



# Annual Comprehensive Financial Report

**Santa Fe Irrigation District**

**A Special District of the State of California**

**Fiscal Year Ended June 30, 2024**



# Annual Comprehensive Financial Report

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**Fiscal Year Ended June 30, 2024**



Prepared by the Administrative Department

Albert C. Lau, P.E., General Manager  
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December 9, 2024

Board of Directors  
Santa Fe Irrigation District  
PO Box 409  
Rancho Santa Fe, CA 92067-0409



**DEAR BOARD OF DIRECTORS, RATE-PAYERS OF THE DISTRICT, AND OTHER INTERESTED PARTIES:**

We are pleased to submit the Annual Comprehensive Financial Report of the Santa Fe Irrigation District (District) for the fiscal year ended June 30, 2024. The purpose of the report is to provide ratepayers and other interested parties with reliable financial information about the District.

This Annual Comprehensive Financial Report was prepared by the District's Finance Department in accordance with Generally Accepted Accounting Principles (GAAP). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with District management. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District, and that all disclosures necessary to enable readers to gain the maximum understanding of the District's financial activity have been included.

The District's financial statements have been audited by Davis Farr, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2024, are free of material misstatements. 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, as well as evaluating 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 year ended June 30, 2024 and are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. This letter of transmittal is designed to complement the Management's Discussion & Analysis (MD&A) and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

***Reporting Entity***

The District was formed in February 1923 under the laws of the state of California for the purpose of delivering water to its service area. It is located in the western central portion of San Diego County, which is in the southwest corner of the state. The District covers an area of 10,300 acres and serves a population of approximately 19,000 in the communities of Rancho Santa Fe and Fairbanks Ranch, and the City of Solana Beach. It is governed by a five-member Board of Directors which is elected for four-year terms on a non-partisan basis by division.

The District's financial accounting is on a proprietary enterprise fund basis, similar to the way a private going-concern business is treated. This means that revenues are recognized in the period they are

earned and expensed in the period they are incurred. The District is empowered to fix and collect charges on its services and to levy and collect a share of property taxes as well as invest its funds in interest-bearing accounts and securities.

Day-to-day operations and strategic policy development is headed by the District's General Manager. Specific autonomous authority is granted to staff at certain levels for purchasing and other operations as outlined in the District's Administrative Code, with Board approval for other specific actions. Operationally, the District has two primary departments: District operations and Joint Facilities operations. District operations are classified as administrative, engineering, distribution, and construction services. Joint Facilities operations are for both the District and San Dieguito Water District (SDWD) with purchase of water that is treated conveyance to each agency's unique distribution system.

### **General District Background**

The District's distribution system includes 157 miles of pipeline. There are over 7,500 service connections, approximately 85% of which are residential. The District owns a potable water reservoir with a capacity of six million gallons. In addition, the District is co-owner with San Dieguito Water District (SDWD) of the R. E. Badger Filtration Plant (Plant), the 800 acre foot raw water San Dieguito Reservoir (SDR), and Cielo and San Dieguito pump stations.

Raw water is delivered to the Plant from three sources: SDR, Lake Hodges, and the San Diego County Water Authority's (SDCWA) raw & treated water aqueducts. At its inception, the District acquired rights to a portion of the water in Lake Hodges, a local water reservoir owned by the City of San Diego. The total storage in Lake Hodges is approximately 30,000 AF of water when the dam was operating without any restrictions. This unrestricted level was referenced as level 315', which is the height of the maximum storage level, measured above sea level. The District and SDWD had 5,000 AF of functional water storage capacity in the lake at this level, which allowed for both annual water yield in addition to carryover storage from year-to-year; allowing the District to appropriately manage this vital water source.

DSOD is the regulatory agency responsible for overseeing the safety of dams in the state of California. It operates within the California Department of Water Resources (DWR), with a primary mandate to ensure that dams in the state are constructed, operated, and maintained in a safe and reliable manner to protect public safety and property. DSOD has the ultimate decision in allowing dams to retain water behind them and what is needed to keep compliance.

In August 2019, DSOD reviewed the condition of the Lake Hodges Dam and determined that its current rating should be downgraded from "fair" to "poor". The DSOD scale for dam rankings from their best condition to the worst condition are as follows: satisfactory, fair, poor, and unsatisfactory. Based on this updated condition assessment, on August 1, 2019 DSOD restricted the water levels in Lake Hodges to an elevation of 295', which represents approximately a storage level of 13,000 AF (17,000 AF below the maximum water capacity of Lake Hodges). Total functional storage for the District was reduced from 5,000 AF to 2,170 AF based on this DSOD action. However, the District worked with the City of San Diego (who also has 5,000 AF storage with no DSOD restriction) to ensure that the City would move their water out of Lake Hodges, using SDCWA facilities, to another reservoir & thereby allowing the District and SDWD to maintain their 5,000 AF of storage. The District also established a

separate agreement with the SDCWA to also be able to utilize these facilities and store water in Olivenhain Reservoir if any excess water would be able to be utilized in years that had significant rainfall and water yield.

In March 2022, the City of San Diego undertook an underwater inspection of the condition of the dam and found significant defects in the face of the dam that were shared with DSOD. These defects included concrete spalling, exposed rebar, and actual holes in the dam. Based on these newly found defects & the continued deterioration of the dam, spillway, and other pieces, DSOD downgraded the condition of Lake Hodges Dam from “poor” to “unsatisfactory”, the lowest grading possible for the dam. This will necessitate the complete replacement of the dam in the future to return storage to prior levels in Lake Hodges. The current height restriction is 280’, which may completely eliminate the ability for the District to yield any local water when there is a at-or-below average water year due to the elimination of carry over storage.

In 1948 the District became a member of SDCWA. The following year imported water became available from the SDCWA. The District’s current imported water purchases from SDCWA include both raw and treated water, and now provide over 90% of the District's total water. In 2001 the District began distributing recycled (reclaimed) water for non-potable purposes from the San Elijo Joint Powers Authority, a local wastewater agency. Approximately five percent of the District’s total water demand is currently met with recycled water.

The Plant was originally constructed in 1969 / 1970 (and subsequently expanded, retrofitted, and modified to comply with current regulations and needs) and provides treatment and quality assurance for the potable water systems of both the District and SDWD. Operational and capital costs are shared by the Districts. Additional information on this joint venture is included in separate schedules in the notes section of this set of statements.

### **Internal Controls**

District Management (General Manager and Directors) is responsible for establishing and maintaining a system of internal controls designed to safeguard District assets from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. When establishing or reviewing controls, management must recognize that the cost to implement a control should not exceed the benefits likely to be derived, and that to assess cost versus benefit, estimates and judgment on the part of management will be required. All internal control evaluations occur within the above framework. Management believes the current system of internal controls adequately safeguards District assets and provides reasonable assurance that accounting transactions are properly recorded.

### **Financial Policies**

The District’s Board of Directors has adopted six policies that guide the financial management of the District. Financial policies are a critical component of a comprehensive government financial management program and provide guidelines for operational and strategic decision making. Good financial policies identify acceptable and unacceptable courses of action, establish parameters within



which the organization can operate, and provide a standard against which fiscal performance can be measured. Additionally, policies establish consistency and quality control by serving as an ongoing context for management decisions, not only with the current staff and Board members, but also for future management and elected officials. Lastly, these policies are all living documents, designed to be reviewed regularly and modified as necessary. All changes to the financial policies must be approved by the Board of Directors.

#### Budget Policy

The Board of Directors adopted a Budget Policy that establishes the definition of a balanced budget, outlines the budget process, and assigns control and accountability. Operating and capital budgets for both the District and the Plant are prepared by departments annually and are reviewed and modified by management before being consolidated into a comprehensive document for approval by the Board. The consolidated budget is adopted prior to the beginning of the fiscal year. Actual results are compared to the budget on a monthly basis by Staff, with a comprehensive mid-year comparison presented to the Board and public. Further information may be found in the budget, copies of which are available at the District offices or on the website at [www.sfidwater.org](http://www.sfidwater.org).

#### Capitalization Policy

The Capitalization Policy sets the parameters for capitalizing assets and equipment, establishes valuation thresholds, defines the useful life of various assets, and outlines the process for disposition of assets.

#### Debt Management Policy

The District has implemented a Debt Management Policy that establishes goals for the use of debt instruments and provides guidelines for debt used to finance the District's capital improvement program.

#### Investment Policy

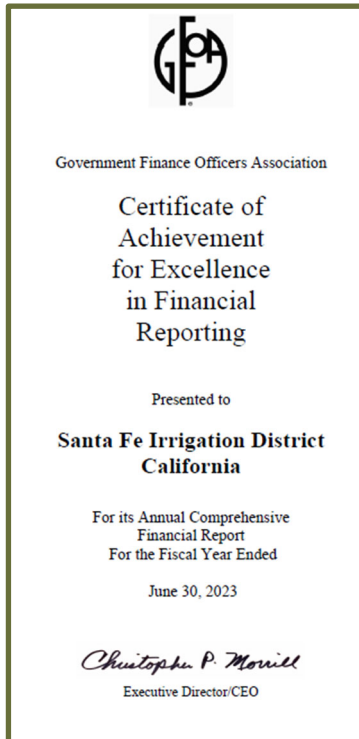
The District invests temporarily idle cash in accordance with the Board-adopted Investment Policy and California Government Code Section 536i01 et seq. The objectives of the Investment Policy are to protect the District's investment capital, maintain liquidity, achieve a market rate of return, avoid unreasonable risk, and to conform to applicable regulations. This policy is reviewed annually by the Board and revised as necessary to respond to statutory and regulatory changes.

#### Reserve Funds Policy

The District's Reserve Funds Policy sets funding levels for capital improvements and replacement, operational needs, and rate stabilization and emergencies. The policy establishes minimum and maximum targets for each reserve fund, and identifies sources and uses of those funds. At the end of each fiscal year, the District's reserve fund balances are reconciled and adjusted to account for any activity that has occurred in the funds and to reset balances to at least minimum levels. The Reserve Funds Policy was most recently updated as of September 2024, modifying the total number of Policy designated reserves and revising the minimum and maximum reserve levels where determined appropriate by the Board. Included in Major Initiatives is the updated funding of the Lake Hodges fund, which will be an important factor in providing a funding source for the current and future Lake Hodges dams and to minimize ratepayer impacts.

### Pension Funding Policy

The Board of Directors adopted a Pension Funding Policy in September 2021 to help provide guidance to the current and future Board members & staff in regard to managing pension liabilities. This includes establishment of a Section 115 Trust as a Pension Stabilization Reserve and utilizing undesignated fund balance to pre-fund District pension obligations with CalPERS.



### Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Santa Fe Irrigation District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This is the eighteenth consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. District Staff believe that the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgements

Management would like to thank the Board of Directors for their continued leadership and support. Additionally, preparation of this report could not have been accomplished without support and input from all departments, and from our independent auditors, Davis Farr LLP, Certified Public Accountants.

Respectfully submitted,

Albert C. Lau, P.E. General Manager

Seth M. Gates, Director of Administrative Services

## ***DISTRICT OFFICIALS***

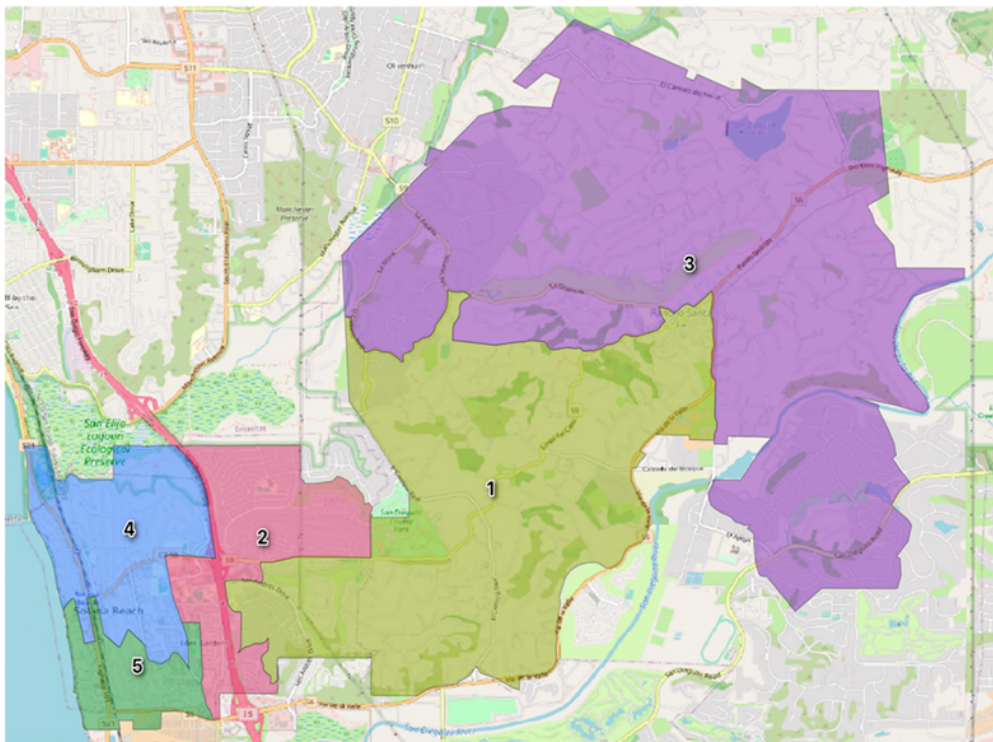
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A five-member Board of Directors elected for four-year terms governs the District. Each Director represents a geographical division of the service area. Elections are held every two years, with two divisions voting and then three divisions voting two years after.

Michael Hogan	President	Division 4
Dana Frieauf	Vice-President	Division 2
Ken Westphal	Director	Division 1
Sandra Johnson	Director	Division 3
Andrew Menshek	Director	Division 5

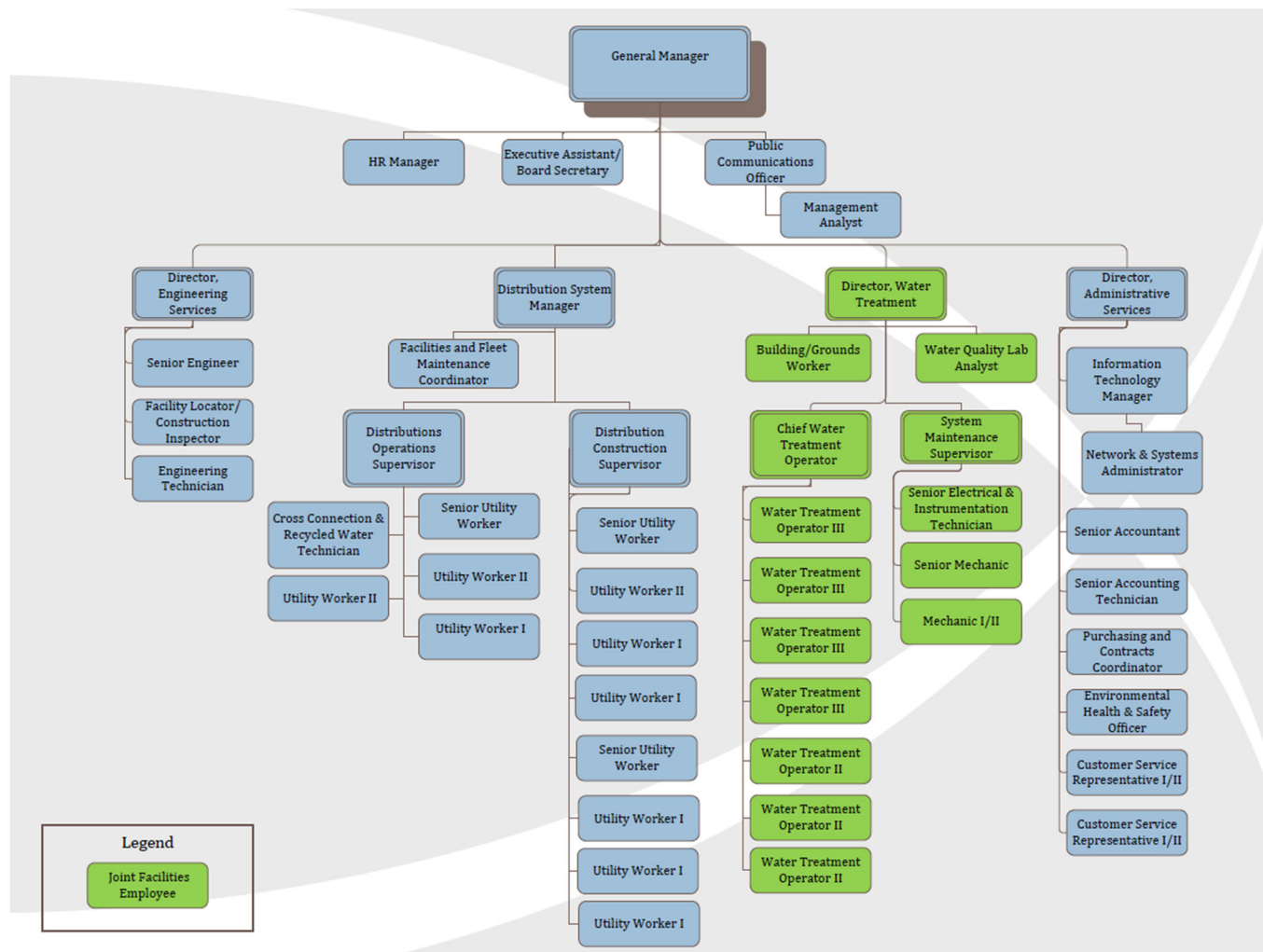
A map of the District's divisions is as follows. These boundaries were put into effect in January 2012 after the completion of the nationwide 2010 census. The District re-evaluated division borders in March 2022 with the publication of new census information, ensuring that substantially equal populations are represented in each of the District's divisions.

SFID BOUNDARIES Adopted 03-17-22



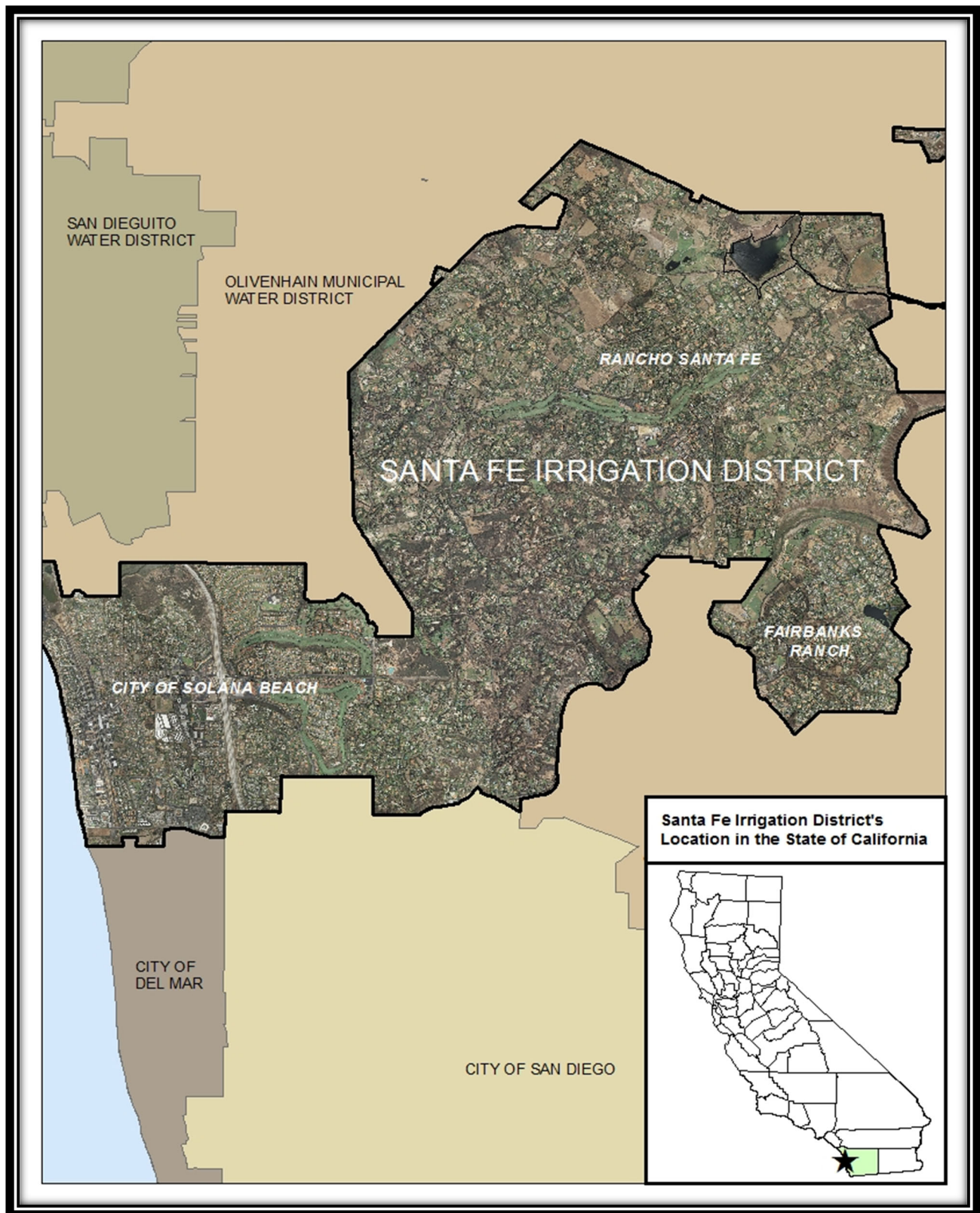
## SANTA FE IRRIGATION DISTRICT ORGANIZATIONAL CHART

Though the General Manager is listed at the top of the organization, the General Manager is solely accountable to the Board of Directors, and the Board of Directors is ultimately accountable to all District ratepayers who elect them to office.





## SERVICE AREA MAP



## **Independent Auditor's Report**

To the Board of Directors  
Of the Santa Fe Irrigation District  
Rancho Santa Fe, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Santa Fe Irrigation District, California (the "District"), as of and for the year June 30, 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, 2024, and the 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 Opinion***

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

#### ***Emphasis of Matter***

The financial statements for the year ended June 30, 2024 reflect a prior period adjustment as described further in note 13 to the financial statements. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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.

## ***Required Supplementary Information***

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

any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position and Reconciliation of Billings – R.E. Badger Filtration Plan* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position and Reconciliation of Billings – R.E. Badger Filtration Plan*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**DavisFarr LLP**

Irvine, California  
December 9, 2024



# Management's Discussion and Analysis

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This section of the Santa Fe Irrigation District's (District) Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis of the Santa Fe Irrigation District's (District) financial performance during the fiscal year ending June 30, 2024. This Management's Discussion and Analysis (MD&A) is required supplementary information in the ACFR and topics covered in this section are:

- Overview of the Financial Statements
- Financial Summary
- Detailed Financial Analysis
- Significant Capital Asset and Long-Term Financing Activity
- Currently Known Facts, Conditions or Decisions

Interested parties are encouraged to read this section in conjunction with the letter of transmittal and the detailed financial statements included in the report.

## Overview of the Financial Statements

The statements report information about the District's financial position and the result of operations using the full accrual basis of accounting, where revenues and expenses are recorded when they are earned or incurred, rather than when cash is received or paid. This method provides a comprehensive view of a government's financial position by recognizing all assets, liabilities, and net position in its financial statements. The statements also present changes in cash balances, and information about both short and long-term activities.

After five-years with The Pun Group, LLC, the District issued a request for proposal to provide auditing services to the District for a period of three-years, with two one-year options to renew. Based on the responses received, the District's Board of Directors selected Davis Farr, LLP as the new auditor. After Davis Farr began reviewing the District's financial statements, they discussed the presentation of all Joint Facilities' (the R.E. Badger Treatment plant and associated appurtenances for movement of local water) financial activities with GASB to ensure proper accounting. Joint Facilities expenditures are shared with San Dieguito Water District (SDWD), though the District is the sole operator of all facilities. The District and SDWD pay their proportional share of expenditures (as determined through contractual agreements) monthly, which are then reconciled at fiscal year-end. Conversely, any expenditure incurred by the District for Joint Facilities operations are netted from these proportional payments to ensure proper cost allocation.

Prior to FY24, the Joint Facilities were presented as the District possessing all assets and liabilities, with a liability titled "undivided interest" that represented SDWD's proportionate ownership of all facilities. The financial statements are now presented with only the District's proportionate share of Joint Facilities assets and liabilities, with no additional undivided interest (SDWD's proportionate share is provided to the City of Encinitas on separate schedule not presented in this ACFR). The reason for this change is GASB's guidance on undivided interests, outlined as follows.

*Undivided Interests 80. An undivided interest (also known as a joint operation) is an arrangement that resembles a joint venture, but no entity or organization is created by the participants. An undivided interest is an ownership arrangement in which two or more parties' own property in which title is held individually*

*to the extent of each party's interest. Implied in that definition is that each participant is also liable for specific, identifiable obligations (if any) of the operation. Because an undivided interest is not a legal entity, borrowing to finance its operations often is done individually by each participant. An additional consequence of the absence of a formal organizational structure is that there is no entity with assets, liabilities, expenditures/expenses, and revenues—and thus, equity—to allocate to participants. A government participating in this type of arrangement should report its assets, liabilities, expenditures/expenses, and revenues that are associated with the joint operation. The disclosures in paragraph 75 are not required for undivided interests. Some joint venture agreements may result in hybrid arrangements; they create separate organizations but provide for undivided interests in specific assets and liabilities and equity interests in the other net resources of the organization. In these situations, the participants should report their undivided interests in accordance with the provisions of this paragraph and their equity interests in accordance with paragraphs 73 and 74.*

Based on this guidance, the financial statements have been presented in this manner, and thusly, the financial statements only outline FY24 financial conditions (though this MD&A provides the comparative statements for readers to utilize).

The Financial Statements include the following:

- The Statements of Net Position present financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statements of Revenues, Expenses and Changes in Net Position accounts for the District's operating activities and provides the basis for measuring the relative success in recovering operational costs.
- The Statements of Cash Flows report the District's cash receipts and disbursements during the period, classified into operating, financing, and investing categories.
- The Notes to the Financial Statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise visible in the financial statements. The notes and any supplementary schedules to provide additional insight into the presented information immediately follow the statements

## **Financial Summary**

Total operating revenues of \$27,108,673 is an increase of \$1,730,432 or 6.8% from FY23 due to a combination of previously implemented rate increases for the pass-through of wholesale water costs and District operating / capital needs, in addition to a moderate increase in water sales. While nonoperating revenues increased by \$1,693,006 or 36.2% due primarily to an increase in property taxes and interest income. Total operating expenditures of \$27,204,225 is a decrease of \$561,992 or 2.0% from FY23 due primarily to a decrease of \$841,975 in departmental expenditures.

During the year, the District's overall financial position (change in net position) improved by \$6,436,416 to \$102,853,021, compared to \$96,416,605 as of June 30, 2023. The increase in net position is how the District annually generates sufficient net income to then spend on capital improvement projects on a pay-go basis in the same fiscal year.

## Detailed Financial Analysis

**Santa Fe Irrigation District**  
Statement of Net Position  
Fiscal Year Ending June 30, 2024 / 2023

	FYE 2024	FYE 2023	\$ Change	% Change
<b>ASSETS:</b>				
Cash and investments	\$ 45,200,400	\$ 42,163,467	\$ 3,036,933	7.2%
Accounts receivable	5,843,913	4,572,568	1,271,345	27.8%
Other	1,457,797	1,533,367	(75,570)	-4.9%
Current assets	\$ 52,502,110	\$ 48,269,402	\$ 4,232,708	8.8%
Non current assets	1,528,462	1,422,471	105,991	7.5%
Capital assets	66,680,282	65,836,400	843,882	1.3%
Total assets	\$ 120,710,854	\$ 115,528,273	\$ 5,182,581	4.5%
Deferred outflow of resources	\$ 7,884,559	\$ 5,328,784	\$ 2,555,775	48.0%
<b>LIABILITIES:</b>				
Accounts payable	5,578,120	5,679,310	(101,190)	-1.8%
Other	1,051,299	867,781	183,518	21.1%
Current liabilities	\$ 6,629,419	\$ 6,547,091	\$ 82,328	1.3%
Net pension liability	13,274,397	12,492,113	782,284	6.3%
Net OPEB liability	2,393,041	2,155,703	237,338	11.0%
Other	137,832	171,608	(33,776)	-19.7%
Non current liabilities	\$ 15,805,270	\$ 14,819,424	\$ 985,846	6.7%
Total liabilities	\$ 22,434,689	\$ 21,366,515	\$ 1,068,174	5.0%
Deferred inflow of resources	3,307,706	3,073,937	233,769	7.6%
Net investment in capital assets	66,680,282	65,836,400	843,882	1.3%
Restricted	1,060,120	939,128	120,992	12.9%
Unrestricted	35,112,616	29,641,077	5,471,539	18.5%
<b>Total Net Position</b>	<b>\$ 102,853,018</b>	<b>\$ 96,416,605</b>	<b>\$ 6,436,413</b>	<b>6.7%</b>

### Statement of Net Position

#### *Assets and Deferred Outflow of Resources*

Current assets are \$52,502,110, which is a \$4,232,708 or 8.8% increase, which is due to a \$3,036,933 increase in cash and investments and a \$1,271,345 increase in accounts receivable. The increase in cash and investments is due to an increase in operating and nonoperating income, with a marginal change in expenditures.

Non-current assets increased \$105,991 or 7.5% due to the District's pension section 115 trust's market value increasing with the overall equity markets. Capital assets also increased, by \$843,882 or 1.3% due

to capital investment outpacing depreciation. Deferred outflows of resources of \$7.9 million, an increase of \$2,555,775 or 48.0%, is the reclassification of all contributions and positive actuarial changes to the pension and retiree healthcare plans that were paid or experienced after the measurement date of June 30, 2023. GASB 68 / 75 does not allow these cash payments made by the employer to the pension plan after the measurement date or any actuarial changes to have any effect on either the net pension or OPEB liability or the pension / OPEB expense that is reflected in the financial statements.

### ***Liabilities and Deferred Inflow of Resources***

Current liabilities are \$6,629,419, which is a \$82,328 or 1.3% increase, which is due to a marginal decrease in accounts payable, offset by an increase in other current liabilities. Non-current liabilities are \$15,805,270, which is a \$985,846 or 6.7% increase, which is due to a \$782,284 increase in pension obligations and \$237,338 in OPEB liability, both due primarily due to actuarial changes from earlier-than-anticipated retirements of District employees.

Total liabilities are \$22,434,689, which is an increase of \$1,068,174 or 5.0%. Deferred inflows, which represents the District's portion of required contributions to pension and OPEB plans post valuation dates, are \$3,307,706 which is an increase of \$233,769 or 7.6%.

### ***Net Position***

The District's net investment in capital assets increased by \$843,882 or 1.3% to \$66,680,282. The District's unrestricted assets totaled \$35,112,616, which is an increase of \$5,471,539 or 18.5%. The District's restricted assets increased by \$120,992 to \$1,060,120 or 12.9% (which is the investment the District has in the pension Section 115 Trust). The total of net investment in capital assets and unrestricted assets gives the District's current total net position of \$102,853,018, a \$6,436,413 or 6.7% increase.

### ***FY24 Investments***

Balances in cash and investment accounts increased by \$3,036,933 due to a minimal operating loss and significant non-operating revenues. The District's portfolio consists of pooled investments funds with average maturities of less than 12 months, in addition to direct investments in certificates of deposit and United States Treasury securities. The main pool that the District currently invests in is the California Asset Management Program (CAMP), with a marginal amount of funds held in the California Local Agency Investment Fund (LAIF) and the San Diego County Treasurer's Pooled Money Fund. The pools provide a flexible, liquid source of funds for the District's operating and capital expenses, comply with all California Government Code requirements for investment of public entity funds, and offer a competitive rate of return. Average yields on each of the three pooled investment funds were between 4.25% and 5.2% for FY24 and each pooled investment fund invests in various fixed income securities. Certificates of deposit are held in trust from various Federal Deposit Insurance Corporation (FDIC) insured institutions, with each face value less than the \$250,000 FDIC limit. Additionally, the District has purchased a United States Treasury security that is backed by the full faith and credit of the United States government.

It should be noted that FY24 included a positive mark-to-market of approximately \$113,000 (non-cash), while FY23 included a approximate negative mark-to-market of \$210,000. Though the Federal Reserve effective rate was unchanged in FY24, fixed income yield curves forecasted declining rates in the future and held investments traded at a premium.

## FY24 Infrastructure & Capital Assets

The District spent \$2,921,666 on capital improvement projects (CIP), which is a continuation of the implementation of the District and joint facilities (R.E. Badger Filtration Plant and other jointly owned assets with San Dieguito Water District) current ten-year capital improvement program. The District only total CIP projects (for the District's distribution network and other associated infrastructure) were \$2,050,440, while the District share of joint facility CIP expenditures totaled \$871,225. The District also spent \$880,208 on capital item purchases with a value greater than \$7,500 and a short depreciation life.

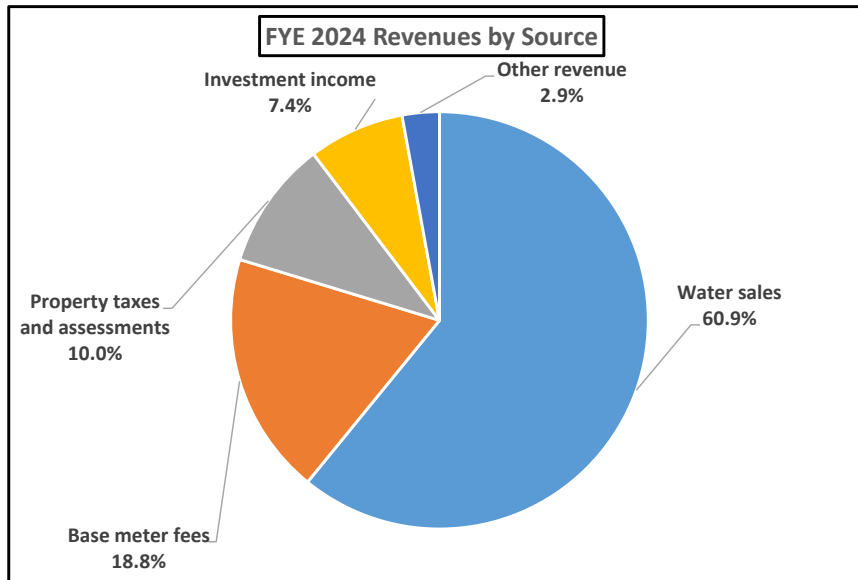
See Note 6 in the Notes to the Financial Statements for a summary of capital asset activity.

<b>Santa Fe Irrigation District</b> Statement of Revenues, Expenses, and Change in Net Position Fiscal Year Ending June 30, 2024 / 2023					
	<b>FYE 2024</b>	<b>FYE 2023</b>	<b>\$ Change</b>	<b>% Change</b>	
Water sales	\$ 20,382,104	\$ 19,409,549	\$ 972,555	5.0%	
Base meter fees	6,300,767	5,685,882	614,885	10.8%	
Other	425,802	282,810	142,992	50.6%	
Total operating revenues	<u>\$ 27,108,673</u>	<u>\$ 25,378,241</u>	<u>\$ 1,730,432</u>	<u>6.8%</u>	
Water purchased	\$ 13,141,800	\$ 13,021,881	\$ 119,919	0.9%	
Water treatment	2,513,669	2,629,430	(115,761)	-4.4%	
Admin / engineering / transmission / distribution	8,610,207	9,336,421	(726,214)	-7.8%	
Depreciation & amortization	2,938,549	2,778,485	160,064	5.8%	
Total operating expenses	<u>\$ 27,204,225</u>	<u>\$ 27,766,217</u>	<u>\$ (561,992)</u>	<u>-2.0%</u>	
Operating income (loss)	<u>\$ (95,552)</u>	<u>\$ (2,387,976)</u>	<u>\$ 2,292,424</u>	<u>-96.0%</u>	
Property taxes and assessments	\$ 3,340,364	\$ 3,130,721	\$ 209,643	6.7%	
Investment income	2,487,981	1,275,891	1,212,090	95.0%	
Other	537,339	266,066	271,273	102.0%	
Total nonoperating revenues (expenses)	<u>\$ 6,365,684</u>	<u>\$ 4,672,678</u>	<u>\$ 1,693,006</u>	<u>36.2%</u>	
Income (Loss) before capital contributions	<u>\$ 6,270,132</u>	<u>\$ 2,284,702</u>	<u>\$ 3,985,430</u>	<u>174.4%</u>	
Capital contributions	<u>166,284</u>	<u>85,007</u>	<u>81,277</u>	<u>95.6%</u>	
Changes in net position	<u>6,436,416</u>	<u>2,369,709</u>	<u>4,066,707</u>	<u>171.6%</u>	
Net Position, Beginning of year	<u>\$ 96,416,605</u>	<u>\$ 94,046,896</u>	<u>\$ 2,369,709</u>	<u>2.5%</u>	
Net Position, End of year	<u><b>\$ 102,853,021</b></u>	<u><b>\$ 96,416,605</b></u>	<u><b>\$ 6,436,416</b></u>	<u><b>6.7%</b></u>	

## Statement of Revenues, Expenses, and Change in Net Position

### Revenues

The District's three main sources of revenue — water sales (60.9% of total revenue), base meter fees (\$18.8% of total revenue), and property taxes (10.0% of total revenue) — fund operating expenses and replacement of the treatment and distribution systems. Since the District's service area is essentially built out, capital contributions for construction in the form of capacity fees from development activity are comparatively small to other District's that may continue to have single family residential building and other activity.



Operating revenues increased by \$1,730,432 or 6.8% due to a \$972,555 or 5.0% increase in water sales and a \$614,885 or 10.8% increase in base meter fees due to implemented rate increases. District revenue was increased by 3% total to potable water customers on January 1, 2024, as this was applied to all potable water variable rates and to both recycle and potable fixed charges. This was in addition to the pass-through of the San Diego County Water

Authority's (SDCWA) and San Elijo JPA's (SEJPA) wholesale water rate increases (~5% additional increase to potable water customers and 3.8% increase to recycled water customers, respectively) also on January 1, 2024. This increase was partially offset by an approximate 2% decline in potable water sales from FY23. Total potable comparative water sales between FY24 and FY23 is as follows.

**Acre Feet of Water Sold FY24 v. FY23**

	Potable	Recycled	Total
<b>FY 24</b>	7,823	543	8,366
<b>FY 23</b>	7,988	546	8,534
<b>Variance</b>	(165)	(3)	(168)

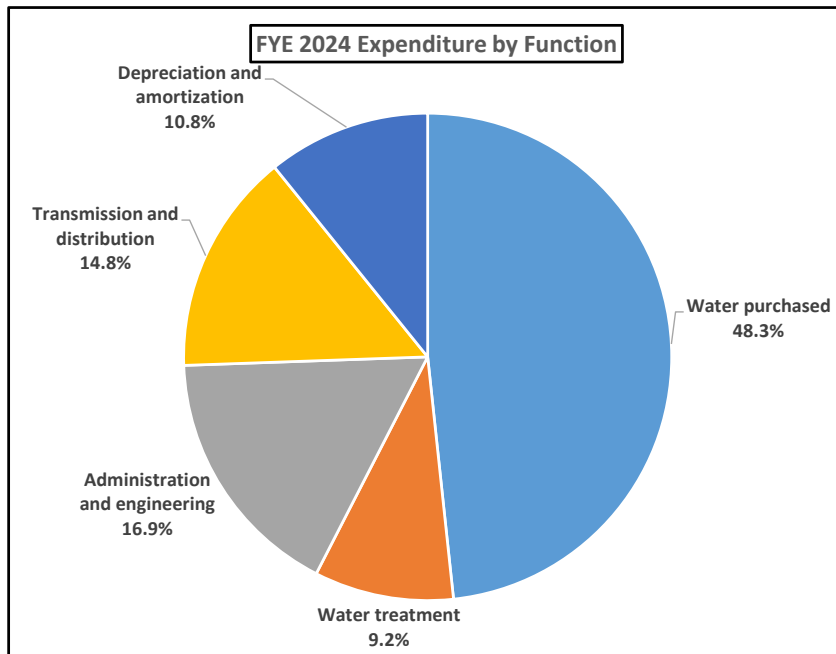
*\* No accrual impacts, just water used in FY*

Non-operating revenues increased by \$1,693,006 or 36.2% due to a \$1,212,090 increase in interest income (for reasons previously stated) and a \$209,643 or 6.7% increase in property taxes. Property tax increases are due to the maximum Proposition 13 change in assessed valuation for previously held properties of 2.0%, plus new / supplemental revenues from homes that were previously held and sold to re-set their current assessed value. Other revenues increase \$271,273 or 102.0% due to a \$315,815 increase in the District's position in Joint Facilities due to the reconciliation of FY23 accounts payable having a greater portion attributable to SDWD than originally estimated.

The FY24 Revenues by Sources pie chart shows the sources of District revenue and highlights the fact that the District relies heavily on water sales and fixed meter charges for its income. Overall, revenues increased by \$3,423,438 or 11.4% and the following table lists these revenues by source for FY24 and FY23 (basis for FY24 Revenues by Source pie chart).

Revenues by Source	FYE 2024	FYE 2023	\$ Change	% Change
Water sales	\$ 20,382,104	\$ 19,409,549	\$ 972,555	5.0%
Base meter fees	6,300,767	5,685,882	614,885	10.8%
Property taxes and assessments	3,340,364	3,130,721	209,643	6.7%
Investment income	2,487,981	1,275,891	1,212,090	95.0%
Other revenue	963,141	548,876	414,265	75.5%
<b>Total Revenues</b>	<b>\$ 33,474,357</b>	<b>\$ 30,050,919</b>	<b>\$ 3,423,438</b>	<b>11.4%</b>

### Expenses



The FY24 Expenditures by Function pie chart shows a summary of expenses by category illustrates that the major expenditures for the District are primarily for the purchase of imported water to meet demands, treatment expenditures for imported and local water sources, operating department costs, and depreciation / amortization. Total expenditures are \$27,204,225, which is an decrease of \$561,992 or 2.0%. Water purchases are \$13,141,800 and account for 48.3% of total expenditures, and

is a \$119,919 or 0.9% increase. As shown in the following table, the total amount of untreated water purchased from SDCWA decreased by 212 AF, while treated water purchases decreased by 194 AF from FY23. These decreases were due to an increase in local water yield of 244 AF in addition due to the significant rainfall during FY24 that continued to depress local, regional, and state-wide water demand (as experienced in FY23).

**Acre Feet of Water Sources FY24 v. FY23**

	Untreated	Treated	Local	Recycled	Total
<b>FY 24</b>	6,046	518	1,553	543	8,659
<b>FY 23</b>	6,258	711	1,309	546	8,824
<b>Variance</b>	(212)	(194)	244	(3)	(165)



The following table provides a comparison of expenses over the prior fiscal year for each operating department.

	FYE 2024	FYE 2023	\$ Change	% Change
<b>Water Treatment</b>	<b>\$ 2,513,669</b>	<b>\$ 2,629,430</b>	<b>\$ (115,761)</b>	<b>-4.4%</b>
Salaries	951,023	1,023,698	(72,675)	-7.1%
Personnel Benefits	33,668	526,586	(492,918)	-93.6%
Plant Electricity	150,782	123,893	26,888	21.7%
Repairs, Parts, and Maintenance	321,291	245,402	75,888	30.9%
Chemicals	564,907	496,031	68,876	13.9%
Services	150,605	97,818	52,787	54.0%
Laboratory	118,502	77,479	41,024	52.9%
Other	222,891	38,522	184,369	478.6%
	FYE 2024	FYE 2023	\$ Change	% Change
<b>Administration &amp; Engineering</b>	<b>\$ 4,596,123</b>	<b>\$ 4,935,029</b>	<b>\$ (338,906)</b>	<b>-6.9%</b>
Salaries	2,081,076	1,915,785	165,291	8.6%
Personnel Benefits	929,327	841,706	87,621	10.4%
Legal / Consulting	553,596	600,977	(47,382)	-7.9%
Insurance	211,957	165,662	46,295	27.9%
Services	502,289	559,476	(57,187)	-10.2%
Printing, Shipping, Postage	53,421	51,429	1,992	3.9%
Utilities	59,254	46,865	12,389	26.4%
Other	205,203	753,128	(547,926)	-72.8%
	FYE 2024	FYE 2023	\$ Change	% Change
<b>Transmission &amp; Distribution</b>	<b>\$ 4,014,084</b>	<b>\$ 4,401,392</b>	<b>\$ (387,308)</b>	<b>-8.8%</b>
Salaries	1,322,791	1,663,023	(340,232)	-20.5%
Personnel Benefits	465,931	705,315	(239,384)	-33.9%
Pumping (Electric / Repairs)	356,634	303,920	52,714	17.3%
Pipes, Paving, Traffic Control	853,658	767,060	86,598	11.3%
Valves, Meters, Equipment, Fuel, Hydrants	257,395	183,759	73,636	40.1%
Inspections, Fees, Inventory Change	235,555	197,369	38,186	19.3%
Vehicles	82,385	102,208	(19,823)	-19.4%
Other	439,735	478,738	(39,003)	-8.1%
	FYE 2024	FYE 2023	\$ Change	% Change
<b>COMBINED DEPARTMENTAL EXPENSES</b>	<b>\$ 11,123,876</b>	<b>\$ 11,965,851</b>	<b>\$ (841,975)</b>	<b>-7.0%</b>
Salaries	4,354,890	4,602,506	(247,616)	-5.4%
Personnel Benefits	1,428,927	2,073,607	(644,681)	-31.1%
Non-Personnel	5,340,060	5,289,738	50,322	1.0%

The following is a summary of each operating area and major changes (any referenced change in personnel benefits is based on the previous table including the impacts of GASB 68 and 75):



### Water Treatment

FY24 \$120,000 or 4.4% less than FY23, and changes include:

- \$70,000 decrease in salary expense due to retirements that left positions temporarily vacant
- \$500,000 decrease in personnel benefits due to GASB adjustments from latest actuarial reports based on current census information.
- \$76,000 increase in repairs, parts, and maintenance due primarily to aging critical equipment (including process analyzers, installation of a speaker system at San Dieguito Reservoir for security purposes, and customer fabrication / welding for filters and other process components)
- \$70,000 increase in chemical costs due to rising prices, despite a reduction in total water treated
- \$40,000 increase in laboratory expenses due to sampling for PFAS, among other items

### Administration & Engineering

FY24 \$340,000 or 6.9% less than FY23, and changes include:

- \$170,000 increase in salary costs due to less vacancy savings (primarily due to IT staff consistently filled in FY24) and merit increases
- \$50,000 decrease in legal / consulting expenditures (\$100,000 decline in consulting expenditures due to most of the year having no cost-of-service expenditures, offset by an increase of approximately \$50,000 in legal expenditures for Lake Hodges)
- \$50,000 increase in insurance due to increasing ACWA JPIA premiums
- \$550,000 decrease in other expenditures due to a one-time reconciliation of accounts payable in FY23

### Transmission & Distribution

FY24 \$390,000 or 8.8% less than FY23, and changes include:

- \$340,000 decrease in salary expenditures due to continuing vacancies in the distribution and construction areas
- \$50,000 increase in local water pumping due to 244AF more of local water, in addition to SDG&E price increases
- \$90,000 increase in pipes, paving, and traffic control due primarily to a \$60,000 increase in paving and associated activities due to increased construction / development activity in the District, in addition to a \$10,000 increase in traffic control services
- \$70,000 increase in valves / meters / equipment, etc. due to \$40,000 in scheduled maintenance for District heavy machinery (required service, tire replacement, accessory repair, etc.) and \$10,000 in meters for required inventory for planned and anticipated projects
- \$40,000 decrease in other expenditures due to a \$20,000 reduction in equipment rental due to current needs and prior purchases of equipment, \$20,000 reduction in tool purchases due to one-time needs fulfilled in FY23

The following table lists expenditures by function for FY24 and FY23 (basis for FY24 Expenditures by Function pie chart).

Expenditures by Function	FYE 2024	FYE 2023	\$ Change	% Change
Water purchased	\$ 13,141,800	\$ 13,021,881	\$ 119,919	0.9%
Water treatment	2,513,669	2,629,430	(115,761)	-4.4%
Administration and engineering	4,596,123	4,935,029	(338,906)	-6.9%
Transmission and distribution	4,014,084	4,401,392	(387,308)	-8.8%
Depreciation and amortization	2,938,549	2,778,485	160,064	5.8%
<b>Total Expenditures</b>	<b>\$ 27,204,225</b>	<b>\$ 27,766,217</b>	<b>\$ (561,992)</b>	<b>-2.0%</b>

### FY24 Actual Performance Versus FY24 Adopted Budget

Provided for additional information is FY24 Budget compared to FY24 Actuals. The District's budget is on a cash-basis and Staff has attempted to provide the FY24 Actuals in a comparable manner (as financial statements are prepared on a full accrual basis).

### Revenues

	FY 2024 Budget	FY 2024 Actual	\$ Change	% Change
<b>OPERATING REVENUES</b>				
Potable Water Sales	\$ 25,074,936	\$ 19,310,777	\$ (5,764,159)	-23.0%
Recycled Water Sales	1,011,450	900,986	(110,464)	-10.9%
Fixed Charges	6,132,136	6,300,767	168,631	2.7%
SDWD Local Water Reimbursement	320,250	-	(320,250)	-100.0%
SDWD Treatment Reimbursement	2,884,991	2,552,854	(332,137)	-11.5%
Misc Operating Revenue	450,000	596,143	146,143	32.5%
<b>Total Operating Revenue</b>	<b>\$ 35,873,763</b>	<b>\$ 29,661,527</b>	<b>\$ (6,212,236)</b>	<b>-17.3%</b>
<b>NON-OPERATING REVENUES</b>				
Capacity Charges	\$ 90,000	\$ 166,280	\$ 76,280	84.8%
Interest Income	1,141,000	2,201,587	1,060,587	93.0%
Property Tax	2,975,231	3,341,288	366,057	12.3%
SDWD Capital Reimbursement	1,235,475	1,027,553	(207,922)	-16.8%
Misc Non-Operating Revenue	192,000	175,022	(16,978)	-8.8%
<b>Total Non-Operating Revenue</b>	<b>\$ 5,633,706</b>	<b>\$ 6,911,730</b>	<b>\$ 1,278,024</b>	<b>22.7%</b>
<b>TOTAL REVENUE</b>	<b>\$ 41,507,469</b>	<b>\$ 36,573,257</b>	<b>\$ (4,934,212)</b>	<b>-11.9%</b>

Operating revenues were \$6,212,236 or 17.3% lower than budget levels due primarily to water sales. The FY24 Budget assumed 9,550 AF of potable water sales, where actual water sales were approximately 7,800 AF or 18.3% lower than budgeted levels. The variance between the water sales revenue decrease of 23.0% and volumetric decrease of 18.3% is due to less water being sold in higher tier levels for single-family residential customers. Additional declines in operating revenues come from SDWD reimbursements on local water (as the District and SDWD have withheld payment to the City of San Diego on Lake Hodges reimbursements pending the outcome of outstanding lawsuits regarding their validity) and SDWD treatment reimbursements due to lower treatment operating costs as volumetric water treated declined to both districts.

Non-operating revenues increased \$1,278,024 or 22.7% from budget levels due to the aforementioned increase in property tax and interest income revenues. The SDWD capital reimbursement decline is due to a lower execution rate on capital acquisition and capital improvement projects than originally anticipated. This execution rate is a timing differential and not a project change.

### ***Expenditures***

	<b>FY 2024 Budget</b>	<b>FY 2024 Actual</b>	<b>\$ Change</b>	<b>% Change</b>
<b>OPERATING EXPENSES</b>				
<u>Water Expenses:</u>				
Imported Water Purchases	\$ 16,635,804	\$ 12,241,107	\$ (4,394,697)	-26.4%
Local Water Costs	750,000	-	(750,000)	-100.0%
Recycled Water Purchases	1,011,450	900,693	(110,757)	-11.0%
<u>Personnel Expenses</u>				
Salaries	5,658,265	4,951,001	(707,264)	-12.5%
Personnel Benefits	3,757,127	3,119,479	(637,648)	-17.0%
Departmental Non-Personnel	6,207,389	6,298,439	91,050	1.5%
<b>Total Operating Expenses</b>	<b>\$ 34,020,035</b>	<b>\$ 27,510,719</b>	<b>\$ (6,509,316)</b>	<b>-19.1%</b>
<b>CAPITAL EXPENSES</b>				
Capital Acquisitions	\$ 1,424,000	\$ 1,201,620	\$ (222,380)	-15.6%
Capital Improvements	5,086,000	3,627,807	(1,458,193)	-28.7%
<b>Total Capital Expenses</b>	<b>\$ 6,510,000</b>	<b>\$ 4,829,427</b>	<b>\$ (1,680,573)</b>	<b>-25.8%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 40,530,035</b>	<b>\$ 32,340,146</b>	<b>\$ (8,189,889)</b>	<b>-20.2%</b>

Total operating expenditures decreased by \$6,509,316 or 19.1% due primarily to a decrease in water expenditures. The FY24 Budget assumed that zero local water would be available due to the level restrictions at Lake Hodges; however, 1,553 AF was able to be utilized due to a high level of rainfall in the fiscal year; though there were associated treatment challenges. The FY24 projected the need to buy 10,055 AF of imported water to meet the 9,550 AF of total demand. With the reduction in demand and increase in local water yield, the District only had to purchase a total of 6,564 AF of potable water from SDCWA; a reduction of 3,491 AF or 34.7%. The variance between the expenditure decline of 26.4% and the volumetric decline of 34.7% is due to the SDCWA fixed charges remaining unchanged despite the reduction in demand. Other operating variances include a \$750,000 reduction in local water expenditures due to the ongoing litigation with the City of San Diego, and a \$1,344,912 decrease in personnel expenditures due to vacancies and retirements of long-term employees with higher benefit levels.

Capital expenditures were \$1,680,573 or 25.8% lower than budgeted levels due to timing changes on capital projects, and not a delay in any capital project previously identified in the 10-year capital plan.

### ***Significant Capital Asset and Long-Term Financing Activity***

The District currently does not have any outstanding debt obligations & does not anticipate issuing any debt in the near future. Current capital project financing is accomplished through a pay-go basis, primarily funded through property tax revenues and expensing amortization & depreciation.

By 2033, the District anticipates that it will be liable for a portion of a to-be-determined amount of debt for the replacement of the current Lake Hodges dam. A lengthier discussion on this and other items associated with Lake Hodges is further elaborated in Currently Known Facts, Conditions, or Decisions.

### **Currently Known Facts, Conditions, or Decisions**

#### ***Lake Hodges Dam, Replacement, and Financial Considerations***

The Division of Safety of Dams (DSOD) 280' restriction at Lake Hodges will be an ongoing impediment to the ability of the District to yield local water until the complete rehabilitation of the existing dam or the construction of a new dam can be completed. Based on the simplified reading of the Amendment to and Restatement of the March 17, 1998 Agreement Regarding Lake Hodges dated April 10, 2014, the District and SDWD are responsible for 25% of the replacement cost of Lake Hodges Dam. Based upon local water sharing agreements between the District and SDWD, Santa Fe Irrigation District would be responsible for approximately 14.3% of any total cost of replacement, while SDWD would be responsible for 11.2%.

In November of 2023, the Board of Director approved the establishment of a new unrestricted fund in the Policy for Lake Hodges. Titled the "Lake Hodges Dam" fund ("Fund"); it was "established to set aside monies that can be utilized for District required operating or capital expenditures for the current Lake Hodges dam or for any expenditures related to the new Lake Hodges dam." The Fund has no minimum or maximum fund balance requirements, and any balance maintained is at the sole discretion of the Board. There are three separate expenditure types that the District is potentially liable for reimbursement to the City of San Diego for Lake Hodges:

1. Repairs on the current Lake Hodges Dam for flood control purposes
2. Planning and design expenditures for the new Lake Hodges Dam
3. Capital costs / debt service for the new Lake Hodges Dam

*Item 1.* Currently, the District is potentially liable for emergency repairs on the current Lake Hodges Dam as required by the Division of Safety of Dams (DSOD) to ensure flood control. These include previously expended repairs to the dam face totaling approximately \$11.2 million (with the District's share equal to approximately \$1.6 million) and upcoming 2025 repairs to the spillway totaling \$1.5 million (with the District's share equal to approximately \$215,000). It should be noted that there may be additional repair costs mandated by DSOD at the current Lake Hodges Dam in the intervening period between the spillway repair and completion of the new dam that are not included in these figures.

*Item 2.* The latest information on the planning / design / construction timeframe the City of San Diego has shared with the District was in October 2023, based on a letter they sent to DSOD (this may not be the most recent information; however, the City of San Diego has ceased all communication with the District regarding Lake Hodges). This timeframe reflected 100% design completion in CY28, shown as follows (with construction beginning in CY30 and completion at the beginning of CY34).

			2022				2023				2024				2025				2026				2027				2028				2029				
TASK DESCRIPTION	PLAN START	PLAN END	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
TASK	START	END																																	
10% Design	10/31/2022	10/1/2024																																	
CEQA and Environmental Permitting	9/6/2024	6/11/2029																																	
Procure Designer	10/9/2023	9/6/2024																																	
30% Design (Application to DSOD)	9/6/2024	9/4/2025																																	
Constructability Review	9/5/2025	3/2/2028																																	
60% Design	9/5/2025	9/3/2026																																	
90% Design	9/4/2026	9/2/2027																																	
100% Design	9/3/2027	7/24/2028																																	

Most planning expenditures are not anticipated to be able to be financed with the construction of the new dam, as an entity may only reimburse expenditures made on a capital project with permanent financing three years prior to the debt issuance. With this provision and the City’s published timeline, debt financing would be required to be in place at the start of construction, or CY30, with all proceeds prior to CY27 not being eligible for reimbursement. As has been seen on other large infrastructure projects with the City of San Diego (i.e. Pure Water), their timeline estimates have not been accurate. Based on this, it should be assumed that all planning costs will not be able to be financed with the permanent debt issuance and will be financed by the City under a separate debt instrument (or potentially as pay-go). However, Staff’s recommendation is that the District should set-aside their proportionate share of planning costs to make on a pay-go basis to the City.

Planning / design costs, based on District knowledge of other large capital projects, are assumed to be approximately 15% of total capital costs and escalate each year based on engineering inflation rates. The original price of the dam replacement provided to the District was approximately \$300 million in 2022 dollars. Based on this, the total cost for the replacement of the dam is anticipated to be over \$500 million based on the City’s provided timeline and a 5% inflationary rate per year. The District’s share of planning / design expenditures is then 14.3% of this total amount, or \$8.6 million in total by the completion of planning / design, shown as follows.

	2023	2024	2025	2026	2027	2028
Total Cost in Future Dollars	\$ 320,000,000	\$ 330,000,000	\$ 350,000,000	\$ 360,000,000	\$ 380,000,000	\$ 400,000,000
Planning / Design % Complete	0%	10%	30%	60%	80%	100%
To-Date Total Planning / Design Costs	\$ -	\$ 4,950,000	\$ 15,750,000	\$ 32,400,000	\$ 45,600,000	\$ 60,000,000
SFID Share of Planning / Design Costs	\$ -	\$ 700,000	\$ 2,300,000	\$ 4,600,000	\$ 6,500,000	\$ 8,600,000

*Item 3.* Unlike the emergency repairs & planning / design expenditures, which are one-time expenditures, capital costs and associated debt service for the District’s portion of the dam replacement should be considered an on-going expenditure and intergenerational in nature. Based on this, the Lake Hodges Fund should not include any debt service for the replacement of the dam. Any requirement for debt set aside should be considered in future cost-of-service after the complete financing picture is clarified.

At their November 13, 2024 Special Meeting, the Board of Directors approved placing a total of \$10.4 million in the Lake Hodges Fund to provide a funding source for the repairs on the current

Lake Hodges dam and also for the District's estimated proportionate share of planning expenditures on the new Lake Hodges dam.

### ***District Water Rates / Charges***

The District's current cost-of-service was for a two-year period; with the final increase in rates for increased operations and maintenance expenditures having occurred on January 1, 2024. With the expiration of the cost-of-service, the District is undertaking a new cost-of-service to change pricing for all potable and recycled water customers for three calendar years. This proposal will also allow the District to pass-through SDCWA wholesale water rates for up to five years; which will be of high importance due to SDCWA's proposal to increase rates approximately 30% over the next two years.

### ***Requests for Information***

This financial report is designed to provide a general overview of Santa Fe Irrigation District's finances for stakeholders, elected officials, investors, and creditors. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to Santa Fe Irrigation District, Administrative Department, PO Box 409, Rancho Santa Fe, California 92067.

## **BASIC FINANCIAL STATEMENTS**

**Santa Fe Irrigation District**  
**Statement of Net Position**  
**June 30, 2024**

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**ASSETS**

Current assets:

Cash and investments	\$ 45,200,400
Accounts receivable - water sales, net	5,730,072
Accounts receivable - other	113,841
Property taxes and assessments collectible	15,187
Interest receivable	53,936
Lease receivable, current portion	-
Inventories	1,284,501
Prepaid expenses and deposits	<u>104,173</u>
Total current assets	<u>52,502,110</u>

Noncurrent assets:

Capital assets, nondepreciable	4,316,336
Capital assets, depreciable/amortizable, net	<u>62,363,946</u>
Capital assets, net	66,680,282
Lease receivable	223,597
Restricted investments	1,060,120
Reimbursement agreement receivable - San Elijo JPA	<u>244,745</u>
Total noncurrent assets	<u>68,208,744</u>
<b>Total assets</b>	<u><b>120,710,854</b></u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension-related deferred outflows of resources	5,555,121
OPEB-related deferred outflows of resources	<u>2,329,438</u>
<b>Total deferred outflows of resources</b>	<u><b>7,884,559</b></u>

See accompanying Notes to the Basic Financial Statements.



**Santa Fe Irrigation District**  
**Statement of Net Position (Continued)**  
**June 30, 2024**

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**LIABILITIES**

Current liabilities:

Accounts payable	\$ 5,578,120
Accrued payroll	302,753
Deposits	197,220
Compensated absences, current portion	<u>551,326</u>

Total current liabilities	<u>6,629,419</u>
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Noncurrent liabilities:

Compensated absences	137,832
Net pension liability	13,274,397
Net OPEB liability	<u>2,393,041</u>

Total noncurrent liabilities	<u>15,805,270</u>
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<b>Total liabilities</b>	<b><u>22,434,689</u></b>
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**DEFERRED INFLOWS OF RESOURCES**

Lease-related deferred inflows of resources	387,361
Pension-related deferred inflows of resources	1,832,581
OPEB-related deferred inflows of resources	<u>1,087,764</u>

<b>Total deferred inflows of resources</b>	<b><u>3,307,706</u></b>
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**NET POSITION**

Net investment in capital assets	66,680,282
Restricted for pensions	1,060,120
Unrestricted	<u>35,112,616</u>

<b>Total net position</b>	<b><u>\$ 102,853,018</u></b>
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See accompanying Notes to the Basic Financial Statements.

**Santa Fe Irrigation District**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2024**

**OPERATING REVENUES**

Water sales	\$ 20,382,104
Base meter fees	6,300,767
Other operating revenues	425,802
<b>Total operating revenues</b>	<u>27,108,673</u>

**OPERATING EXPENSES**

Water purchased	13,141,800
Water treatment	2,513,669
Administration and engineering	4,596,123
Transmission and distribution	4,014,084
Depreciation and amortization	2,938,549
<b>Total operating expenses</b>	<u>27,204,225</u>
<b>Operating income (loss)</b>	<u>(95,552)</u>

**NONOPERATING REVENUES (EXPENSES)**

Property taxes and assessments	3,340,364
Investment income (loss)	2,487,981
Rental and lease revenue	98,492
Other revenue	58,042
Change in joint venture	362,317
Net gain on disposal of assets	18,488
<b>Total nonoperating revenues (expenses)</b>	<u>6,365,684</u>
<b>Income before capital contributions</b>	6,270,132
<b>Capital contributions</b>	<u>166,281</u>
<b>Changes in net position</b>	6,436,413

<b>Net position, beginning of year, restated</b>	<u>96,416,605</u>
<b>Net position, end of year</b>	<u><u>\$ 102,853,018</u></u>

See accompanying Notes to the Basic Financial Statements.

**Santa Fe Irrigation District**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers for water sales and service	\$ 25,469,568
Payments to vendors and suppliers for materials and services	(17,861,809)
Payments for employee wages, benefits and related costs	(7,964,531)
Other revenue	425,802
<b>Net cash provided by operating activities</b>	<b>69,030</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Property taxes and benefit assessments received	3,344,388
Grant revenue received	362,317
<b>Net cash provided by noncapital financing activities</b>	<b>3,706,705</b>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(3,782,430)
Proceeds from sale of capital assets	18,488
Proceeds from lease revenues	271,868
Cash contributions for capital-related purposes	166,281
<b>Net cash (used in) capital and related financing activities</b>	<b>(3,325,793)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from reimbursement agreement receivable - San Elijo JPA	17,935
Proceeds from sale of investments	15,158,483
Purchase of investments	(15,000,000)
Investment income (loss)	2,410,573
<b>Net cash provided by (used in) investing activities</b>	<b>2,586,991</b>

<b>Net increase in cash and cash equivalents</b>	<b>3,036,933</b>
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<b>Cash and cash equivalents, beginning of year</b>	<b>42,163,467</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 45,200,400</b>

See accompanying Notes to the Basic Financial Statements.

**Santa Fe Irrigation District**  
**Statement of Cash Flows (Continued)**  
**For the Year Ended June 30, 2024**

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**RECONCILIATION OF OPERATING (LOSS) TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income (loss)	\$ (95,552)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	2,938,549
Changes in operating assets and liabilities:	
Other revenue	58,042
Accounts receivable - water sales	(1,377,229)
Accounts receivable - other	105,884
Inventories	(317,776)
Prepaid expenses and deposits	(9,092)
Pension-related deferred outflows of resources	(1,706,778)
OPEB-related deferred outflows of resources	(848,997)
Accounts payable	(101,190)
Accrued payroll	174,007
Compensated absences	(31,975)
Customer deposits	7,710
Net pension liability	782,284
Net OPEB liability	237,338
Pension-related deferred inflows of resources	(85,339)
OPEB-related deferred inflows of resources	339,144
<b>Net cash provided by operating activities</b>	<b>\$ 69,030</b>

**NONCASH INVESTING AND FINANCING ACTIVITIES:**

Unrealized gain (loss) on investments	<b>\$ 279,475</b>
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See accompanying Notes to the Basic Financial Statements.

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1 – Reporting Entity**

The Santa Fe Irrigation District, (“District”) was formed February 26, 1923 under the California Irrigation District Act. The District provides water and related services to residential and commercial customers in the San Diego County communities of Rancho Santa Fe and Fairbanks Ranch, and the City of Solana Beach.

The District and the San Dieguito Water District (“SDWD”) entered into an agreement for joint construction and operation of water treatment, storage and transmission facilities. This facility is known as the R.E. Badger Filtration Plant (“Plant”). The District and SDWD provide revenue to the Plant to fund operations (exclusive of depreciation) based on their respective usage of treated water. Effective July 1, 1977 the District was designated as the Contracting Authority for the Plant, and the Administering Agency. The Plant is not a separate legal entity. The District’s share of the assets, deferred outflows, liabilities, deferred inflows, revenues, expenses and net position have been included at the applicable percentages. There are no separate financial statements prepared for the Plant.

The District entered into a joint exercise of powers agreement dated September 22, 1999, with SDWD, creating the R.E. Badger Water Facilities Financing Authority (“Authority”). The Authority was formed to provide financing in connection with the acquisition, construction and improvement of public capital infrastructure. In order to provide the working capital necessary for certain capital improvements, the Authority is authorized by the Installment Purchase Agreements to issue water revenue bonds. The District and SDWD are each responsible for their respective share of the net costs of the revenue bonds. Amounts due from and to the Authority by the District have been included in these financial statements as Due from R.E. Badger Water Facilities Financing Authority and R.E. Badger Water Facilities Financing Authority - Installment Purchase Agreement, respectively. These financial statements do not include the net position of the Authority. The separate financial statements of the Authority can be obtained upon request from the District.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Cod. Sec. 2100 “*Defining the Financial Reporting Entity*”. The District is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit’s board, or because the component unit will provide a financial benefit or impose a financial burden on the District. The District has no component units.

**Note 2 – Summary of Significant Accounting Policies**

The basic financial statements of the Santa Fe Irrigation District have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for governmental accounting financial reporting purposes. The more significant of the District’s accounting policies are described below:

**A. Financial Statements**

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the District. The statement of revenues, expenses, and changes in net position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation***

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

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District’s principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses and Changes in Net Position.

***C. Use of Restricted/Unrestricted Assets***

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

***D. Cash, Cash Equivalents, and Investments***

**Cash and cash equivalents** – For purposes of the statement of cash flows, cash and cash equivalents include petty cash, demand deposits with financial institutions, deposits in money market mutual funds (SEC registered), and deposits in external investment pools, and marketable securities that mature within 90 days of purchase. Such marketable securities and deposits in money market funds are carried at fair value. Investment pool deposits are carried at the District’s proportionate share of the fair value of each pool’s underlying portfolio.

**Risk Disclosures** – Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk

***E. Water Sales***

Water sales revenue is recorded when water is delivered and service is rendered, including an estimated amount for unbilled service.

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***F. Accounts Receivable***

Management believes that all receivables are fully collectible based on historical trends; therefore, there was no allowance for doubtful accounts as of June 30, 2024.

***G. Inventories***

Inventory consists of water stored in the San Dieguito Reservoir as well as materials used in the construction and maintenance of capital assets which is valued at cost using the first-in, first-out (FIFO) method.

***H. Prepaid Expenses***

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

***I. Leases***

The District is a lessor for a lease of land for the use of cell phone towers. The District recognizes leases receivable and deferred inflows of resources in the financial Statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***J. Capital Assets, Depreciation and Amortization***

Capital assets purchased or acquired with a cost exceeding \$7,500 and an estimated useful life of at least two years are reported at historical cost. Contributed assets are recorded at acquisition value as of the date received. Donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation or amortization on capital assets in service, excluding land, is computed using the straight-line method over the estimated useful lives of such assets and is reported as an operating expense.



**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***J. Capital Assets, Depreciation and Amortization (Continued)***

The ranges of estimated useful lives of capital assets are as follows:

<b>Asset Type</b>	<b>Years</b>
Intangible assets	65
Land improvements	15-50
Transmission and distributions systems	15-50
Reservoirs	15-50
Buildings	5-40
Shop equipment	3-10
Office furniture and equipment	3-10
Autos and trucks	5-10

***K. Capital Contributions***

Capital contributions are recorded when the District receives cash contributions or accepts contributions of capital assets in kind or when governmental construction grants are earned. Capital contributions are reported as a separate line item in the Statement of Revenues, Expenses, and Changes in Net Position.

***L. Compensated Absences***

It is the District's policy to permit employees to accumulate earned but unused vacation time up to a maximum of 400 hours. Sick pay may be accumulated without limitation; however, at time of voluntary termination, payment will be made for twenty-five percent of accumulated unused sick leave up to a maximum of 600 hours; upon termination due to retirement or death, payment will be made for fifty percent of accumulated unused sick leave up to a maximum of 600 hours. All personal leave time may not accumulate from one year to the next, and there is no payout for unused personal leave.

***M. Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). 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.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023

***N. 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 plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10).

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***N. Other Postemployment Benefits (OPEB) (Continued)***

The following timeframes are used for OPEB reporting:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023

***O. Property Taxes***

The County of San Diego (the “County”) bills and collects property taxes on behalf of the District. The County’s tax calendar year is July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

***P. Net Position***

Net position of the District is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes or borrowing that are attributable to the acquisition of the asset, construction, or improvement of those assets and the Undivided interest - San Dieguito Water District. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

*Restricted Net Position* – This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – This component of net position consists of net position that does not meet the definition of “net investment in capital assets,” or “restricted net position”.

***Q. Economic Dependency***

The District purchases water from the Metropolitan Water District through the San Diego County Water Authority. Interruption of this source would negatively impact the District.

***R. Use of Estimates***

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

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***S. Upcoming Government Accounting Standards Implementations***

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

*GASB Statement No. 101*

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the District's fiscal year ending June 30, 2025.

*GASB Statement No. 102*

In June 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. Application of this statement is effective for the District's fiscal year ending June 30, 2025.

*GASB Statement No. 103*

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The 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. That objective is achieved by improving the quality of the analysis of changes from the prior year for MD&A; providing clarity regarding which items that are unusual or infrequent should be reported separately from other inflows and outflows of resources; improving the comparability of operating revenues and expenses, and of nonoperating revenues and expenses; improving the comparability for the presentation of major component unit information; and improving the comparability of budgetary comparison information. Application of this statement is effective for the District's fiscal year ending June 30, 2026.

*GASB Statement No. 104*

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The 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.

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***S. Upcoming Government Accounting Standards Implementations (Continued)***

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

**Note 3 – Cash, Cash Equivalents, and Investments**

Cash and investments are presented in the accompanying financial statements at June 30, 2024 as follows:

Statement of Net Position:

Current assets:

Cash and investments	\$45,200,400
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Noncurrent assets:

Restricted investments	1,060,120
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Total cash and investments	<u>\$46,260,520</u>
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Cash and investments at June 30, 2024 consist of the following:

Cash on hand	\$ 1,500
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Deposits with financial institutions	734,167
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Investments	<u>45,524,853</u>
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Total cash and investments	<u>\$46,260,520</u>
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**Demand Deposits**

As of June 30, 2024, the carrying amount of demand deposits was \$734,167 and the bank balance was \$1,076,558, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in the District's name as discussed below under *Disclosures Relating Custodial Credit Risk*.

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 3 – Cash, Cash Equivalents, and Investments**

**A. Investments Authorized by the California Government Code and the District's Investment Policy**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Quality Requirements (S & P Rating)
U.S. Treasury Obligations	5 years	None	None	None
Federal Agencies	5 years	None	GNMA (only)	None
Federal Instrumentalities	5 years	None	FHLB, FNMA, FFCB, FHLMC (only)	None
State and Local Agencies:				
District's own Bonds	5 years	20%	None	AA
State Instruments	5 years	20%	None	AA or A-1+
Other Local Agency (within CA only)	5 years	20%	None	AA or F-1+
Repurchase Agreements	1 year	20%	None	A - short-term or A long-term
Prime Commercial Paper	270 Days	25%	10%	A or A-1
Bankers' Acceptances	180 Days	15%	30%	A
Medium-Term Notes	5 years	20%	None	AA-
Local Agency Investment Fund (LAIF)	N/A	\$65 Million	N/A	None
San Diego County Treasurer's Pooled Money Fund	N/A	20% or \$5 Million	N/A	None
California Asset Management Program	N/A	20% or \$5 Million	N/A	None
Money Market Funds	5 years	20%	10%	AAAm

The District's investment policy is more restrictive than the California Government code. The policy restricts the maximum percentage of the portfolio in various investment types beyond the limits prescribed by the California Government code, as well as the maximum percentage in any one issuer. The District's policy also restricts investment to only certain federal instrumentalities.

**B. Disclosures Relating to Interest Rate Risk**

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

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 3 – Cash, Cash Equivalents, and Investments (Continued)**

**C. Disclosures Relating to Interest Rate Risk (Continued)**

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity at June 30, 2024.

Investment Type	Total	Remaining Maturity (in Months)
		12 Months or Less
Local Agency Investment Fund (LAIF)	\$ 1,038,582	\$ 1,038,582
Treasury Securities	7,523,174	7,523,174
Negotiable Certificates of Deposit	7,505,441	7,505,441
Investments Held in PARS Trust	1,060,120	1,060,120
California Asset Management Program (CAMP)	23,560,032	23,560,032
San Diego County Treasurer's Pooled Money Fund	4,837,504	4,837,504
Total	<u>\$45,524,853</u>	<u>\$ 45,524,853</u>

**D. Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's Investment Policy, or debt agreements, and the Moody's rating for each investment type at June 30, 2024.

Investment Type	Total	Minimum Legal Rating	Rating as of Year End	
			AAA	Not Rated
Local Agency Investment Fund (LAIF)	\$ 1,038,582	Not Rated	\$ -	\$ 1,038,582
Treasury Securities	7,523,174	Exempt	-	-
Negotiable Certificates of Deposit	7,505,441	Not Rated	-	7,505,441
Investments Held in PARS Trust	1,060,120	Not Rated	-	1,060,120
California Asset Management Program (CAMP)	23,560,032	NA	23,560,032	-
San Diego County Treasurer's Pooled Money Fund	4,837,504	NA	4,837,504	-
Total	<u>\$45,524,853</u>		<u>\$ 28,397,536</u>	<u>\$ 9,604,143</u>

**E. Disclosures Relating to Concentration of Credit Risk**

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The District is in compliance with the investment policy with respect to investment type percentages for the total portfolio.

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 3 – Cash, Cash Equivalents, and Investments (Continued)**

***F. Disclosures Relating to 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 for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024, \$826,558 of the District's deposits with financial institutions in excess of the Federal insurance limits were held in collateralized accounts.

***G. Local Agency Investment Fund (LAIF)***

The District's investments with Local Agency Investment Fund (LAIF) include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

**Structured Notes** - 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 that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises.

**Asset-Backed Securities** - entitle their purchaser 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 CMO's), small business loans or credit card receivables.

LAIF is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with State statute. The fair value of our position in the pool is the same as the value of the pool shares.

As of June 30, 2024, the District had \$1,152,184 invested in LAIF, which had invested 3.00% of the pool investment funds in structured notes and asset-backed securities. LAIF is part of the State's Pooled Money Investment Account (PMIA). The District valued its investments in LAIF as of June 30 by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate fair value by total aggregate amortized cost resulting in a factor of 0.996316042 as of June 30, 2024.



**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 3 – Cash, Cash Equivalents, and Investments (Continued)**

***H. California Asset Management Program (CAMP)***

The District is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. Investments are limited to investments permitted by the California Government Code. A board of five trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of the District's position in the pool. At June 30, 2024 the amortized cost approximated is the District's cost. At June 30, 2024, the District had \$23,560,032 invested in the California Asset Management Program.

***I. San Diego County Investment Pool***

The District is a participant in the San Diego County Treasury Pool (County Pool) which is regulated under the oversight of the Treasurer of the County of San Diego. The fair value of the District's investment in the County Pool is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by the County Pool for the entire portfolio. The balance available for withdrawal is based on the accounting records maintained by the Pool. Included in the County Pool's investment portfolio are collateralized and negotiable certificates of deposit, floating rate securities issued by federal agencies and corporations, money market funds, repurchase agreements and commercial paper. The value of the pool shares in the County Pool, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of the District's position in the pool. At June 30, 2024 the amortized cost approximated is the District's cost. At June 30, 2024, the District had \$4,837,504 invested in the San Diego County Investment Pool.

***J. Investments Held in Public Agencies Retirement Services (PARS) Trust***

The District established and contributed \$1,000,000 to an irrevocable trust with PARS for the purpose of accumulating additional resources restricted for retirement benefits. PARS is the trust administrator while the District, as the plan administrator, is responsible to provide direction on the usage and distribution of the funds held in the PARS Trust. At June 30, 2024, the District had \$1,060,120 invested in the PARS Trust.

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 4 – Lease Receivable**

Lease receivable consists of an agreement with a cellular network company for the right to use land owned by the District. Lease receivable consists of agreements with others for the right-to-use of the underlying assets at a location owned by the District. The terms of the arrangements are for 30 years. The lease is prepaid at the beginning of each 10- year term and the lease prepayments are recorded as unearned revenue with a portion of the revenue earned each year. The calculated interest rate of 1.517% was based on the length of the lease.

For the fiscal year ended June 30, 2024, the District recognized \$36,429 in lease revenue and \$12,764 in interest revenue, and the outstanding receivable amount was \$406,540 at June 30, 2024. At June 30, 2024, the District had \$30,436 of accrued interest receivable on leases.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
\$ 417,008	\$ -	\$ (193,411)	\$ 223,597	\$ -	\$ 223,597

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 6,312	\$ 6,312
2026	-	6,312	6,312
2027	-	6,312	6,312
2028	-	6,312	6,312
2029	-	6,312	6,312
2030-2034	223,597	18,150	241,747
Total	\$ 223,597	\$ 49,710	\$ 273,307

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 4 – Lease Receivable (Continued)**

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2025	\$ 20,036
2026	20,036
2027	20,036
2028	20,036
2029	20,036
2030-2034	100,180
2035-2039	100,180
2040-2042	86,821
Total	<u>\$ 387,361</u>

**Note 5 – Reimbursement Agreement Receivable – San Elijo JPA**

The District constructed a recycled water distribution pipeline extension of 3,400 linear feet to the San Elijo JPA (“SEJPA”) recycled water distribution system in order to extend SEJPA’s existing recycled water distribution system and enable the District to serve new recycled water customers. SEJPA agreed to reimburse the District for the cost of design and construction of the extension in the amount of \$526,149 and the District agreed to convey ownership of the extension to SEJPA. Under the terms of the agreement, the reimbursement amount shall be increased each July 1<sup>st</sup> by adding interest at the rate equivalent to the average LAIF rate for the past four quarters, but not less than 1% nor greater than 2.5% calculated on the unpaid monthly balance. SEJPA shall reimburse the District at a monthly rate of \$450 per acre foot of recycled water delivered through the extension including water delivered to purveyors other than the District. In addition, SEJPA made an initial down payment of \$50,000. SEJPA will further make a lump sum payment of all remaining principal and interest due after completion of the 20<sup>th</sup> year of this agreement if the average annual delivery volume of the extension from year 13 through year 15 exceeds 50-acre feet annually to all purveyors.

Reimbursement Agreement receivable activity consists of the following for the year ended June 30, 2024:

Balance July 1, 2023	Additions	Payments	Interest	Balance June 30, 2024
<u>\$ 262,680</u>	<u>\$ -</u>	<u>\$ (23,758)</u>	<u>\$ 5,823</u>	<u>\$ 244,745</u>

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 6 – Capital Assets**

Summary of changes in capital assets for the year ended June 30, 2024, were as follows:

	Balance 7/1/2023*	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 883,340	\$ -	\$ -	\$ -	\$ 883,340
Construction in progress	1,659,377	2,921,666	-	(1,148,047)	3,432,996
Total capital assets, not being depreciated	2,542,717	2,921,666	-	(1,148,047)	4,316,336
Capital assets, being depreciated/amortized:					
Land improvements	157,730	-	-	-	157,730
Transmission and distribution systems	51,843,550	-	-	-	51,843,550
Treatment facilities	49,349,356	133,160	(27,740)	1,148,047	50,602,823
Reservoirs	1,633,805	-	-	-	1,633,805
Buildings	3,498,572	55,602	-	-	3,554,174
Shop equipment	911,255	-	-	-	911,255
Office furniture and equipment	2,572,715	169,730	-	-	2,742,445
Autos and trucks	1,665,177	502,273	(52,283)	-	2,115,167
Total capital assets, being depreciated/amortized	111,632,160	860,765	(80,023)	1,148,047	113,560,949
Accumulated depreciation/amortization:					
Land improvements	(105,931)	(2,051)	-	-	(107,982)
Transmission and distribution systems	(23,043,070)	(1,226,180)	-	-	(24,269,250)
Treatment facilities	(17,796,047)	(1,106,778)	27,740	-	(18,875,085)
Reservoirs	(1,587,338)	(5,886)	-	-	(1,593,224)
Buildings	(2,282,937)	(148,994)	-	-	(2,431,931)
Shop equipment	(775,375)	(57,097)	-	-	(832,472)
Office furniture and equipment	(1,953,140)	(161,337)	-	-	(2,114,477)
Autos and trucks	(1,141,514)	(215,144)	52,283	-	(1,304,375)
Total accumulated depreciation	(48,685,352)	(2,923,467)	80,023	-	(51,528,796)
Total capital assets, being depreciated, net	62,946,808	(2,062,702)	-	1,148,047	62,032,153
Intangible assets, being amortized	980,052	-	-	-	980,052
Less accumulated amortization	(633,177)	(15,082)	-	-	(648,259)
Total intangible assets, net	346,875	(15,082)	-	-	331,793
Total capital assets, being depreciated/amortized, net	63,293,683	(2,077,784)	-	1,148,047	62,363,946
Total capital assets, net	\$65,836,400	\$ 843,882	\$ -	\$ -	\$66,680,282

\*Beginning balances for land, construction in progress, land improvements, treatment facilities, office furniture and equipment, autos and trucks and the related accumulated depreciation were restated due to change in reporting for RE Badger Facilities. See additional details in Footnote 14.

Depreciation and amortization expenses were \$2,062,702 and \$15,082, respectively for the year ended June 30, 2024.

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 7 – R.E. Badger Filtration Plant**

Pursuant to an agreement for joint construction and operation of water treatment, storage, and transmission facilities between the District and SDWD, the District is the Contracting Authority and the Administering Agency for the Plant. The Plant is not a separate legal entity. The District's portion of the Plant is included in the financial statements. SDWD is billed for its respective share of the operating expenses (exclusive of depreciation). In addition, SDWD is billed for its share of any capital assets.

Based on various agreements, the operating costs of the Plant are allocated based on annual usage of treated water, except for the operating costs of the San Dieguito Reservoir & Dam, Flume, 30" line, Cielo Pump station and Pipeline which is allocated based on ownership and the Hydroelectric Generator which is based on CWA raw water purchases.

Capital expenditures are based on ownership percentages of the various components as follows:

	<u>Santa Fe Irrigation District</u>	<u>San Dieguito Water District</u>
Filtration Plant	55.00%	45.00%
Filtered Water Reservoir (Clearwell)	69.00%	31.00%
Filtered Water Treatment Main (Old 54" line)	61.00%	39.00%
Filtered Water Treatment Main (New 54" line)	57.33%	42.67%
CWA Filtered Water Connection	55.00%	45.00%
Wash Water Reclamation System (Backwash recovery)	57.33%	42.67%
Hydroelectric Facility	53.50%	46.50%
San Dieguito Reservoir, Dam, Flume and 30" Line	57.33%	42.67%
Rancho Cielo Pump Station and Pipeline	57.33%	42.67%
San Dieguito Pump Station	55.00%	45.00%

**Note 8 – Compensated Absences**

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees. Summary of changes in compensated absences for the year ended June 30, 2024, were as follows:

<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
<u>\$ 721,134</u>	<u>\$ 358,110</u>	<u>\$ (390,086)</u>	<u>\$ 689,158</u>	<u>\$ 551,326</u>	<u>\$ 137,832</u>

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 9 – Pension Plans**

**A. General Information about the Pension Plans**

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in one of the District's following plans: 2.7% at 55 (Miscellaneous Plan), 2.0% at 60 (Tier 2 Miscellaneous Plan), or 2% at 62 (PEPRA Miscellaneous Plan). All plans are cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

At the June 30, 2023 measurement dates, the following employees were covered by the benefit terms for the plan:

Active employees	48
Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to, but not yet receiving benefits	25
Total	128

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for 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 Employees' Retirement Law.

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

	Miscellaneous Plan	Tier 2 Misc Plan	PEPRA Misc Plan
	Prior to January 1, 2013	On or After January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	52	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.96%	6.930%	7.750%
Required employer contribution rates	15.950%	10.100%	7.680%
Final average compensation period	1 year	3 years	3 years

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 9 – Pension Plans (Continued)**

**A. General Information about the Pension Plans (Continued)**

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for 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.

For the year ended June 30, 2024, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions - employer	\$ <u>1,560,432</u>
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**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

The District reported the following net pension liability for its proportionate share of net position liability of the risk pool at June 30, 2024:

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (c) = (a) - (b)</b>
Balance at: 6/30/2023	\$ 46,933,090	\$ 34,440,977	\$ 12,492,113
Balance at: 6/30/2024	<u>49,345,146</u>	<u>36,070,749</u>	<u>13,274,397</u>
Net Changes	<u>\$ 2,412,056</u>	<u>\$ 1,629,772</u>	<u>\$ 782,284</u>

The District's net pension liability for each Plan is measured as a proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2023 was as follows:

Proportion - June 30, 2022	0.316454%
Proportion - June 30, 2023	<u>0.312760%</u>
Change - Increase/(Decrease)	<u><u>-0.003694%</u></u>



**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 9 – Pension Plans (Continued)**

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

For the year ended June 30, 2024, the District recognized pension expense of \$2,100,128. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	\$ 1,317,330	\$ -
Difference between expected and actual experience	674,465	104,207
Changes of assumptions	797,108	-
Net difference between projected and actual earnings on pension plan investments	2,137,639	-
Employer contributions in excess/(under) proportionate share of contributions	628,579	122,154
Adjustments due to difference in proportions	-	1,606,220
Total	<u>\$ 5,555,121</u>	<u>\$ 1,832,581</u>

The District's \$1,317,330 of contributions subsequent to the measurement date but before the end of the reporting period will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ 433,277
2026	326,430
2027	1,567,463
2028	78,040
2029	-
Thereafter	-
Total	<u>\$ 2,405,210</u>

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 9 – Pension Plans (Continued)**

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

*Actuarial Assumptions*

For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability determined in the June 30, 2022 actuarial accounting valuation. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' membership data for all Funds. The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

*Discount Rate*

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

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

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 9 – Pension Plans (Continued)**

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

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

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

<sup>1</sup> An expected inflation of 2.30% was used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

**Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) 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 each Plan, as well as what the District's proportionate share of the Net Pension Liability/(Asset) 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:

1% Decrease		5.90%
Net Pension Liability	\$	19,948,118
Current Discount Rate		6.90%
Net Pension Liability	\$	13,274,397
1% Increase		7.90%
Net Pension Liability	\$	7,781,352

**Pension Plan Fiduciary Net Position**

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

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 10 – Other Postemployment Benefits**

**A. General Information about OPEB**

Plan Description

The District provides postemployment health care benefits established by District resolution to all qualifying employees. The plan is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. Eligible active employees are offered a choice of medical (including prescription drug coverage) plans through the CalPERS Health Program under the Public Employees' Medical and Hospital Care Act (PEMHCA), an agent multiple-employer plan. The District offers the same medical plans to eligible retirees, except once a retiree is eligible for Medicare, the retiree must join a Medicare HMO or Supplement Plan with Medicare being the primary payer and the District's Plan being the secondary payer.

Eligibility for retiree health benefits requires retirement from the District and PERS on or after age 50 with at least five years of District eligible service. Directors are not eligible to continue health benefits at retirement. For employees hired prior to September 20, 2007, the District's contribution is equal to the benefit paid for active employees and their dependents at the time of their retirement. For employees hired on or after September 20, 2007, the District's contribution is the CalPERS statutory minimum employer contribution. Surviving spouses and/or dependents of the eligible retiree are also eligible for the District's contributions. Retirees are not eligible for dental or vision benefits at retirement other than COBRA continuation.

Contribution

The District's plan and its contribution requirements are established by District policy and may be amended by the Board of Directors. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the District's contributions were \$485,962 in payments to the trust.

Employees Covered

As of the June 30, 2023, measurement date, the following current and former employees were covered by the benefit terms:

Active employees	46
Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>94</u>

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 10 – Other Postemployment Benefits (Continued)**

***B. Net OPEB Liability***

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

*Actuarial Assumptions*

The total OPEB liability, measured as of June 30, 2023 were determined using the following actuarial assumptions:

Actuarial Valuation Date	July 1, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Inflation	2.50%
Payroll Growth	2.75%
Discount Rate	6.00%

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

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

Investment Class	Target Allocation	Assumed Gross Return
All Equities	49.00%	7.545%
All Fixed Income	23.00%	4.250%
Real Estate Investment Trusts	20.00%	7.250%
All Commodities	3.00%	7.545%
Treasury Inflation Protected Securities (TIPS)	5.00%	3.000%
Total	100.00%	
Long-term expected rate of return		6.00%

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

**Note 10 – Other Postemployment Benefits (Continued)**

**B. Net OPEB Liability (Continued)**

Discount Rate

At the June 30, 2023 measurement date, the discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the District plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. Change in Net OPEB Liability**

Summary of changes in net OPEB liability for the year ended June 30, 2024, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022 (Measurement Date)	\$ 7,205,691	\$ 5,049,988	\$ 2,155,703
Changes Recognized for the Measurement Period:			
Service cost	119,561	-	119,561
Interest on the total OPEB liability	440,031	-	440,031
Difference between expected and actual experience	1,310,606	-	1,310,606
Changes in assumptions	(539,748)	202,523	(742,271)
Contribution from the employer	-	549,563	(549,563)
Net investment income	-	342,570	(342,570)
Administrative expenses	-	(1,544)	1,544
Benefit payments	(441,825)	(441,825)	-
Net changes during July 1, 2022 to June 30, 2023	888,625	651,287	237,338
Balance at June 30, 2023 (Measurement Date)	\$ 8,094,316	\$ 5,701,275	\$ 2,393,041

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 10 – Other Postemployment Benefits (Continued)**

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

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

1% Decrease	5.00%
Net OPEB Liability	\$1,608,256
Current Discount Rate	6.00%
Net OPEB Liability	\$2,393,041
1% Increase	7.00%
Net OPEB Liability	\$3,328,604

The following presents the net OPEB liability of the District, as well as what the net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the measurement period ended June 30, 2023:

1% Decrease	\$3,241,257
Current Trend Rate	\$2,393,041
1% Increase	\$1,678,497

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

For the year ended June 30, 2024, OPEB expense in the amount of \$1,053,887 is included in the accompanying statement of activities.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 575,473	\$ -
Differences between expected and actual experience	864,459	579,168
Changes in assumptions	522,905	508,596
Net difference between projected and actual return on assets	366,601	-
	<u>\$ 2,329,438</u>	<u>\$ 1,087,764</u>

**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 10 – Other Postemployment Benefits (Continued)**

***E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)***

For the District's OPEB plan \$575,473 was reported as deferred outflows of resources related to OPEB resulting from District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2025	\$ 106,464
2026	58,615
2027	294,855
2028	51,048
2029	55,894
Thereafter	99,325
Total	<u><u>\$ 666,201</u></u>

**Note 11 – Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority ("Insurance Authority"). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq.

The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

At June 30, 2024, the District participated in the self-insurance programs of the Insurance Authority and the Authority provides coverage as follows:

Property Program - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000 (total insurable value \$85,022,651). The District has a \$25,000 deductible for buildings, personal property and fixed equipment, a \$5,000 deductible on mobile equipment, a \$500 deductible for licensed vehicles, and a \$1,000 deductible for Crime.

General Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage up to \$55,000,000, subject to various aggregate limits.

Auto Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage up to \$55,000,000, subject to various aggregate limits.

Public Officials' Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage up to \$55,000,000, subject to various aggregate limits.



**Santa Fe Irrigation District**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2024**

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**Note 11 – Risk Management (Continued)**

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

Workers' Compensation - Insured for statutory limits. Workers' compensation is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

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

**Note 12 – Commitments and Contingencies**

**A. Contracts**

The District has entered into various contracts for the purchase of material, and construction of facilities. The amounts contracted for are based on the contractor's estimated cost of construction. The total outstanding commitments on these contracts were \$3,429,815 at June 30, 2024.

**B. Litigation**

Management is of the opinion that there is no legal litigation that would have a material effect on the basic financial statements.

**C. Grant Awards**

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

**Note 13 – Prior Period Adjustment**

The District corrected the beginning balance of the position in the R.E. Badger Plant due to the allocation between the District and SDWD, as well as a change in presentation of the Plant. The corrected beginning balance is shown below.

Description	Plant	District
Beginning net position, as previously reported	\$ 53,845,430	\$ 95,779,142
Increase in net position due to correction of allocation between the District and SDWD.	637,464	637,464
Decrease in net position of the Plant due to change in presentation of undivided interest	(24,533,426)	-
Beginning net position, as restated	<u>\$ 29,949,468</u>	<u>\$ 96,416,606</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Santa Fe Irrigation District**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**  
**Last Ten Years**

<b>Miscellaneous Plan</b>					
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Plan's proportion of the net pension liability	0.3127570%	0.3164540%	0.4848280%	0.3402800%	0.3337320%
Plan's proportionate share of the net pension liability	\$ 13,274,397	\$ 14,807,611	\$ 9,205,925	\$ 14,353,263	\$ 13,364,298
Plan's covered payroll	\$ 4,825,860	\$ 4,825,964	\$ 4,784,874	\$ 4,840,771	\$ -
Plan's proportionate share of the net pension liability as a percentage of covered payroll	275.07%	306.83%	192.40%	296.51%	313.01%
Plan's fiduciary net position	\$ 36,070,749	\$ 40,824,845	\$ 43,386,805	\$ 35,863,470	\$ 34,939,432
Plan's fiduciary net position as a percentage of the total pension liability	73.10%	73.38%	82.50%	71.42%	72.33%
Plan's proportionate share of aggregate employer contributions	\$ 1,628,004	\$ 1,738,170	\$ 1,478,590	\$ 1,316,260	\$ 1,131,392
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's proportion of the net pension liability	0.3277343%	0.3181480%	0.3141870%	0.2931300%	0.2630800%
Plan's proportionate share of the net pension liability	\$ 12,351,366	\$ 12,541,558	\$ 10,914,488	\$ 8,566,324	\$ 6,501,904
Plan's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 3,855,463
Plan's proportionate share of the net pension liability as a percentage of covered payroll	280.77%	300.53%	266.00%	230.32%	168.64%
Plan's fiduciary net position	\$ 33,196,300	\$ 31,394,784	\$ 29,195,811	\$ 30,358,307	\$ 31,049,358
Plan's fiduciary net position as a percentage of the total pension liability	72.88%	71.46%	72.79%	77.99%	82.69%
Plan's proportionate share of aggregate employer contributions	\$ 1,013,764	\$ 917,461	\$ 832,671	\$ 628,467	\$ 650,656

**Benefit Changes:**

There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs.

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

**Changes in Assumptions:**

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

**Santa Fe Irrigation District**  
**Schedule of Contributions - CalPERS Pension Plan**  
**Last Ten Years**

**Miscellaneous Plan**

	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually determined contribution (actuarially determined)	\$ 1,317,330	\$ 1,628,004	\$ 1,738,170	\$ 1,478,590	\$ 1,316,260
Contributions in relation to the actuarially determined contributions	(1,317,330)	(1,628,004)	(1,738,170)	(1,478,590)	(1,316,260)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 4,906,308	\$ 4,825,860	\$ 4,825,964	\$ 4,784,874	\$ 4,840,771
Contributions as a percentage of covered payroll	26.85%	33.74%	36.02%	30.90%	27.19%
	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually determined contribution (actuarially determined)	\$ 1,131,392	\$ 1,013,764	\$ 917,461	\$ 832,671	\$ 628,467
Contributions in relation to the actuarially determined contributions	(1,131,392)	(1,013,764)	(917,461)	(832,671)	(628,467)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 4,269,661	\$ 4,399,153	\$ 4,173,185	\$ 4,103,213	\$ 3,719,325
Contributions as a percentage of covered payroll	26.50%	23.04%	21.98%	20.29%	16.90%

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal Cost Method
Amortization method/period	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.
Asset valuation method	Market value of assets
Inflation	2.30%
Salary increases	Varies by category, entry age, and duration of service.
Payroll growth	2.80%
Investment rate of return	6.90% (net of investment and administrative expenses)

**Santa Fe Irrigation District**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Ten Years**

Measurement Date	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017 <sup>1</sup>
<b>Total OPEB Liability:</b>							
Service cost	\$ 119,561	\$ 131,930	\$ 128,145	\$ 129,492	\$ 144,347	\$ 140,143	\$ 130,975
Interest on the total OPEB liability	440,031	541,839	568,283	582,771	562,756	548,559	534,737
Changes in benefit terms	-	-	-	(56,271)	-	-	-
Difference between expected and actual experience	1,310,606	(452,274)	(259,710)	(329,297)	(138,439)	-	-
Changes in assumptions	(539,748)	687,694	(94,171)	-	258,011	-	-
Benefit payments including refunds of member contributions	(441,825)	(479,911)	(512,203)	(551,760)	(509,360)	(470,834)	(484,002)
<b>Net changes in total OPEB liability</b>	<b>888,625</b>	<b>429,278</b>	<b>(169,656)</b>	<b>(225,065)</b>	<b>317,315</b>	<b>217,868</b>	<b>181,710</b>
<b>Beginning of year</b>	<b>7,205,691</b>	<b>8,072,295</b>	<b>8,241,951</b>	<b>8,467,016</b>	<b>8,149,701</b>	<b>7,931,833</b>	<b>7,750,123</b>
<b>End of year</b>	<b>\$ 8,094,316</b>	<b>\$ 8,501,573</b>	<b>\$ 8,072,295</b>	<b>\$ 8,241,951</b>	<b>\$ 8,467,016</b>	<b>\$ 8,149,701</b>	<b>\$ 7,931,833</b>
<b>Plan Fiduciary Net Position:</b>							
Employer contribution	\$ 549,563	\$ 592,258	\$ 686,468	\$ 698,557	\$ 729,112	\$ 680,316	\$ 725,486
Employee contributions	-	-	-	-	-	-	-
Net investment income	342,570	(918,994)	1,432,727	172,410	287,004	307,635	351,945
Benefit payments including refunds of member contributions	(441,825)	(479,911)	(512,203)	(551,760)	(509,360)	(470,834)	(484,002)
Administrative expenses	(1,544)	(1,725)	(1,979)	(4,229)	(2,203)	(2,092)	(1,778)
Other	202,523	-	-	-	-	(5,069)	-
<b>Net changes in fiduciary net position</b>	<b>651,287</b>	<b>(808,372)</b>	<b>1,605,013</b>	<b>314,978</b>	<b>504,553</b>	<b>509,956</b>	<b>591,651</b>
<b>Beginning of year</b>	<b>5,049,988</b>	<b>6,766,557</b>	<b>5,161,544</b>	<b>4,846,566</b>	<b>4,342,013</b>	<b>3,832,057</b>	<b>3,240,406</b>
<b>End of year</b>	<b>\$ 5,701,275</b>	<b>\$ 5,958,185</b>	<b>\$ 6,766,557</b>	<b>\$ 5,161,544</b>	<b>\$ 4,846,566</b>	<b>\$ 4,342,013</b>	<b>\$ 3,832,057</b>
<b>Net OPEB liability</b>	<b>\$ 2,393,041</b>	<b>\$ 2,543,388</b>	<b>\$ 1,305,738</b>	<b>\$ 3,080,407</b>	<b>\$ 3,620,450</b>	<b>\$ 3,807,688</b>	<b>\$ 4,099,776</b>
<b>Fiduciary net position as a percentage of total OPEB liability</b>	<b>70.44%</b>	<b>70.08%</b>	<b>83.82%</b>	<b>62.63%</b>	<b>57.24%</b>	<b>53.28%</b>	<b>48.31%</b>
<b>Covered-employee payroll</b>	<b>\$ 4,967,061</b>	<b>\$ 4,822,389</b>	<b>\$ 4,681,931</b>	<b>\$ 4,738,275</b>	<b>\$ 4,611,430</b>	<b>\$ 4,173,185</b>	<b>\$ 4,173,185</b>
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>48.18%</b>	<b>52.74%</b>	<b>27.89%</b>	<b>65.01%</b>	<b>78.51%</b>	<b>91.24%</b>	<b>98.24%</b>

<sup>1</sup> Information only presented from the implementation year

**Required Supplementary Information**  
**Schedule of Contributions - Other Post Employment Benefit Plan**  
**Last Ten Years**

	2023-2024	2022-2023	2021-2022	2020-2021
Actuarially Determined Contributions	\$ 575,473	\$ 535,745	\$ 535,745	\$ 531,716
Contributions in relation to the actuarially determined contribution	(575,473)	(501,184)	(479,911)	(686,468)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 34,561</u>	<u>\$ 55,834</u>	<u>\$ (154,752)</u>
Covered-employee payroll	<u>\$ 5,095,185</u>	<u>\$ 4,967,061</u>	<u>\$ 4,822,389</u>	<u>\$ 4,681,931</u>
Contributions as a percentage of covered-employee payroll	11.29%	10.09%	9.95%	14.66%
	2019-2020	2018-2019	2017-2018	2016-2017 <sup>1</sup>
Actuarially Determined Contributions	\$ 579,646	\$ 509,360	\$ 660,194	\$ 646,183
Contributions in relation to the actuarially determined contribution	(698,557)	(729,112)	(680,316)	(725,486)
Contribution deficiency (excess)	<u>\$ (118,911)</u>	<u>\$ (219,752)</u>	<u>\$ (20,122)</u>	<u>\$ (79,303)</u>
Covered-employee payroll	<u>\$ 4,738,275</u>	<u>\$ 4,611,430</u>	<u>\$ 4,173,185</u>	<u>\$ 4,173,185</u>
Contributions as a percentage of covered-employee payroll	14.74%	15.81%	16.30%	17.38%

<sup>1</sup> Information only presented from the implementation year

**SUPPLEMENTARY INFORMATION**

**Santa Fe Irrigation District**  
**Combining Schedule of Net Position**  
**June 30, 2024**

	District	Plant	Eliminations	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 44,937,602	\$ 262,798	\$ -	\$ 45,200,400
Accounts receivable - water sales, net	5,730,072	-	-	5,730,072
Accounts receivable - R.E. Badger Filtration Plant	130,482	-	(130,482)	-
Accounts receivable - District	-	889,541	(889,541)	-
Accounts receivable - other	103,713	10,128	-	113,841
Property taxes and assessments collectible	15,187	-	-	15,187
Interest receivable	39,894	14,042	-	53,936
Inventories	1,131,195	153,306	-	1,284,501
Prepaid expenses and deposits	61,934	42,239	-	104,173
Total current assets	52,150,079	1,372,054	(1,020,023)	52,502,110
Noncurrent assets:				
Capital assets, nondepreciable	3,274,704	1,041,632	-	4,316,336
Capital assets, depreciable/amortizable, net	29,899,465	32,464,481	-	62,363,946
Capital assets, net	33,174,169	33,506,113	-	66,680,282
Lease receivable	-	223,597	-	223,597
Restricted cash and investments	1,060,120	-	-	1,060,120
Reimbursement agreement receivable - San Elijo JPA	244,745	-	-	244,745
Deposit in the R.E.Badger Water Treatment Facilities	291,000	-	(291,000)	-
Investment in the R.E.Badger Water Treatment Facilities	29,115,283	-	(29,115,283)	-
Total noncurrent assets	63,885,317	33,729,710	(29,406,283)	68,208,744
<b>Total assets</b>	<b>116,035,396</b>	<b>35,101,764</b>	<b>(30,426,306)</b>	<b>120,710,854</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension-related deferred outflows of resources	4,302,160	1,252,961	-	5,555,121
OPEB-related deferred outflows of resources	1,946,931	382,507	-	2,329,438
<b>Total deferred outflows of resources</b>	<b>6,249,091</b>	<b>1,635,468</b>	<b>-</b>	<b>7,884,559</b>

(Continued)



**Santa Fe Irrigation District**  
**Combining Schedule of Net Position (Continued)**  
**June 30, 2024**

	District	Plant	Reclassifications/ Eliminations	Total
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable - District	\$ -	\$ 130,482	\$ (130,482)	\$ -
Accounts payable	5,419,484	1,048,177	(889,541)	5,578,120
Accrued payroll	239,218	63,535	-	302,753
Deposits, current portion	192,847	4,373	-	197,220
Compensated absences, current portion	424,068	127,258	-	551,326
Total current liabilities	6,275,617	1,373,825	(1,020,023)	6,629,419
Noncurrent liabilities:				
Deposits - District	-	291,000	(291,000)	-
Compensated absences	106,017	31,815	-	137,832
Net pension liability	10,384,129	2,890,268	-	13,274,397
Net OPEB liability	2,000,090	392,951	-	2,393,041
Total noncurrent liabilities	12,490,236	3,606,034	(291,000)	15,805,270
<b>Total liabilities</b>	18,765,853	4,979,859	(1,311,023)	22,434,689
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Lease-related deferred inflows of resources	-	387,361	-	387,361
Pension-related deferred inflows of resources	1,408,588	423,993	-	1,832,581
OPEB-related deferred inflows of resources	909,147	178,617	-	1,087,764
<b>Total deferred inflows of resources</b>	2,317,735	989,971	-	3,307,706
<b>NET POSITION</b>				
Net investment in capital assets	33,174,169	33,506,113	-	66,680,282
Restricted for pensions	1,060,120	-	-	1,060,120
Unrestricted (deficit)	66,966,610	(2,738,711)	(29,115,283)	35,112,616
<b>Total net position</b>	\$ 101,200,899	\$ 30,767,402	\$ (29,115,283)	\$ 102,853,018

(Concluded)

**Santa Fe Irrigation District**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2024**

	District	Plant	Eliminations	Total
<b>OPERATING REVENUES</b>				
Water sales	\$ 20,382,104	\$ -	\$ -	\$ 20,382,104
Filtration	-	4,351,655	(4,351,655)	-
Base meter fees	6,300,767	-	-	6,300,767
Other operating revenues	421,135	4,667	-	425,802
<b>Total operating revenues</b>	<b>27,104,006</b>	<b>4,356,322</b>	<b>(4,351,655)</b>	<b>27,108,673</b>
<b>OPERATING EXPENSES</b>				
Water purchased	13,141,800	-	-	13,141,800
Water treatment	5,545,800	2,513,669	(5,545,800)	2,513,669
Administration and engineering	3,743,542	852,581	-	4,596,123
Transmission and distribution	3,657,450	356,634	-	4,014,084
Depreciation and amortization	1,688,860	1,249,689	-	2,938,549
<b>Total operating expenses</b>	<b>27,777,452</b>	<b>4,972,573</b>	<b>(5,545,800)</b>	<b>27,204,225</b>
<b>Operating income (loss)</b>	<b>(673,446)</b>	<b>(616,251)</b>	<b>1,194,145</b>	<b>(95,552)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property taxes and assessments	3,340,364	-	-	3,340,364
Investment (loss)	2,478,292	9,689	-	2,487,981
Rental and lease revenue	46,200	52,292	-	98,492
Other revenue	58,042	-	-	58,042
Transfer from SDWD	-	97,162	265,155	362,317
Net gain on disposal of assets	6,025	12,463	-	18,488
<b>Total nonoperating revenues (expenses)</b>	<b>5,928,923</b>	<b>171,606</b>	<b>265,155</b>	<b>6,365,684</b>
<b>Income (loss) before capital contributions</b>	<b>5,255,477</b>	<b>(444,645)</b>	<b>1,459,300</b>	<b>6,270,132</b>
<b>Capital contributions</b>	<b>166,280</b>	<b>1,262,579</b>	<b>(1,262,579)</b>	<b>166,280</b>
<b>Changes in net position</b>	<b>5,421,757</b>	<b>817,934</b>	<b>196,721</b>	<b>6,436,412</b>
<b>Net position, beginning of year, restated</b>	<b>95,779,142</b>	<b>29,949,468</b>	<b>(29,312,004)</b>	<b>96,416,606</b>
<b>Net position, end of year</b>	<b>\$ 101,200,899</b>	<b>\$ 30,767,402</b>	<b>\$ (29,115,283)</b>	<b>\$ 102,853,018</b>

**Santa Fe Irrigation District**  
**Supplementary Reconciliation of Billings**  
**R.E. Badger Filtration Plant**  
**For the Year Ended June 30, 2024**

	Operations			Capital			Total		
	SFID	SDWD	Total	SFID	SDWD	Total	SFID	SDWD	Total
July	\$ 695,236	\$ 394,868	\$ 1,090,104	\$ 184,225	\$ 147,104	\$ 331,329	\$ 879,461	\$ 541,972	\$ 1,421,433
August	434,681	251,740	686,421	141,839	113,211	255,050	576,520	364,951	941,471
September	373,603	217,747	591,350	114,900	93,553	208,453	488,503	311,300	799,803
October	373,860	221,246	595,106	2,732	1,228	3,960	376,592	222,474	599,066
November	268,134	166,996	435,130	31,285	25,378	56,663	299,419	192,374	491,793
December	345,835	245,278	591,113	26,963	18,790	45,753	372,798	264,068	636,866
January	223,638	194,445	418,083	385,419	314,970	700,389	609,057	509,415	1,118,472
February	211,691	235,185	446,876	99,211	75,548	174,759	310,902	310,733	621,635
March	-	2,340	2,340	87,542	71,372	158,914	87,542	73,712	161,254
April	267,742	210,049	477,791	44,811	36,664	81,475	312,553	246,713	559,266
May	363,568	227,520	591,088	47,778	39,091	86,869	411,346	266,611	677,957
June	313,897	185,440	499,337	47,747	39,065	86,812	361,644	224,505	586,149
	3,871,885	2,552,854	6,424,739	1,214,452	975,974	2,190,426	5,086,337	3,528,828	8,615,165
Year End Capital									
Reconciliation	479,771	221,978	701,749	48,127	51,377	99,504	527,898	273,355	801,253
<b>Total</b>	<u>\$ 4,351,656</u>	<u>\$ 2,774,832</u>	<u>\$ 7,126,488</u>	<u>\$ 1,262,579</u>	<u>\$ 1,027,351</u>	<u>\$ 2,289,930</u>	<u>\$ 5,614,235</u>	<u>\$ 3,802,183</u>	<u>\$ 9,416,418</u>

The following pages of statistical information are intended to help the reader understand the information presented in the Financial Statements, Notes to the Financial Statements, and required supplementary information by providing additional data and context.

# Statistical Section

*Financial Trends* ..... 69

These schedules contain trend information for understanding how the District’s financial performance and well-being have changed over time.

*Revenue Capacity* ..... 71

These schedules are intended to aid in assessing the District’s largest revenue source, water rates, and its property tax revenue.

*Debt Capacity* ..... 75

These schedules present information on the affordability of any District’s outstanding debt and its ability to issue additional debt.

*Demographic and Economic Indicators* ..... 76

These schedules contain information related to the environment in which the District operates.

*Operating Information* ..... 78

These schedules present historical data on the District’s infrastructure and services to the community.

**Net Position**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019 <sup>1</sup>	2020 <sup>1</sup>	2021 <sup>1</sup>	2022 <sup>1</sup>	2023 <sup>1</sup>	2024 <sup>2</sup>
<b>ASSETS</b>										
Current Assets	\$ 30,211,137	\$ 27,324,118	\$ 22,671,870	\$ 28,396,139	\$ 32,001,482	\$ 38,906,460	\$ 46,601,891	\$ 44,268,784	\$ 49,532,062	\$ 52,502,110
Other Noncurrent Assets	22,317,144	25,412,170	27,379,521	26,281,444	1,930,837	427,651	1,174,966	2,035,363	1,603,013	1,528,462
Capital Assets	32,471,117	32,299,863	34,920,910	34,796,885	82,130,569	81,408,521	90,609,316	93,638,060	92,318,236	66,680,282
Total Assets	84,999,398	85,036,151	84,972,301	89,474,468	116,062,888	120,742,632	138,386,173	139,942,207	143,453,311	120,710,854
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Deferred Amounts on Pensions	476,021	894,516	1,991,124	2,896,672	3,142,917	3,412,908	3,845,131	5,379,432	6,308,345	7,884,559
<b>LIABILITIES</b>										
Current Liabilities	3,423,269	4,630,656	4,118,568	4,363,043	4,053,868	4,073,462	6,710,101	4,498,574	7,723,098	6,629,419
Noncurrent Liabilities	9,460,928	9,612,571	10,236,691	13,050,478	36,213,261	36,334,814	42,633,309	36,798,784	42,362,022	15,805,270
Total Liabilities	12,884,197	14,243,227	14,355,259	17,413,521	40,267,129	40,408,276	49,343,410	41,297,358	50,085,120	22,434,689
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred Amounts on Pension & OPEB	1,577,661	676,616	528,167	624,474	602,568	819,159	1,700,173	10,567,335	3,897,394	3,307,706
<b>NET POSITION</b>										
Investment in Capital Assets	32,462,069	32,299,863	34,920,910	34,817,964	61,032,318	62,386,599	65,877,879	68,131,105	67,784,810	66,680,282
Restricted	-	-	-	127,234	139,296	-	-	860,402	939,128	1,060,120
Unrestricted	38,551,492	38,710,961	37,159,089	39,515,181	17,303,790	20,541,506	25,309,842	24,465,439	27,055,204	35,112,616
TOTAL NET POSITION	\$ 71,013,561	\$ 71,010,824	\$ 72,079,999	\$ 74,460,379	\$ 78,475,404	\$ 82,928,105	\$ 91,187,721	\$ 93,456,946	\$ 95,779,142	\$ 102,853,018

Source: Santa Fe Irrigation District

<sup>1</sup>Beginning in FY19 reporting includes the consolidation of the District and R.E. Badger Filtration Plant.

<sup>2</sup>Beginning in FY24 reporting includes the District and the District's proportionate share of the R.E. Badger Filtration Plant per GASB regulations.

**Changes in Net Position  
Last Ten Fiscal Years**

	2015	2016	2017	2018	2019 <sup>1</sup>	2020 <sup>1</sup>	2021 <sup>1</sup>	2022 <sup>1</sup>	2023 <sup>1</sup>	2024 <sup>2</sup>
<b>OPERATING REVENUES</b>										
Water Sales	\$ 17,598,000	\$ 13,755,595	\$ 16,548,196	\$ 20,864,372	\$ 18,472,415	\$ 18,865,808	\$ 22,956,425	\$ 23,122,259	\$ 20,137,050	\$ 20,382,104
Fixed Charges	3,672,959	3,700,610	4,895,700	5,352,584	5,535,582	5,507,678	5,388,296	5,621,633	5,685,882	6,300,767
Other	243,020	338,752	349,789	245,188	2,581,047	3,494,632	5,430,341	603,306	2,246,888	425,802
Total Operating Revenues	21,513,979	17,794,957	21,793,685	26,462,144	26,589,044	27,868,118	33,775,062	29,347,198	28,069,820	27,108,673
<b>OPERATING EXPENSES</b>										
Water Purchased	11,339,922	8,726,055	10,767,457	9,855,760	10,459,108	9,908,066	11,805,372	13,421,962	13,749,382	13,141,800
Water Treatment	3,290,620	3,524,262	3,796,508	5,040,433	4,239,608	4,850,871	4,821,055	4,593,864	4,287,347	2,513,669
Transmission and Distribution	2,712,079	2,959,956	3,577,141	3,653,614	4,633,305	4,955,372	4,943,091	5,316,858	4,627,542	4,014,084
Administration and Engineering	2,920,762	3,568,376	3,623,753	3,745,485	4,486,328	5,063,619	5,046,793	6,282,465	5,578,108	4,596,123
Depreciation and Amortization	1,286,139	1,294,022	1,372,239	1,359,335	3,243,425	3,278,660	3,162,004	3,252,777	3,622,280	2,938,549
Total Operating Expenses	21,549,522	20,072,671	23,137,098	23,654,627	27,061,774	28,056,588	29,778,315	32,867,926	31,864,659	27,204,225
Operating Income (Loss)	(35,543)	(2,277,714)	(1,343,413)	2,807,517	(472,730)	(188,470)	3,996,747	(3,520,728)	(3,794,839)	(95,552)
<b>NONOPERATING REVENUES (EXPENSES)</b>										
Property Taxes	2,080,791	2,190,932	2,285,521	2,406,427	2,518,010	2,645,623	2,742,685	2,858,547	3,130,721	3,340,364
Investment Income	213,087	225,566	114,260	260,625	646,817	750,509	43,528	(519,091)	1,277,830	2,487,981
Gain (Loss) on Sale of Assets	4,883	(65,710)	10,955	6,968	31,465	(14,711)	-	168,780	35,415	18,488
Other Revenue	55,425	86,277	64,667	98,264	817,514	1,003,123	(4,012,124)	(429,463)	1,154,373	518,851
Grant Revenue	12,321	26,700	57,349	44,758	66,827	178,847	1,842,957	1,773,367	14,940	-
Interest Expense	(264,546)	(224,073)	(178,973)	(115,188)	(53,341)	(163,686)	-	-	-	-
Total Nonoperating Revenues	2,101,961	2,239,692	2,353,779	2,701,854	4,027,292	4,399,705	617,046	3,852,140	5,613,279	6,365,684
Capital Contributions	145,852	35,285	58,809	215,428	448,401	380,762	3,645,823	1,937,813	503,756	166,281
Changes in Net Position	\$ 2,212,270	\$ (2,737)	\$ 1,069,175	\$ 5,724,799	\$ 4,002,963	\$ 4,591,997	\$ 8,259,616	\$ 2,269,225	\$ 2,322,196	\$ 6,436,413

Source: Santa Fe Irrigation District

<sup>1</sup>Beginning in FY19 reporting includes the consolidation of the District and R.E. Badger Filtration Plant.

<sup>2</sup>Beginning in FY24 reporting includes the District and the District's proportionate share of the R.E. Badger Filtration Plant per GASB regulations.

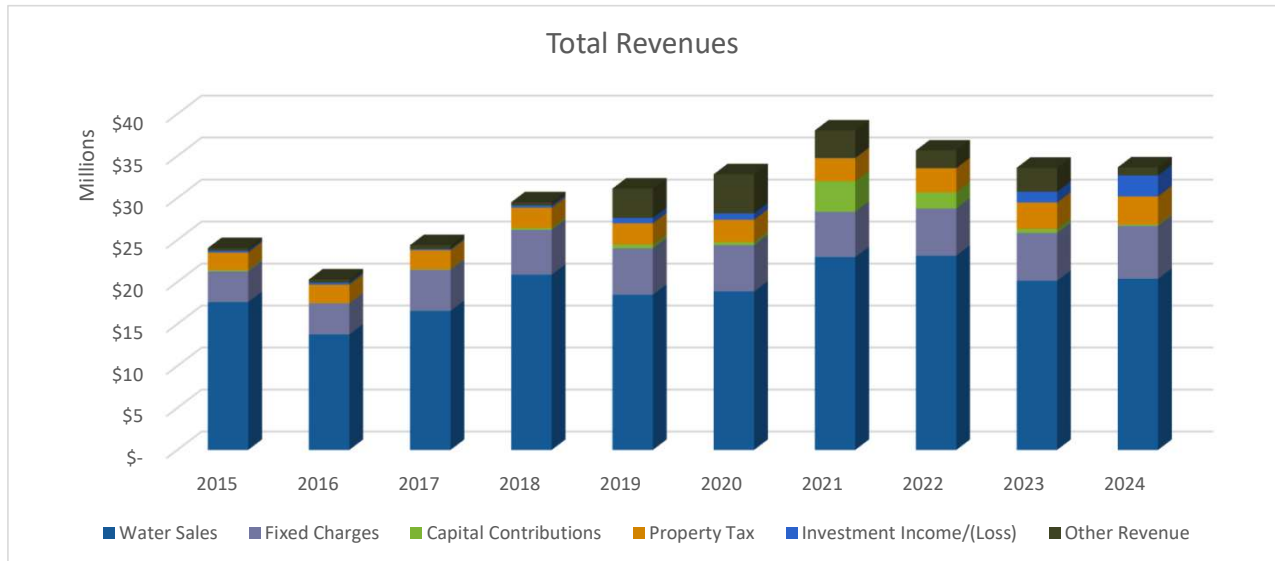
## Revenues by Source Last Ten Fiscal Years

Fiscal Year	Water Sales	Fixed Charges	Capital Contributions	Property Tax	Investment Income/(Loss)	Other Revenue	Total Revenues
2015	\$ 17,598,000	\$ 3,672,959	\$ 145,852	\$ 2,080,791	\$ 213,087	\$ 315,649	\$ 24,026,338
2016	13,755,595	3,700,610	35,285	2,190,932	225,566	386,019	20,294,007
2017	16,548,196	4,895,700	58,809	2,285,521	114,260	482,760	24,385,246
2018	20,864,372	5,352,584	215,428	2,406,427	260,625	395,178	29,494,614
2019 <sup>1</sup>	18,472,415	5,535,582	448,401	2,518,010	646,817	3,496,853	31,118,078
2020 <sup>1</sup>	18,865,808	5,507,678	380,762	2,645,623	750,509	4,661,891	32,812,271
2021 <sup>1</sup>	22,956,425	5,388,296	3,645,823	2,742,685	43,528	3,261,174	38,037,931
2022 <sup>1</sup>	23,122,259	5,621,633	1,937,813	2,858,547	(519,091)	2,115,990	35,137,151
2023 <sup>1</sup>	20,137,050	5,685,882	503,756	3,130,721	1,277,830	2,861,666	33,596,905
2024 <sup>2</sup>	20,382,104	6,300,767	166,281	3,340,364	2,487,981	963,141	33,640,638

<sup>1</sup>The District has made accounting changes and reclassifications regarding the R. E. Badger Filtration Plant (Plant) and began consolidating the Plant and the District financials beginning in FY19. Water Sales includes local water sales (revenue derived from the Plant from San Dieguito Water District (SDWD)) and Other Revenue includes filtration revenue from reimbursement of Plant expenditures from SDWD.

<sup>2</sup>Beginning in FY24 reporting includes the District and the District's proportionate share of the R.E. Badger Filtration Plant per GASB regulations.

Source: Santa Fe Irrigation District



### Water Sales by Customer Classification Last Ten Fiscal Years

Fiscal Year	Domestic & Commercial		Agricultural		Recycled Water		Total		
	Sales	Acre Feet	Sales	Acre Feet	Sales	Acre Feet	Sales	Acre Feet	Direct Rate <sup>1</sup>
2015	\$ 16,866,347	10,687.4	n/a	n/a	\$ 731,653	552.6	\$ 17,598,000	11,240.0	\$ 1,572.26
2016	12,976,620	7,029.9	n/a	n/a	778,975	490.9	13,755,595	7,520.8	1,829.01
2017	15,678,014	8,269.1	\$ 156,796	76.0 <sup>2</sup>	713,386	477.8	16,548,196	8,822.9	1,875.60
2018	20,008,276	9,446.1	122,458	54.8	733,638	524.8	20,864,372	10,025.7	2,081.09
2019	17,554,567	8,218.8	214,462	93.6	703,386	459.4	18,472,415	8,771.8	2,105.89
2020	17,836,924	8,372.1	268,044	109.6	760,840	491.6	18,865,808	8,973.3	2,102.44
2021	21,733,273	9,506.8	264,572	98.2	958,580	584.5	22,956,425	10,189.5	2,252.95
2022	21,863,654	9,437.2	233,990	85.4	1,024,615	601.3	23,122,259	10,123.9	2,283.93
2023	19,144,949	7,983.9	58,603	22.1	933,498	545.5	20,137,050	8,795.2	2,289.55
2024	19,424,121	7,823.0	57,290	24.0	900,693	543.0	20,382,104	8,390.0	2,429.33

<sup>1</sup> Average rate of water sold per acre foot

<sup>2</sup> SFID Agricultural Classification created

Source: Santa Fe Irrigation District

### Water Rate History Last Ten Fiscal Years

Rates per Hundred Cubic Feet at Fiscal Year End					
Fiscal Year	Non-Residential		Recycled	Temp Construction	Irrigation/ Commercial Agriculture <sup>1</sup>
	Residential	Residential			
2015	\$ 3.62	\$ 3.71	\$ 3.19	\$ 4.39	\$ 4.04
2016	4.24	3.71	3.19	4.39	4.24
2017	4.35	4.38	3.32	5.19	5.00
2018	4.86	4.62	3.45	5.46	5.26
2019	4.90	4.62	3.45	5.46	5.26
2020	4.89	4.85	3.63	6.06	6.11
2021	5.25	4.85	3.77	6.06	6.11
2022	5.32	4.99	3.77	6.22	6.29
2023	5.50	5.43	4.06	6.22	5.48
2024	5.70	5.43	4.06	6.22	5.48

<sup>1</sup>Commercial Agriculture classification was established in FY17



## Principal Water Customers Current and Nine Years Prior

FISCAL YEAR 2024			FISCAL YEAR 2015		
Customer	Sales in Acre Feet <sup>1</sup>	Percent of Water Sold	Customer	Sales in Acre Feet <sup>1</sup>	Percent of Water Sold
Golf Course	228.5	2.0%	Golf Course	290.7	2.6%
Golf Course	168.3	1.5%	Golf Course	243.5	2.2%
Golf Course	67.5	0.6%	Golf Course	86.1	0.8%
Commercial	52.3	0.5%	Residence	51.6	0.5%
Commercial	41.8	0.4%	Commercial	37.1	0.3%
Public Agency	31.0	0.3%	Commercial	36.2	0.3%
Golf Course	29.1	0.3%	Golf Course	35.6	0.3%
Residence	22.9	0.2%	Commercial	33.9	0.3%
Residence	21.3	0.2%	Public Agency	33.2	0.3%
Residence	19.4	0.2%	Public Agency	31.8	0.3%
Public Agency	16.2	0.1%	Residence	29.9	0.3%
Residence	16.0	0.1%	Residence	29.1	0.3%
Commercial	16.0	0.1%	Residence	28.4	0.3%
Residence	15.5	0.1%	Commercial	26.2	0.2%
Residence	14.0	0.1%	Residence	25.2	0.2%
Total Top Fifteen Customers	760.0	6.8%	Total Top Fifteen Customers	1,018.5	9.0%
All Others	7,630.0	93.2%	All Others	10,221.5	91.0%
Total Water Billed	8,390.0	100.0%	Total Water Billed	11,240.0	100.0%

<sup>1</sup>Generally Accepted Accounting Principles (GAAP) require amounts delivered but not billed by year end be included as revenue in the basic financial statements. The Figures in this table do not include adjustments for that accrual.

Source: Santa Fe Irrigation District

## Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Total Levies <sup>1</sup>		Collected During the Year		Net Delinquent at Year-End	
			Amount	Percent	Amount	Percent
2015	\$	2,151,195	\$ 2,123,527	98.7%	\$ 27,668	1.3%
2016		2,253,376	2,225,236	98.8%	28,140	1.2%
2017		2,347,699	2,316,802	98.7%	30,897	1.3%
2018		2,456,569	2,428,364	98.9%	28,205	1.1%
2019		2,593,717	2,559,723	98.7%	33,994	1.3%
2020		2,682,341	2,648,725	98.7%	33,616	1.3%
2021		2,792,473	2,755,093	98.7%	37,380	1.3%
2022		2,928,587	2,875,162	98.2%	53,425	1.8%
2023		3,208,989	3,158,936	98.4%	50,053	1.6%
2024		3,415,767	3,366,473	98.6%	49,294	1.4%

<sup>1</sup>Total amount levied by the County of San Diego on behalf of the District prior to deduction of administrative fees by the County.

Source: County of San Diego, Office of the Auditor and Controller

## Assessed Valuation of Taxable Property Last Ten Fiscal Years

Fiscal Year	Local Secured Property	State Secured Property	Exemptions <sup>1</sup>	Total Assessed Value	Secured Tax Rate <sup>2</sup>
2015	\$ 5,525,587,841	-	-	\$ 5,525,587,841	-
2016	5,845,259,490	-	-	5,845,259,490	-
2017	6,114,075,282	-	-	6,069,608,102	-
2018	6,475,273,651	-	-	6,475,273,651	-
2019	6,860,002,562	-	-	6,860,002,562	-
2020	7,170,184,528	-	-	7,170,184,528	-
2021	7,486,729,629	-	-	7,486,729,629	-
2022	7,779,643,109	-	-	7,779,643,109	-
2023	8,493,306,610	-	-	8,493,306,610	-
2024	9,164,934,831	-	-	9,164,934,831	-

<sup>1</sup>Irrigation district taxes are levied on land values only and are not allowed exemptions

<sup>2</sup>The District does not assess a tax rate. It receives a proportionate share of property taxes levied by the County of San Diego.

Source: County of San Diego, Office of the Auditor & Controller

**Outstanding Long-Term Revenue Bonds and Debt Service Coverage**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019 <sup>3</sup>	2020 <sup>4</sup>	2021 <sup>4</sup>	2022 <sup>4</sup>	2023 <sup>4</sup>	2024 <sup>4,5</sup>
Gross Revenues	\$ 24,026,338	\$ 20,359,717	\$ 24,385,246	\$ 29,494,614	\$ 31,118,078	\$ 32,812,271	\$ 38,037,931	\$ 35,137,151	\$ 33,596,905	\$ 33,640,638
Less Expenses <sup>1</sup>	\$ 20,263,383	\$ 18,778,649	\$ 21,764,859	\$ 22,295,292	\$ 23,818,349	\$ 24,777,928	\$ 26,616,311	\$ 29,615,149	\$ 28,242,379	\$ 24,265,676
Net Revenue Available for Debt Service	\$ 3,762,955	\$ 1,581,068	\$ 2,620,387	\$ 7,199,322	\$ 7,299,729	\$ 8,034,343	\$ 11,421,620	\$ 5,522,002	\$ 5,354,526	\$ 9,374,962
Debt Service Requirements										
Principal	\$ 1,085,000	\$ 1,135,000	\$ 1,175,000	\$ 1,220,000	\$ 1,270,000					
Interest	260,250	206,150	172,750	126,575	76,875					
Total Debt Service Requirements	\$ 1,345,250	\$ 1,341,150	\$ 1,347,750	\$ 1,346,575	\$ 1,346,875					
Debt Service Coverage Ratio	280%	118%	194%	535%	542%					
Total Outstanding Long-Term Revenue Bonds	\$ 6,125,000	\$ 4,990,000	\$ 3,815,000	\$ 2,595,000	\$ 1,325,000					
Ratio of Net Bonded Debt to Assessed Value <sup>2</sup>	0.12%	0.08%	0.06%	0.04%	0.02%					
Net Bonded Debt Per Capita <sup>2</sup>	\$ 312	\$ 257	\$ 193	\$ 137	\$ 70					
Unrestricted Days Cash	485	484	323	375	416					
						No Debt Outstanding at Fiscal Year-End	No Debt Outstanding at Fiscal Year-End	No Debt Outstanding at Fiscal Year-End	No Debt Outstanding at Fiscal Year-End	No Debt Outstanding at Fiscal Year-End

<sup>1</sup>Includes all operating expenses except depreciation, amortization, and bond interest.

<sup>2</sup>This information takes the place of a separate table for "Ratio of General Bonded Debt Outstanding".

<sup>3</sup>The District has made accounting changes and reclassifications regarding the R. E. Badger Filtration Plant and began consolidating the Plant and the District financials beginning in FY19.

<sup>4</sup>No outstanding indebtedness as of FY20

<sup>5</sup>Beginning in FY24 reporting includes the District and the District's proportionate share of the R.E. Badger Filtration Plant per GASB regulations.

Source: Santa Fe Irrigation District

## Demographic and Economic Indicators As of June 30, 2024

Service Areas - SFID only	Solana Beach, Rancho Santa Fe, Fairbanks Ranch	
Service Areas - SDWD only	Cardiff, Encinitas, Leucadia	
SFID Service Area (square miles)	15.9	
Plant Service Area (square miles)	25.2	
Miles of Water Main <sup>1</sup>	157	
Number of Reservoirs <sup>1</sup>	2	
Number of Customer Service Connections <sup>1</sup>	8,031	
District Estimated Population Served <sup>2</sup>	19,000	
Plant Approximate Population Served <sup>2</sup>	58,000	
Unemployment Rate <sup>3</sup> (San Diego County)	4.0%	
Current Year Water Delivered (acre feet) <sup>1</sup> (1 acre foot = 325,853 gallons)	8,173.5	
Current Year Water Supply (acre feet) - SFID only <sup>1</sup>		
Imported Treated	517.5	6.0%
Imported Raw	6,047.3	70.3%
Local Raw	1,552.9	18.0%
Recycled	489.8	5.7%
Total	8,607.5	100.0%
Current Year Water Use (acre feet) - SFID only <sup>1</sup>		
Residential	6,865.1	82.5%
Commercial/Industrial	342.6	4.1%
Irrigation	486.7	5.8%
Agricultural	24.0	0.3%
Public and Other	117.4	1.4%
Recycled	489.8	5.9%
Total	8,325.6	100.0%
Current Year Water Production by Source (acre feet) - SFID & SDWD <sup>4,5</sup>		
Imported Treated Water	744.8	5.6%
Imported Untreated Water	9,751.4	73.8%
Local Untreated Water	2,708.7	20.5%
Total	13,204.9	100.0%
Current Year Water Production by District (acre feet) - SFID & SDWD <sup>4,5</sup>		
Santa Fe Irrigation District	8,117.7	61.5%
San Dieguito Water District	5,087.2	38.5%
Total	13,204.9	100.0%

<sup>1</sup> Source: Santa Fe Irrigation District, difference between water supply and use is due to non-revenue water and timing differences

<sup>2</sup> Source: San Diego Association of Governments

<sup>3</sup> Source: California Employment Development Department

<sup>4</sup> One Acre Foot = 325,851 gallons. SDWD = San Dieguito Water District

<sup>5</sup> Source: R.E. Badger Filtration Plant, difference between current year water supply and production are due to local interconnects

Demographics on Personal Income, Per Capital Income: Because the District's boundaries include unincorporated areas of San Diego County, as well as one city, it would be difficult to collect any meaningful data for these demographics from existing data sources. Therefore, this information is not being included in the ACFR statistical section.

**Principal Employers  
San Diego County  
2024 and Nine Years Prior**

2024			2015		
Employer Name	Employees <sup>1</sup>	% of Total County Employment <sup>2</sup>	Employer Name	Employees <sup>1</sup>	% of Total County Employment <sup>2</sup>
Naval Base San Diego	41,600	2.75%	State of California	29,287	1.97%
UC San Diego	30,130	1.99%	County of San Diego	17,044	1.15%
County of San Diego	19,131	1.27%	Sharp Health Care	16,896	1.14%
Sharp Health Care	17,976	1.19%	Scripps Health	14,644	0.98%
San Diego Unified School District	13,815	0.91%	Qualcomm	13,500	0.91%
General Atomics	12,500	0.83%	Kaiser Permanente	7,535	0.51%
Qualcomm	11,830	0.78%	UC San Diego Health System	7,229	0.49%
Scripps Health	11,807	0.78%	YMCA of San Diego County	5,487	0.37%
City of San Diego	11,454	0.76%	Rady's Children's Hospital	5,122	0.34%
Kaiser Permanente San Diego	9,066	0.60%	General Atomics	5,088	0.34%
Total Top Ten County Employers	179,309	11.87%	Total Top Ten County Employers	121,832	8.19%
All Other Employers	1,313,306	88.13%	All Other Employers	1,366,068	91.81%
Total Employment - San Diego County	1,510,700	100.00%	Total Employment - San Diego County	1,487,900	100.00%

<sup>1</sup> City of San Diego and San Diego County ACFR latest available info for FY23

<sup>2</sup> California EDD - Labor Market Info

**Operating Indicators  
Last Ten Fiscal Years**

	2015	2016	2017	2018	2019 <sup>1</sup>	2020 <sup>1</sup>	2021 <sup>1</sup>	2022 <sup>1</sup>	2023 <sup>1</sup>	2024 <sup>2</sup>
Full-Time Equivalent Employees	29.8	31.0	33.5	32.0	45.0	48.0	48.0	47.0	49.0	50.0
Average Years of Employment	10.4	8.4	9.4	10.6	11.4	10.9	11.0	11.5	8.3	8.9
Employee Turnover	18.50%	8.50%	11.10%	0.03%	8.89%	9.43%	12.50%	4.00%	20.00%	13.00%
Percentage of Water Losses	5.80%	6.56%	3.35%	6.10%	4.90%	5.20%	5.20%	2.40%	3.07%	3.27%
Demand for Services										
New Connections	12	7	3	15	6	4	8	3	5	4
New Fire line Connections	34	47	38	51	47	41	33	37	42	39
Water Main Breaks	12	13	16	11	13	8	4	6	6	5
Average Daily Consumption (acre feet)	30.8	20.6	24.6	27.5	23.4	24.9	27.7	27.1	22.7	22.2
Capital Assets										
Water Mains (miles of pipe)	148	148	157	157	157	157	157	157	157	157
Fire Hydrants	1,260	1,267	1,269	1,283	1,283	1,283	1,295	1,284	1,288	1,298
Maximum Daily Capacity <sup>3</sup>	16.39	12.32	14.33	13.16	14.4	14.4	14.4	14.4	13.6	18.7
(millions of gallons)										
Water Production by District (acre feet)										
Santa Fe Irrigation District	10,691.10	7,999.40	9,396.30	10,462.20	8,533.90	9,098.90	10,104.40	9,908.80	8,277.90	8,117.70
San Dieguito Water District	6,329.20	5,238.40	5,429.90	6,109.40	5,246.50	5,682.50	6,212.30	5,789.50	5,219.80	5,087.20
Totals	17,020.30	13,237.80	14,826.20	16,571.60	13,780.40	14,781.40	16,316.70	15,698.30	13,497.70	13,204.90
Water Production by Source (acre Feet)										
Imported Water	15,601.50	9,957.60	11,469.00	8,486.40	9,896.60	8,793.10	10,709.90	11,952.90	11,215.30	10,496.20
Local Water	1,413.20	3,280.20	3,357.10	8,085.20	3,883.80	5,988.30	5,606.80	3,745.40	2,282.40	2,708.70
Totals	17,014.70	13,237.80	14,826.10	16,571.60	13,780.40	14,781.40	16,316.70	15,698.30	13,497.70	13,204.90

Source: Santa Fe Irrigation District & R.E. Badger Filtration Plant

<sup>1</sup>The District has made accounting changes and reclassifications regarding the R. E. Badger Filtration Plant and began consolidating the Plant and the District figures beginning in FY19.

<sup>2</sup>Beginning in FY24 reporting includes the District and the District's proportionate share of the R.E. Badger Filtration Plant per GASB regulations.

<sup>3</sup>The Maximum Daily Capacity includes only the SFID portion only.

### Expenses by Function Last Ten Fiscal Years

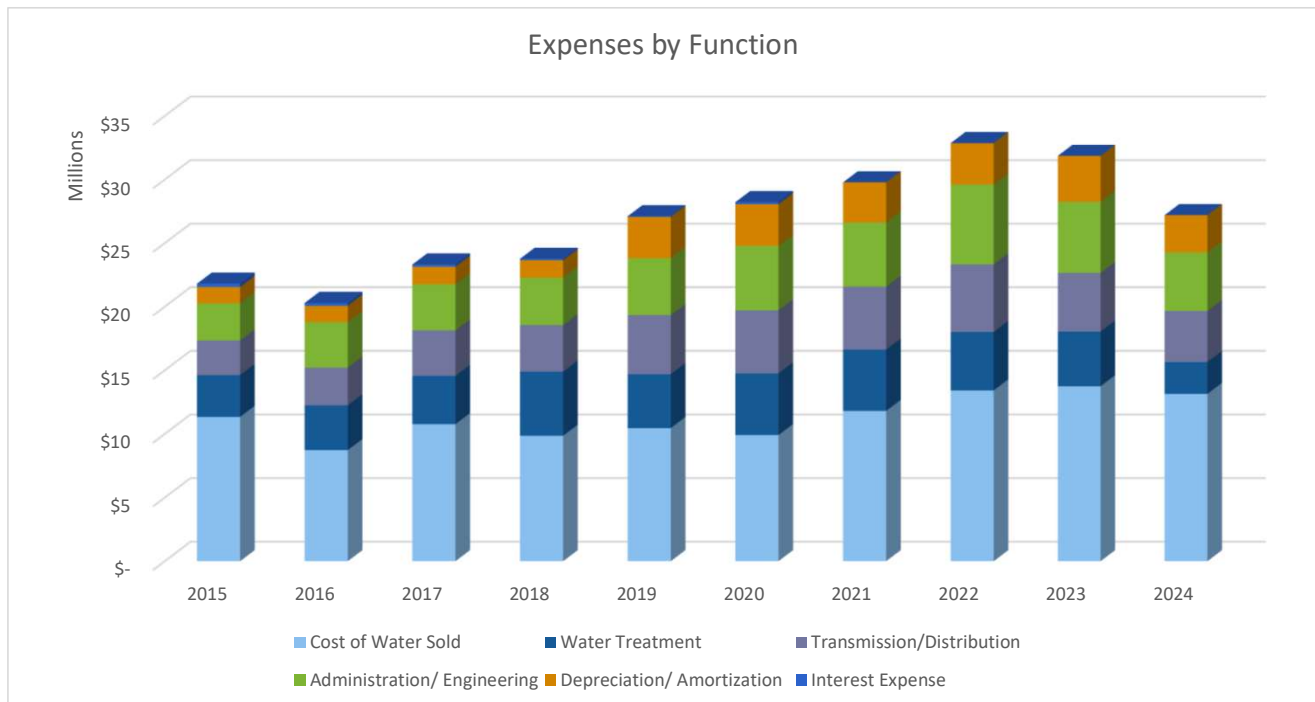
Fiscal Year	Cost of Water Sold	Water Treatment	Transmission/ Distribution	Administration/ Engineering	Depreciation/ Amortization	Interest Expense	Total Expenses
2015	\$ 11,339,922	\$ 3,290,620	\$ 2,712,079	\$ 2,920,762	\$ 1,286,139	\$ 264,546	\$ 21,814,068
2016	8,726,055	3,524,262	2,959,956	3,568,376	1,294,022	224,073	20,296,744
2017	10,767,457	3,796,508	3,577,141	3,623,753	1,372,239	178,973	23,316,071
2018	9,855,760	5,040,433	3,653,614	3,745,485	1,359,335	115,188	23,769,815
2019 <sup>1</sup>	10,459,108	4,239,608	4,633,305	4,486,328	3,243,425	53,341	27,115,115
2020 <sup>1</sup>	9,908,066	4,850,871	4,955,372	5,063,619	3,278,660	163,686	28,220,274
2021 <sup>1</sup>	11,805,372	4,821,055	4,943,091	5,046,793	3,162,004	-	29,778,315
2022 <sup>1</sup>	13,421,962	4,593,864	5,316,858	6,282,465	3,252,777	-	32,867,926
2023 <sup>1</sup>	13,749,382	4,287,347	4,627,542	5,578,108	3,622,280	-	31,864,659
2024 <sup>2</sup>	13,141,800	2,513,669	4,014,084	4,596,123	2,938,549	-	27,204,225

Note: Fluctuations from year to year in various expenditure categories are generally a function of changes in the organizational structure, purchase and treatment of water, or capital financing. Readers should refer to the specific fiscal year financial statements and MD&As for further explanation of such variances.

<sup>1</sup>The District has made accounting changes and reclassifications regarding the R. E. Badger Filtration Plant and began consolidating the Plant and the District financials beginning in FY19.

<sup>2</sup>Beginning in FY24 reporting includes the District and the District's proportionate share of the R.E. Badger Filtration Plant per GASB regulations.

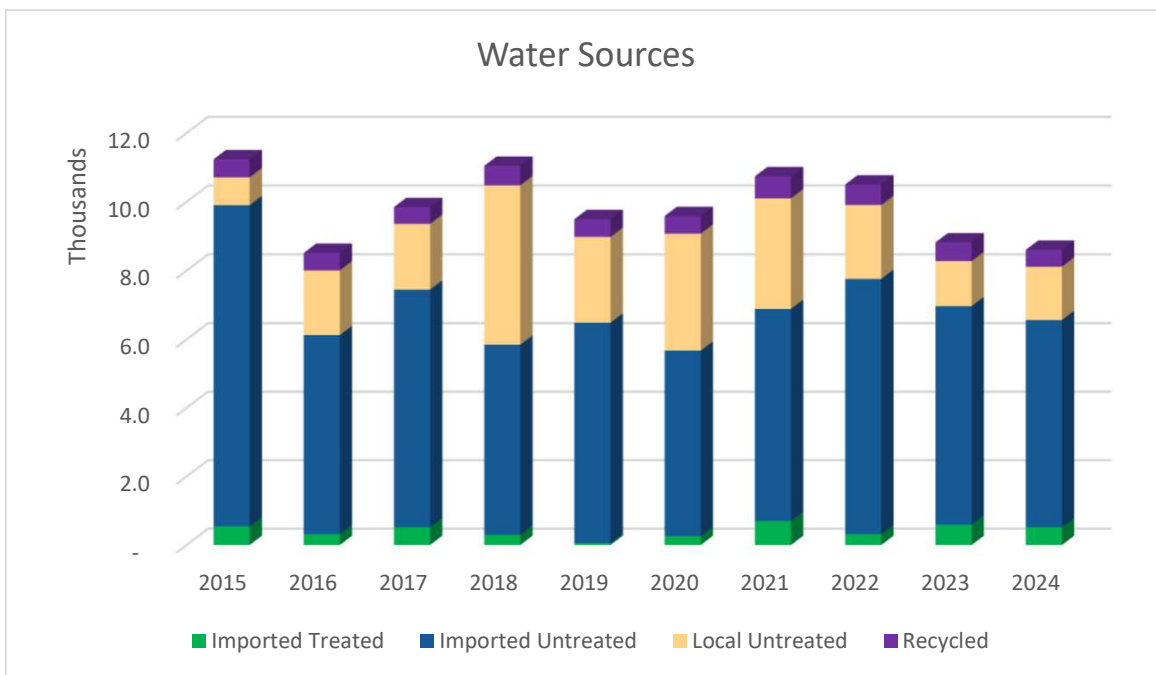
Source: Santa Fe Irrigation District



## Water Supply Sources (in Acre Feet) Last Ten Fiscal Years

Fiscal Year	Imported Treated	Imported Untreated	Local Untreated	Recycled	Total
2015	542.4	9,362.2	811.6	522.8	11,239.0
2016	312.8	5,815.0	1,880.7	508.9	8,517.4
2017	518.0	6,931.0	1,911.1	489.6	9,849.7
2018	299.4	5,547.0	4,635.5	568.1	11,050.0
2019	56.6	6,432.9	2,492.3	517.7	9,499.5
2020	257.6	5,416.6	3,403.5	512.7	9,590.4
2021	700.3	6,189.6	3,214.0	639.9	10,743.8
2022	317.5	7,444.1	2,147.2	598.2	10,507.0
2023	597.0	6,371.5	1,308.7	545.5	8,822.7
2024	517.5	6,047.3	1,552.9	489.8	8,607.5

Source: Santa Fe Irrigation District





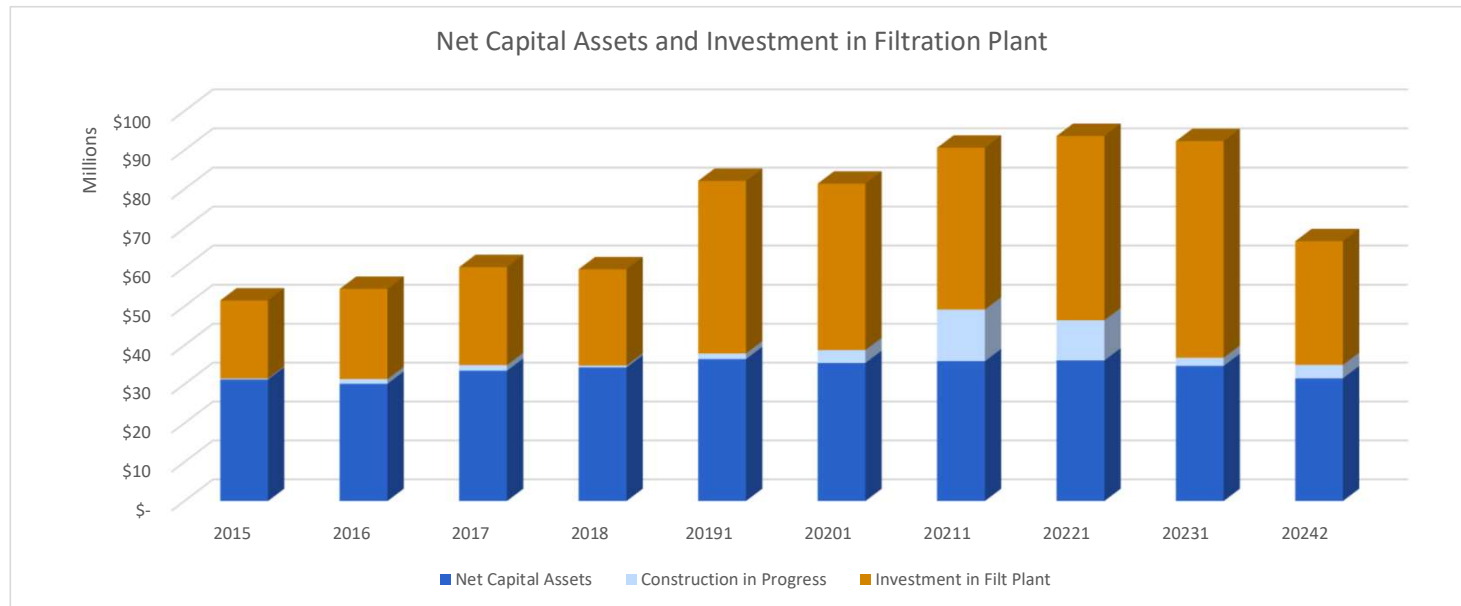
### Net Capital Assets and Investment in Filtration Plant Last Ten Fiscal Years

Fiscal Year	Land & Imprvmts	Buildings	Distrib System	Reservoirs	Misc Equipment	Gross Capital Assets	Accumulated Depreciation	Net Capital Assets	Construction in Progress	Investment in Filt Plant	Total Net Capital Assets
2015	\$ 319,555	\$ 3,062,387	\$ 43,242,246	\$ 1,618,071	\$ 3,072,418	\$ 51,314,677	\$ (20,099,174)	\$ 31,215,503	\$ 275,562	\$ 20,026,372	\$ 51,517,437
2016	319,555	3,003,823	43,175,427	1,620,731	3,110,173	51,229,709	(21,117,469)	30,112,240	1,207,571	23,146,050	54,465,861
2017	319,555	3,036,599	46,776,681	1,620,731	4,202,289	55,955,855	(22,489,708)	33,466,147	1,454,763	25,139,648	60,060,558
2018	319,555	3,036,599	48,687,635	1,620,731	4,462,256	58,126,776	(23,832,759)	34,294,017	502,867	24,688,286	59,485,170
2019 <sup>1</sup>	1,696,320	3,153,876	49,636,251	1,636,307	5,512,174	61,634,928	(25,183,915)	36,451,013	1,457,769	44,221,787	82,130,569
2020 <sup>1</sup>	1,696,320	3,213,456	49,636,251	1,646,540	6,116,209	62,308,776	(26,843,176)	35,465,600	3,318,260	42,641,120	81,424,980
2021 <sup>1</sup>	1,696,320	3,305,873	51,009,497	1,646,540	6,644,043	64,302,273	(28,386,019)	35,916,254	13,282,985	41,411,826	90,611,065
2022 <sup>1</sup>	1,696,320	3,389,257	51,843,550	1,633,805	6,830,606	65,393,538	(29,291,401)	36,102,137	10,331,373	47,206,300	93,639,810
2023 <sup>1</sup>	1,696,320	3,498,572	51,843,550	1,633,805	7,048,951	65,721,198	(31,029,952)	34,691,246	2,125,749	55,502,989	92,319,985
2024 <sup>2</sup>	1,041,070	3,554,174	51,843,550	1,633,805	6,748,920	64,821,519	(33,301,971)	31,519,548	3,432,996	31,727,738	66,680,281

Source: Santa Fe Irrigation District

<sup>1</sup>The District has made accounting changes and reclassifications regarding the R. E. Badger Filtration Plant and began consolidating the Plant and the District financials beginning in FY19. The Investment in the Filtration Plant was eliminated on the financial statements and the Filtration Plant fixed assets were combined with the District.

<sup>2</sup>Beginning in FY24 reporting includes the District and the District's proportionate share of the R.E. Badger Filtration Plant per GASB regulations.



**Schedule of Water Rates and Charges**  
**As of June 30, 2024**

Single Family Residential

Schedule below based on meter size

METER SIZE		3/4"		1"		1.5"		2"+	
Tier #	Price	Beg. HCF <sup>1</sup>	End HCF	Beg. HCF	End HCF	Beg. HCF	End HCF	Beg. HCF	End HCF
Tier 1	\$ 5.02	0	29	0	82	0	143	0	212
Tier 2	\$ 6.19	30	45	83	142	144	274	213	450
Tier 3	\$ 6.54	46	61	143	211	275	445	451	892
Tier 4	\$ 7.47	62+		212+		446+		893+	

Multi-Family Residence	\$	5.68	PSAWR	Tier 1	0-44 Units	\$	5.02
Non-Residential	\$	5.75		Tier 2	45+ Units	\$	5.26
Irrigation/Commercial Agriculture	\$	5.80					
Temporary Construction Use	\$	6.22					
Fire Line Use	\$	7.37					
Recycled	\$	4.22					

**Meter System Access Charges**  
**June 30, 2024**

Bi-Monthly				Monthly	
Meter Size	Potable	Private Fire		Recycled	Temp
	Meter Fees	PSAWR	Line	Meter Fees	
5/8" and 3/4"	\$ 98.51	\$ 70.47	\$ 11.87	\$ 31.41	
1"	157.11	110.38	11.87	48.81	
1 1/2"	303.62	210.16	11.87	92.32	
2"	479.42	329.89	11.87	144.53	
3"	1,036.13	709.02		309.86	738.16
4"	1,856.55	1,267.75		553.51	
6"	3,819.68	2,604.71		1,136.52	
8"	8,214.77	5,597.90		2,441.77	
10"	12,316.85	8,391.54		3,660.00	

<sup>1</sup> HCF is one hundred cubic feet = 748 gallons

Source: Santa Fe Irrigation District

**Historic Service Connections  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Service Connections</b>	<b>Percent Change</b>
2015	7,382	1.2%
2016	7,467	1.2%
2017	7,517	0.7%
2018	7,520	0.0%
2019	7,606	1.1%
2020	7,641	0.5%
2021	7,652	0.1%
2022	7,692	0.5%
2023	7,760	0.9%
2024	7,664	-1.2%

**Historic Water Revenue  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Water Sales</b>	<b>Percent Change</b>	<b>Fixed Charges</b>	<b>Percent Change</b>
2015	\$ 17,598,000	-11.6%	\$ 3,672,959	0.3%
2016	13,755,595	-21.8%	3,700,610	0.8%
2017	16,548,196	20.3%	4,895,700	32.3%
2018	20,864,372	26.1%	5,352,584	9.3%
2019	18,472,415	-11.5%	5,535,582	3.4%
2020	18,865,808	2.1%	5,507,678	-0.5%
2021	22,956,425	21.7%	5,388,296	-2.2%
2022	23,122,259	0.7%	5,621,633	4.3%
2023	20,137,050	-12.9%	5,685,882	1.1%
2024	20,382,104	1.2%	6,300,767	10.8%

Source: Santa Fe Irrigation District

**Schedule of Pension and OPEB Contributions**  
**Last Ten Fiscal Years**

Fiscal Year	Pension Contributions	OPEB Contributions	Total Contributions
2015	\$ 628,467	\$ 540,700	\$ 1,169,167
2016	832,671	554,215	1,386,886
2017	917,461	646,183	1,563,644
2018	1,013,764	660,194	1,673,958
2019	1,131,392	574,832	1,706,224
2020	1,316,260	582,553	1,898,813
2021	1,478,590	686,468	2,165,058
2022	3,738,170	479,911	4,218,081
2023	1,628,004	501,184	2,129,188
2024	1,317,330	575,473	1,892,803

Source: Santa Fe Irrigation District