponsored Agency Securities, Commercial Paper, Money Market Mutual Funds, Certificates of Deposits, Guaranteed Investment Contracts, Banker's Acceptance, Repurchase Agreements, and Local Agency Investment Funds.

C. Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following tables that show the distribution of the District's investments by maturity as of June 30, 2025.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment Type	Remaining Maturity (in Months)
	12 Months of Less
Local Agency Investment Fund	\$ 10,855,128
Money Market Mutual Funds	16,622,628
CAMP Pool	17,322,178
CAMP TERM	18,026,757
Restricted:	
Deposits	329,605
Pension Trust - PARS Pooled Trust	1,082,775
OPEB Trust - PARS Pooled Trust	398,860
Rate Stabilization Fund	4,246,603
Water Conservation	85,337
US Bank - Cash Equivalent	944,881
Total	\$ 69,914,752

D. Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code with the exception of ABS/MBS, Supranationals, banker's acceptances, commercial paper, corporate bonds and negotiable certificate of deposits, which are limited to an investment in any one issuer of 5%, 5%, 5%, 5%, 5% and 5%, respectively. The District has no investments that exceed these limits.

E. Custodial Credit Risk

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.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Local Agency Investment Fund (LAIF)).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2025, all of the District's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

F. Investment in State Investment Pool

The District is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

G. Cash and Investments – Other Postemployment Benefit (OPEB) and Pension Trust

Restricted assets are financial resources generated for a specific purpose, such as OPEB and pension benefits. These assets are for the benefit of a specific purpose and, as such, are legally or contractually restricted by an external third-party agreement. The District’s restricted assets consisted of a trust account with the Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the District’s OPEB health plan and pension plan. The OPEB and pension “trust funds” specific cash and investments are listed as restricted cash and investments on the schedule of net position and are managed by a third-party portfolio manager under guidelines approved by the District. The District-approved guidelines are as follows:

Risk Tolerance	Moderate
Risk Management	The portfolio is constructed to control through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process help to drive return potential while reducing portfolio risk.
Investment Objective	To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.
Strategic Ranges	0% - 20% Cash 40% - 60% Fixed Income 40% - 60% Equity

H. Fair Value Measurements

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

Negotiable certificates of deposit and United States Government - Sponsored Agency securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 3: RESTRICTED ASSETS

Restricted assets are provided by and are to be used for the following uses as of June 30:

Source	Use	2025
Cash Deposits	Cielo Vista Lennar Development	\$ 329,605
Pension Trust - PARS Pooled Trust	Payment of Pension Benefits	1,082,775
OPEB Trust - PARS Pooled Trust	Payment of OPEB Benefits	398,860
2022A Revenue Bonds	Capital Projects	944,881
Cash and Cash Equivalent - Rate Stabilization Fund	2022A Bond Issuance	4,246,603
Cash and Cash Equivalent - Water Conservation	Water Conservation Efforts	85,337
Total Restricted Assets		<u>\$ 7,088,061</u>

NOTE 4: CAPITAL ASSETS

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

	Balance at June 30, 2024	Transfers of CIP	Additions	Deletions	Balance at June 30, 2025
Capital Assets, Not Depreciated/Amortized:					
Land, Mineral, and Water Rights	\$ 865,773	\$ -	\$ -	\$ -	\$ 865,773
Construction in Progress	12,767,305	(21,663,204)	10,743,569	(44,224)	1,803,446
Total Capital Assets, Not Depreciated/Amortized	<u>13,633,078</u>	<u>(21,663,204)</u>	<u>10,743,569</u>	<u>(44,224)</u>	<u>2,669,219</u>
Capital Assets, Being Depreciated/Amortized:					
Source of Supply	6,455,046	-	-	-	6,455,046
Pumping Plant	36,535,380	3,691,470	549,629	(392,972)	40,383,507
Water Treatment Plant	16,345,387	24,836	-	-	16,370,223
Transmission and Distribution Plant	254,598,207	15,235,591	2,627,308	(324,047)	272,137,059
General Plant	29,471,304	2,711,307	377,082	(124,157)	32,435,536
Leases					
Well	201,694	-	-	-	201,694
Copier	35,365	-	-	-	35,365
Subscriptions					
Software	372,022	-	43,759	-	415,781
Total Capital Assets, Being Depreciated/Amortized	<u>344,014,405</u>	<u>21,663,204</u>	<u>3,597,778</u>	<u>(841,176)</u>	<u>368,434,211</u>
Less Accumulated Depreciation/Amortization for:					
Source of Supply	(3,188,624)	-	(153,259)	-	(3,341,883)
Pumping Plant	(15,350,953)	-	(1,389,647)	305,807	(16,434,793)
Water Treatment Plant	(2,562,063)	-	(745,124)	-	(3,307,187)
Transmission and Distribution Plant	(108,258,701)	-	(5,724,708)	223,269	(113,760,140)
General Plant	(16,497,257)	-	(1,207,771)	124,157	(17,580,871)
Leases					
Well	(14,580)	-	(4,860)	-	(19,440)
Copier	(8,841)	-	(7,073)	-	(15,914)
Subscriptions					
Software	(171,884)	-	(130,448)	-	(302,332)
Total Accumulated Depreciation/Amortization	<u>(146,052,903)</u>	<u>-</u>	<u>(9,362,890)</u>	<u>653,233</u>	<u>(154,762,560)</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>197,961,502</u>	<u>21,663,204</u>	<u>(5,765,112)</u>	<u>(187,943)</u>	<u>213,671,651</u>
Total Capital Assets, Net	<u>\$ 211,594,580</u>	<u>\$ -</u>	<u>\$ 4,978,457</u>	<u>\$ (232,167)</u>	<u>\$ 216,340,870</u>

Depreciation and amortization expense for the depreciable capital assets was \$9,362,890 for the fiscal year ended June 30, 2025.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 5: LEASES

A. Leases Payable

Leases Payable	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025	Due within one year
Copier Lease	\$ 26,903	\$ -	\$ (6,912)	\$ 19,991	\$ 7,100
Well Land Lease	200,778	581	-	201,359	-
Not Depreciated	<u>\$ 227,681</u>	<u>\$ 581</u>	<u>\$ (6,912)</u>	<u>\$ 221,350</u>	<u>\$ 7,100</u>

As of June 30, 2025, the District had 2 active leases. The leases have payments that range from \$5,442 to \$7,549 and interest rates that range from 2.6820% to 3.0%. As of June 30, 2025, the total combined value of the lease liability is \$221,350, the total combined value of the short-term lease liability is \$7,100. The combined value of the lease assets, as of June 30, 2025 of \$237,059 with accumulated amortization of \$35,354.

Payment requirements on the leases subsequent of June 30, 2025, are follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 7,100	\$ 6,490	\$ 13,590
2027	7,012	6,310	13,322
2028	5,484	6,125	11,609
2029	59	6,066	6,125
2030	245	6,064	6,309
2031-2035	4,414	30,086	34,500
2036-2040	10,941	29,054	39,995
2041-2045	19,436	26,929	46,365
2046-2050	30,359	23,390	53,749
2051-2055	44,269	18,041	62,310
2056-2060	61,404	10,395	71,799
2061-2063	30,627	1,392	32,019
	<u>\$ 221,350</u>	<u>\$ 170,342</u>	<u>\$ 391,692</u>

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 5: LEASES (CONTINUED)

B. Leases Receivable

<u>Lease Receivable</u>	<u>Balance at June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2025</u>
Crown Castle	\$ 125,104	\$ -	\$ (40,339)	\$ 84,765
Verizon	27,295	335,006	(62,192)	300,109
Total	\$ 152,399	\$ 335,006	\$ (102,531)	\$ 384,874

As of June 30, 2025, the District had 2 active leases. The leases have receipts that range from \$27,500 to \$44,518 and interest rates that range from 3% to 3.34%. As of June 30, 2025, the total combined value of the lease receivable is \$384,874, the total combined value of the short-term lease receivable is \$102,679, and the combined value of the deferred inflow of resources is \$400,219.

Total Leases Receivable at June 30, 2025 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 102,679	\$ 11,008	\$ 113,687
2027	108,031	7,732	115,763
2028	69,094	4,288	73,382
2029	73,427	2,156	75,583
2030	31,643	238	31,881
Total	\$ 384,874	\$ 25,422	\$ 410,296

Total Deferred Inflows related to Leases at June 30, 2025 are as follows:

	<u>Balance as of July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2025</u>
Deferred Inflow of Resources				
Crown Castle	\$ 146,016	\$ -	\$ (41,719)	\$ 104,297
Verizon	42,306	335,006	(81,390)	295,922
Total Deferred Inflow of Resources	\$ 188,322	\$ 335,006	\$ (123,109)	\$ 400,219

NOTE 6: SUBSCRIPTION-BASED TECHNOLOGY ARRANGEMENTS

A. Subscription Liability

<u>Subscription Liability</u>	<u>Balance at June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2025</u>	<u>Due within one year</u>
Software	\$ 144,578	\$ 43,965	\$ (130,286)	\$ 58,257	\$ 46,272

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 6: SUBSCRIPTION-BASED TECHNOLOGY ARRANGEMENTS(CONTINUED)

As of June 30, 2025, the District had 12 active subscriptions. The subscriptions have payments that range from \$3,533 to \$51,000 and interest rates that range from 2.184% to 3.238%. As of June 30, 2025, the total combined value of the subscription liability is \$58,257. The combined value of the right to use asset, as of June 30, 2025 of \$415,781 with accumulated amortization of \$302,332.

Payment requirements on the leases subsequent of June 30, 2025, are follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 46,272	\$ 1,600	\$ 47,872
2027	11,985	325	12,310
Total	<u>\$ 58,257</u>	<u>\$ 1,925</u>	<u>\$ 60,182</u>

NOTE 7: LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2025, were as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Business-Type activities					
2017A Revenue Bonds	\$ 22,825,000	\$ -	\$ 1,095,000	\$ 21,730,000	\$ 1,145,000
2022A Revenue Bonds	31,830,000	-	505,000	31,325,000	530,000
Subtotal	54,655,000	-	1,600,000	53,055,000	1,675,000
Add (Less):					
2017A Premium	2,967,901	-	208,274	2,759,627	-
2022A Premium	3,098,549	-	109,683	2,988,866	-
Total Certificates Participation	60,721,450	-	1,917,957	58,803,493	1,675,000
Compensated Absences	1,173,286	142,027*	-	1,315,313	604,795
Total	<u>\$ 61,894,736</u>	<u>\$ 142,027</u>	<u>\$ 1,917,957</u>	<u>\$ 60,118,806</u>	<u>\$ 2,279,795</u>

*The change in compensated absences is shown as a net effect of additions and deletions.

A. 2017A Revenue Bonds

In May 2017, the Authority issued \$29,335,000 of Revenue Bonds, Series 2017A (the 2017A Bonds). The 2017A Bonds were issued to provide funds (1) to finance the acquisition and construction of certain improvements to the District's water system, (2) to advance refund all of the currently outstanding District Revenue Certificates of Participation Series 2008, and (3) to pay costs of issuance of the 2017A Bonds.

At June 30, 2025, the 2017A Bonds' outstanding balance was \$21,730,000.

The 2017A Bonds bear interest at rates ranging from 3% to 5%, payable semiannually on April 1 and October 1. There is no reserve requirement for the 2017A Bonds.

The 2017A Bonds are obligations of the Authority payable solely from payments received from the District pursuant to the Installment Purchase Agreement by and between the District and the Authority. The Installment Purchase Agreement requires the District to fix, prescribe, and collect rates and charges for the water service that will be at least sufficient to yield during each fiscal year net revenues equal to 125% of the debt service for such fiscal year. For fiscal year 2025, the net revenues are equal to 421% of the debt service.

The 2017A Bonds are subject to federal arbitrage regulations and have no amounts due.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

The annual debt service requirements for the 2017A Bonds outstanding at June 30, 2025, are as follows:

2017A			
Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,145,000	\$ 988,919	\$ 2,133,919
2027	1,205,000	930,169	2,135,169
2028	1,265,000	868,419	2,133,419
2029	1,325,000	803,669	2,128,669
2030	1,380,000	746,394	2,126,394
2031-2035	7,745,000	2,861,841	10,606,841
2036-2040	7,665,000	785,075	8,450,075
Total	<u>\$ 21,730,000</u>	<u>\$ 7,984,486</u>	<u>\$ 29,714,486</u>

B. 2022A Revenue Bonds

In July 2022, the Authority issued \$32,310,000 of Revenue Bonds, Series 2022A (the 2022A Bonds). The 2022A Bonds were issued to provide funds (1) to finance the acquisition and construction of certain improvements to the District's water system, (2) to advance refund all of the currently outstanding District Refunding Revenue Bonds Series 2012A, and (3) to pay costs of issuance of the 2022A Bonds.

At June 30, 2025, the 2022A Bonds' outstanding balance was \$31,325,000. The 2022A Bonds bear interest at rates ranging from 4% to 5%, payable semiannually on April 1 and October 1. The District is required to maintain \$4,246,603 in Rate Stabilization Fund for the 2022A Bond.

The 2022A Bonds are obligations of the Authority payable solely from payments received from the District pursuant to the Installment Purchase Agreement by and between the District and the Authority. The Installment Purchase Agreement requires the District to fix, prescribe, and collect rates and charges for the water service that will be at least sufficient to yield during each fiscal year net revenues equal to 125% of the debt service for such fiscal year. For fiscal year 2025, the net revenues are equal to 421% of the debt service.

The 2022A Bonds are subject to federal arbitrage regulations and have no amounts due.

The annual debt service requirements for the 2022A Bonds outstanding at June 30, 2025, are as follows:

2022A			
Year Ending June 30,	Principal	Interest	Total
2026	\$ 530,000	\$ 1,462,700	\$ 1,992,700
2027	555,000	1,435,575	1,990,575
2028	585,000	1,407,075	1,992,075
2029	615,000	1,377,075	1,992,075
2030	645,000	1,345,575	1,990,575
2031-2035	3,765,000	6,195,375	9,960,375
2036-2040	4,840,000	5,124,750	9,964,750
2041-2045	6,215,000	3,750,375	9,965,375
2046-2050	7,940,000	2,019,875	9,959,875
2051-2055	5,635,000	344,100	5,979,100
Total	<u>\$ 31,325,000</u>	<u>\$ 24,462,475</u>	<u>\$ 55,787,475</u>

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

C. Deferred Gain or Loss on Debt Defeasance

The change in the deferred gain on debt defeasance as of June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Amortization	Balance June 30, 2025
2017A Revenue Bonds	\$ 72,602	\$ -	\$ 5,095	\$ 67,507
2022A Revenue Bonds	315,896	-	60,171	255,725
Total	\$ 388,498	\$ -	\$ 65,266	\$ 323,232

D. Rating Change

On July 23, 2024, Fitch Ratings upgraded the District’s revenue bond rating and Issuer Default Rating from AA+ to AAA.

NOTE 8: PENSION PLANS

A. Plan Description, Benefits Provided, and Employees Covered

All qualified permanent and probationary employees are eligible to participate in the District’s separate Miscellaneous Employee Pension Plans (Plans), which are cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under these 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.

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 to 62 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at the measurement date ended June 30, 2024, are summarized as follows:

	Miscellaneous		
	Tier I Prior to December 22, 2011	Tier II On or After December 11, 2011	Tier III - PEPRA On or After January 1, 2013
Hire Date	2% @ 55	2% @ 60	2% @ 62
Benefit Formula	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life	Monthly for Life
Benefit Payments	50 - 63	50 - 63	52 - 67
Retirement Age	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Monthly Benefits, as a % of Eligible Compensation	7.00%	7.00%	7.75%
Required Employee Contribution Rates	12.47%	10.66%	7.68%
Required Employer Contribution Rates:			
Normal Cost Rate			

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: PENSION PLANS (CONTINUED)

B. Contribution Description

Section 20814(c) of CalPERS law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by pension plan terms as plan member contribution requirements are classified as plan member contributions.

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

As of June 30, 2025, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans is \$13,510,965.

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2024, and the total pension liability for the Plans 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 plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plans as of the measurement dates June 30, 2023 and 2024, was as follows:

Proportion - June 30, 2023	0.1087%
Proportion - June 30, 2024	<u>0.1114%</u>
Change	<u>0.0027%</u>

For the year ended June 30, 2025, the District recognized pension expense of \$937,796. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 1,880,221	\$ -
Changes of assumptions	347,260	-
Difference in proportionate share	40,209	127,643
Adjustments due to differences in proportions	137,969	-
Differences between expected and actual experience	1,168,147	45,580
Net difference between projected and actual earnings on pension plan investments	<u>777,810</u>	<u>-</u>
Total	<u>\$ 4,351,616</u>	<u>\$ 173,223</u>

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: PENSION PLANS (CONTINUED)

An amount of \$1,880,221 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 pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 766,390
2027	1,762,060
2028	36,267
2029	(266,545)
Total	<u>\$ 2,298,172</u>

D. Actuarial Assumptions

The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	<u>Miscellaneous</u> June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost	Entry-Age Normal Cost
Method Actuarial	Method
Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	(1)
Mortality Rate Table	(2)
Postretirement Benefit Increase	(3)

(1) Varies by entry age and service.

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

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

E. 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.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: PENSION PLANS (CONTINUED)

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:

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

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Management study

F. 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.

G. Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plans, calculated using the discount rate for each plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Net Pension Liability/(Asset)	\$ 21,029,659	\$ 13,510,965	\$ 7,321,973

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 8: PENSION PLANS (CONTINUED)

H. Pension Plans Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

I. Payable to the Pension Plans

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

J. Additional Funding to the Pension Plan

In November 2017, the District approved the creation of a CalPERS defined benefit pension plan trust with PARS (Pension Trust). The PARS trust is legally restricted to providing benefits for members of the defined benefit pension plan. However, in accordance with GASB 68, the asset balance is not included in the calculation of the net pension liability above.

The District made no contributions to the Pension Trust in the fiscal year ended June 30, 2025. Investment earnings/(losses) of \$99,696, administrative expenses of \$6,039, and no distributions (benefit payments) resulted in an asset balance of \$1,082,775 as of June 30, 2025.

NOTE 9: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

A. Plan Description

The District, through an agent multiple-employer defined benefit plan, provides post-employment health-care benefits to retirees managed through California Employers’ Retiree Benefit Trust (CERBT). Specifically, the District provides health (medical, dental, and vision) insurance for its retired employees and directors, their dependent spouses (if married and covered on the District’s plan at time of retirement), or survivors in accordance with Board of Director resolutions. Medical coverage is provided for retired employees who are age 50 or over and who have a minimum of five years of service with the District. Only employees hired prior to December 8, 2011, qualify for these benefits. The District pays 100% of the premium for the retiree and two-thirds of the premium amount for eligible dependents accrued at a rate of one year for every three years of service. Two-thirds of the premium amount of medical coverage is provided for the surviving spouse of retired employees for the remaining vested period. The plan does not provide a publicly available financial report.

B. Employees Covered

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

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	12
Active Employees	<u>29</u>
Total	<u><u>41</u></u>

C. Contributions

Benefit provisions and contribution requirements are established by District policy and may be amended by the Board of Directors. The annual contribution is based on the actuarially determined contribution. For the measurement period ended June 30, 2024, the District made no contributions to the OPEB trust, made payments totaling \$170,923 for retiree health-care insurance benefits, and the implied subsidy was \$56,793, resulting in payments of \$227,716.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 9: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

D. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and 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 cost method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.75%
Projected Salary Increase	2.75% Expected Long-Term Investment
Rate of Return	6.00%
Health-care Cost Trend Rates	4.00% per year
Mortality, Preretirement Turnover	Derived from 2021 CalPERS OPEB assumptions model for "public agency miscellaneous"

The actuarial assumptions used in the June 30, 2023, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the District.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages were taken from the current composition of the CERBT trust, and the expected yields were taken from a CalPERS publication for the Pension Fund. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Strategic Allocation	1-Year Return	3-Year Return	5-Year Return
Global Equity	34.00%	18.70%	5.00%	10.60%
Fixed Income	41.00%	1.00%	-5.50%	-1.30%
Treasury Securities	5.00%	2.70%	-1.30%	2.10%
Real Estate Trusts	17.00%	5.30%	-4.10%	0.10%
Commodities	3.00%	14.90%	12.40%	8.20%
Total	<u>100.00%</u>			

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%. 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 retiree's benefits. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 9: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

E. Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023 (Measurement Date)	\$ 4,175,976	\$ 3,062,691	\$ 1,113,285
Changes recognized for the measurement period:			
Service cost	77,151	-	77,151
Interest on total OPEB liability	243,727	-	243,727
Contributions-employer	-	227,716	(227,716)
Net investment income	-	336,022	(336,022)
Benefit payments, including refunds of employee contributions	(227,716)	(227,716)	-
Administrative expense	-	(998)	998
Net changes	<u>93,162</u>	<u>335,024</u>	<u>(241,862)</u>
Balance at June 30, 2024 (Measurement Date)	<u>\$ 4,269,138</u>	<u>\$ 3,397,715</u>	<u>\$ 871,423</u>

Change of Benefit Terms

There was no change of benefit terms.

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	Discount Rate -1 Percent (5.00%)	Current Discount Rate (6.00%)	Discount Rate +1 Percent (7.00%)
Net OPEB Liability/(Asset)	<u>\$ 1,315,689</u>	<u>\$ 871,423</u>	<u>\$ 483,408</u>

Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using health-care cost trend rates that are one percentage point lower or one percentage point higher than the current health-care cost trend rates:

	Health Care Cost Trend Rate -1 Percent (3.00%)	Current Health Care Cost Trend Rate (4.00%)	Health Care Cost Trend Rate +1 Percent (5.00%)
Net OPEB Liability/(Asset)	<u>\$ 423,319</u>	<u>\$ 871,423</u>	<u>\$ 1,390,970</u>

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 9: OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$164,856. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 269,326	\$ -
Changes of assumptions	138,777	65,801
Differences between expected and actual experience	156,805	205,564
Net difference between projected and actual earnings on OPEB plan investments	34,943	-
Total	<u>\$ 599,851</u>	<u>\$ 271,365</u>

The amount of \$269,326 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal year ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 11,699
2027	112,039
2028	(20,162)
2029	(17,733)
2030	(7,251)
Thereafter	<u>(19,432)</u>
Total	<u>\$ 59,160</u>

G. Additional Funding of the OPEB Plan

In November 2017, the District approved the creation of an OPEB defined benefit plan trust with PARS (OPEB Trust). The PARS trust is legally restricted to providing benefits for members of the OPEB defined benefit plan. However, in accordance with GASB 75, the asset balance is not included in the calculation of the net OPEB liability above.

The District made no contributions to the OPEB Trust in the fiscal year ended June 30, 2025. Investment earnings/(losses) of \$36,725, and administrative expenses of \$2,225, resulted in an asset balance of \$398,860 as of June 30, 2025.

NOTE 10: DEFERRED COMPENSATION PROGRAM

For the benefit of its employees, the District participates in a 457(b) Deferred Compensation Program in accordance with Section 457(b) of the Internal Revenue Code. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. For Fiscal Year 2024-25, the District matched dollar for dollar not to exceed 2% base salary earned per payroll period of an employee's base salary or the employee's actual amount of deferred compensation per pay period, whichever amount is lesser for employees who are regularly scheduled to work in excess of 30 hours per week. 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. Effective

July 1, 2022, the District's contribution can be deposited into a 401(a) program in pursuant to section 401(a) of the Internal Revenue Code.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of 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 and, therefore, are excluded from these financial statements. Fair value of the Program assets held in trust at June 30, 2025 was \$8,450,480. For the year ended June 30, 2025, the District contributed \$0 to the 457(b) program and \$152,566 to the 401(a) program.

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, and theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In an effort to manage its risk exposure, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (the 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.

At June 30, 2025, as a member of the Insurance Authority, the District participated in the insurance programs as follows:

- General, auto liability, and public officials' and employee's error and omissions: Broad coverage against third-party claims for the District, its directors, employees and volunteers. Covered up to the following limits: the JPIA pools for first \$5 million and purchases excess coverage with a limit up to \$55 million with aggregated policy limits.
- Property loss: Insured up to replacement value with a \$10,000 deductible per occurrence on scheduled buildings, fixed equipment and contents, actual cash value on scheduled mobile equipment with a \$1,000 deductible per occurrence and actual cash value on scheduled vehicles with a \$500, deductible per occurrence. JPIA is self-insured up to \$10 million per loss and has purchased re-insurance coverage up to a \$150 million limit per occurrence. Scheduled fixed equipment is covered for Accidental Mechanical Breakdown up to sub-limit of \$100 million subject to a deductible of \$25,000 to \$50,000 depending on the type of equipment. Property Program includes Earthquake with aggregate limit of \$2.5 million and is subject to minimum a \$75,000 deductible, Flood Coverage with aggregate limit of \$25 million and subject to a \$100,000 deductible.
- Employee Dishonesty/Crime Supplement: Insured up to \$100,000 per occurrence subject to a \$1,000 deductible for employee dishonesty, forgery or alteration and computer fraud. The program covers all employees, the Board of Directors, and the Treasurer.
- Workers' compensation insurance up to California statutory limits for all work-related injuries/illnesses covered by California law. The Insurance Authority is self-insured to \$4 million and has purchased excess insurance to the statutory limit.

YORBA LINDA WATER DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 11: RISK MANAGEMENT (CONTINUED)

- Cyber security coverage at \$3 million per occurrence and \$5 million aggregate subject to a varying deductibles depending on type of loss.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years, and there were no reductions in the District’s insurance coverage during the years ended 2025 and 2024. 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. There were no claims payable as of June 30, 2025 and 2024.

NOTE 12: COMMITMENTS AND CONTINGENCIES

A. 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 the District’s replacement reserves and advances for construction. The District has committed to \$612,575 of open construction contracts as of June 30, 2025. Construction contracts include the following:

	Total Approved Contract	Construction Costs to Date	Balance to Complete
Timber Ridge BPS Rehab	<u>\$ 5,822,330</u>	<u>\$ 5,144,455</u>	<u>\$ 677,875</u>

B. Litigation

The District is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the District’s financial statements.

NOTE 13: SUBSEQUENT EVENTS

The District evaluated subsequent events for recognition and disclosure through October 17, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent event have occurred since June 30, 2025, that required recognition or disclosure in these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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YORBA LINDA WATER DISTRICT
Schedule of Proportionate Share of Net Pension Liability
As of June 30, for the Last Ten Fiscal Years

Reporting Date ¹ as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability
2025	0.11141%	\$ 13,510,965	\$ 8,612,894	156.87%	79.91%
2024	0.10870%	13,560,261	7,577,488	178.95%	77.97%
2023	0.10800%	12,476,752	7,299,071	170.94%	78.19%
2022	0.10345%	5,595,057	6,932,628	80.71%	90.49%
2021	0.09489%	10,323,992	6,605,148	156.30%	76.33%
2020	0.09146%	9,372,305	6,673,227	140.45%	75.26%
2019	0.08768%	8,449,114	6,561,629	128.77%	75.26%
2018	0.08647%	8,575,054	6,116,587	140.19%	73.31%
2017	0.08368%	7,240,999	5,899,338	122.74%	74.06%
2016	0.07706%	5,289,322	5,564,327	95.06%	83.35%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes : None

Changes of Assumptions : None

¹ The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

YORBA LINDA WATER DISTRICT
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, for the Last Eight Fiscal Years ¹

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021
TOTAL OPEB LIABILITY				
Service cost	\$ 77,151	\$ 66,445	\$ 57,577	\$ 71,324
Interest on total pension liability	243,727	240,406	242,631	226,014
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	179,261	(130,001)
Difference between expected and actual experience	-	(36,700)	-	309,789
Benefit payments, including refunds of employee contributions	(227,716)	(201,897)	(209,069)	(233,896)
Net change in total OPEB liability	93,162	68,254	270,400	243,230
Total OPEB liability-beginning	4,175,976	4,107,722	3,837,322	3,594,092
Total OPEB liability-ending (a)	4,269,138	4,175,976	4,107,722	3,837,322
PLAN FIDUCIARY NET POSITION				
Contributions-employer	227,716	201,897	209,069	511,896
Net investment income	336,022	184,841	(444,949)	657,056
Benefit payments, including refunds of employee contributions	(227,716)	(201,897)	(209,069)	(233,896)
Administrative expense	(998)	(836)	(842)	(904)
Net change in fiduciary net position	335,024	184,005	(445,791)	934,152
Plan fiduciary net position-beginning	3,062,691	2,878,686	3,324,477	2,390,325
Plan fiduciary net position-ending (b)	3,397,715	3,062,691	2,878,686	3,324,477
Net OPEB liability/(asset) (a) - (b)	\$ 871,423	\$ 1,113,285	\$ 1,229,036	\$ 512,845
Plan fiduciary net position as a percentage of the total OPEB liability	79.59%	73.3%	70.1%	86.6%
Covered-employee payroll	3,669,836	\$ 3,783,618	\$ 3,791,813	\$ 3,384,450
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	23.7%	29.4%	32.4%	15.2%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Benefit Changes : None

Changes of Assumptions : None

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only eight years are shown.

<hr/>			
2021	2020	2019	2018
<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$ 69,415	\$ 75,308	\$ 73,292	\$ 71,330
221,800	235,589	228,072	219,305
-	53,671	-	-
-	-	-	-
-	(368,334)	-	-
<u>(218,862)</u>	<u>(197,887)</u>	<u>(173,539)</u>	<u>(137,979)</u>
72,353	(201,653)	127,825	152,656
<u>3,521,739</u>	<u>3,723,392</u>	<u>3,595,567</u>	<u>3,442,911</u>
3,594,092	3,521,739	3,723,392	3,595,567
490,937	462,680	431,245	355,672
58,823	118,711	98,256	121,311
(218,862)	(197,887)	(173,539)	(137,979)
<u>(1,048)</u>	<u>(381)</u>	<u>(762)</u>	<u>(606)</u>
329,850	383,123	355,200	338,398
<u>2,060,475</u>	<u>1,677,352</u>	<u>1,322,152</u>	<u>983,754</u>
2,390,325	2,060,475	1,677,352	1,322,152
\$ 1,203,767	\$ 1,461,264	\$ 2,046,040	\$ 2,273,415
66.5%	58.5%	45.0%	36.8%
\$ 3,679,078	\$ 4,419,954	\$ 4,690,421	\$ 4,490,485
32.7%	33.1%	43.6%	50.6%

YORBA LINDA WATER DISTRICT
Schedules of Plan Contributions - Pension and OPEB
As of June 30, for the Last Ten and Eight Fiscal Years ¹

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<u>Miscellaneous Cost-Sharing, Multiple-Employer Pension Plan</u>					
2025	\$ 1,880,221	\$ 1,880,221	\$ -	\$ 9,027,485	20.83%
2024	1,665,639	1,665,639	-	8,612,894	19.34%
2023	1,554,495	1,554,495	-	7,577,488	20.51%
2022	1,415,483	1,415,483	-	7,299,071	19.39%
2021	1,281,792	1,281,792	-	6,932,628	18.49%
2020	1,110,885	1,110,885	-	6,605,148	16.82%
2019	981,952	981,853	99	6,673,227	14.71%
2018	850,393	850,393	-	6,561,629	12.96%
2017	755,544	755,544	-	6,116,587	12.35%
2016	674,827	674,827	-	5,899,338	11.44%

Valuation Date: June 30, 2023

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Single and Agent Employers	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Assets valuation method	Market Value
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	6.90%
Retirement age	50 for all plans with exception of 52 for Miscellaneous 2% @ 62
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

YORBA LINDA WATER DISTRICT
Schedules of Plan Contributions - Pension and OPEB
As of June 30, for the Last Ten and Eight Fiscal Years ¹

<u>Fiscal Year Ending June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered/ Covered- Employee Payroll</u>	<u>Contribution as a % of Covered/ Covered Employee Payroll</u>
<u>Agent Multiple Employer OPEB Plan</u>					
2025	\$ 269,326	\$ 269,326	\$ -	\$ 3,763,866	7.2%
2024	227,390	227,390	-	3,669,836	6.2%
2023	201,571	201,571	-	3,783,618	5.3%
2022	209,069	209,069	-	3,791,813	5.5%
2021	511,896	511,896	-	3,384,450	15.1%
2020	490,937	490,937	-	3,679,078	13.3%
2019	462,680	462,680	-	4,419,954	10.5%
2018	431,245	431,245	-	4,690,421	9.2%

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2025 were from the June 30, 2023 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll, closed
Asset Valuation Method	Market value
Inflation	2.75%
Payroll Growth	2.75% per annum, in aggregate
Investment Rate of Return	6.00% per annum
Healthcare cost-trend rates	4.00%
Mortality	Mortality rates are taken from the 2021 CalPERS valuation.

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only eight years are shown.

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SUPPLEMENTARY INFORMATION SECTION

YORBA LINDA WATER DISTRICT
Combining Schedule of Net Position
June 30, 2025

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 54,633,556	\$ 10,834,451	\$ 65,468,007
Receivables (net of uncollectibles):			
Accounts Receivable - Water and Sewer Services	5,627,074	457,817	6,084,891
Accounts Receivable - Property Taxes	147,243	6,067	153,310
Grant Receivable	194,829	-	194,829
Accrued Interest Receivable	107,295	62,265	169,560
Lease Receivable	102,679	-	102,679
Other Receivables	9,693	-	9,693
Prepaid Expenses and Deposits	1,630,262	-	1,630,262
Inventory	497,778	-	497,778
Restricted:			
Restricted Cash and Cash Equivalents	4,331,940	-	4,331,940
Investments - Pension Trust	991,941	90,834	1,082,775
Investments - OPEB Trust	365,400	33,460	398,860
Investments - Deposits	329,605	-	329,605
Cash with Fiscal Agent	944,881	-	944,881
Restricted Cash and Cash Equivalents	-	-	-
Total current assets	69,914,176	11,484,894	81,399,070
Noncurrent:			
Leases Receivable	282,195	-	282,195
Not Depreciable Capital Assets	2,587,801	81,418	2,669,219
Capital Assets, net of Depreciation/Amortization	179,943,135	33,728,516	213,671,651
Total noncurrent assets	182,813,131	33,809,934	216,623,065
Total assets	252,727,307	45,294,828	298,022,135
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension Plans	3,692,628	658,988	4,351,616
Deferred Outflows - OPEB	514,590	85,261	599,851
Total deferred outflows of resources	4,207,218	744,249	4,951,467

YORBA LINDA WATER DISTRICT
Combining Schedule of Net Position
June 30, 2025

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	8,663,304	1,216,495	9,879,799
Grant Payable - Subrecipient	194,829	-	194,829
Accrued Expenses	601,256	-	601,256
Accrued Interest	626,450	211	626,661
Unearned Revenue	18,140	4,779	22,919
Compensated Absences Payable	604,795	-	604,795
Customer and Construction Deposits	1,016,978	42,744	1,059,722
Leases Payable	7,100	-	7,100
Subscriptions Payable	35,035	11,237	46,272
Certificates of Participation	1,675,000	-	1,675,000
Total current liabilities	13,442,887	1,275,466	14,718,353
Noncurrent liabilities:			
Unearned Annexation Revenue	10,157,815	-	10,157,815
Compensated Absences	710,518	-	710,518
Leases Payable	214,250	-	214,250
Subscriptions Payable	10,188	1,797	11,985
Certificates of Participation	57,128,493	-	57,128,493
Net Pension Liability	11,484,320	2,026,645	13,510,965
Net OPEB Liability	745,166	126,257	871,423
Total noncurrent liabilities	80,450,750	2,154,699	82,605,449
Total liabilities	93,893,637	3,430,165	97,323,802
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Deferred Charge on Refunding	323,232	-	323,232
Deferred Inflows - Pension Plans	147,240	25,983	173,223
Deferred Inflows - OPEB	237,439	33,926	271,365
Deferred Inflows - Leases	400,219	-	400,219
Total deferred inflows of resources	1,108,130	59,909	1,168,039
NET POSITION			
Net Investment in Capital Assets	123,830,954	33,796,900	157,627,854
Restricted - Pension Benefits	991,941	90,834	1,082,775
Restricted - Water Conservation	85,337	-	85,337
Restricted - Other Postemployment Benefits	365,400	33,460	398,860
Restricted - Depository Cash	329,605	-	329,605
Restricted - Rate Stabilization Fund	4,246,603	-	4,246,603
Net Position, Unrestricted	32,082,918	8,627,809	40,710,727
Total net position	\$ 161,932,758	\$ 42,549,003	\$ 204,481,761

YORBA LINDA WATER DISTRICT
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Water Revenues	\$ 49,723,579	\$ -	\$ 49,723,579
Sewer Revenues	-	4,582,075	4,582,075
Other Operating Revenue	1,623,325	92,295	1,715,620
Total operating revenues	51,346,904	4,674,370	56,021,274
OPERATING EXPENSES			
Variable Water Costs	20,461,858	-	20,461,858
Personnel Services	12,336,680	2,305,720	14,642,400
Supplies and Services	7,275,337	1,181,828	8,457,165
Depreciation and Amortization Expense	7,862,995	1,499,895	9,362,890
Total operating expenses	47,936,870	4,987,443	52,924,313
Operating income (loss)	3,410,034	(313,073)	3,096,961
NONOPERATING REVENUES (EXPENSES)			
Property Taxes	2,572,800	-	2,572,800
Investment Income	2,877,280	444,586	3,321,866
Annexation Revenue Fees	495,436	-	495,436
Grants Revenue	291,176	-	291,176
Interest Expense	(2,138,362)	(1,304)	(2,139,666)
Gains (Losses) on Sale of Capital Asset	(164,433)	(850)	(165,283)
Grant Expenditures	(291,176)	-	(291,176)
Other Nonoperating Revenues	211,877	73,571	285,448
Other Nonoperating Expenses	(34,664)	(33,585)	(68,249)
Total nonoperating revenues (expenses)	3,819,934	482,418	4,302,352
Income (loss) before capital contributions	7,229,968	169,345	7,399,313
Capital Contributions	2,664,530	882,674	3,547,204
Change in net position	9,894,498	1,052,019	10,946,517
Net position-beginning	152,038,260	41,496,984	193,535,244
Net position-ending	\$ 161,932,758	\$ 42,549,003	\$ 204,481,761

YORBA LINDA WATER DISTRICT
Combining Schedule of Cash Flows
For the Year Ended June 30, 2025

	Water	Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 51,161,629	\$ 4,653,773	\$ 55,815,402
Payments to suppliers and service providers	(26,859,706)	(1,203,509)	(28,063,215)
Payments to employees for salaries and benefits	(11,473,389)	(2,121,753)	(13,595,142)
Net cash provided by (used for) operating activities	12,828,534	1,328,511	14,157,045
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes	2,479,246	3,230	2,482,476
Operating grants and contributions	35,129	33,379	68,508
Net cash provided by (used for) noncapital financing activities	2,514,375	36,609	2,550,984
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(10,341,519)	(408,865)	(10,750,384)
Principal paid on capital debt	(1,704,627)	(32,571)	(1,737,198)
Interest paid on capital debt	(1,776,813)	(1,093)	(1,777,906)
Proceeds from sales of assets	58,748	8,136	66,884
Net cash provided by (used for) capital and related financing activities	(13,764,211)	(434,393)	(14,198,604)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,994,848	431,772	2,426,620
Lease revenue	123,109	-	123,109
Net cash provided by (used for) investing activities	2,117,957	431,772	2,549,729
Net increase (decrease) in cash and cash equivalents	3,696,655	1,362,499	5,059,154
Cash and cash equivalents-beginning	56,213,722	9,471,952	65,685,674
Cash and cash equivalents-ending	\$ 59,910,377	\$ 10,834,451	\$ 70,744,828
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and cash equivalents	\$ 54,633,556	\$ 10,834,451	\$ 65,468,007
Restricted cash and cash equivalents	4,331,940	-	4,331,940
Cash with fiscal agent	944,881	-	944,881
Total cash and cash equivalents	<u>\$ 59,910,377</u>	<u>\$ 10,834,451</u>	<u>\$ 70,744,828</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 3,410,034	\$ (313,073)	\$ 3,096,961
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	7,862,995	1,499,895	9,362,890
(Increase) decrease in accounts receivable	(165,401)	13,622	(151,779)
(Increase) decrease in inventories	(25,105)	-	(25,105)
(Increase) decrease in prepaid items	(1,293,292)	-	(1,293,292)
Increase (decrease) in accounts payable	2,195,886	(21,681)	2,174,205
Increase (decrease) in accrued liabilities	72,232	-	72,232
Increase (decrease) in deposits payable	(19,874)	(34,219)	(54,093)
Increase (decrease) in compensated absences	142,027	-	142,027
Increase (decrease) in net pension liability	737,761	200,034	937,795
Increase (decrease) in net OPEB liability	(88,729)	(16,067)	(104,796)
Total adjustments	9,418,500	1,641,584	11,060,084
Net cash provided by (used for) operating activities	\$ 12,828,534	\$ 1,328,511	\$ 14,157,045
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES			
Unrealized gain/(loss) on fair value of investments	\$ (164,433)	\$ (850)	\$ (165,283)
Amortization on bond discount/(premium)	(317,957)	-	(317,957)
Deferred (gain)/loss on revenue bonds	(65,266)	-	(65,266)
Capital contributions	(2,664,530)	(882,674)	(3,547,204)

YORBA LINDA WATER DISTRICT

Schedule of Operating Expenses by Cost Center and Nature of Expenses for Water and Sewer

For the Year Ended June 30, 2025

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING EXPENSES			
Variable Water Costs:			
Imported Water	\$ 3,454,701	\$ -	\$ 3,454,701
OCWD Replenishment Assessment	12,007,855	-	12,007,855
MWD Connection Charge	1,678,957	-	1,678,957
Fuel and Power/Pumping	3,320,345	-	3,320,345
Total Variable Water Costs	<u>20,461,858</u>	<u>-</u>	<u>20,461,858</u>
Personnel Services:			
Unit Salaries	7,726,089	1,391,003	9,117,092
Fringe Benefits	4,548,569	903,772	5,452,341
Director's Fees	62,022	10,945	72,967
Total Personnel Services	<u>12,336,680</u>	<u>2,305,720</u>	<u>14,642,400</u>
Supplies and Services:			
Communication	199,087	29,248	228,335
Contractual Services	703,032	95,585	798,617
Data Processing	316,350	44,430	360,780
District Activities	65,799	11,610	77,409
Dues and Memberships	102,890	18,051	120,941
Fees and Permits	483,171	55,834	539,005
Insurance	505,700	89,242	594,942
Maintenance	1,267,036	358,404	1,625,440
Materials	1,257,984	66,412	1,324,396
Noncapital Equipment	205,847	80,123	285,970
Office Expense	35,541	6,272	41,813
Professional Services	1,112,261	155,849	1,268,110
Training	42,206	16,193	58,399
Travel and Conferences	41,263	10,032	51,295
Uncollectible Accounts	18,042	3,767	21,809
Utilities	197,901	34,809	232,710
Vehicle Expense	721,227	105,967	827,194
Total Supplies and Services	<u>7,275,337</u>	<u>1,181,828</u>	<u>8,457,165</u>
Depreciation and Amortization Expense	<u>7,862,995</u>	<u>1,499,895</u>	<u>9,362,890</u>
Total Operating Expenses	<u>\$ 47,936,870</u>	<u>\$ 4,987,443</u>	<u>\$ 52,924,313</u>

YORBA LINDA WATER DISTRICT
Schedule of Capital Assets
For the Year Ended June 30, 2025

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Land, Mineral, and Water Rights:			
Land	\$ 656,912	\$ -	\$ 656,912
Water Rights	86,300	-	86,300
Mineral Rights	63,650	-	63,650
Land Rights and Easements	385	58,526	58,911
Total Land, Mineral, and Water Rights	<u>807,247</u>	<u>58,526</u>	<u>865,773</u>
Source of Supply:			
Wells	5,890,678	-	5,890,678
MWD Connection	564,368	-	564,368
Total Source of Supply	<u>6,455,046</u>	<u>-</u>	<u>6,455,046</u>
Pumping Plant:			
Structures and Improvements	22,898,115	-	22,898,115
Equipment	17,163,914	321,478	17,485,392
Total Pumping Plant	<u>40,062,029</u>	<u>321,478</u>	<u>40,383,507</u>
Water Treatment Plant:			
Structures and Improvements	1,163,706	-	1,163,706
Equipment	15,206,517	-	15,206,517
Total Water Treatment Plant	<u>16,370,223</u>	<u>-</u>	<u>16,370,223</u>
Transmission and Distribution Plant:			
Mains	105,309,550	57,253,190	162,562,740
Reservoirs and Tanks	63,235,917	-	63,235,917
Service and Meter Installation	9,331,334	-	9,331,334
Fire Hydrants	9,208,228	-	9,208,228
Meters	12,970,868	-	12,970,868
Fire Mains	792,137	-	792,137
Structures and Improvements	7,460,506	-	7,460,506
Control System	6,541,844	33,485	6,575,329
Total Transmission and Distribution Plant	<u>214,850,384</u>	<u>57,286,675</u>	<u>272,137,059</u>
General Plant:			
Structures and Improvements	14,669,719	-	14,669,719
Transportation Equipment	4,200,394	1,451,241	5,651,635
Power Operated Equipment	1,294,602	-	1,294,602
Communication Equipment	976,808	-	976,808
Computer Equipment	2,672,082	238,071	2,910,153
Office Furniture	1,126,266	-	1,126,266
Tools, Shop, and Garage Equipment	5,727,507	-	5,727,507
Store Equipment	78,846	-	78,846
Total General Plant	<u>30,746,224</u>	<u>1,689,312</u>	<u>32,435,536</u>
Leases	237,059	-	237,059
Subscriptions	314,185	101,596	415,781
Construction in Progress	1,780,554	22,892	1,803,446
Accumulated Depreciation/Amortization	<u>(129,092,015)</u>	<u>(25,670,545)</u>	<u>(154,762,560)</u>
Total Capital Assets	<u>\$ 182,530,936</u>	<u>\$ 33,809,934</u>	<u>\$ 216,340,870</u>

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STATISTICAL SECTION

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**YORBA LINDA WATER DISTRICT
DESCRIPTION OF STATISTICAL
SECTION JUNE 30, 2025**

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 and the note disclosures say about the government's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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.

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**Yorba Linda Water District
Changes in Net Position
Last Ten Fiscal Years**

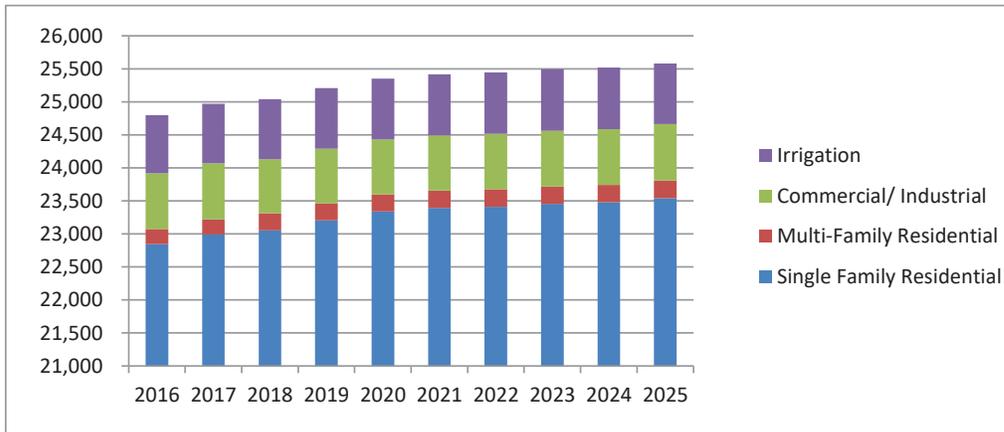
	Fiscal Year									
	2025	2024	2023 *	2022	2021	2020	2019	2018	2017	2016
Changes in Net Position:										
Operating Revenues										
Water Sales	\$ 49,723,579	\$ 42,366,064	\$ 36,880,380	\$ 39,495,864	\$ 35,539,146	\$ 32,192,312	\$ 29,819,532	\$ 32,082,152	\$ 29,326,565	\$ 27,820,638
Sewer Revenues	4,582,075	4,002,126	3,453,202	3,204,396	2,743,000	2,731,285	2,528,020	2,330,809	2,099,947	1,849,114
Other Operating Revenues	1,715,620	1,963,537	1,273,958	1,275,632	968,455	896,107	1,014,691	831,733	1,033,608	2,665,835
Total Operating Revenues	56,021,274	48,331,727	41,607,540	42,975,892	39,250,601	35,819,704	33,362,243	35,244,694	32,460,120	32,335,587
Operating Expenses										
Variable Water Costs	20,461,858	16,900,164	15,308,429	20,603,385	18,638,471	16,916,388	13,327,860	15,028,131	12,710,857	10,470,181
Personnel Services	14,642,400	13,352,318	9,495,878	11,016,220	10,947,895	10,890,404	9,538,167	9,874,212	8,913,639	8,096,853
Supplies and Services	8,457,165	8,769,138	8,100,671	6,297,722	5,459,423	4,754,719	4,592,521	4,298,863	4,504,054	4,355,033
Depreciation	9,362,890	9,188,082	9,094,787	7,935,696	7,858,355	7,757,139	7,322,753	7,465,977	7,147,369	7,546,407
Total Operating Expenses	52,924,313	48,209,702	41,999,765	45,853,023	42,904,144	40,318,649	34,781,301	36,667,183	33,275,919	30,468,474
Operating Income/(Loss)	3,096,961	122,025	(392,225)	(2,877,131)	(3,653,543)	(4,498,945)	(1,419,058)	(1,422,489)	(815,799)	1,867,113
Nonoperating Revenues (Expenses)										
Property Taxes	2,572,800	2,423,322	2,323,369	2,157,211	2,072,582	1,961,002	1,874,688	1,749,957	1,687,384	1,615,454
Investment Income	3,321,866	3,302,499	1,279,458	179,375	246,942	694,705	819,522	518,600	377,205	288,817
Interest Expense	(2,140,233)	(2,218,001)	(2,408,426)	(1,249,313)	(1,293,830)	(1,309,863)	(1,350,616)	(1,106,515)	(1,552,896)	(1,671,539)
Bond Issuance Costs										
Other Nonoperating Revenues	1,072,060	956,382	973,139	209,976	1,249,200	1,104,622	1,014,495	413,465	645,562	872,420
Other Nonoperating Expenses	(524,141)	(2,223,004)	(358,045)	(22,142)	(859,403)	(137,569)	(1,550,378)	(89,021)	(403,597)	(7,273)
Total Nonoperating Revenues (Expenses)	4,302,352	2,241,198	1,809,495	1,275,107	1,415,491	2,312,877	807,711	1,486,486	753,658	1,097,879
Net Income (Loss) Before Capital Contributions	7,399,313	2,363,223	1,417,270	(1,602,024)	(2,238,052)	(2,186,068)	(611,347)	63,997	(62,141)	2,964,992
Capital Contributions	3,547,204	948,660	26,022,951	289,612	2,051,988	1,030,017	171,144	3,554,123	2,665,462	788,445
Special Items								(2,205,847)		
Changes in Net Position	\$ 10,946,517	\$ 3,311,883	\$ 27,440,221	\$ (1,312,412)	\$ (186,064)	\$ (1,156,051)	\$ (440,203)	\$ 3,618,120	\$ 2,603,321	\$ 3,753,437
Net Position by Component:										
Net investment in Capital Assets	157,627,854	158,153,034	165,329,003	145,243,036	146,951,549	148,308,815	152,297,398	154,271,627	\$154,273,025	\$153,776,247
Restricted	6,057,843	1,790,643	1,873,557	2,269,372	1,807,363	2,131,773	2,063,965	352,063	1,222,452	1,572,527
Unrestricted	40,796,064	33,591,567	23,020,801	15,269,731	15,336,639	13,840,027	11,075,303	11,253,179	8,969,119	9,027,328
Total Net Assets	\$204,481,761	\$193,535,244	\$190,223,361	\$162,782,139	\$164,094,551	\$164,280,615	\$165,436,666	\$165,876,869	\$164,464,596	\$164,376,102

* 2023 was restated due to the change in accounting principles. All prior years are not restated due to not practicable.

Source: YLWD Audited Financial Statements

**Yorba Linda Water District
Number of Connections
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Single Family Residential</u>	<u>Multi-Family Residential</u>	<u>Commercial/ Industrial</u>	<u>Irrigation</u>	<u>Direct Rate (Billing Unit)</u>	
2016	22,845	229	842	884	2.70	
2017	22,991	232	845	902	2.70	
2018	23,055	256	821	908	2.70	
2019	23,207	256	829	914	2.80	
2020	23,340	258	831	921	2.80	
2021	23,392	263	838	924	2.86	
2022	23,412	264	840	930	2.64	
2023	23,453	264	843	933	2.90	
2024	23,478	264	844	932	3.45	<u>Total</u>
2025	23,542	264	858	918	3.77	25,582
					SFR %	92.03%



Source: YLWD Billing System

**Yorba Linda Water District
Ten Largest Customers
Current and Ten Years Ago**

FY25

	Customer Name	Business Type	Annual Revenues #	% of Actual Revenues *
1	City of Yorba Linda	Government	\$ 2,349,099	4.72%
2	Placentia- Yorba Linda Unified School District	Government	497,952	1.00%
3	Beverage Visions, LLC	Homeowners Association	224,466	0.45%
4	The Hills at Yorba Linda	Homeowners Association	215,131	0.43%
5	The Bryant at Yorba Linda, LLC	Homeowners Association	200,706	0.40%
6	Yorba Linda Villages	Homeowners Association	194,036	0.39%
7	Fairmont Hill Community Association	Homeowners Association	167,190	0.34%
8	Lake Park Yorba Linda EPM	Homeowners Association	148,645	0.30%
9	Kerrigan Ranch II Community Association	Homeowners Association	132,187	0.27%
10	Amalfi Hills Community Assoc	Homeowners Association	117,468	0.24%
	TOTAL		\$ 4,246,880	8.54%

FY15

	Customer Name	Business Type	Annual Revenues #	% of Actual Revenues *
1	City of Yorba Linda	Government	\$ 2,331,179	7.85%
2	Placentia Yorba Linda USD	Government	305,915	1.03%
3	Toll Brothers	Manufacturer	131,157	0.44%
4	RRE Yorba Linda Holdings, LLC	Manufacturer	130,572	0.44%
5	The Hills at Yorba Linda	Homeowners Association	127,406	0.43%
6	Yorba Linda Villages	Homeowners Association	120,873	0.41%
7	Fairmont Hill Community Association	Homeowners Association	190,828	0.64%
8	Lake Park Yorba Linda EPM	Homeowners Association	77,327	0.26%
9	Aspetic Tech	Manufacturer	65,020	0.22%
10	Woodgate Condominiums	Homeowners Association	63,688	0.21%
	TOTAL		\$ 3,543,966	11.94%

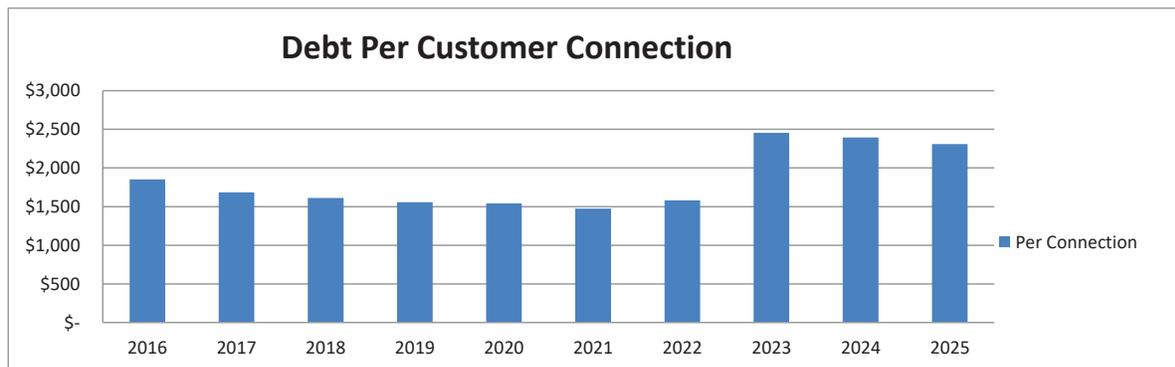
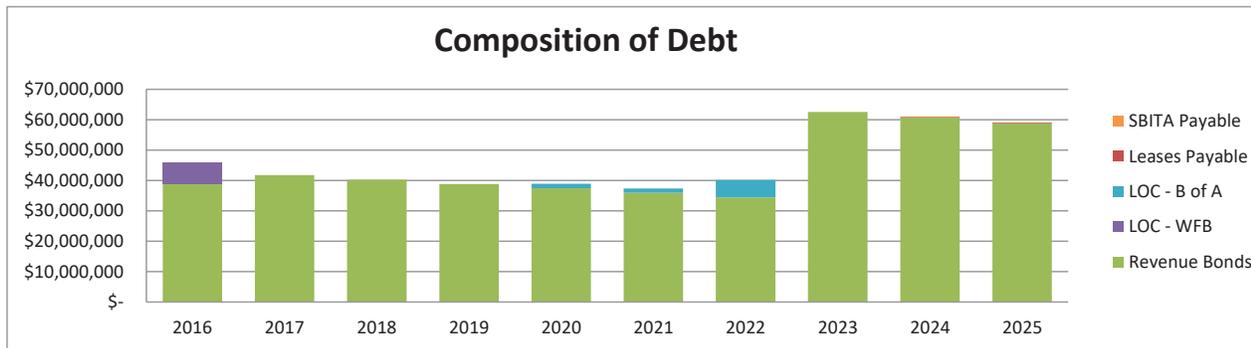
Notes:

Annual Revenues represents the listed customer's annual total billing for water services (including Base Service and Capital Finance Charges)

* Total "actual revenues" represents revenue generated from customer billings (water and sewer related)

**Yorba Linda Water District
Ratio of Outstanding Debt
Last Ten Fiscal Years**

Fiscal Year	Bank of America Line of Credit LOC - B of A	Well Fargo Line of Credit LOC - WFB	Certificates of Participation / Revenue Bonds	Leases Payable	SBITA Payable	Total			As a Share of Personal Income
						Debt	Per Connection	Per Capita	
2016	\$ -	\$ 6,883,720	\$ 38,767,354	\$ -	\$ -	\$ 45,651,074	\$ 1,852	\$ 581	1.26%
2017	-	-	41,758,033	-	-	41,758,033	1,684	527	1.14%
2018	-	-	40,262,056	-	-	40,262,056	1,612	506	1.10%
2019	-	-	38,866,080	-	-	38,866,080	1,557	482	1.07%
2020	1,443,517	-	37,435,103	-	-	38,878,620	1,542	485	1.08%
2021	1,443,751	-	35,949,127	-	-	37,392,878	1,475	467	1.04%
2022	5,743,751	-	34,403,151	-	-	40,146,902	1,580	481	1.11%
2023	-	-	62,564,406	-	-	62,564,406	2,454	744	1.66%
2024	-	-	60,721,450	227,681	144,578	61,093,709	2,394	726	1.50%
2025	-	-	58,803,493	221,350	58,257	59,083,100	2,310	701	1.41%



Source: YLWD Audited Financial Statements

**Yorba Linda Water District
Debt Coverage
Last Ten Fiscal Years**

Fiscal Year	Revenues	Expenses	Net Revenues	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2016	\$ 32,557	\$ 21,603	\$ 10,954	\$ 1,045	\$ 1,679	\$ 2,724	4.02
2017	32,734	25,112	7,622	1,080	1,637	2,717	2.81
2018	35,022	27,844	7,178	1,240	1,509	2,749	2.61
2019	34,301	26,037	8,264	1,140	1,598	2,738	3.02
2020	36,605	31,167	5,438	1,175	1,552	2,727	1.99
2021	39,833	33,562	6,271	1,230	1,499	2,729	2.30
2022	42,009	35,331	6,678	1,290	1,439	2,729	2.45
2023	42,339	32,377	9,962	1,290	2,253	3,543	2.81
2024	49,850	35,125	14,725	1,618	2,621	4,239	3.47
2025	57,544	39,569	17,975	1,725	2,543	4,268	4.21

NOTE: Expenses exclude non-cash expenses and debt service expenses.
Debt Service includes Leases and SBITA payments.

Source: YLWD Audited Financial Statements - Water Fund

**Yorba Linda Water District
Demographics
Last Ten Fiscal Years**

Yorba Linda Water District

Year	Population	City of YL Population	Personal Income	Personal Income per Capita
2016	78,539	67,637	\$ 3,624,303,533	\$ 46,147
2017	79,170	67,890	3,654,487,200	46,160
2018	79,565	68,229	3,672,735,413	46,160
2019	80,606	69,121	3,633,462,895	45,077
2020	80,122	68,706	3,611,647,715	45,077
2021	80,056	68,650	3,608,703,980	45,077
2022	83,490	67,846	3,631,214,745	43,493
2023	84,054	67,233	3,763,504,116	44,775
2024	84,140	67,068	4,078,452,778	48,472
2025	84,292	66,087	4,180,662,829	49,597

County of Orange

Year	Population	Unemployment	Personal Income (In Thousands)	Personal Income per Capita
2016	3,147,655	4.0%	\$ 185,500,000	\$ 58,933
2017	3,183,011	4.4%	190,978,000	59,999
2018	3,194,024	4.2%	199,492,000	62,458
2019	3,221,103	3.1%	215,479,000	66,896
2020	3,222,498	3.0%	230,180,000	71,429
2021	3,194,332	12.3%	226,531,000	70,917
2022	3,153,764	6.3%	258,933,000	82,103
2023	3,162,245	2.8%	267,143,000	84,479
2024	3,137,164	3.6%	266,043,000	84,804
2025	3,150,835	4.4%	286,490,000	90,925

Sources: City of Yorba Linda ACFR
County of Orange ACFR
U.S. Census Bureau
CA State Water Resources Control Board

**Yorba Linda Water District
Ten Largest Employers
Current and Eight Years Ago**

Employer ^	2024*		2016**	
	Employees	% of Total Labor Force	Employees	% of Total Labor Force
Costco Wholesale Corporation #445	298	2.67 %	293	4.00 %
Bayshire Yorba Linda	177	1.59 %		0.00 %
Nobel Biocare U S A, LLC	177	1.59 %	269	3.67 %
Euroline Steel Windows	153	1.37 %		0.00 %
Beverage Visions, LLC	130	1.16 %		0.00 %
Friends Church Yorba Linda	125	1.12 %		0.00 %
Coldwell Banker	118	1.06 %	118	1.61 %
So CA Permanente Medical Group	108	0.97 %	55	0.75 %
Office Soutlions Business	107	0.96 %	98	1.34 %
Vons Grocery CO #3069	101	0.91 %	86	1.17 %
Chick-Fil-A At Yorba Linda Fsr	100	0.90 %		0.00 %
Total	1,594	14.30 %	919	12.54 %

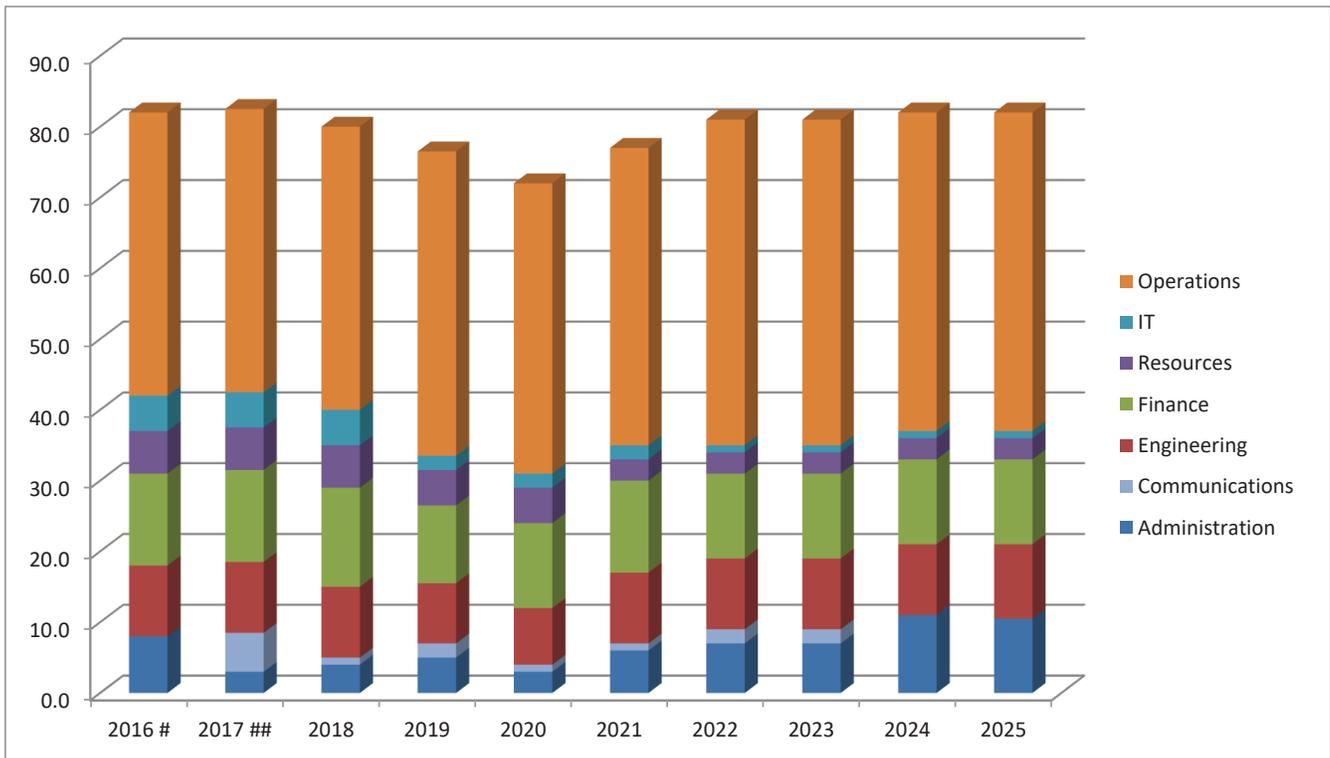
NOTES: * Most current and available data from the City of Yorba Linda most recent completed ACFR

** Based on the City of Yorba Linda ACFR, the oldest data available for this table is 2016.

**Yorba Linda Water District
Number of Employees
Last Ten Fiscal Years**

Full Time Equivalent Employees by Department *

Fiscal Year	Department							Total
	Administration	Communications	Engineering	Finance	Human Resources	IT	Operations	
2016 [#]	8.0		10.0	13.0	6.0	5.0	40.0	82.0
2017 ^{##}	3.0	5.5	10.0	13.0	6.0	5.0	40.0	77.0
2018	4.0	1.0	10.0	14.0	6.0	5.0	40.0	80.0
2019	5.0	2.0	8.5	11.0	5.0	2.0	43.0	76.5
2020	3.0	1.0	8.0	12.0	5.0	2.0	41.0	72.0
2021	6.0	1.0	10.0	13.0	3.0	2.0	42.0	77.0
2022	7.0	2.0	10.0	12.0	3.0	1.0	46.0	81.0
2023	7.0	2.0	10.0	12.0	3.0	1.0	46.0	81.0
2024 ^{#*}	11.0		10.0	12.0	3.0	1.0	45.0	82.0
2025 ^{#*}	10.5		10.5	12.0	3.0	1.0	45.0	82.0



NOTE: * Number of employees in each department are authorized and funded positions.
 # Includes 3FTE temporary positions in relation to the SWRCB Emergency Mandate
 ## Includes 2 Limited-term FT and 1 Limited-term PT positions in relation to the SWRCB Emergency Mandate
 #* Communication department is now a part of Administration department

Source: YLWD Human Resources Department

**Yorba Linda Water District
Operating and Capacity Indicators
Last Ten Fiscal Years**

Fiscal Year	Miles of Water Mains Installed*	Yearly Water Production (MG)	Average Production (MGD)	Number of Field Service Calls
2016	2.86	4,408	12.1	1,873
2017	1.15	5,827	16.0	1,782
2018	1.50	6,601	18.1	1,681
2019	0.97	5,858	16.0	1,651
2020	0.42	6,281	17.2	1,693
2021	0.29	6,732	18.4	1,764
2022	0.89	6,283	17.2	1,680
2023	0.55	5,318	14.6	1,254
2024	0.81	5,371	14.7	1,325
2025	1.71	6,107	16.7	1,305

Fiscal Year	Number of Booster Pumps	Capacity by Booster Pump (GPM)	Number of Reservoirs	Capacity by Reservoir (MG)
2016	12	52,025	14	57
2017	12	52,025	14	57
2018	12	52,025	14	57
2019	12	56,125	14	57
2020	12	56,125	14	57
2021	12	56,125	14	57
2022	12	63,025	14	57
2023	12	63,025	14	57
2024	12	64,875	14	57
2025	12	61,875	14	57

MG - Millions of Gallons
 MGD - Millions of Gallons per Day
 GPM - Gallon per Minute

NOTE: * Miles of Water Main estimated

Source: YLWD Asset Management Plan 2010
 YLWD Operations Department
 YLWD Engineering Department