



Annual Comprehensive Financial Report

For the Fiscal Years Ended
June 30, 2025 and June 30, 2024

Elk Grove, California



Florin Resource Conservation District



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Years Ended June 30, 2025 and 2024

Issued by:

BRUCE KAMILOS
General Manager

PATRICK LEE
Finance Manager/Board Treasurer

DONELLA MURILLO
Finance Supervisor

Florin Resource Conservation District
9829 Waterman Road
Elk Grove, CA 95624

www.egwd.org

Florin Resource Conservation District

Annual Comprehensive Financial Report

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For the years ended June 30, 2025 and 2024

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November 7, 2025

To: Members of the Florin Resource Conservation District Board of Directors
and Ratepayers of the Elk Grove Water District

The Florin Resource Conservation District (District) is required by State statute to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). These statements must also be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In meeting those requirements, we are pleased to present the Annual Comprehensive Financial Report (Annual Report) for the District for the fiscal years ended June 30, 2025 and 2024.

The information presented in this Annual Report is intended to provide financial information with all the disclosures necessary to enable the District's customers, investment community and general public to assess the District's financial condition. The Annual Report contains management's representations concerning the finances of the District. Management is responsible for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to both 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 GAAP. Since the cost of internal controls should not outweigh their 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 misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been independently audited by Badawi & Associates, a firm of licensed certified public accountants with which the District contracts for these services. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal years ended June 30, 2025 and 2024, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for

the fiscal years ended June 30, 2025 and 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and is intended to be read in conjunction with it. For comparative purposes, the District has elected a dual year presentation for its financial statements, reporting both the current year and prior year activities, and the MD&A reporting the current year and prior two years activities. The District's MD&A is located immediately following the independent auditors' report.

Accounting System and Budgetary Controls

The District's accounting records are maintained using the accrual basis of accounting where revenues are recognized when they are earned, and the expenses are recognized when they are incurred.

District staff develops annual budgets which are subject to the approval of the District's Board of Directors (Board). A proposed budget is first presented to the Board for review and comment. Once comments are received and incorporated, a final proposed budget is presented to the Board for their consideration and approval. The budget is required to be adopted on or before June 30th of each year. The budget is used as a management tool for projecting and measuring revenues and expenses.

DISTRICT PROFILE

History

The District was formed in 1953, pursuant to Section 9000 et seq. of the Public Resources Code of the State of California and is governed by a five-member Board of Directors serving four-year staggered terms. The District is located approximately six miles southeast of the City of Sacramento in the west central portion of unincorporated Sacramento County and was formed to address soil degradation issues resulting from poor irrigation and drainage. There currently are approximately 92,000 acres within the District. The District has historically provided technical assistance and conservation education to farmers, community members and students.

In addition to resource conservation efforts, the District provides water service within its 13-mile water service area through the Elk Grove Water Service, which was acquired in 1999. The Elk Grove Water Service operates as an enterprise fund of the District. In 2010, the name of the Elk Grove Water Service was changed to the Elk Grove Water District (EGWD).

The EGWD is classified as a medium sized water purveyor serving approximately 46,000 people. The EGWD service boundary is divided into two distinct service areas commonly referred to as Service Area 1 and Service Area 2.

Source water for Service Area 1 is provided by four (4) deep wells and three (3) shallow wells owned and operated by EGWD. Source water for Service Area 2 includes both groundwater and surface water which is provided on a wholesale basis by the Sacramento County Water Agency (SCWA). Water is not shared between the two service areas except in an emergency.

On April 18, 2018, the District adopted Resolution No. 04.18.18.01, declaring that effective July 1, 2018, all activities performed by the District be limited to water related activities that provide a benefit to EGWD ratepayers. With the adoption of this resolution, the District's sole focus shifted to the operation of the EGWD.

Mission Statement

We are dedicated to providing our customers with high quality, safe water while delivering exceptional customer service that meets the needs of current and future generations.

Vision Statement

We are committed to making thoughtful choices that promote sustainable water system operations, employ innovative technologies that provide long-term benefits to our customers, and support the community.

Water Supply

Source Water – There are currently seven (7) wells that supply groundwater to Service Area 1. Four (4) of the wells are deep wells, and three (3) are shallow wells. The deep aquifer has concentrations of iron and manganese that may exceed current federal and state secondary drinking water standards. The deep wells are designed to produce approximately 1,800 gallons per minute (gpm) each. The water from the deep wells is conveyed to the Railroad Water Treatment and Storage Facility where it is disinfected with sodium hypochlorite and treated for iron and manganese removal. The treated water is held in two large storage tanks before it is pumped into the water distribution system.

Additional source water is provided from the shallow groundwater wells. The shallow wells are disinfected with sodium hypochlorite prior to being pumped directly into the water distribution system. The shallow wells are used to balance system demands.

Water Treatment

The EGWD maintains two water treatment facilities:

The Railroad Water Treatment and Storage Facility provides 4.0 million gallons of water storage, 10 booster pumps (rated at 1,700 gpm capacity each), and water treatment that removes iron and manganese. The facility contains one of the four deep wells on site. The facility has been equipped with a backup power supply generator to run the entire facility in the event of a power failure or emergency. All source water for the treatment facility is groundwater from the four deep wells. The Railroad Water Treatment and Storage Facility provides the majority of the water for Service Area 1.

The Hampton Village Water Treatment Plant (WTP) provides an additional 1,000 gpm of water to EGWD's source capacity and improves the reliability of the water system by providing redundancy to the Railroad Water Treatment and Storage Facility. The Hampton Village WTP contains one shallow well on site. Treatment facilities at the Hampton Village WTP include disinfection by sodium hypochlorite and arsenic, iron and manganese removal.

Financial Stability and Planning

The current and future financial stability of the District is positive with the existing revenue source from the EGWD remaining stable. Revenues are received entirely through water rates. EGWD provides water to nearly 13,200 service connections currently and growth projections suggest that the service connections should increase by approximately 150 in 2026.

In October of 2022, the Board directed staff to conduct a five-year water rate study (Study) for the EGWD to cover the period of calendar year 2024 through calendar year 2028. The Plan's objectives were as follows:

- Maintain appropriate levels for reserve funds
- Maintain appropriate levels of funding for operational requirements
- Generate the appropriate level of funding necessary to fund the five-year Capital Improvement Program
- Update the current Meter Connection Fee and Capacity Charges for new development

This study, referred to as the 2024-2028 Water Rate Study, was approved by the Board on July 18, 2023, in compliance with the rate setting process governed under Proposition 218.

The 2024-2028 Water Rate Study recommends rate adjustments over the next 5 years with the first adjustment commencing on January 1, 2024, and subsequent adjustments commencing each January 1 thereafter, through and including January 1, 2028. Water revenue adjustments recommended by the study and approved by the Board are as follows:

- January 2024 - 4.50%
- January 2025 - 4.50%
- January 2026 - 4.50%
- January 2027 - 4.50%
- January 2028 - 4.50%

On June 17, 2025, the District's Board of Directors adopted Resolution No. 06.17.25.01, approving the District's fiscal year 2025-26 Operating Budget which reflects a 4.50% revenue rate adjustment effective January 1, 2026 as recommended by the 2024-2028 Water Rate Study. Each June, the Board also adopts a new five-year Capital Improvement Program (CIP) designed to build, replace, and maintain the necessary infrastructure for the safe operation of the EGWD. The CIP is available on the District's website www.egwd.org.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Florin Resource Conservation District for its Annual Report for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized Annual Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District believes that its current Annual Report continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for the certificate for the fiscal year ended June 30, 2025.

The preparation of the Annual Report was made possible by the dedicated services of the entire staff of the Finance Department and the Florin Resource Conservation District management team.

Respectfully submitted,


BRUCE KAMILOS
GENERAL MANAGER


PATRICK LEE
FINANCE MANAGER / BOARD TREASURER



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Florin Resource Conservation District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

BOARD OF DIRECTORS

As of June 30, 2025



Chair
Tom Nelson
Present term expires
December 31, 2026



Vice-Chair
Paul Lindsay
Present term expires
December 31, 2026



Director
Joshua Green
Present term expires
December 31, 2028

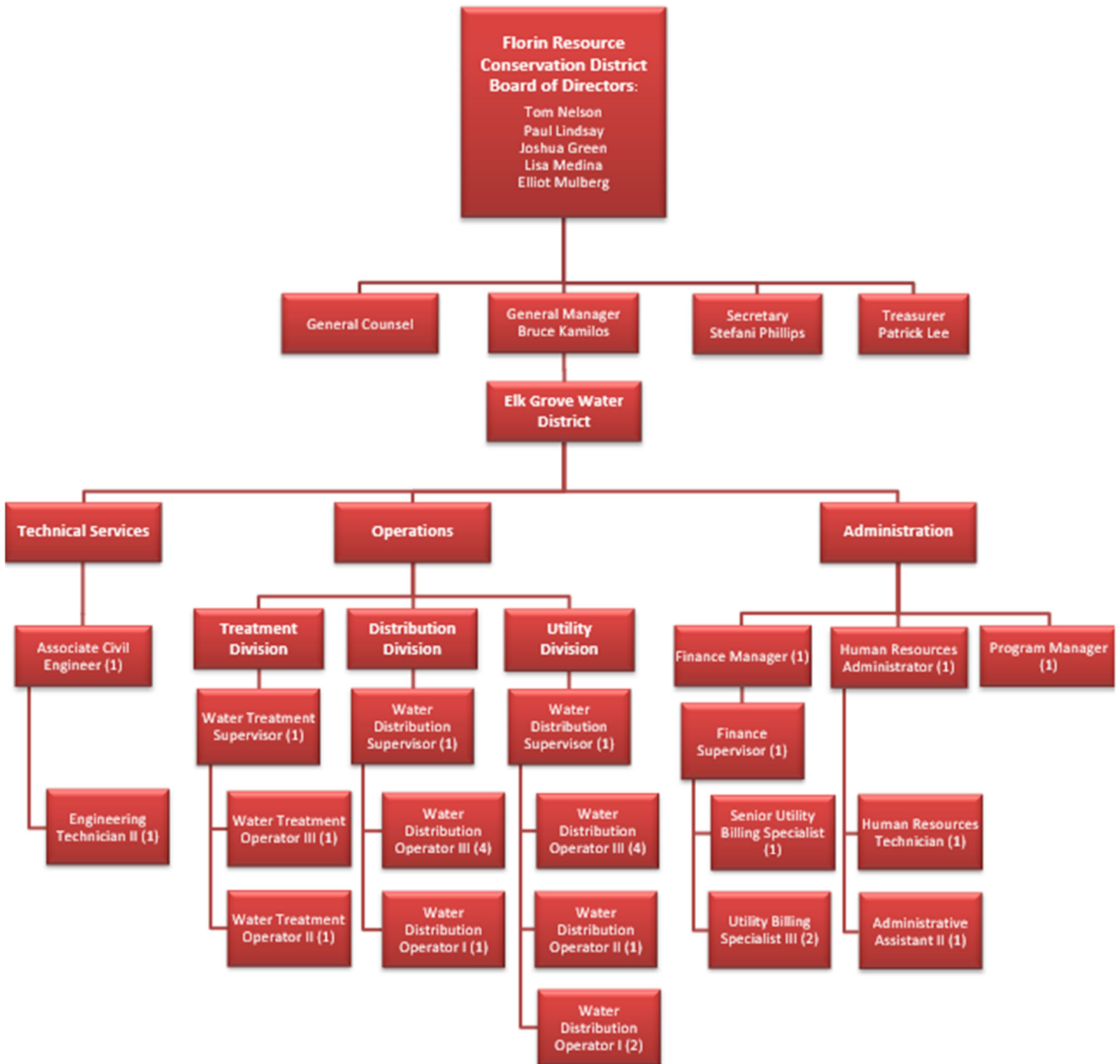


Director
Lisa Medina
Present term expires
December 31, 2028



Director
Elloit Mulberg
Present term expires
December 31, 2026

ORGANIZATIONAL CHART



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Florin Resource Conservation District
Elk Grove, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Florin Resource Conservation District (District) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the District, as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

To the Board of Directors
of the Florin Resource Conservation District
Elk Grove, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

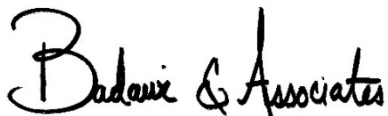
To the Board of Directors
of the Florin Resource Conservation District
Elk Grove, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, defined benefit pension plan schedules, and defined benefit OPEB plan schedules on pages 5 to 14 and pages 49 to 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the Introductory Section and Statistical Section 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.



Badawi & Associates, CPAs
Emeryville, California
November 7, 2025

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Florin Resource Conservation District

Management's Discussion and Analysis

For the years ended June 30, 2025, 2024 and 2023

The following narrative overview and analysis of the financial activities of the Florin Resource Conservation District (District) for the fiscal years ended June 30, 2025, 2024 and 2023 has been prepared by management to enhance the information provided in the transmittal letter. It is intended to be read in conjunction with that letter and should provide a better understanding of the District's financial operations and performance.

Although the District is a Resource Conservation District (RCD), it also provides water service to residents and businesses in the city of Elk Grove, CA. The water services are provided under the Elk Grove Water District (EGWD), which is owned and operated by the Florin Resource Conservation District.

On April 18, 2018, the District's Board of Directors adopted a resolution declaring that effective July 1, 2018, all future activities performed by the District will be limited to water related activities that provide a benefit to the EGWD ratepayers. In accordance with this resolution, in fiscal year 2019, the governmental fund of the District, which was used to account for resource conservation efforts not funded from user charges, was combined with the proprietary fund of the District, which is used to account for the water service activities funded primarily through user charges to EGWD customers.

FINANCIAL HIGHLIGHTS

- The District's total assets were \$115.3 million, \$108.6 million and \$107.7 million for the years ended June 30, 2025, 2024 and 2023, respectively. There was an increase in total assets of \$6.6 million, or 6.11% during fiscal year ended June 30, 2025, and increase of \$0.9 million, or 0.89% during fiscal year ended June 30, 2024 and an increase of \$4.6 million, or 4.47% during fiscal year ended June 30, 2023, respectively. The increase in fiscal year ended June 30, 2025 was due mainly to developer installed and donated capital assets valued at approximately \$4.0 million. The increase in fiscal year ended June 30, 2024 was due mainly to an increase in customer receivables and cash. The increase in fiscal year ended June 30, 2023 was due mainly to the addition of capital assets and developer donated assets valued at approximately \$6.2 million.
- The District's total liabilities were \$31.1 million, \$33.5 million and \$37.2 million as of June 30, 2025, 2024 and 2023, respectively. The decrease in total liabilities of \$2.4 million, or 7.13% during fiscal year ended June 30, 2025, the decrease of \$3.7 million, or 10.05% during fiscal year ended June 30, 2024 and the decrease in total liabilities of \$2.0 million, or 4.97% during fiscal year ended June 30, 2023 were due mainly to the continued pay down of the District's outstanding debt obligations.
- The District's total operating revenues were \$18.1 million, \$16.8 million and \$15.9 million as of June 30, 2025, 2024 and 2023, respectively. The increase in total operating revenue of \$1.4 million, or 8.01% and \$0.9 million, or 5.47% for fiscal year ended June 30, 2025 and 2024 were due mainly to an increase in customer accounts in the District's Service Area 2 and a 4.50% revenue rate increase effective January 1, 2024 and January 1, 2025. The decrease in total operating revenue of \$0.1 million, or 0.79% for fiscal year ended June 30,

Florin Resource Conservation District
Management's Discussion and Analysis, Continued
For the years ended June 30, 2025, 2024 and 2023

2023 was due mainly to increase rainfall in the fiscal year, resulting in less water consumption.

- The District's total operating expenses, after depreciation, were \$13.6 million, \$13.3 million and \$14.3 million as of June 30, 2025, 2024 and 2023, respectively. The increase in operating expenses of \$0.3 million or 2.30% for fiscal year ended June 30, 2025 was due mainly to an increase in purchased water costs for the District's Service Area 2. The decrease in operating expense of \$1.1 million, or 7.38% for fiscal year ended June 30, 2024 was due mainly to a lower allocation of the District's proportionate share of net pension expense from CalPERS. The increase in operating expenses of \$5.9 million, or 71.57% for fiscal year ended June 30, 2023 was due mainly to inflation and increased operating costs and the recognition of a \$2.6 million net pension expense as a result of CalPERS investment performance.
- The District has benefited from continued positive net income, resulting in an increase in net position of \$8.2 million, or 10.77%, \$3.1 million, or 4.18% and \$6.6 million, or 9.92% during fiscal years ended June 30, 2025, 2024 and 2023, respectively.
- Capital assets net of depreciation increased \$4.9 million, or 5.55% during fiscal year ended June 30, 2025 due mainly to developer donated assets valued at approximately \$4.0 million. Capital assets net of depreciation decreased \$0.3 million, or 0.37% during fiscal year ended June 30, 2024 due mainly to depreciation of capital assets. Capital assets net of depreciation increased \$6.4 million, or 7.83% during fiscal year ended June 30, 2023 due mainly to developer donated assets valued at approximately \$6.2 million. The District added approximately \$6.8 million, \$2.0 million and \$12.6 million in infrastructure, improvements and equipment during fiscal years ended June 30, 2025, 2024 and 2023, respectively, with annual depreciation for fiscal years ended June 30, 2025, 2024 and 2023 being approximately \$2.2 million, \$2.2 million and \$1.9 million in each year, respectively. At the end of fiscal years June 30, 2025, 2024 and 2023, \$0.4 million, \$0.3 million and \$0.4 million in infrastructure, improvement, and equipment assets were classified as "construction in-progress".
- Unrestricted net position was \$18.1 million, \$18.2 million and \$17.5 million at June 30, 2025, 2024 and 2023, respectively. Unrestricted net position decreased \$(0.05) million, or -(0.27)% during fiscal year ended June 30, 2025 due mainly to the restriction of net position related to the District's net OPEB asset. Unrestricted net position increased \$0.7 million, or 3.84% during fiscal year ended June 30, 2024 due mainly to the elimination of the District's net OPEB liability and recognition of deferred inflows of resources related to OPEB. Unrestricted net position decreased \$0.9 million, or 4.62% during fiscal year ended June 30, 2023 due mainly to the elimination of the District's net pension asset and the recognition of a net pension liability of approximately \$0.3 million. The District reported \$0.5 million, \$0 million and \$0 million in restricted net position for fiscal years ended June 30, 2025, 2024 and 2023, respectively.
- The District had positive cash flow from enterprise fund operations of \$7.5 million, \$5.9 million and \$5.8 million for the fiscal years ended June 30, 2025, 2024 and 2023,

Florin Resource Conservation District

Management's Discussion and Analysis, Continued

For the years ended June 30, 2025, 2024 and 2023

respectively. The District spent \$3.2 million, \$1.7 million and \$2.4 million during fiscal years ended June 30, 2025, 2024 and 2023, respectively, on the acquisition of capital assets. The District spent \$3.9 million during each fiscal years ended June 30, 2025, 2024 and 2023, respectively, on debt principal and interest payments. The District experienced an increase of \$1.2 million, \$0.9 million and a decrease of \$0.2 million in its ending cash and cash equivalents balances of \$18.4 million, \$17.2 million and \$16.3 million for the years ended June 30, 2025, 2024 and 2023, respectively.

SECTIONS OF THE FINANCIAL STATEMENTS

The three sections of the District's financial statements are the: 1) introductory section, 2) financial section, and 3) statistical section.

Introductory Section

This includes the table of contents, letter of transmittal, list of Board of Directors and Staff, and organization chart. The transmittal letter includes discussion on items that had a significant impact on the financial statements.

Financial Section

This section includes the auditor's report, management's discussion and analysis and the basic financial statements. The District's basic financial statements are comprised of the financial statements, the notes to the basic financial statements, and the required supplementary information.

Statistical Section

The statistical section is the chief source of information regarding a government's *economic condition*. All of the information presented in the statistical section is organized around five specific objectives.

- ***Provide information on financial trends.*** Information needed to help users understand how a government's financial position has changed over time.
- ***Provide information on revenue capacity.*** Information needed to help the users understand and assess a government's ability to generate revenues.
- ***Provide information on debt capacity.*** Information needed to help users understand and assess a government's debt burden.
- ***Provide demographic and economic information.*** Information needed to help users understand the government's socioeconomic environment and to facilitate comparisons of financial statement information over time and among governments.

Florin Resource Conservation District
Management’s Discussion and Analysis, Continued
For the years ended June 30, 2025, 2024 and 2023

- *Provide operating information.* Information needed to help users understand a government’s operations and resources as well as to provide a context for understanding and assessing its economic condition.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management’s discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements comprise three components: 1) financial statements, 2) notes to the basic financial statements, and 3) required supplementary information. The District’s financial statements account for Water System activities funded primarily through user charges to customers.

The Statement of Net Position presents information on all assets and liabilities, with the difference between the two reported as total net position. The District’s financial statements use the accrual basis of accounting, similar to private enterprises. When evaluated over a period of time, increases, or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position reflect the revenues and expenses for the fiscal year ended. The Statement of Cash Flows shows the sources and uses of cash in the operating, non-capital, capital, and related financing, and investing activities. The notes provide in depth information that is vital to gaining a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT

STATEMENT OF NET POSITION
AS OF JUNE 30, 2025, 2024 AND 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 21,057,051	\$ 19,806,999	\$ 18,542,409
Capital assets, net of depreciation	93,733,748	88,803,191	89,130,858
Other assets	486,725	25,025	-
Total Assets	<u>115,277,524</u>	<u>108,635,215</u>	<u>107,673,267</u>
Deferred outflows	2,545,023	3,573,981	4,330,052
Current liabilities	5,266,444	4,531,906	4,516,082
Long-term liabilities	25,864,820	28,947,904	32,706,275
Total Liabilities	<u>31,131,264</u>	<u>33,479,810</u>	<u>37,222,357</u>
Deferred inflows	1,969,637	2,207,154	1,330,966
Net Position:			
Net Investment in Capital Assets	66,088,119	58,325,475	55,926,053
Restricted for OPEB asset	486,725	-	-
Unrestricted	18,146,802	18,196,757	17,523,943
Total Net Position	<u>\$ 84,721,646</u>	<u>\$ 76,522,232</u>	<u>\$ 73,449,996</u>

Florin Resource Conservation District
Management's Discussion and Analysis, Continued
For the years ended June 30, 2025, 2024 and 2023

Current assets increased by \$1.3 million and \$1.3 million and decreased by \$0.3 million in fiscal years ended June 30, 2025, 2024 and 2023, respectively. The increase in fiscal year 2025 was due mainly to the increase in the District's cash position year over year. The increase in fiscal year 2024 was due mainly to an increase in cash and customer receivables. The decrease in fiscal year 2023 was due mainly to inflation and an overall increase to operating costs.

Capital assets (net of depreciation) increased by \$4.9 million, decreased by \$0.3 million and increased by \$6.5 million in the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The increase in fiscal year 2025 was due mainly to developer installed and donated assets valued at approximately \$4.0 million. The decrease in fiscal year 2024 was due mainly to continued depreciation of capital assets. The increase in fiscal year 2023 was due mainly to developer installed and donated assets valued at approximately \$6.2 million. Total depreciation expense recognized was approximately \$2.2 million, \$2.2 million and \$1.9 million for fiscal years 2025, 2024 and 2023, respectively.

Deferred outflows of resources decreased by \$1.0 million, \$0.8 million and \$0.5 million in the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The decrease in fiscal years 2025, 2024 and 2023 were due mainly to the amortization of pension and OPEB related deferrals.

Current liabilities increased by \$0.7 million, \$16.0 thousand and decreased by \$0.1 million in the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The increase in fiscal year 2025 was due mainly to the accrual of expenses related to the Storage Tank 1 recoating CIP project which was completed before year end but not paid for until after year end. The increase in fiscal year 2024 was due mainly to an increase in purchased water payable at year end offset by a decrease in accounts payable. The decrease in fiscal year 2023 was due mainly to a reduction in unearned revenue that was earned as part of work completed on a grant project.

Long term liabilities decreased by \$3.1 million, \$3.8 million and \$1.8 million in the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The decrease in fiscal year 2025 was due mainly to the continued paydown of the District's outstanding debt obligations. The decrease in fiscal year 2024 was due mainly to the continued paydown of the District's outstanding debt and elimination of the District's net OPEB liability. The decrease in fiscal year 2023 was due mainly to the continued paydown of the District's outstanding debt, offset by the recognition of a net pension liability related to the District's CalPERS plan.

Deferred inflows of resources decreased by \$0.2 million, increased by \$0.9 million and decreased by \$0.6 million in the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The decrease in fiscal year 2025 was due mainly to the amortization of pension related deferrals. The increase in fiscal year 2024 was due mainly to the recognition of deferred inflows related to the District's OPEB plan. The decrease in fiscal year 2023 was due mainly to the amortization of pension and OPEB related deferrals.

There was an increase in net position of \$8.2 million, \$3.1 million and \$6.6 million in the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The increases in net position for each year is directly related to prudent cost control leading to operating revenues in excess of operating expenses as well as the recognition of developer installed and donated assets.

Florin Resource Conservation District
Management's Discussion and Analysis, Continued
For the years ended June 30, 2025, 2024 and 2023

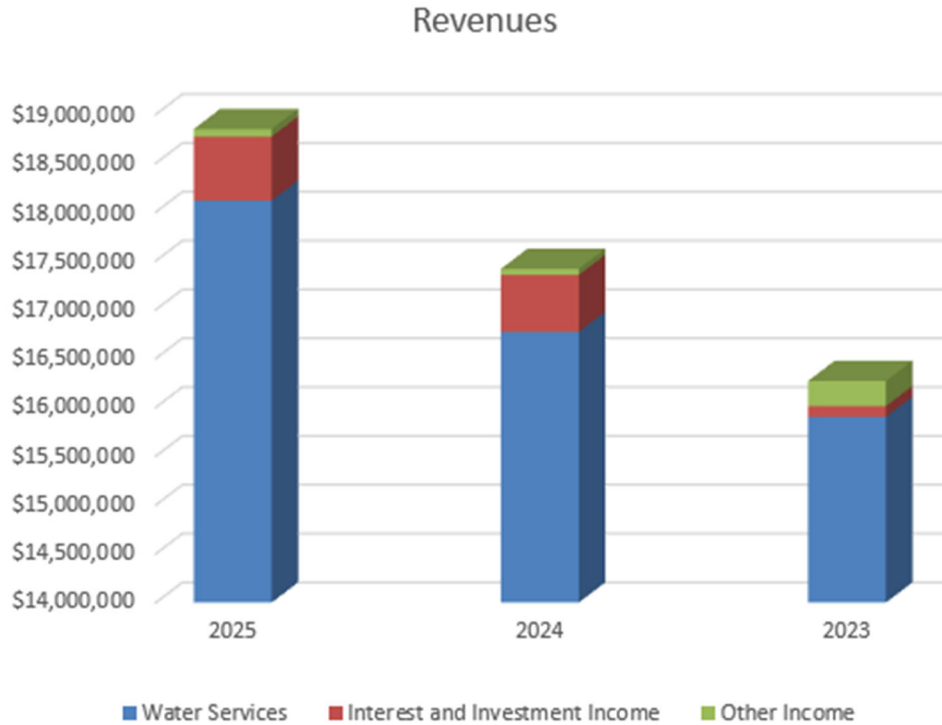
**CONDENSED SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025, 2024 AND 2023**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues:			
Water services	\$ 18,116,654	\$ 16,772,455	\$ 15,902,913
Total Operating Revenues	<u>18,116,654</u>	<u>16,772,455</u>	<u>15,902,913</u>
Operating Expenses:			
Water Service	<u>13,617,995</u>	<u>13,312,446</u>	<u>14,342,625</u>
Total Operating Expenses	<u>13,617,995</u>	<u>13,312,446</u>	<u>14,342,625</u>
Non-Operating Revenues:			
Investment Income	655,787	583,307	109,120
Other Revenues	<u>79,277</u>	<u>61,216</u>	<u>257,266</u>
Total Non-Operating Revenues	<u>735,064</u>	<u>644,523</u>	<u>366,386</u>
Non-Operating Expenses:			
Interest Expense	1,020,041	1,126,496	1,230,386
Other Expenses	<u>-</u>	<u>-</u>	<u>360,235</u>
Total Non-Operating Expenses	<u>1,020,041</u>	<u>1,126,496</u>	<u>1,590,621</u>
Change in Net Position Before Contributed Assets	<u>4,213,682</u>	<u>2,978,036</u>	<u>336,053</u>
Contributed Assets	3,985,732	94,200	6,291,824
Change in net position	8,199,414	3,072,236	6,627,877
Net position, beginning of year	<u>76,522,232</u>	<u>73,449,996</u>	<u>66,822,119</u>
NET POSITION, END OF YEAR	<u>\$ 84,721,646</u>	<u>\$ 76,522,232</u>	<u>\$ 73,449,996</u>

There was an increase in revenues of \$1.3 million, \$0.9 million, and a decrease of \$0.1 million in fiscal years ended June 30, 2025, 2024 and 2023, respectively. The increase in revenues for fiscal years 2025 and 2024 were due mainly to increases in customer accounts in the District's Service Area 2 and a 4.50% revenue rate increase effective January 1, 2024 and January 1, 2025. The decrease in revenues for fiscal year 2023 was due mainly to less consumption as a result of more rainfall during the year.

Florin Resource Conservation District
Management’s Discussion and Analysis, Continued
For the years ended June 30, 2025, 2024 and 2023

The breakdown of revenues by type for the fiscal years ended June 30, 2025, 2024 and 2023 were as follows:

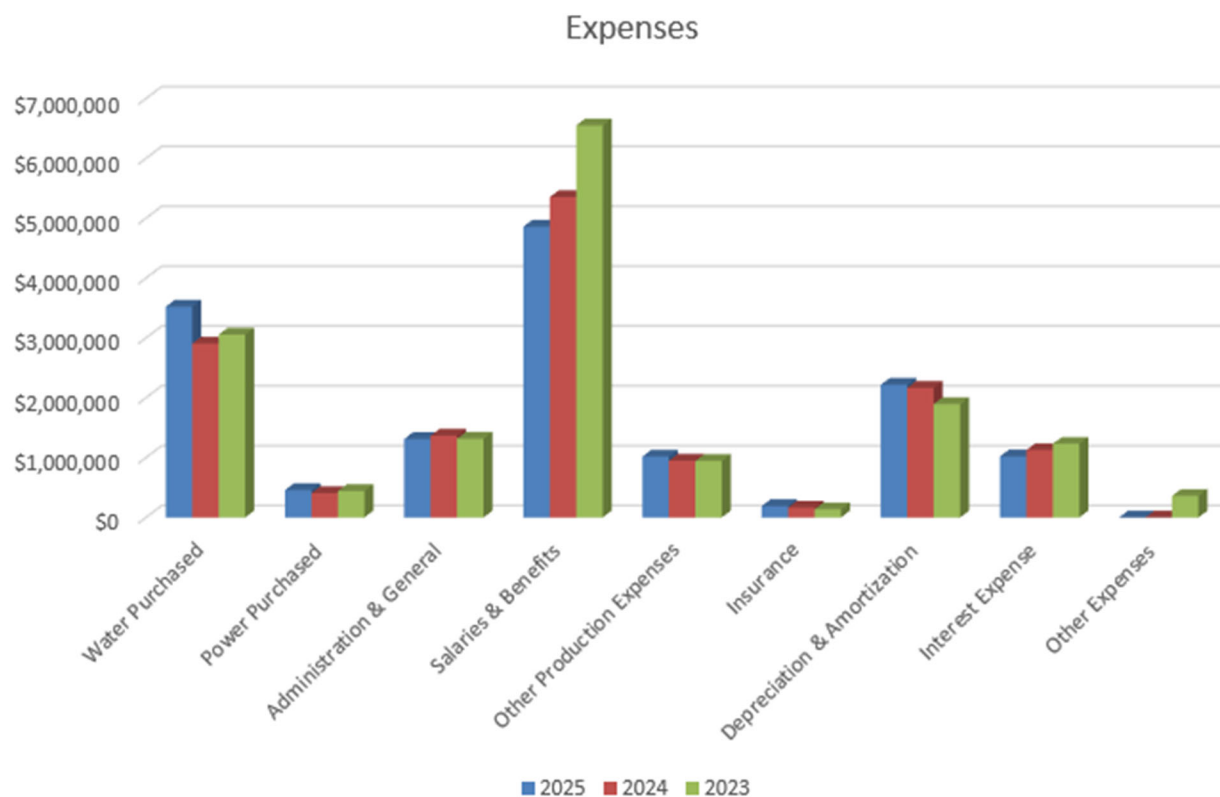


	2025	2024	2023
Water Services	\$ 18,116,654	\$ 16,772,455	\$ 15,902,913
Interest and Investment Income	655,787	583,307	109,120
Other Income	79,277	61,216	257,266

There was an increase in expenses of \$0.3 million, a decrease of \$1.1 million and an increase of \$5.9 million in the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The increase in fiscal year 2025 was due mainly to an increase in purchased water costs for the District’s Service Area 2. The decrease in fiscal year 2024 was due mainly to a lower pension expense allocation based on the District’s proportionate share of CalPERS net pension expense. The increase in fiscal year 2023 was due mainly to a recognition of a net pension expense of approximately \$2.6 million related to the District’s CalPERS GASB 68 pension plan.

Florin Resource Conservation District
Management’s Discussion and Analysis, Continued
For the years ended June 30, 2025, 2024 and 2023

The breakdown of expenses by type for the fiscal years ended June 30, 2025, 2024 and 2023 were as follows:



	2025	2024	2023
Water Purchased	\$ 3,522,815	\$ 2,905,906	\$ 3,056,889
Power Purchased	457,326	407,525	442,791
Administration & General	1,310,927	1,366,693	1,315,020
Salaries & Benefits	4,898,685	5,353,507	6,552,189
Other Production Expenses	1,018,874	949,480	944,179
Insurance	190,177	164,489	137,012
Depreciation & Amortization	2,219,181	2,164,846	1,894,545
Interest Expense	1,020,041	1,126,496	1,230,386
Other Expenses	-	-	360,235

CAPITAL ASSET AND DEBT ADMINISTRATION

Most of the District’s annual assets and annual expenditures relate to the construction, repair, and replacement of the EGWD’s infrastructure. Repair and replacement of aging infrastructure is one of the most significant challenges facing the District. The District assesses and manages the infrastructure of the EGWD through cost focus planning, taking into account water resource availability, consumer peak demand needs and climatic changes. Funding for capital projects comes primarily from user charges to District customers.

Florin Resource Conservation District
Management’s Discussion and Analysis, Continued
For the years ended June 30, 2025, 2024 and 2023

The changes in capital assets in fiscal years 2025, 2024 and 2023 were primarily a result of donated capital assets from developers and expenditures for infrastructure, offset by depreciation each year. Depreciation expense for fiscal years 2025, 2024 and 2023 was approximately \$2.2 million, \$2.2 million and \$1.9 million each year, respectively.

Major capital asset projects during fiscal years 2025 and 2024 include multiple watermain replacement projects, interior repairs on one of the District’s 1 million gallon water storage tank, the purchase of a chlortech system and the purchase of various heavy equipment and vehicles. See additional information on capital assets in Note 3 on page 32.

OUTSTANDING DEBT ISSUES
AS OF JUNE 30, 2025, 2024 AND 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
2014 Water Revenue Refunding Bonds	\$ 15,970,000	\$ 18,300,000	\$ 20,545,000
2016 Water Revenue Refunding Bonds	11,185,000	11,635,000	12,065,000
Total	<u>\$ 27,155,000</u>	<u>\$ 29,935,000</u>	<u>\$ 32,610,000</u>

The District issues debt as a funding resource for major repairs and maintenance on EGWD infrastructure. The District’s debt covenant requires that “net operating revenues” equal or exceed 115% of the annual debt service cost in any year. For compliance history, please see the “Pledged Revenue Coverage” schedule in the Statistical Section. For more information on long-term debt activity, please refer to Note 4 on page 33.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- The most recent data available from the Bureau of Labor Statistics for the Sacramento Metropolitan Area shows an improving economy. As of June 2025, the local unemployment rate was 5.3%, compared to 4.8% in June 2024, respectively and the CPI for the San Francisco area, which is the nearest metropolitan area, increasing 1.5% over June of 2024.
- Even with inflation at 1.5% as of June 30, 2025 and the regions mandated compliance with water conservation requirements, the District has benefited from account growth due to continued development leading to slight increases in water consumption. District staff continue to prudently manage District resources while minimizing revenue rate increases to offset the impact of the current economic conditions.
- On July 18, 2023 the Board adopted a five-year rate structure which recommends revenue rate adjustments as follows:
 - 4.50% January 2024
 - 4.50% January 2025
 - 4.50% January 2026
 - 4.50% January 2027
 - 4.50% January 2028

Florin Resource Conservation District
Management's Discussion and Analysis, Continued
For the years ended June 30, 2025, 2024 and 2023

All of these factors were considered in preparing the Florin Resource Conservation District's budget for the fiscal year ending June 30, 2026. The District adopted an operating budget of \$20.8 million for FY 2025-26. Included in this amount is \$4.4 million in capital expenditures for FY 2025-26, as part of the five-year Capital Improvement Program totaling \$16.2 million.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning the information provided in this report or for requests for additional financial information should be addressed to:

Finance Manager/Treasurer
Florin Resource Conservation District
9829 Waterman Rd.
Elk Grove, CA 95624

Or you may visit the District's website at www.egwd.org for more information.

Florin Resource Conservation District

Comparative Statement of Net Position

Elk Grove Water District

June 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,388,760	\$ 17,165,860
Receivables:		
Customer accounts receivable	2,396,213	2,301,586
Interest receivable	77,774	70,407
Inventories	163,730	109,190
Prepaid expense	30,574	159,956
Total current assets	<u>21,057,051</u>	<u>19,806,999</u>
Noncurrent assets:		
Net OPEB asset	486,725	25,025
Capital assets:		
Not being depreciated	1,373,021	1,042,599
Being depreciated, net	<u>92,360,727</u>	<u>87,760,592</u>
Total capital assets	<u>93,733,748</u>	<u>88,803,191</u>
Total noncurrent assets	<u>94,220,473</u>	<u>88,828,216</u>
Total assets	<u>115,277,524</u>	<u>108,635,215</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding of debt	517,496	591,423
Deferred outflows of resources - pension	1,054,635	1,628,328
Deferred outflows of resources - OPEB	<u>972,892</u>	<u>1,354,230</u>
Total deferred outflows of resources	<u>2,545,023</u>	<u>3,573,981</u>
LIABILITIES		
Current liabilities:		
Accounts payable	935,138	170,740
Due to other governments	640,163	592,411
Interest payable	351,393	387,293
Unearned revenue	-	215,000
Noncurrent liabilities, due within one year	<u>3,339,750</u>	<u>3,166,462</u>
Total current liabilities	<u>5,266,444</u>	<u>4,531,906</u>
Noncurrent liabilities:		
Net pension liability	620,411	650,397
Noncurrent liabilities, due in more than one year	<u>25,244,409</u>	<u>28,297,507</u>
Total noncurrent liabilities	<u>25,864,820</u>	<u>28,947,904</u>
Total liabilities	<u>31,131,264</u>	<u>33,479,810</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	316,844	568,869
Deferred inflows of resources - OPEB	<u>1,652,793</u>	<u>1,638,285</u>
Total deferred inflows of resources	<u>1,969,637</u>	<u>2,207,154</u>
NET POSITION		
Net investment in capital assets	66,088,119	58,325,475
Restricted net position for OPEB asset	486,725	-
Unrestricted (deficit)	<u>18,146,802</u>	<u>18,196,757</u>
Total net position	<u>\$ 84,721,646</u>	<u>\$ 76,522,232</u>

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

Florin Resource Conservation District

Comparative Statement of Revenues, Expenses and Changes in Net Position

Elk Grove Water District

For the Fiscal Years ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES:		
Charges for services	\$ 18,116,654	\$ 16,772,455
Total operating revenues	18,116,654	16,772,455
OPERATING EXPENSES:		
Water purchased	3,522,815	2,905,906
Power purchased	457,326	407,525
Administration and general	1,310,927	1,366,693
Salaries and benefits	4,214,743	4,369,567
Pension expense	683,942	983,940
Other production expenses	1,018,874	949,480
Insurance	190,177	164,489
Depreciation and amortization	2,219,191	2,164,846
Total operating expenses	13,617,995	13,312,446
OPERATING INCOME	4,498,659	3,460,009
NONOPERATING REVENUES (EXPENSES):		
Interest and investment earnings	655,787	583,307
Interest expense	(1,020,041)	(1,126,496)
Gain/(Loss) on disposition of capital assets	(16,313)	48,282
Other nonoperating revenue/(expense)	95,590	12,934
Total nonoperating revenues (expenses)	(284,977)	(481,973)
CAPITAL CONTRIBUTIONS		
Contributed Assets	3,985,732	94,200
Total Capital Contributions	3,985,732	94,200
CHANGE IN NET POSITION	8,199,414	3,072,236
NET POSITION		
Beginning of year	76,522,232	73,449,996
End of year	\$ 84,721,646	\$ 76,522,232

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

Florin Resource Conservation District

Comparative Statement of Cash Flows

Elk Grove Water District

For the Fiscal Years ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM		
OPERATING ACTIVITIES:		
Receipts from customers and users	\$ 17,807,027	\$ 16,485,883
Payments to suppliers	(5,613,127)	(5,980,430)
Payments to employees	(4,646,652)	(4,609,844)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,547,248	5,895,609
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants and reimbursements	95,590	12,934
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	95,590	12,934
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid on noncurrent liabilities	(2,780,000)	(2,675,000)
Interest paid on noncurrent liabilities	(1,108,029)	(1,211,994)
Purchase of capital assets	(3,180,329)	(1,694,697)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(7,068,358)	(5,581,691)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	648,420	556,681
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	648,420	556,681
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,222,900	883,533
CASH AND CASH EQUIVALENTS - Beginning of year	17,165,860	16,282,327
CASH AND CASH EQUIVALENTS - End of year	\$ 18,388,760	\$ 17,165,860
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSTION		
Cash and cash equivalents	\$ 18,388,760	\$ 17,165,860
CASH AND CASH EQUIVALENTS	\$ 18,388,760	\$ 17,165,860

(Continued)

Florin Resource Conservation District

Comparative Statement of Cash Flows

Elk Grove Water District

For the Fiscal Years ended June 30, 2025 and 2024

	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 4,498,659	\$ 3,460,009
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,219,191	2,164,846
Changes in operating assets and liabilities:		
Customer accounts receivable	(94,627)	(286,572)
Inventory	(54,540)	(22,211)
Prepaid expenses	129,382	(45,648)
Net OPEB asset/liability	(461,700)	(1,192,287)
Deferred outflows of resources - pension	573,693	552,335
Deferred outflows of resources - OPEB	381,338	129,808
Accounts payable	764,398	(158,675)
Due to other governments	47,752	40,197
Unearned revenue	(215,000)	-
Net pension asset/liability	(29,986)	331,864
Deferred inflows of resources - pension	(252,025)	(244,287)
Deferred inflows of resources - OPEB	14,508	1,120,475
Compensated absences	26,205	45,755
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 7,547,248	\$ 5,895,609
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital assets contributed by developers	\$ 3,985,732	\$ 94,200

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

Florin Resource Conservation District

Notes to Basic Financial Statements

For the years ended June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The Florin Resource Conservation District (the District) was formed in 1953, pursuant to Section 9000 et seq. of the Public Resources Code of the State of California. The District, which is located approximately six miles southeast of the City of Sacramento in the west central portion of unincorporated Sacramento County, was formed to address soil dehydration issues resulting from poor irrigation and drainage. There is currently approximately 92,000 acres within the District.

The District provides technical assistance and conservation and conservation education to farmers dealing with natural resource management issues and views education as one of its primary objectives. The District additionally serves as the clearinghouse for solid and water conservation measures, such as administering the local water hyacinth eradication program. The United States Department of Agriculture, through its Soil Conservation Services, provides staffing and technical assistance to the District and the two adjacent soil conservation districts.

The District also provides water service within a 13-mile water service area through the Elk Grove Water Service, which was acquired in 1999. The Elk Grove Water Service operates as a proprietary fund of the District. In 2010, the name of the Elk Grove Water Service was changed to the Elk Grove Water District (EGWD).

On April 18, 2018, the District adopted Resolution No. 04.18.18.01, declaring that effective July 1, 2018, all activities performed by the District be limited to water related activities that provide a benefit to EGWD ratepayers. With the adoption of this resolution, the District's sole focus shifted to the operation of the EGWD.

B. *Basis of Accounting and Measurement Focus*

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The District reports the EGWD as a proprietary fund of the District. Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) 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 recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

C. Cash, Cash Equivalents, and Investments

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs. For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, including restricted assets and the District's investment in the State of California Local Agency Investment Fund (LAIF) and CalTRUST.

D. Restricted Cash and Investments

Certain proceeds of the District's long-term debt are classified as restricted cash and investments on the statement of net position because their use is limited by applicable bond covenants. The "reserve" account is used to report resources set aside to make up potential future deficiencies in the bond's debt service. There were no restricted cash and investments as of June 30, 2025 and 2024.

E. Accounts Receivable

Accounts receivable arise from billings to customers for water usage and include an estimate for unbilled revenues earned from the dates the customers were last billed to the end of the year. An allowance for uncollectible accounts of \$98,724 was recorded for fiscal years ended June 30, 2025 and 2024, respectively.

F. Inventory

Inventory consists primarily of materials used in the construction and maintenance of the water system and is valued using the specific identification method. The cost of the inventory is recorded as an expense when consumed, rather than when purchased.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Capital Assets

Capital assets are reported on the statement of net position and are recorded at historical cost if purchased or constructed. Donated or contributed assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed on the straight-line basis over the estimated useful lives of the various classes of assets as follows:

Buildings	40 years
Improvements	10 - 15 years
Equipment	5 - 25 years
Water treatment and distribution system	25 - 80 years

It is the District's policy to capitalize all capital assets with a useful life of more than one year, and original cost of \$5,000 or greater. Costs of the assets sold or retired (all the related amounts of accumulated depreciation) are eliminated from the statement of net position in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

H. Bond Discounts, Premiums and Deferred Amount on Refunding of Long-Term Debt

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which does not significantly differ from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, except for prepaid bond insurance, are expensed as incurred. Accounting gains or losses resulting from advance refunding of long-term debt are deferred in accordance with GASB Statement No. 65, *Items previously Reported as Assets and Liabilities* and are reported as deferred inflows of resources or deferred outflows of resources on the financial statements. Deferred amounts on bond refunding are amortized over the remaining life of the old debt (had it not been refunded) or the life of the new debt, whichever is shorter.

I. Due to Other Governments

Due to other governments consisted of \$640,163 and \$592,411 payable to the County of Sacramento for water purchases at June 30, 2025 and 2024, respectively.

J. Compensated Absences

The District's policy allows employees to accumulate earned, but unused personnel leave time at the rate of ninety-six (96) hours per year and vacation time at the rate of forty (40) hours per year, eighty hours (80) per year after two years of service and one hundred and twenty hours (120) per year after five years of service. The liability for these compensated absences is recorded as a long-term liability on the statement of net position. The current portion of this long-term liability is estimated based on historical trends.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. *Unearned Revenue*

Unearned revenue is recognized for transactions for which revenue has not yet been earned. The District recorded \$0 and \$215,000 at June 30, 2025 and 2024, respectively related to American Rescue Plan Act funds passed through to the District from the City of Elk Grove for various watermain replacement projects.

L. *Net Position*

The financial statements present net position. Net position is categorized as net investment in capital assets, restricted, and unrestricted:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount is the remaining net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

M. *Use of Estimates*

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

N. *Risk Management*

The District is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions and natural disasters. These risks are covered through the District’s participation in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA or JPIA) as described in Note 6. The insurance is subject to a deductible. No significant claims occurred during the years ended June 30, 2025 and 2024. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from the prior year.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. *Deferred Outflows/Inflows of Resources*

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

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

P. *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 positions of the District's California Public Employee's Retirement System (CalPERS) plan (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 benefit terms. Investments are reported at fair value.

Q. *Other Postemployment Benefits (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	June 30, 2023 to June 30, 2024

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Future Implementation of GASB Pronouncements

- GASB Statement No. 103, *Financial Reporting Model Improvements* – The primary objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for the District’s year ending June 30, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The requirements of this Statement are effective for the District’s year ending June 30, 2026.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

2. CASH AND INVESTMENTS

A. Summary of Cash and Investments

Cash and investments are classified in the accompanying financial statements as of June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Deposits and Investments	\$ 18,388,760	\$ 17,165,860
Total cash and investments	\$ 18,388,760	\$ 17,165,860

Cash and investments were classified according to GASB Statement No. 40 as of June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 300	\$ 300
Deposits with financial institution	4,495,465	3,913,183
Total cash on hand and deposits	4,495,765	3,913,483
Money Market F&M	1,172,539	1,142,505
Money Market US Bank	156,471	106,116
Local Agency Investment funds	7,107,194	6,763,821
CalTrust	1,497,831	1,413,515
US Government Securities held by custodian	3,958,960	3,826,420
Total investments	13,892,995	13,252,377
Total cash and investments	\$ 18,388,760	\$ 17,165,860

B. Deposits

The carrying amount of the District's cash deposit was \$4,495,465 and \$3,913,183 at June 30, 2025 and 2024, respectively. Balances before reconciling amounts were a positive amount of \$4,580,078 and \$4,021,892 at June 30, 2025 and 2024, respectively. The District has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities pledged by the pledging financial institution in the District's name.

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

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

2. CASH AND INVESTMENTS, Continued

B. Deposits, Continued

The market value of the pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits.

The District follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

C. Investments

Investments are reported at fair value. California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. 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 restricted) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy. The District's permissible investments include the instruments listed below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
California Local Agency Investment	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates and Time Deposits	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-through Securities	5 years	20%	None
Financial Futures and Option Contracts	1	1	1
Investment Pools, including LAIF	None	None	None

1 - The District may invest in financial futures and option contracts of any of the above authorized categories, subject to the same overall portfolio limitations.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

2. CASH AND INVESTMENTS, Continued

C. Investments, Continued

The District complied with the provisions of the California Government Code and its investment policy pertaining to the types of investments held, the institutions in which deposits were made and the security requirements.

Investments are stated at fair value using the aggregate method in all funds, resulting in the investment income as of June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Interest income	\$ 397,665	\$ 310,330
Unrealized gain/(loss) in change in fair value of investment	258,122	272,977
Total investment income	<u>\$ 655,787</u>	<u>\$ 583,307</u>

The District's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold. Generally, the District's practice is to buy and hold investments until maturity dates. Consequently, the District's investments are carried at fair value.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District's investments with LAIF at June 30, 2025 and 2024, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes - are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

2. CASH AND INVESTMENTS, Continued

C. Investments, Continued

As of June 30, 2025, the District had \$7,107,194 invested in LAIF, which had invested 2.02% of the pool investments funds in Structured Notes and Asset-Backed Securities as compared to 3.00% in the previous year. The LAIF fair value factor of 1.001198310 was used to calculate the fair value of the investments in LAIF.

As of June 30, 2024, the District had \$6,763,821 invested in LAIF, which had invested 3.00% of the pool investments funds in Structured Notes and Asset-Backed Securities as compared to 2.78% in the previous year. The LAIF fair value factor of 0.996316042 was used to calculate the fair value of the investments in LAIF.

The District is a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. As of June 30, 2025 and 2024, the District had \$1,497,831 and \$1,413,515 invested in the CalTRUST Medium-term pool. Amounts that may be withdrawn from the Medium-term pool are based on the net asset value per share and the number of shares held by participants in each pool.

D. Risk Disclosures

Interest Risk: Interest rate risk is the market value fluctuation due to overall changes in the interest rates. 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 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 evenly over time as necessary to provide the cash flow and liquidity needed for operations. The District's investment policy does not contain any provisions limiting interest rate risk that are more restrictive than what is specified in the California Government Code.

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 tables that shows the distribution of the District's investments by maturity as of June 30, 2025 and 2024 on the following page:

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures, Continued

2025:

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or Less	2 years	3 years	4 years	5 years or More
Securities of U.S. Government						
Treasury and Agencies:						
Federal Farm Credit Bank - 5.170% 7/15/2027	\$ 1,000,200	\$ -	\$ -	\$ 1,000,200	\$ -	\$ -
Fannie Mae - 0.580% 11/25/25	984,870	984,870	-	-	-	-
Federal Farm Credit Bank - 0.870% 4/15/26	974,690	974,690	-	-	-	-
Fannie Mae - 0.720% 7/09/25	999,200	999,200	-	-	-	-
Money Market F&M	1,172,539	1,172,539	-	-	-	-
Money Market US Bank	156,471	156,471	-	-	-	-
CalTrust (NAV)	1,497,831	1,497,831	-	-	-	-
Local Agency Investment Fund	7,107,194	7,107,194	-	-	-	-
Total	\$ 13,892,995	\$ 12,892,795	\$ -	\$ 1,000,200	\$ -	\$ -

2024:

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or Less	2 years	3 years	4 years	5 years or More
Securities of U.S. Government						
Treasury and Agencies:						
Federal Farm Credit Bank - 0.570% 7/02/24	\$ 999,860	\$ 999,860	\$ -	\$ -	\$ -	\$ -
Fannie Mae - 0.580% 11/25/25	940,320	-	940,320	-	-	-
Federal Farm Credit Bank - 0.870% 4/15/26	932,750	-	932,750	-	-	-
Fannie Mae - 0.720% 7/09/25	953,490	-	953,490	-	-	-
Money Market F&M	1,142,505	1,142,505	-	-	-	-
Money Market US Bank	106,116	106,116	-	-	-	-
CalTrust (NAV)	1,413,515	1,413,515	-	-	-	-
Local Agency Investment Fund	6,763,821	6,763,821	-	-	-	-
Total	\$ 13,252,377	\$ 10,425,817	\$ 2,826,560	\$ -	\$ -	\$ -

Florin Resource Conservation District
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2025 and 2024

2. CASH AND INVESTMENTS, Continued

D. Risk Disclosures, Continued

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2024 the District’s deposits and investments were rated as follows:

	Credit Quality Ratings	
	Moody's	S&P
Federal Farm Credit Bank - 5.170% 7/15/2027	AA1	AA+
Fannie Mae - 0.580% 11/25/25	AA1	AA+
Federal Farm Credit Bank - 0.870% 4/15/26	AA1	AA+
Fannie Mae - 0.720% 7/09/25	N/A	N/A
Local Agency Investment Funds	Unrated	Unrated
CalTrust	Unrated	AA-f

Concentration of Credit Risk: The California Government Code limits the amount the District may invest in any one issuer, with the exception of U.S. Treasury obligations, U.S. Agency securities and LAIF. The District has no investments in any one issuer (other than money market mutual funds and external investment pools) that represent 5% or more of total District investments.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value for its investment or collateral securities that are in the possession of another party.

E. Investment Valuation

Investments (except money market accounts that are included as part of restricted cash and investments) are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2025 and 2024 were as follows:

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

2. CASH AND INVESTMENTS, Continued

E. Investment Valuation, Continued

2025:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Securities of U.S. Government				
Treasury and Agencies:				
Federal Farm Credit Bank - 5.170% 7/15/2027	\$ 1,000,200	\$ -	\$ 1,000,200	\$ -
Fannie Mae - 0.580% 11/25/25	984,870	-	984,870	-
Federal Farm Credit Bank - 0.870% 4/15/26	974,690	-	974,690	-
Fannie Mae - 0.720% 7/09/25	999,200	-	999,200	-
Total Securities of U.S. Government	\$ 3,958,960	\$ -	\$ 3,958,960	\$ -
<i>Investments not subject to levelling:</i>				
Money Market F&M	1,172,539			
Money Market US Bank	156,471			
CalTrust Investment Pool (NAV)	1,497,831			
Local Agency Investment Fund	7,107,194			
Total	\$ 13,892,995			

2024:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Securities of U.S. Government				
Treasury and Agencies:				
Federal Farm Credit Bank - 0.570% 7/02/24	\$ 999,860	\$ -	\$ 999,860	\$ -
Fannie Mae - 0.580% 11/25/25	940,320	-	940,320	-
Federal Farm Credit Bank - 0.870% 4/15/26	932,750	-	932,750	-
Fannie Mae - 0.720% 7/09/25	953,490	-	953,490	-
Total Securities of U.S. Government	\$ 3,826,420	\$ -	\$ 3,826,420	\$ -
<i>Investments not subject to levelling:</i>				
Money Market F&M	1,142,505			
Money Market US Bank	106,116			
CalTrust Investment Pool (NAV)	1,413,515			
Local Agency Investment Fund	6,763,821			
Total	\$ 13,252,377			

Federal Agency Securities categorized as Level 2 are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

Florin Resource Conservation District
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2025 and 2024

3. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2025, 2024 and 2023 were as follows:

	Balance June 30, 2023	2024		Balance June 30, 2024	2025		Balance June 30, 2025
		Additions	Reductions		Additions	Reductions	
Capital assets not being depreciated:							
Land	\$ 781,206	\$ -	\$ -	\$ 781,206	\$ 165,147	\$ -	\$ 946,353
Construction in progress	388,952	261,393	(388,952)	261,393	1,022,022	(856,747)	426,668
Total capital assets not being depreciated	1,170,158	261,393	(388,952)	1,042,599	1,187,169	(856,747)	1,373,021
Capital assets being depreciated:							
Buildings	5,725,677	57,794	-	5,783,471	-	-	5,783,471
Wells	9,070,351	97,886	-	9,168,237	-	-	9,168,237
Treatment Plants	13,977,951	303,668	-	14,281,619	1,092,825	-	15,374,444
Water mains	97,428,995	1,126,276	(55,121)	98,500,150	5,226,276	(55,251)	103,671,175
Equipment	2,752,849	399,647	-	3,152,496	520,676	-	3,673,172
Total assets being depreciated	128,955,823	1,985,271	(55,121)	130,885,973	6,839,777	(55,251)	137,670,499
Less accumulated depreciation for:							
Buildings	(88,598)	(143,142)	-	(231,740)	(147,589)	-	(379,329)
Wells	(6,369,888)	(261,753)	-	(6,631,641)	(281,330)	-	(6,912,971)
Treatment Plants	(7,765,613)	(327,775)	-	(8,093,388)	(342,541)	-	(8,435,929)
Water mains	(24,598,347)	(1,245,255)	34,589	(25,809,013)	(1,232,889)	34,800	(27,007,102)
Equipment	(2,172,677)	(186,922)	-	(2,359,599)	(214,842)	-	(2,574,441)
Total accumulated depreciation	(40,995,123)	(2,164,847)	34,589	(43,125,381)	(2,219,191)	34,800	(45,309,772)
Total capital assets being depreciated, net	87,960,700	(179,576)	(20,532)	87,760,592	4,620,586	(20,451)	92,360,727
Total capital assets, net	\$ 89,130,858	\$ 81,817	\$ (409,484)	\$ 88,803,191	\$ 5,807,755	\$ (877,198)	\$ 93,733,748

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

4. LONG-TERM DEBT

The following is a summary of long-term liability activity for the years ended June 30, 2025 and 2024:

	Balance	2025		Balance	Due Within
	June 30, 2024	Additions	Reductions	June 30, 2025	One Year
Certificates of Participation					
2014 Refunding, Series A	\$ 18,300,000	\$ -	\$ (2,330,000)	\$ 15,970,000	\$ 2,170,000
Notes from direct borrowings and direct placements					
2016 Refunding, Series A	11,635,000	-	(450,000)	11,185,000	765,000
Total debt outstanding	29,935,000	-	(2,780,000)	27,155,000	2,935,000
Compensated absences ⁽¹⁾	394,830	26,205	-	421,035	404,750
TOTAL	<u>\$ 30,329,830</u>	<u>\$ 26,205</u>	<u>\$ (2,780,000)</u>	<u>\$ 27,576,035</u>	<u>\$ 3,339,750</u>
Unamortized bond discounts & premiums	1,134,140	-	(126,015)	1,008,124	
Less: Due within one year	(3,166,462)			(3,339,750)	
Due in more than one year	<u>\$ 28,297,507</u>			<u>\$ 25,244,409</u>	

⁽¹⁾ The change in compensated absences liability is presented as a net change.

	Balance	2024		Balance	Due Within
	June 30, 2023	Additions	Reductions	June 30, 2024	One Year
Certificates of Participation					
2014 Refunding, Series A	\$ 20,545,000	\$ -	\$ (2,245,000)	\$ 18,300,000	\$ 2,330,000
Notes from direct borrowings and direct placements					
2016 Refunding, Series A	12,065,000	-	(430,000)	11,635,000	450,000
Total debt outstanding	32,610,000	-	(2,675,000)	29,935,000	2,780,000
Compensated absences ⁽¹⁾	349,075	45,755	-	394,830	386,462
TOTAL	<u>\$ 32,959,075</u>	<u>\$ 45,755</u>	<u>\$ (2,675,000)</u>	<u>\$ 30,329,830</u>	<u>\$ 3,166,462</u>
Unamortized bond discounts & premiums	1,260,155	-	(126,015)	1,134,140	
Less: Due within one year	(2,998,750)			(3,166,462)	
Due in more than one year	<u>\$ 31,220,480</u>			<u>\$ 28,297,507</u>	

⁽¹⁾ The change in compensated absences liability is presented as a net change.

Florin Resource Conservation District
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2025 and 2024

4. LONG-TERM DEBT, Continued

Long-term debt as of June 30, 2025 and 2024 consisted of the following:

	2025	2024
<u>Florin Resource Conservation District, Water Revenue Refunding Bonds, 2014 Series A</u>		
On December 16, 2014, the District issued the Florin Resource Conservation District, Water Revenue Refunding Bonds, 2014 Series A in the amount of \$32,325,000. The proceeds were used to prepay aggregate principal amount of outstanding certificates of participation previously executed and delivered by the District, purchase a debt service reserve surety bond, and pay for certain costs associated with the issuance of the 2014 Series A Bonds. The Bonds are secured by a lien on the net water system revenues. Annual principal payments of \$715,000 to \$2,450,000 are due on September 1 through September 1, 2032. Semi-annual interest payments of \$37,625 to \$688,909 are due March 1 and September 1, 2016 through September 1, 2032. Interest rates range from 4.30% to 5.00%. These bonds are rated A+ by Standard and Poors. The refunding resulted in an economic gain of \$3,563,207 and an accounting loss that was recorded as a deferred outflow of resources. The unamortized balance of the deferred loss on refunding as of June 30, 2025 and 2024 was \$311,677 and \$356,202. The aggregate difference between the debt service requirements of the refunding bonds and remaining debt service of the refunded bonds was \$4,893,871.	\$ 15,970,000	\$ 18,300,000
<u>Florin Resource Conservation District, Water Revenue Refunding Bonds, 2016 Series A</u>		
On June 7, 2016, the District issued the Florin Resource Conservation District, Direct Placement Water Revenue Refunding Bonds, 2016 Series A in the amount of \$14,875,000. The proceeds were used to prepay aggregate principal amount of outstanding certificates of participation previously executed and delivered by the District, purchase a debt service reserve surety bond, and pay for certain costs associated with the issuance of the 2016 Series A Bonds. The Bonds are secured by a lien on the net water system revenues. Annual principal payments of \$350,000 to \$2,395,000 are due on September 1 through September 1, 2032. Semi-annual interest payments of \$43,110 to \$261,450 are due March 1 and September 1, 2016 through September 1, 2032. Interest rate 3.6%. The refunding resulted in an economic gain of \$2,098,268 and an accounting loss that was recorded as a deferred outflow of resources. The unamortized balance of the deferred loss on refunding as of June 30, 2025 and 2024 was \$205,819 and \$235,221. The aggregate difference between the debt service requirements of the refunding bonds and the remaining debt service of the refunded bonds was \$9,573,508.	\$ 11,185,000	\$ 11,635,000
TOTAL	\$ 27,155,000	\$ 29,935,000

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

4. LONG TERM DEBT, Continued

The annual requirements to amortize the outstanding business-type activities debt as of June 30, 2025 are as follows:

Year Ending June 30,	2014 Refunding, Series A Bonds		Direct Placement 2016 Refunding, Series A Bonds		Total
	Principal	Interest	Principal	Interest	
2026	\$ 2,170,000	\$ 617,613	\$ 765,000	\$ 388,890	\$ 3,941,503
2027	2,285,000	545,147	790,000	360,900	3,981,047
2028	2,365,000	465,200	815,000	332,010	3,977,210
2029	2,450,000	379,406	845,000	302,130	3,976,536
2030	2,150,000	281,250	1,280,000	263,880	3,975,130
2031-2033	4,550,000	336,000	6,690,000	376,020	11,952,020
	<u>\$ 15,970,000</u>	<u>\$ 2,624,616</u>	<u>\$ 11,185,000</u>	<u>\$ 2,023,830</u>	<u>\$ 31,803,446</u>

Pledged Revenues: The District has pledged future water system revenues, net of specified operating expenses, to repay its 2014 Series A Water Revenue Refunding Bonds and 2016 Series A Water Revenue Refunding Bonds in the original amount of \$32,325,000 and \$14,875,000, respectively. Proceeds of the 2016 Bonds were used to retire the 2002, 2003 and 2005 Certificates.

The District's 2016 Series A Revenue Refunding Bonds were issued under a supplemental indenture to the 2014 Series A Water Revenue Refunding Bonds and are classified as notes from direct borrowings and direct placements. The 2016 Series A Water Revenue Refunding Bonds contain a provision that in the event of a default, outstanding amounts become immediately due if the District is unable to make payment.

The 2014 and 2016 bonds are parity debt, with the net revenues, less the rate stabilization fund, required to be at least 1.15 times the sum of the cash basis installment principal and interest payments on the outstanding bonds and any other obligation payable from water system revenues.

The calculation of the required coverage ratios as of June 30, 2025 and 2024 were as follows:

Covenant:		2025	2024
Revenues ⁽¹⁾	a	\$ 18,514,319	\$ 17,082,785
Total Operating Expenses		(13,617,995)	(13,284,364)
Exclude: Depreciation Expense		2,219,191	2,164,846
Exclude: GASB 68 Adj		683,942	983,940
Net Operating Expenses ⁽²⁾	b	(10,714,862)	(10,135,578)
Net revenues, not including rate stabilization fund, accrual basis	a-b=c	7,799,457	6,947,207
Interest and principal payments, cash basis (as defined)	d	\$ 3,888,029	\$ 3,886,994
Coverage ratio computed	c/d	2.01	1.79

⁽¹⁾ Includes interest earnings on investments, excludes unrealized gain/loses from GASB 31 fair value adjustments

⁽²⁾ Excludes depreciation expense, capital expenditures and debt service and GASB 68 non-cash pension adjustments

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

4. LONG TERM DEBT, Continued

Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with investments of all tax-exempt bond proceeds at an interest yield greater than the interest paid to the bondholders. Generally, all interest paid to bond holders can be retroactive if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The District performed calculations of excess investments earnings on various investments and financings and determined there was no arbitrage liability at June 30, 2025 and 2024.

5. NET POSITION RESERVES

The District's Board of Directors approved a reserve policy that authorized commitments of unrestricted net position reported in the audited financial statements up to a specified dollar amount as of June 30, 2025 and 2024 as follows:

		Description	2025	2024
Operating fund	120 days of annual operations and maintenance budget		\$ 5,409,511	\$ 5,349,253
Future capital improvement fund	75% of unrestricted funds not allocated to other reserve funds		6,271,718	6,414,378
Capital improvement fund	Annual capital improvement budget		1,834,000	1,089,000
Future capital replacement fund	25% of unrestricted funds not allocated to other reserve funds		2,090,573	2,138,126
Capital replacement fund	Annual capital replacement budget		2,541,000	2,746,000
Elections and special studies	Amount specified by Board of Directors		-	460,000
Total net position commitments			\$ 18,146,802	\$ 18,196,757

6. INSURANCE

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA or JPIA). The JPIA is a risk-pooling self-insurance authority, created under the provisions of the California Government Code for the purpose of providing insurance coverage for its member districts. The District pays an annual premium to JPIA for liability, property, and workers compensation coverage. The District's annual premium is based on its pro-rata share of charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the JPIA. The District's coverage and corresponding deductibles are as follows:

Coverage	Amount	Deductible
Liability (including errors and omissions)	\$ 55,000,000	None
Cyber Liability	\$ 5,000,000/occurrence	\$ 25,000
Property	\$ 2,500,000 - 500,000,000	\$ 500-25,000
Excess Crime	\$ 1,000,000	\$ 100,000
Worker's compensation	\$ 4,000,000	None

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

7. RETIREMENT BENEFITS

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

B. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 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 Employee's Retirement Law.

The rate plans' provisions and benefits in effect at June 30, 2025 and 2024 are summarized as follows:

	Miscellaneous - Classic	Miscellaneous - PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit vesting schedule	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rates	6.000%	7.750%
Required employer contribution rates (2025)	12.810%	7.870%
Required unfunded liability payment (2025)	\$31,609	\$2,714
Required employer contribution rates (2024)	12.760%	7.680%
Required unfunded liability payment (2024)	\$0	\$0

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

7. RETIREMENT BENEFITS, Continued

C. Contributions

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

The District's contributions to the Plan for the measurement periods ended June 30, 2024 and 2023 were \$344,028 and \$282,216, respectively.

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

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$620,411 and as of June 30, 2024, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$650,397, respectively.

The District's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan for the fiscal year 2025 is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The net pension liability of the Plan for the fiscal year 2024 is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportionate share of the net pension liability was based on the District's plan liability and asset-related information where available, and proportional allocations of plan amounts as of the valuation date where not available.

The District's proportionate share of the net pension liability for the plan as of the measurement date of June 30, 2024, 2023 and 2022 were as follows:

Proportion - June 30, 2023	0.005210%	Proportion - June 30, 2022	0.002760%
Proportion - June 30, 2024	<u>0.005120%</u>	Proportion - June 30, 2023	<u>0.005210%</u>
Change - Increase (Decrease)	-0.000090%	Change - Increase (Decrease)	0.002450%

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

7. RETIREMENT BENEFITS, Continued

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

For the year ended June 30, 2025 and 2024 the District recognized pension expense of \$683,942 and \$983,940, respectively. Significant fluctuations in the District's proportionate share of pension expense can result from the Plan's allocation methodology that utilizes multiple allocation percentages. Due to these fluctuations, the District has presented pension expense separately in the Statement of Revenues, Expenses, and Changes in Net Position.

At June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 392,260	\$ -	\$ 344,028	\$ -
Changes in employer's proportion	557,069	-	824,826	224,005
Differences between the employer's contribution and the employer's proportionate share of contributions	-	314,746	281,676	339,705
Changes of assumptions	15,946	-	39,267	-
Differences between expected and actual experiences	53,644	2,098	33,226	5,159
Net differences between projected and actual earnings on plan investments	35,716	-	105,305	-
Total	\$ 1,054,635	\$ 316,844	\$ 1,628,328	\$ 568,869

\$392,260 and \$344,028 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 years ending June 30, 2026 and 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year	Ending June 30:	
	2025	2024
2025	\$ -	\$ 406,697
2026	256,557	238,082
2027	85,505	67,630
2028	15,710	3,022
2029	(12,240)	-

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

7. RETIREMENT PLANS, Continued

E. Actuarial Assumptions

The total pension liabilities in the June 30, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions:

	2025	2024
Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return ⁽¹⁾	6.90%	6.90%
Mortality	Derived by CalPERS membership data for all funds	Derived by CalPERS membership data for all funds

(1) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 and 2022 valuation was based on the 2021 Experience Study. Further details of the Experience Studies can be found on the CalPERS website.

F. Discount Rate

The discount rate used to measure the total pension liability as of the measurement date of June 30, 2024 and 2023 for the Plan 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 the 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. A detailed report testing these projections can be obtained from the CalPERS website at www.calpers.ca.gov.

In determining the long-term expected rate of return as of the measurement date June 30, 2024 and 2023, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

7. RETIREMENT PLANS, Continued

G. Discount Rate, Continued

The tables below reflects the long-term expected real rate of return by asset class as of the measurement date June 30, 2024 and 2023.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10(a)(b)
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - noncap-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%
Total	100%	

(a) An expected inflation of 2.3% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study

H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the 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 1-percentage point lower or 1-percentage point higher than the current rate:

	2025	2024
1% Decrease	5.90%	5.90%
Net Pension Liability/(Asset)	\$ 2,567,584	\$ 2,420,083
Current Discount Rate	6.90%	6.90%
Net Pension Liability/(Asset)	\$ 620,411	\$ 650,397
1% Increase	7.90%	7.90%
Net Pension Liability/(Asset)	\$ (982,399)	\$ (806,206)

I. Pension Plan Fiduciary Net Position

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

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

7. RETIREMENT PLANS, Continued

J. Payable to the Pension Plan

At June 30, 2025 and 2024 the District reported a payable of \$0 and \$0 for outstanding amount of required contributions to the pension plan.

8. OTHER POSTEMPLOYMENT BENEFITS PLAN

A. Plan Description

The District has established an Other Postemployment Benefits plan (OPEB Plan) and participates in an agent multiple employer defined benefit retiree healthcare plan. CalPERS invests the plan's assets as part of the California Employer's Retiree Benefit Trust (CERBT). The OPEB Plan provides employees who retire directly from the District, at a minimum age of 55 and with a minimum of fifteen years of continuous service with the District, a lifetime cash subsidy for monthly medical, dental and vision insurance premiums for each eligible employee and spouse or registered domestic partner retiring within 120 days of separation from the District. Benefits from the District continue to the surviving spouses upon death of the retiree. Employees hired before October 28, 2009 had a one-time option to increase their years for eligibility from five to fifteen and have vision and dental coverage added to their post-retirement benefit.

B. Employees Covered

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	30
Inactive employees or beneficiaries currently receiving benefits	<u>6</u>
Total	36

C. Contributions

The OPEB Plan and its contribution requirements are established by and may be amended by the District. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2025, the District's cash contributions were \$111,518 in pay-as-you-go premiums, payment to the trust of \$40,090 and the estimated implicit subsidy was \$31,950 resulting in total payments of \$183,558. For the fiscal year ended June 30, 2024, the District's cash contributions were \$75,295 in pay-as-you-go premiums, payment to the trust of \$149,088 and the estimated implicit subsidy was \$22,171 resulting in total payments of \$246,554.

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, Continued

D. Actuarial Assumptions

The District's net OPEB liability as of June 30, 2025 was measured as of June 30, 2024 and the net OPEB liability as of June 30, 2024 was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability for the June 30, 2024 and 2023 measurement dates were determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Actuarial Assumptions		
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2023
Discount Rate	6.55%	6.20%
Inflation rate	2.50%	2.50%
Salary Increases	3.00% per year	3.00% per year
Investment Rate of Return	6.55%	6.20%
Mortality Rate	CalPERS Experience Study 2021	CalPERS Experience Study 2021
Pre-Retirement Turnover	MW Scale 2022	MW Scale 2022

E. Discount Rate

The discount rate used to measure the total OPEB liability as of the June 30, 2024 and 2023 measurement dates were 6.55 percent and 6.20 percent based on the CERBT Strategy 1 investment policy. To derive the expected future trust return specifically for the District, CalPERS future return expectations were adjusted to align with the 2.50% general inflation assumption. Then applying the plan specific benefit payments to CalPERS bifurcated return expectations, the single long-term rate of return was determined to be 6.55% and 6.20% as of the June 30, 2024 and 2023 measurement dates.

The long-term expected rate of return on OPEB plan investments was derived from information published by CalPERS for CERBT Strategy 1. CalPERS determined its returns using a building-block method and best estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expenses and inflation). The target allocation and best estimates of geometric real rates of return for each major asset class as of the June 30, 2024 and 2023 measurement dates are summarized in the following table:

Investment Class	June 30, 2024		June 30, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49.00%	7.10%	49.00%	6.80%
Fixed Income	23.00%	5.00%	23.00%	4.50%
Treasury Inflation-Protected Securities	5.00%	3.80%	5.00%	3.60%
Commodities	3.00%	4.40%	3.00%	3.50%
Real Estate Investment Trusts	20.00%	6.40%	20.00%	6.20%
TOTAL	100.00%		100.00%	

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, Continued

F. Net OPEB Liability

As of June 30, 2025 the District reported a net OPEB asset of \$486,725 and as of June 30, 2024 the District reported a net OPEB asset of \$25,025.

G. Changes in the OPEB Liability

The changes in the net OPEB liability for the OPEB Plan as of June 30, 2025 and 2024 are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023 (Measurement Date June 30, 2022)	\$ 4,693,993	\$ 3,526,731	\$ 1,167,262
Changes recognized for the measurement period:			
Service cost	206,640	-	206,640
Interest	299,716	-	299,716
Change in Benefit Terms	17,690	-	17,690
Difference between expected and actual experience	(1,297,556)	-	(1,297,556)
Changes in Assumption	81,204	-	81,204
Contributions - employer	-	272,542	(272,542)
Net investment income	-	228,464	(228,464)
Benefit payment	(133,003)	(133,003)	-
Administrative expenses	-	(1,025)	1,025
Net Changes	(825,309)	366,978	(1,192,287)
Balance at June 30, 2024 (Measurement Date June 30, 2023)	\$ 3,868,684	\$ 3,893,709	\$ (25,025)
Changes recognized for the measurement period:			
Service cost	173,815	-	173,815
Interest	247,613	-	247,613
Difference between expected and actual experience	-	181,066	(181,066)
Changes in Assumption	(210,786)	-	(210,786)
Contributions - employer	-	246,554	(246,554)
Net investment income	-	245,992	(245,992)
Benefit payment	(97,466)	(97,466)	-
Administrative expenses	-	(1,270)	1,270
Net Changes	113,176	574,876	(461,700)
Balance at June 30, 2025 (Measurement Date June 30, 2024)	\$ 3,981,860	\$ 4,468,585	\$ (486,725)

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, Continued

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

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024 and 2023:

	2024	2023
1% Decrease	5.55%	5.20%
Net OPEB Liability	\$ 159,641	\$ 626,529
Current Discount Rate	6.55%	6.20%
Net OPEB Liability/(Asset)	\$ (486,725)	\$ (25,025)
1% Increase	7.55%	7.20%
Net OPEB Liability	\$ (1,010,794)	\$ (551,171)

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

The Healthcare Cost Trend Rate was assumed to start at 10.0% (increase effective January 1, 2025), drop to 5.6% (increase effective January 1, 2026), and then grade down to 3.9% for years 2075 and later. The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the assumed rate, for measurement period ended June 30, 2024 and 2023:

	2024	2023
1% Decrease	Trend -1.00%	Trend -1.00%
Net OPEB Liability	\$ (1,125,205)	\$ (645,358)
Current Healthcare Cost Trend Rate	Trend	Trend
Net OPEB Liability/(Asset)	\$ (486,725)	\$ (25,025)
1% Increase	Trend +1.00%	Trend +1.00%
Net OPEB Liability	\$ 336,754	\$ 775,048

J. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

8. OTHER POSTEMPLOYMENT BENEFITS PLAN, Continued

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

For the fiscal years ended June 30, 2025 and 2024, the District recognized OPEB expense of \$117,704 and \$304,550, respectively. For the fiscal years ended June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences in the measurement of Total OPEB Liability	\$ 1,242	\$ 1,290,016	\$ 1,485	\$ 1,443,038
Changed in assumptions	751,616	362,777	873,835	195,247
Net differences between projected and actual earnings on OPEB plan investments	36,476	-	232,356	-
Contributions to OPEB plan after measurement date	183,558	-	246,554	-
Total	\$ 972,892	\$ 1,652,793	\$ 1,354,230	\$ 1,638,285

The \$183,558 and \$246,554 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 and 2023 measurement dates will be recognized as a reduction of the net OPEB liability during the fiscal years ending June 30, 2026 and 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year	Ending June 30:	
	2025	2024
2025	\$ -	\$ (3,592)
2026	(79,810)	(24,400)
2027	42,182	97,592
2028	(111,130)	(55,720)
2029	(110,030)	(54,619)
2030	(73,816)	(489,870)
Thereafter	(530,855)	-

Florin Resource Conservation District

Notes to Basic Financial Statements, Continued

For the years ended June 30, 2025 and 2024

9. COMMITMENTS AND CONTINGENCIES

The District is a party to various claims, legal actions and complaints that arise in the normal operation of business. Management and the District's legal counsel believe that there are no loss contingencies that would have a material adverse impact on the financial position of the District.

10. CERTAIN RISK DISCLOSURES

A. SB 606 and AB 1668 Water Use Efficiency Standards

The District is subject to environmental regulations mandated by the California State Legislature, which could potentially affect the District's ability to generate sufficient revenues to fund ongoing operations, maintenance, capital improvement projects, and the ability to meet ongoing debt service requirements.

In May 2018, Senate Bill 606 and Assembly Bill 1668 were enacted establishing new water use efficiency standards aimed at significantly enhancing water conservation throughout the State. These water usage requirements could potentially impact the District's ability to generate revenues related to water sales. The District's most recent rate study adopted by the Board on July 18, 2023 for calendar years 2024 to 2028 accounts for the revenue and expense impacts of SB 606 and AB 1668.

REQUIRED SUPPLEMENTARY INFORMATION

Florin Resource Conservation District
Required Supplementary Information
For the years ended June 30, 2025 and 2024

1. DEFINED BENEFIT PENSION PLAN

A. Schedule of the District's Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Proportion of the net pension liability	0.00512%	0.00521%	0.00276%	-0.02974%	0.01534%	0.01510%	0.01498%	0.01581%	0.01596%	0.01692%
Proportionate share of the net pension liability	\$ 620,411	\$ 650,397	\$ 318,533	\$ (1,608,503)	\$ 1,668,811	\$ 1,547,411	\$ 1,443,330	\$ 1,568,286	\$ 1,381,275	\$ 1,161,703
Covered payroll	\$ 3,283,146	\$ 2,903,161	\$ 2,575,478	\$ 2,517,843	\$ 2,398,498	\$ 2,369,268	\$ 2,359,233	\$ 2,272,435	\$ 2,375,112	\$ 2,055,396
Proportionate Share of the net pension liability as percentage of covered payroll	18.90%	22.40%	12.37%	-63.88%	69.58%	65.31%	61.8%	69.01%	58.16%	56.52%
Plan fiduciary net position as a percentage of the total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%

Notes to Schedule:

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, decreased from 7.65% to 7.15% in fiscal year 2018 and then decreased from 7.15 to 6.9% in fiscal year 2023.

The CalPERS mortality assumptions were adjusted in fiscal year 2019

B. Schedule of Contributions - Last 10 Fiscal Years

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	\$ 392,260	\$ 344,028	\$ 282,216	\$ 245,378	\$ 336,963	\$ 388,976	\$ 350,843	\$ 317,812	\$ 302,911	\$ 298,556
Contribution in relation to the actuarially determined contributions	(392,260)	(344,028)	(282,216)	(245,378)	(1,965,002)	(388,976)	(350,843)	(317,812)	(302,911)	(298,556)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (1,628,039)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,441,642	\$ 3,283,146	\$ 2,903,161	\$ 2,575,478	\$ 2,517,843	\$ 2,398,498	\$ 2,369,268	\$ 2,359,233	\$ 2,272,435	\$ 2,375,112
Contributions as a percentage of covered payroll	11.40%	10.48%	9.72%	9.53%	78.04%	16.22%	14.81%	13.47%	13.33%	12.57%

Notes to Schedule

Valuation date: 6/30/2022 6/30/2021 6/30/2020 6/30/2019 6/30/2018 6/30/2017 6/30/2016 6/30/2015 6/30/2014 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method					Entry age					
Amortization method					Level percentage of payroll, closed					
Remaining amortization period					Varies, not more than 30 years					
Asset valuation method					Fair Value					
Inflation	2.300%	2.300%	2.500%	2.500%	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%
Salary increases					Varies by entry age and service					
Investment rate of return	6.80%	6.80%	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%
Payroll Growth					Depending on age, service, and type of employment					

The District made a prepayment in the amount of \$ 1,628,039 in December of 2020 to pay down the unfunded accrued liability.

Florin Resource Conservation District
Required Supplementary Information
For the years ended June 30, 2025 and 2024

2. OTHER POSTEMPLOYMENT BENEFIT PLAN

*A. Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 fiscal Years**

Fiscal Year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Discount Rate on Measurement Date	6.55%	6.20%	6.20%	6.00%	7.10%	7.10%	7.28%	7.28%
Total OPEB Liability								
Service Cost	\$ 173,815	\$ 206,640	\$ 210,616	\$ 186,827	\$ 181,385	\$ 150,210	\$ 132,574	\$ 148,138
Interest	247,613	299,716	277,897	274,517	252,309	192,247	159,290	166,580
Changes in benefit terms	-	17,690	-	-	-	-	190,124	-
Differences between expected and actual experience	-	(1,297,556)	-	(212,323)	-	2,700	-	(216,413)
Changes of assumptions	(210,786)	81,204	(140,906)	635,200	-	620,984	(5,404)	(151,557)
Benefit payments	(97,466)	(133,003)	(149,231)	(136,438)	(116,255)	(52,574)	(29,949)	(32,629)
Net change in total OPEB liability	113,176	(825,309)	198,376	747,783	317,439	913,567	446,635	(85,881)
Total OPEB liability - beginning	3,868,684	4,693,993	4,495,617	3,747,834	3,430,395	2,516,828	2,070,193	2,156,074
Total OPEB liability - ending (a)	\$ 3,981,860	\$ 3,868,684	\$ 4,693,993	\$ 4,495,617	\$ 3,747,834	\$ 3,430,395	\$ 2,516,828	\$ 2,070,193
Contributions - employer	\$ 246,554	\$ 272,542	\$ 257,136	\$ 249,861	\$ 243,240	\$ 170,925	\$ 155,329	\$ 114,015
Net investment income	427,058	228,464	(526,575)	827,409	98,023	156,791	172,787	203,487
Benefit payments	(97,466)	(133,003)	(149,231)	(136,438)	(116,255)	(52,574)	(29,949)	(32,629)
Administrative expenses	(1,270)	(1,025)	(1,000)	(1,139)	(1,361)	(539)	(1,180)	(991)
Net change in plan fiduciary net position	574,876	366,978	(419,670)	939,693	223,647	274,603	296,987	283,882
Plan fiduciary net position - beginning	3,893,709	3,526,731	3,946,401	3,006,708	2,783,061	2,508,458	2,211,471	1,927,589
Plan fiduciary net position - ending (b)	\$ 4,468,585	\$ 3,893,709	\$ 3,526,731	\$ 3,946,401	\$ 3,006,708	\$ 2,783,061	\$ 2,508,458	\$ 2,211,471
Net OPEB liability - ending (a) - (b)	\$ (486,725)	\$ (25,025)	\$ 1,167,262	\$ 549,216	\$ 741,126	\$ 647,334	\$ 8,370	\$ (141,278)
Covered employee payroll	\$ 3,573,563	\$ 3,178,989	\$ 2,745,597	\$ 2,774,047	\$ 2,445,919	\$ 2,368,929	\$ 2,407,765	\$ 2,458,390
Plan fiduciary net position as a percentage of total OPEB Liability	112%	101%	75%	88%	80%	81%	100%	107%
Net OPEB liability as a % of covered employee payroll	-13.62%	-0.79%	42.51%	19.80%	30.30%	27.33%	0.35%	-5.75%

* - Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Florin Resource Conservation District
Required Supplementary Information
For the years ended June 30, 2025 and 2024

2. OTHER POSTEMPLOYMENT BENEFIT PLAN, Continued

B. Schedule of Contributions - Last 10 Fiscal Years*

Fiscal Year Ended June 30	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 183,558	\$ 182,734	\$ 272,542	\$ 257,136	\$ 249,861	\$ 243,240	\$ 170,925	\$ 155,329
Contributions in relation to the ADC	(183,558)	(246,554)	(272,542)	(257,136)	(249,861)	(243,240)	(170,925)	(155,329)
Contribution deficiency (excess)	\$ -	\$ (63,820)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	3,337,192	3,573,563	3,178,989	2,745,597	2,774,047	2,445,919	2,368,929	2,407,765
Contributions as a percentage of covered-employee payroll	5.50%	6.90%	8.57%	9.37%	9.01%	9.94%	7.22%	6.45%
Percent of ADC Contributed	100.00%	134.93%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* - Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

C. Notes to 10 Year Schedules*

Fiscal Year End	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Valuation Date	6/30/2023		6/30/2021		6/30/2019		6/30/2017	
Actuarial Cost Method	Entry Age Normal		Entry Age Normal		Entry Age Normal		Entry Age Normal	
Amortization Method	Level Dollar		Level % of Pay		Level % of Pay		N/A	
Amortization Period	30 Year Open		17 yrs remain		18 yrs remain	19 yrs remain	20 yrs remain	21 yrs remain
Asset Valuation Method	Fair Value		Fair Value		Fair Value		Fair Value	
Inflation	2.50%		2.50%		2.50%		2.25%	
Healthcare Cost Trend rate	10% in 2025, decrease to 5.6% in 2026, grading down to 3.9 by 2075		5.7% in 2022, fluctuates until ultimate rate of 3.9% in 2076		6.5% in 2021, fluctuates until ultimate rate of 4.0% in 2076		Pre 65: 7.7% in 2019 grading down to 5.0% in 2030. Post 65: 5.5% in 2019 grading down to 50% in 2021	
Salary Increases	3.00%		3.00%		3.00%		3.25%	
Investment Rate of Return	6.20%		6.00%		7.10%		7.28%	
Retirement Age	From 50 to 75		From 50 to 75		From 50 to 75		From 50 to 75	
Mortality	CalPERS 2021 Experience Study		CalPERS 2017 Experience Study		CalPERS 2017 Experience Study		CalPERS 2014 Experience Study	
Mortality Improvement	MV Scale 2022		MW Scale 2022		MW Scale 2018 generationally		MP Scale 2016	

* - Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

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STATISTICAL SECTION

Table of Contents

This part of the Florin Resource Conservation District (District) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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

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Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports of the relevant years.

**Florin Resource Conservation District
Fund Balances of Governmental Funds
Last Ten Years**

Fiscal Year ended June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Unassigned	\$ 88,834	\$ 42,401	\$ 17,703	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
Total General Fund	\$ 88,834	\$ 42,401	\$ 17,703	\$ -	N/A	N/A	N/A	N/A	N/A	N/A

Note: On April 18, 2018, the District's Board adopted a resolution declaring that effective July 1, 2018, all activities of the District would be limited to water related activities that benefit EGWD ratepayers. In FY 2019 the governmental fund of the District was combined with the business-type fund of the District, eliminating the governmental fund.

**Florin Resource Conservation District
Changes in Fund Balances of Governmental Funds
Last Ten Years**

Fiscal Year ended June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Use of money and property	\$ 93	\$ 4	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
Other	353	1,564	23,542	19,092	N/A	N/A	N/A	N/A	N/A	N/A
Total Revenues	446	1,568	23,542	19,092	N/A	N/A	N/A	N/A	N/A	N/A
Expenditures										
General and administrative	34,831	48,001	48,240	18,243	N/A	N/A	N/A	N/A	N/A	N/A
Total expenditures	34,831	48,001	48,240	18,243	N/A	N/A	N/A	N/A	N/A	N/A
Other Financing Sources										
Transfers	-	-	-	(18,552)	N/A	N/A	N/A	N/A	N/A	N/A
Gain (loss) on disposal of capital assets	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Total other financing sources	-	-	-	(18,552)	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fund balance	(34,385)	(46,433)	(24,698)	(17,703)	N/A	N/A	N/A	N/A	N/A	N/A
Fund balance, beginning of the year	123,219	88,834	42,401	17,703	N/A	N/A	N/A	N/A	N/A	N/A
Fund balance, end of the year	\$ 88,834	\$ 42,401	\$ 17,703	\$ -	N/A	N/A	N/A	N/A	N/A	N/A

Note: On April 18, 2018, the District's Board adopted a resolution declaring that effective July 1, 2018, all activities of the District would be limited to water related activities that benefit EGWD ratepayers. In FY 2019 the governmental fund of the District was combined with the business-type fund of the District, eliminating the governmental fund.

**Florin Resource Conservation District
Net Position by Component
Last Ten Years**

Fiscal Year ended June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Unrestricted	\$ 88,834	\$ 42,401	\$ 17,703	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
Total governmental activities net position	88,834	42,401	17,703	-	N/A	N/A	N/A	N/A	N/A	N/A
Business-Type										
Net investment in capital assets	22,281,403	23,387,996	25,163,739	26,595,706	28,389,207	41,677,173	46,840,061	55,926,053	58,325,475	66,088,119
Restricted for Debt Services	412,862	10	-	-	-	-	-	-	-	-
Restricted for OPEB asset	-	-	-	-	-	-	-	-	-	486,725
Restricted for net pension asset	-	-	-	-	-	-	1,608,503	-	-	-
Unrestricted	11,982,765	13,894,173	14,139,332	16,082,657	18,314,558	19,139,482	18,373,555	17,523,943	18,196,757	18,146,802
Total business-type net position	34,677,030	37,282,179	39,303,071	42,678,363	46,703,765	60,816,655	66,822,119	73,449,996	76,522,232	84,721,646
Primary Government										
Net investment in capital assets	22,281,403	23,387,996	25,163,739	26,595,706	28,389,207	41,677,173	46,840,061	55,926,053	58,325,475	66,088,119
Restricted	412,862	10	-	-	-	-	1,608,503	-	-	486,725
Unrestricted	12,071,599	13,936,574	14,157,035	16,082,657	18,314,558	19,139,482	18,373,555	17,523,943	18,196,757	18,146,802
Total Primary government net position	\$ 34,765,864	\$ 37,324,580	\$ 39,320,774	\$ 42,678,363	\$ 46,703,765	\$ 60,816,655	\$ 66,822,119	\$ 73,449,996	\$ 76,522,232	\$ 84,721,646

Note: On April 18, 2018, the District's Board adopted a resolution declaring that effective July 1, 2018, all activities of the District would be limited to water related activities that benefit EGWD ratepayers. In FY 2019 the governmental fund of the District was combined with the business-type fund of the District, eliminating the governmental fund.

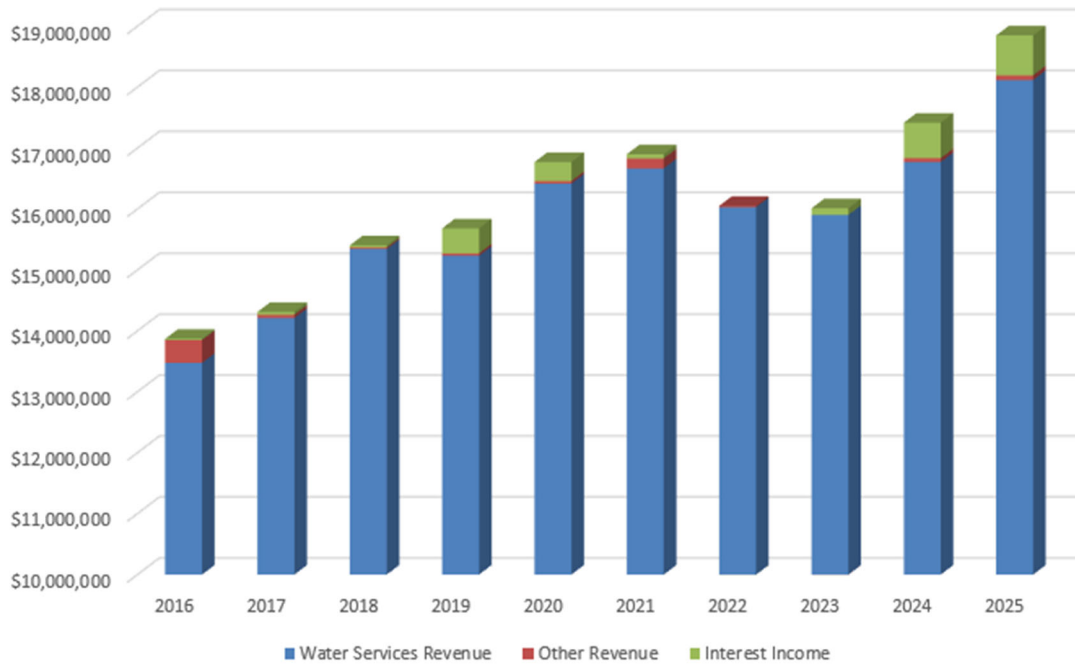
Florin Resource Conservation District
Changes in Net Position
Last Ten Years

Fiscal Year ended June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues										
Governmental Activities:										
Charges for Services	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Operating Grants	-	-	23,542	19,092	N/A	N/A	N/A	N/A	N/A	N/A
Total governmental activities	-	-	23,542	19,092	N/A	N/A	N/A	N/A	N/A	N/A
Business-type activities:										
Charges for Services										
Water	13,475,325	14,210,971	15,343,124	15,233,673	16,418,370	16,666,067	16,030,316	15,902,913	16,772,455	18,116,654
Office Building	373,800	-	-	-	-	-	-	-	-	-
Total business-type activities	13,849,125	14,210,971	15,343,124	15,233,673	16,418,370	16,666,067	16,030,316	15,902,913	16,772,455	18,116,654
Total primary government operating revenues	13,849,125	14,210,971	15,366,666	15,252,765	16,418,370	16,666,067	16,030,316	15,902,913	16,772,455	18,116,654
Operating Expenses										
Governmental Activities:										
General Government										
	\$ 34,831	\$ 48,001	\$ 48,240	\$ 18,243	N/A	N/A	N/A	N/A	N/A	N/A
Business-type activities:										
Water	8,684,092	9,837,521	10,933,830	10,633,119	11,169,724	11,913,678	8,359,617	14,342,625	13,312,446	13,617,995
Office Building	280,322	-	-	-	-	-	-	-	-	-
Total business-type activities	8,964,414	9,837,521	10,933,830	10,633,119	11,169,724	11,913,678	8,359,617	14,342,625	13,312,446	13,617,995
Total primary government expenses	8,964,414	9,837,521	10,933,830	10,633,119	11,169,724	11,913,678	8,359,617	14,342,625	13,312,446	13,617,995
Net revenues (expenses)										
Governmental activities										
	(34,831)	(48,001)	(24,698)	849	N/A	N/A	N/A	N/A	N/A	N/A
Business-Type										
	4,884,711	4,373,450	4,409,294	4,600,554	5,248,646	4,752,389	7,670,699	1,560,288	3,460,009	4,498,659
Total net revenues (expenses)	4,849,880	4,325,449	4,384,596	4,601,403	5,248,646	4,752,389	7,670,699	1,560,288	3,460,009	4,498,659
Non-Operating Revenues/(Expenses)										
Governmental Activities:										
Interest and investment earnings	93	4	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Other revenues	353	1,564	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Transfers	-	-	-	(18,552)	N/A	N/A	N/A	N/A	N/A	N/A
Total governmental activities	446	1,568	-	(18,552)	N/A	N/A	N/A	N/A	N/A	N/A
Business-type activities:										
Interest and investment earnings	20,002	46,228	38,008	411,525	311,494	69,849	(334,766)	109,120	583,307	655,787
Interest Expense	(2,109,783)	(1,868,980)	(1,755,415)	(1,674,708)	(1,575,318)	(1,466,868)	(1,351,611)	(1,230,386)	(1,126,496)	(1,020,041)
Other revenues/(expenses)	4,777,152	54,451	23,344	19,369	40,580	(8,133)	21,142	(102,969)	61,216	79,277
Transfers	-	-	-	18,552	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	6,291,824	94,200	3,985,732
Total business-type activities	2,687,371	(1,768,301)	(1,694,063)	(1,225,262)	(1,223,244)	(1,405,152)	(1,665,235)	5,067,589	(387,773)	3,700,755
Total primary government	2,687,371	(1,768,301)	(1,694,063)	(1,225,262)	(1,223,244)	(1,405,152)	(1,665,235)	5,067,589	(387,773)	3,700,755
Change in net position:										
Governmental activities										
	(34,385)	(46,433)	(24,698)	(17,703)	N/A	N/A	N/A	N/A	N/A	N/A
Business-type activities										
	7,572,082	2,605,149	2,715,231	3,375,292	4,025,402	3,347,237	6,005,464	6,627,877	3,072,236	8,199,414
Total primary government	\$ 7,537,697	\$ 2,558,716	\$ 2,690,533	\$ 3,357,589	\$ 4,025,402	\$ 3,347,237	\$ 6,005,464	\$ 6,627,877	\$ 3,072,236	\$ 8,199,414

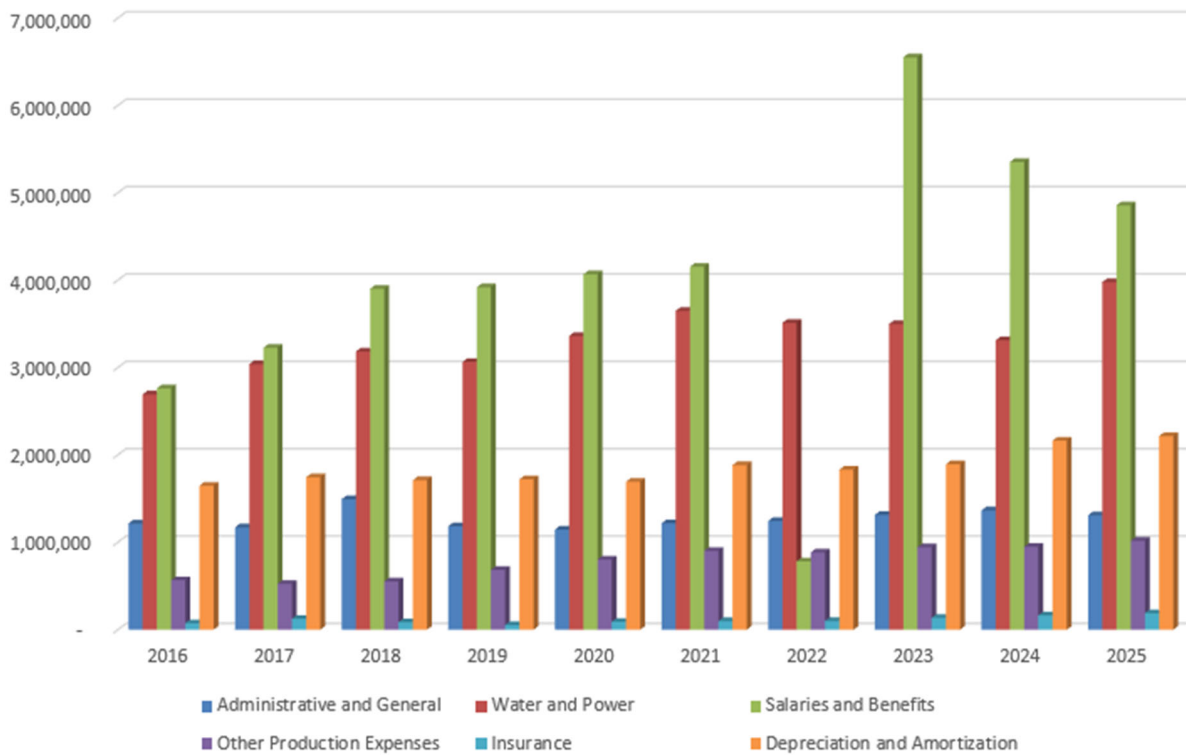
Note: On April 18, 2018, the District's Board adopted a resolution declaring that effective July 1, 2018, all activities of the District would be limited to water related activities that benefit EGWD ratepayers. In FY 2019 the governmental fund of the District was combined with the business-type fund of the District, eliminating the governmental fund.

Florin Resource Conservation District Financial Trends

Revenues by Source



Expenses by Source



This graph contrasts the six largest expense groups of the District.
Source: Finance Department

**Florin Resource Conservation District
Elk Grove Water District Rate Analysis
Last Ten Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Metered	Metered	Metered	Metered	Metered	Metered	Metered	Metered	Metered	Metered
	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
Monthly Fixed Rate										
1 inch meter	\$ 62.84	\$ 64.73	\$ 66.67	\$ 61.15	\$ 61.15	\$ 61.15	\$ 61.15	\$ 62.37	\$ 61.49	\$ 64.26
Monthly Consumption Rates										
1st tier: 0-30 ccf	1.48	1.52	1.57	1.92	1.92	1.92	1.92	1.96	2.15	2.25
2nd tier: over 30 ccf	2.93	3.02	3.11	4.04	4.04	4.04	4.04	4.12	3.19	3.34
Each sq. ft. of premises over 4,000 sf.										
Non-residential	1.67	1.72	1.77	1.79	1.79	1.79	1.79	1.83	2.14	2.24
Irrigation	1.80	1.85	1.91	2.27	2.27	2.27	2.27	2.32	2.97	3.11
Fixed Charge										
5/8" meter	62.84	64.73	66.67	61.15	61.15	61.15	61.15	62.37	61.49	64.26
3/4" meter	62.84	64.73	66.67	61.15	61.15	61.15	61.15	62.37	61.49	64.26
1" meter	62.84	64.73	66.67	61.15	61.15	61.15	61.15	62.37	61.49	64.26
1 1/2" meter	88.45	91.10	93.84	86.07	86.07	86.07	86.07	87.79	111.92	116.96
2" meter	119.18	122.76	126.44	115.97	115.97	115.97	115.97	118.29	172.44	180.20
3" meter	190.89	196.62	202.52	185.76	185.76	185.76	185.76	189.48	364.08	380.47
4" meter	293.33	302.13	311.19	285.43	285.43	285.43	285.43	291.14	616.23	643.97
6" meter	549.43	565.91	582.89	534.64	534.64	534.64	534.64	545.33	1,372.69	1,434.47
8" meter	856.75	882.45	908.93	833.69	833.69	833.69	833.69	850.36	1,624.85	1,697.97
10" meter	1,215.29	1,251.75	1,289.30	1,182.57	1,182.57	1,182.57	1,182.57	1,206.22	4,247.24	4,438.37

	2016 Rate	2017 Rate	2018 Rate	2019 Rate	2020 Rate	2021 Rate	2022 Rate	2023 Rate	2024 Rate	2025 Rate
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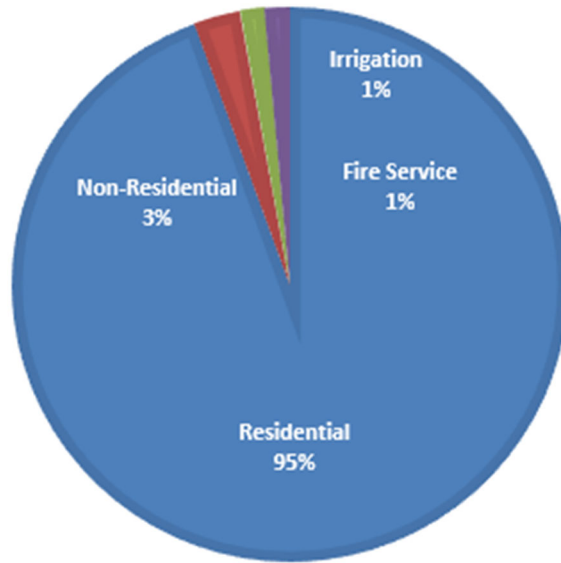
Fire Protection Service

2" connection	2.87	2.96	3.04	3.02	3.02	3.02	3.02	3.08	3.72	3.89
3" connection	8.35	8.60	8.86	8.78	8.78	8.78	8.78	8.96	10.79	11.28
4" connection	17.80	18.33	18.88	18.71	18.71	18.71	18.71	19.08	22.99	24.03
6" connection	51.70	53.25	54.85	54.34	54.34	54.34	54.34	55.43	66.77	69.78
8" connection	110.17	113.48	116.88	115.80	115.80	115.80	115.80	118.12	142.29	148.70
10" connection	198.12	204.06	210.19	208.25	208.25	208.25	208.25	212.42	255.89	267.41
12" connection	320.02	329.62	339.51	336.37	336.37	336.37	336.37	343.10	413.32	431.92

In July 2023 a new 5 year Rate Plan was adopted
Source: Finance Department

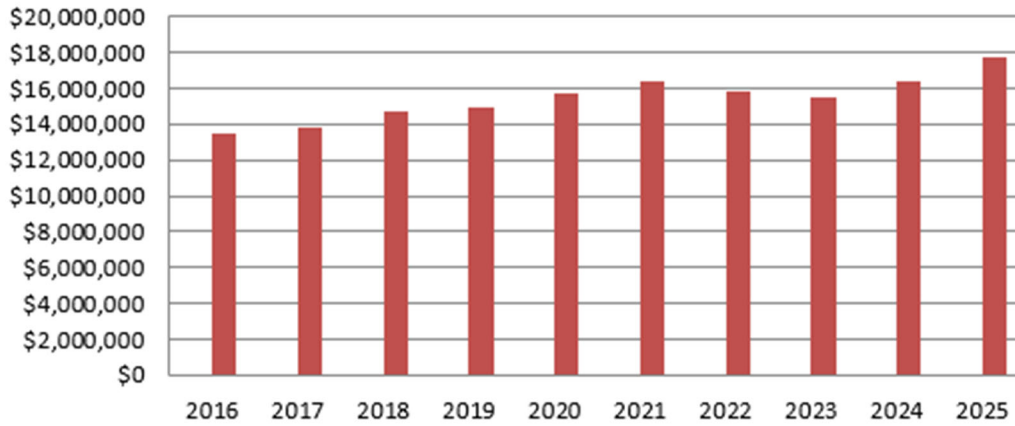
ELK GROVE WATER DISTRICT WATER SALES BY TYPE

■ Residential
 ■ Non-Residential
 ■ Irrigation
 ■ Fire Service



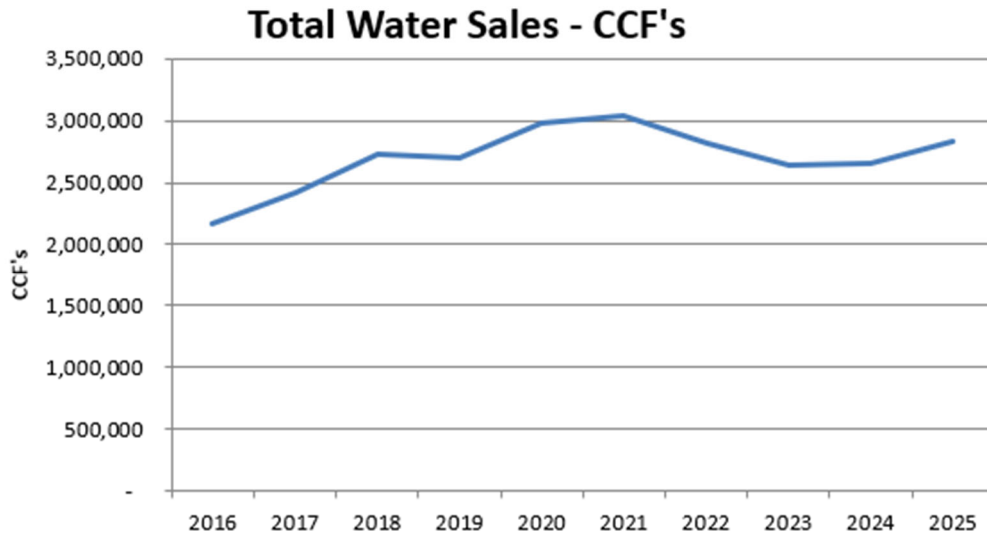
Sales by Type – This graph shows the percentages of the four components of water sales by the Elk Grove Water District.

Total Water Sales - \$



This chart shows the total water sales in dollars for the last 10 years.

Source: Finance Department



This graph shows the total water sales in CCF's for the last 10 years. One CCF is equivalent to 748 gallons.

Historical Service Connections - The following table shows the service connections broken down by Residential and Commercial.

Year End	Total	Residential	Commercial
6/30/16	12,174	11,662	512
6/30/17	12,506	11,978	528
6/30/18	12,330	11,799	531
6/30/19	12,555	11,842	713
6/30/20	12,880	12,159	721
6/30/21	13,043	12,317	726
6/30/22	13,046	12,314	732
6/30/23	13,067	12,324	743
6/30/24	13,165	12,425	740
6/30/25	13,290	12,552	738

Source: Finance Department

FLORIN RESOURCE CONSERVATION DISTRICT
Ten Largest Commercial Customers
Current Year and Ten Years Ago

Customer	FY 2015-16		Customer	FY 2024-25	
	Amount Billed	% of Total Billed		Amount Billed	% of Total Billed
Cosumnes CSD	\$ 255,417	1.56%	Cosumnes CSD	\$ 648,738	3.66%
EGUSD	248,933	1.52%	EGUSD	579,210	3.27%
Emerald Park Company	47,120	0.29%	City Of Elk Grove	140,510	0.79%
City Of Elk Grove-Public Works	43,308	0.26%	Elliott Homes	98,315	0.55%
Ferguson & Brewer Mgmt	27,701	0.17%	Emerald Vista Apts	82,334	0.46%
JJD-Hov Elk Grove LLC	22,153	0.00%	JJD-Hov Elk Grove LLC	44,078	0.25%
Gage Street Townhouses	21,550	0.00%	The Oaks Mobile Home Park	40,209	0.23%
The Oaks Mobile Home Park	21,097	0.00%	Ferguson & Brewer Mgmt	35,741	0.20%
Chui Family Trust	17,523	0.00%	IH Borrower L.P.	34,245	0.19%
Elk Grove Village, LLC	17,002	0.00%	Elk Grove Village, LLC	34,066	0.19%
	\$ 721,804	3.80%		\$ 1,737,446	9.79%

Debt Capacity

Florin Resource Conservation District
Ratio of Debt Service to Operating Expenses
Last Ten Years

Fiscal Year Ended June 30,	Principal Payments	Interest Payments	Total	Operating Expenses	Ratio of Total Debt Service to Operating Expenses
2016	\$ 1,430,000	\$ 2,463,404	\$ 3,893,404	\$ 8,964,414	43.43%
2017	1,065,000	1,749,919	2,814,919	9,837,521	28.61%
2018	1,990,000	1,833,349	3,823,349	10,933,830	34.97%
2019	2,070,000	1,753,909	3,823,909	10,633,119	35.96%
2020	2,165,000	1,661,739	3,826,739	11,169,724	34.26%
2021	2,300,000	1,555,469	3,855,469	11,913,678	32.36%
2022	2,440,000	1,442,499	3,882,499	8,359,617	46.44%
2023	2,560,000	1,323,204	3,883,204	14,342,625	27.07%
2024	2,675,000	1,211,994	3,886,994	13,312,446	29.20%
2025	2,780,000	1,108,029	3,888,029	13,617,995	28.55%

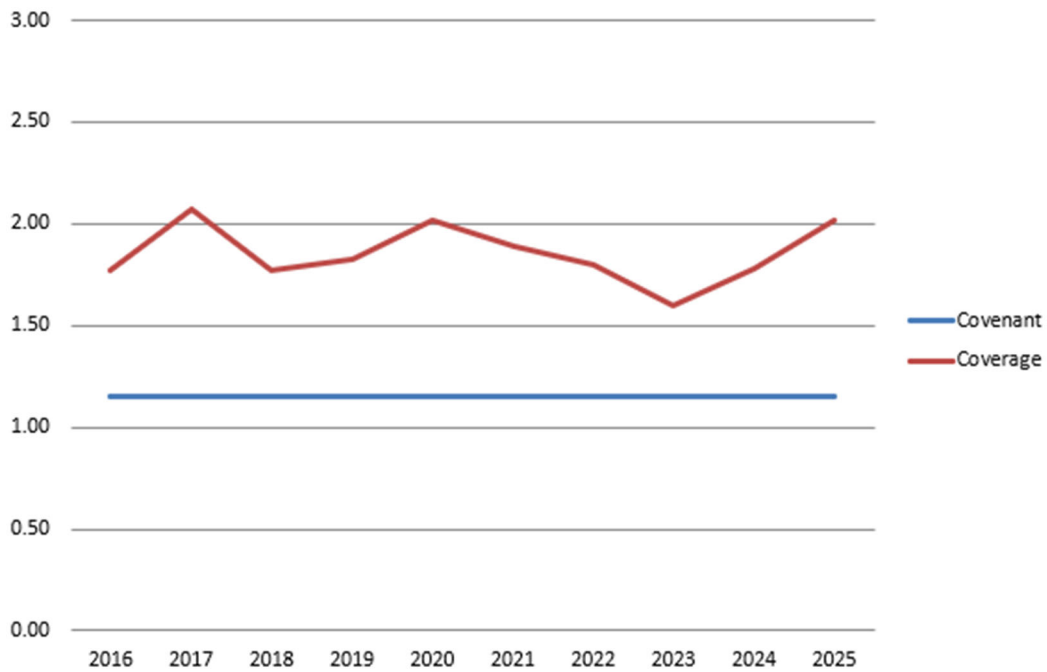
Source: Finance Department

**Florin Resource Conservation District
Ratio of Outstanding Debt by Type
Last Ten Years**

Fiscal Year Ended June 30,	COP's - Water Services	Unamortized Bond Premiums and Discounts	Total	Percentage of Personal Income	Outstanding Debt per Capita
2016	47,575,000	2,142,263	49,717,263	N/A	290.64
2017	46,135,000	2,016,247	48,151,247	0.176%	279.76
2018	44,145,000	1,890,232	46,035,232	0.181%	264.53
2019	42,075,000	1,764,217	43,839,217	0.193%	251.91
2020	39,910,000	1,638,202	41,548,202	0.218%	236.40
2021	37,610,000	1,512,186	39,122,186	0.243%	219.63
2022	35,170,000	1,386,170	36,556,170	0.278%	204.23
2023	32,610,000	1,260,155	33,870,155	0.301%	189.22
2024	29,935,000	1,131,140	31,066,140	0.373%	173.49
2025	27,155,000	1,008,124	28,163,124	0.434%	158.92

Source: Finance Department

**Florin Resource Conservation District
Bond Covenant Ratio Analysis - Water District Fund
Last Ten Years**



Source: Finance Department

**Florin Resource Conservation District
Pledged-Revenue Coverage - Water Service Fund
Last Ten Years**

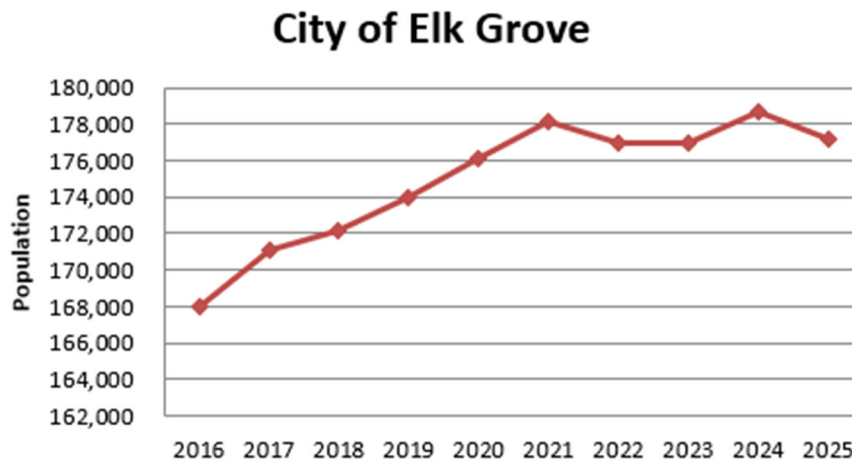
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Charges for Services	\$ 13,475,325	\$ 14,210,971	\$ 15,343,124	\$ 15,233,673	\$ 16,418,370	\$ 16,666,067	\$ 16,030,316	\$ 15,902,913	\$ 16,772,455	\$ 18,116,654
Interest Income ⁽¹⁾	19,994	42,789	105,884	213,052	221,048	88,328	56,182	155,106	310,330	397,665
Total Revenue	\$ 13,495,319	\$ 14,253,760	\$ 15,449,008	\$ 15,446,725	\$ 16,639,418	\$ 16,754,395	\$ 16,086,498	\$ 16,058,019	\$ 17,082,785	\$ 18,514,319
Operating Expenses:										
Water & Power	\$ 2,694,476	\$ 3,039,628	\$ 3,185,079	\$ 3,064,946	\$ 3,363,254	\$ 3,650,939	\$ 3,512,637	\$ 3,499,680	\$ 3,313,431	\$ 3,980,141
Other Production Expenses	524,769	525,951	552,824	686,121	804,474	902,919	885,865	944,179	949,480	1,018,874
Payroll & Related Taxes ⁽²⁾	2,763,806	3,314,681	3,365,305	3,465,053	3,512,354	3,595,616	3,361,894	3,967,696	4,369,567	4,214,743
Insurance	74,280	125,199	86,006	54,500	91,118	100,008	99,889	137,012	164,489	190,177
Administration & General	977,466	1,172,524	1,494,913	1,185,292	1,146,802	1,218,432	1,246,308	1,315,020	1,366,693	1,310,927
Operating Expenses, Less Debt Service:	\$ 7,034,797	\$ 8,177,983	\$ 8,684,127	\$ 8,455,912	\$ 8,918,002	\$ 9,467,914	\$ 9,106,593	\$ 9,863,587	\$ 10,163,660	\$ 10,714,862
Net Income From Operations	\$ 6,460,522	\$ 6,075,776	\$ 6,764,881	\$ 6,990,813	\$ 7,721,416	\$ 7,286,481	\$ 6,979,905	\$ 6,194,432	\$ 6,919,125	\$ 7,799,457
Covenant										
Income From Operations	\$ 6,460,522	\$ 6,075,776	\$ 6,764,881	\$ 6,990,813	\$ 7,721,416	\$ 7,286,481	\$ 6,979,905	\$ 6,194,432	\$ 6,919,125	\$ 7,799,457
Interest & Principal Payments	\$ 3,655,240	\$ 2,933,980	\$ 3,823,349	\$ 3,823,909	\$ 3,826,739	\$ 3,855,469	\$ 3,882,499	\$ 3,883,204	\$ 3,886,994	\$ 3,888,029
Coverage Ratio (1.15 Minimum Req.)	1.77	2.07	1.77	1.83	2.02	1.89	1.80	1.60	1.78	2.01

Note: Details regarding the required covenant can be found in Note 4 of the financial statements.

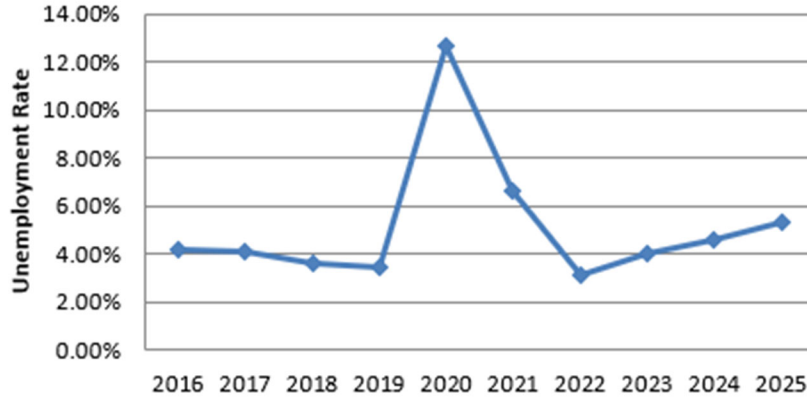
⁽¹⁾ Excludes unrealized gains/loses from GASB 31 fair market value adjustment

⁽²⁾ Excludes GASB 68 non-cash pension adjustments

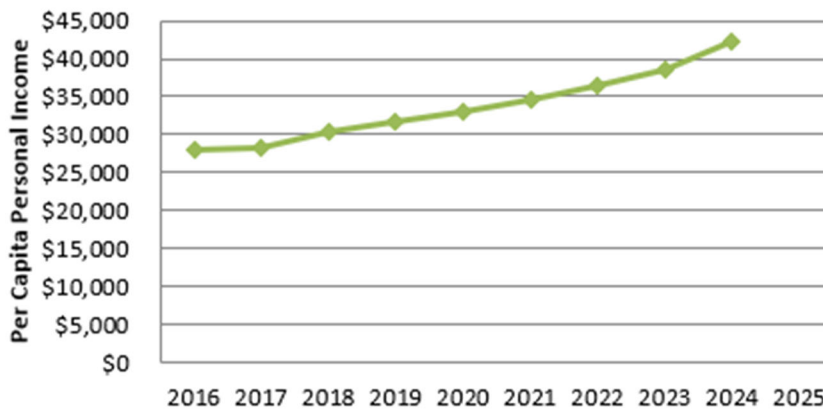
Demographic and Economic Information Florin Resource Conservation District



City of Elk Grove



City of Elk Grove



Data for 2025 is unavailable from the City of Elk Grove.

Population Last Ten Fiscal Years

Year	Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Unemployment Rate ⁽¹⁾	Median Household Income ⁽¹⁾
2016	167,965	\$ 28,014	4.20%	Not Available
2017	171,059	\$ 28,288	4.10%	\$ 84,827
2018	172,116	\$ 30,354	3.60%	\$ 83,141
2019	174,025	\$ 31,702	3.40%	\$ 84,827
2020	176,154	\$ 33,140	12.70%	\$ 90,770
2021	178,124	\$ 34,590	6.60%	\$ 95,000
2022	176,972	\$ 36,494	3.10%	\$ 101,776
2023	177,005	\$ 38,511	4.00%	\$ 102,000
2024	178,679	\$ 42,147	4.60%	\$ 116,000
2025	177,221	Not Available	5.30%	\$ 122,229

Sources:

1. City of Elk Grove Finance Department

The largest employers in the District's service area are not known.

Florin Resource Conservation District/Elk Grove Water District
Operating Indicators for the Water Service
Last Ten Years

Fiscal Year ended June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water sold:										
Purchased water (CCFs)	806,785	899,099	1,001,381	1,037,318	1,082,714	1,151,265	1,110,976	999,663	1,036,643	1,105,262
Treated water (CCFs)	1,365,572	1,527,797	1,725,297	1,663,476	1,893,475	1,884,597	1,712,199	1,646,238	1,616,549	1,733,851
Total	2,172,357	2,426,896	2,726,678	2,700,794	2,976,189	3,035,862	2,823,175	2,645,901	2,653,192	2,839,113
Number of Accounts										
Metered	12,174	12,506	12,330	12,555	12,880	13,043	13,046	13,067	13,165	13,290
Total	12,174	12,506	12,330	12,555	12,880	13,043	13,046	13,067	13,165	13,290
Average annual CCFs used per account	178.44	194.06	221.14	215.12	231.07	232.76	216.40	202.49	201.53	213.63
Average daily consumption per account (CCFs)	0.4889	0.5317	0.6059	0.5894	0.6331	0.6377	0.5929	0.5548	0.5521	0.5853
Number of Employees:	28	31	29	29	29	28	30	30	30	29

Note: Each one hundred cubic foot (1 CCF) equals 748 gallons

Source: Finance Department

Florin Resource Conservation District/Elk Grove Water District
Capital Assets Statistics by Function
Last Ten Years

Fiscal Year ended June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Capital Asset Statistics										
Water:										
Water main miles	131.0	145.0	145.0	145.0	149.8	150.9	151.8	153.1	153.7	154.8
Maximum daily capacity (thousands of gallons)	12,800	14,000	14,000	11,400	11,400	11,520	12,240	12,240	12,240	12,240
Maximum daily treatment capacity (thousands of gallons)	10,000	11,000	11,000	11,800	13,000	11,520	11,520	11,520	11,520	11,520
Buildings owned	2	2	3	3	3	3	3	3	3	3

Source: Finance Department