

Location: Yuima MWD Board Room
34928 Valley Center Rd.
Pauma Valley, CA 92061

Date: January 21, 2025

Time: 3:30 p.m.

U S L R G M A

SPECIAL MEETING

Upper San Luis Rey Groundwater Management Authority

Greg Kamin – Chairman
Roland Simpson – Treasurer
Steve Wehr - Director

Tim Lyall – Vice Chairman
Rich Stehly – Director
Bill Pankey – Director

Michael Perricone- Secretary
Chuck Bandy – Director
Eric Steinlicht - Director

I. Call to order

II. Pledge of Allegiance

III. Roll Call

IV. Approval of the Agenda

V. Public Comment

VI. Consent Calendar

VII. Action Discussion

- a) Consider Approval of the Upper San Luis Rey Groundwater Management Authority Audited Financial Statements for Fiscal Year 2023-24.

Background: As a public agency, the Authority is required to conduct an annual independent audit of its financials. After this initial audit, and due to its small size, staff will seek a waiver to perform the audit every three years.

Recommendation: Should the Board agree, approve the audited financial statements as presented.

- b) Form 700 File Requirement Changes – Discussion Only

Background: SB 1156 requires Members of the Board of Directors and the Executive Director, General Manager, or other person with an equivalent position of a Groundwater Sustainability Agency to file their Statement of Economic Interests (SEIs) directly with the FPPC by using the FPPC's electronic filing system effective January 1, 2025. Staff will give directions / information on this procedure

Posted: January 16, 2025 – 3:00 p.m.



VIII. Other Business

Next Regular Meeting, Tuesday, March 18, 2025

IX. Adjournment

The JPA provides remote attendance options solely as a matter of convenience to the public. The JPA will not stop or suspend its in-person public meeting should a technological interruption occur with respect to the zoom or call-in line listed on the agenda. We encourage members of the public to attend JPA meetings in-person at 34928 Valley Center Road, Pauma Valley, CA, or remotely utilizing the options below:

For Online Participation:

Join Zoom Meeting

<https://us02web.zoom.us/j/86104952451?pwd=5or85bsxTisxCV6ELne3Qkb3DKbzei.1>

Meeting ID: 861 0495 2451

Passcode: 06182024

ACTION / DISCUSSION

**UPPER SAN LUIS REY
GROUNDWATER MANAGEMENT AUTHORITY
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2023)**

NIGRO & NIGRO^{PC}

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

For the Fiscal Year Ended June 30, 2024

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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Upper San Luis Rey Groundwater Authority
Pauma Valley, California

Opinion

We have audited the accompanying financial statements of the Upper San Luis Rey Groundwater Management Authority (Authority) which comprise the balance sheet as of June 30, 2024, the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and related notes to the financial statements, as listed in the table of contents.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority'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

Management has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements due to the Authority's first year in operations. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic Financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated October 31, 2024, on our consideration of the Authority'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

Murrieta, California
October 31, 2024

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Balance Sheet

June 30, 2024

(With Comparative Amounts as of June 30, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents (note 2)	\$ 2,308	\$ 3
Accounts receivable	29,623	39,091
Total assets	<u>31,931</u>	<u>39,094</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 31,938	\$ 58,432
Total liabilities	<u>31,938</u>	<u>58,432</u>
NET POSITION		
Unrestricted	<u>(7)</u>	<u>(19,338)</u>
Total net position	<u>(7)</u>	<u>(19,338)</u>
Total liabilities and net position	<u>\$ 31,931</u>	<u>\$ 39,094</u>

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Statement of Revenues Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2024

(With Comparative Amounts for the Fiscal Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Member agency contributions – initial funding (note 3)	\$ -	\$ 302,340
Member agency contributions – operations	198,311	135,039
Total operating revenues	<u>198,311</u>	<u>437,379</u>
Operating Expenses:		
Contracted services – initial funding (note 3)	-	302,340
Contracted services – operations	13,800	17,250
General and administrative	165,233	137,127
Total operating expenses	<u>179,033</u>	<u>456,717</u>
Operating income(loss)	<u>19,278</u>	<u>(19,338)</u>
Non-Operating Revenues:		
Other revenue	53	-
Total non-operating revenues	<u>53</u>	<u>-</u>
Change in net position	19,331	(19,338)
Net Position		
Beginning of year	(19,338)	-
End of year	<u>\$ (7)</u>	<u>\$ (19,338)</u>

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2024

(With Comparative Amounts as of June 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash received from member agencies	\$ 207,832	\$ 398,288
Cash payments for operating expenses	(205,527)	(398,285)
Net cash provided by (used in) operating activities	<u>2,305</u>	<u>3</u>
Net increase(decrease) in cash and cash equivalents	<u>2,305</u>	<u>3</u>
Cash and cash equivalents:		
Beginning of year	3	-
End of year	<u>\$ 2,308</u>	<u>\$ 3</u>
	<u>2024</u>	<u>2023</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income(loss)	\$ 19,278	\$ (19,338)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Other non-operating revenues	53	-
(Increase) decrease in assets:		
Accounts receivable	9,468	(39,091)
Increase (decrease) in liabilities:		
Accounts payable	(26,494)	58,432
Net cash provided by operating activities	<u>\$ 2,305</u>	<u>\$ 3</u>

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Upper San Luis Rey Groundwater Management Authority (Authority) was formed under a Joint Exercise of Powers Authority on May 1, 2022, pursuant to the provisions of Article 1, Chapter 5; Division 7, Title 1 commencing with Section 6500 of the Government Code of the State of California. The Authority was formed between the Member Agencies “collectively” Yuima Municipal Water District (YMWD), Pauma Municipal Water District (PMWD), Pauma Valley Community Services District (PVCSD), Upper San Luis Rey Resource Conservation District (USLRRC), and the San Luis Rey Municipal Water District (SLRMWD). The Authority was formed for the purpose of, among other things, serving as the Groundwater Sustainability Agency (GSA) for the Subbasin and implementing the Groundwater Sustainability Plan (GSP). The goal is to perform sustainable and equitable groundwater management, in accordance with the Sustainable Groundwater Management Act (SGMA), that will protect the groundwater resources in the Upper San Luis Rey Groundwater Basin for all beneficial users into the foreseeable future.

The Authority is an independent public Authority separate from the Members. The Authority’s board consists of two board members each from Yuima Municipal Water District, Upper San Luis Rey Resource Conservation District, and Pauma Municipal Water District and one member from Pauma Valley Community Services District, Rancho Pauma Mutual Water Company, and San Luis Rey Municipal Water District.

Each member of the Authority shall be obligated to pay its proportional share of the operating and administrative costs. The payment obligation of each member is based upon the number of directors each member is authorized to appoint to the Board. The San Luis Rey Municipal Water District and the Upper San Luis Rey Resource Conservation District do not participate in the cost share payments.

Basis of Accounting and Measurement Focus

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the costs of providing services be financed or recovered primarily through user (member) charges, capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Financial Reporting

The Authority’s basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States Board (GAAP), as applied to enterprise funds, The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Authority’s proprietary fund.

Operating revenues and expenses result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Management administration is also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

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

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Unrestricted – This component of net position is the net amount of the assets less liabilities that are not included in the determination of the investment in capital assets component of net position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Member Authority Contributions

Contribution revenue consists of payments from members that are planned to match operating and administrative expenses. The activities of the Authority consist solely of facilitating the preparation of a groundwater sustainability plan for the San Luis Rey Valley Groundwater Basin.

Member’s Net Position

In the event of a member withdrawal, member termination, or dissolution of the Authority, any property interest remaining in the Authority, following a discharge of all obligations shall be disposed of pursuant to the Joint Powers Agreements as adopted by the Governing Board.

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Notes to Financial Statements

June 30, 2024

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2024, are classified on the balance sheet as follows:

<u>Description</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,308
Total cash and cash equivalents	\$ 2,308

Cash and investments at June 30, 2024, consisted of the following:

<u>Description</u>	<u>2023</u>
Demand deposits held with financial institutions	\$ 2,308
Total cash and cash equivalents	\$ 2,308

Demand Deposits with Financial Institutions

At June 30, 2024 the carrying amount of the Authority's demand deposits was \$2,308, and the financial institution's balance was \$2,308. There was no net difference and/or other reconciling items between the financial institution's balance and the Authority's balance for the year.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Notes to Financial Statements

June 30, 2024

NOTE 3 – MEMBER CONTRIBUTIONS – INITIAL FUNDING

The Member Agencies acknowledged that the “Initial Funding” of costs associated with the formation of the Authority provided by the YMWD between July 2019 and June 2022 will be determined by subtracting out a payment from the USLRCD of \$25,000 and allocating the remaining costs by 1/3 to the PMWD, PVCSD & YMWD. The SLRMWD was not asked to participate in the funding of the Initial Costs as follows:

<u>Agency</u>	<u>Initial Funding</u>
Pauma Municipal Water District	\$ 92,447
Pauma Valley Community Services District	92,447
Upper San Luis Rey Resource Conservation District	25,000
Yuima Municipal Water District	92,446
Total	\$ 302,340

NOTE 4 – MEMBER CONTRIBUTIONS – OPERATIONS AND MEMBER NET POSITION

The Authority was formed collectively by the Member Agencies. The Member Agencies agreed that the PMWD, PVCSD and YMWD would share the costs for ongoing operations of the Authority. The SLRMWD and USLRCD have not been asked to participate in the cost sharing of the ongoing operations of the Authority except for the cost of acquiring insurance to protect the Authority. The Member Agencies investment or net position in the Authority for ongoing operations as of June 30, 2024 has been calculated as follows:

<u>Member Agency</u>	<u>For the Periods Ending June 30, 2023 to June 30, 2024</u>				
	<u>Member Contributions</u>	<u>Other Contributions</u>	<u>Grant Revenue</u>	<u>Operating Expenses</u>	<u>Net Position</u>
Pauma Municipal Water District	\$ 111,117	\$ 18	\$ -	\$ (111,137)	\$ (2)
Pauma Valley Community Services District	111,117	18	-	(111,137)	(2)
Yuima Municipal Water District	111,116	17	-	(111,136)	(3)
Total	\$ 333,350	\$ 53	\$ -	\$ (333,410)	\$ (7)

<u>Member Agency</u>	<u>Remaining Balances at June 30, 2024</u>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Net Position</u>
Pauma Municipal Water District	\$ 10,644	\$ 10,646	\$ (2)
Pauma Valley Community Services District	10,644	10,646	(2)
Yuima Municipal Water District	10,643	10,646	(3)
Total	\$ 31,931	\$ 31,938	\$ (7)

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Notes to Financial Statements

June 30, 2024

NOTE 5 – RISK MANAGEMENT

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

A. Entity	ACWA-JPIA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of September 30, 2023 – 401 member districts
D. Governing board	Eight representatives employed by members
E. Condensed financial information Audit signed	September 30, 2023 March 20, 2024

	<u>Sept 30, 2023</u>
Statement of financial position:	
Total assets	\$ 288,462,503
Deferred outflows	4,654,911
	<hr/>
Total liabilities	167,203,667
Deferred inflows	5,200,835
	<hr/>
Net position	\$ 120,712,912
	<hr/> <hr/>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 248,013,664
Total expenses	(240,084,673)
	<hr/>
Change in net position	7,928,991
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Beginning - net position	112,783,921
Ending - net position	\$ 120,712,912
	<hr/> <hr/>

F. Member agencies share of year-end financial position	Not Calculated
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The Authority participated in the self-insurance programs of the Insurance Authority as follows:

General Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence.

UPPER SAN LUIS REY GROUNDWATER MANAGEMENT AUTHORITY

Notes to Financial Statements

June 30, 2024

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Litigation

The Authority is involved in certain litigation incidental to its business and may be subject to further claims and litigation from outside parties.

San Luis Rey Indian Water Authority (SLRIWA) vs. Pauma Valley Groundwater Sustainability Agency and its Successor the Authority

The SLRIWA is not seeking damages from the Authority, but it is seeking, a through invalidation of the Groundwater Sustainability Plan (GSP) filed with the California Department of Water Resources (DWR) in January 2022, to potentially limit the amount of water that the Authority's members can take from the Upper San Luis Rey Subbasin (Subbasin). The court case was continued until after January 2024 to allow the DWR to determine the adequacy of the GSP for the Subbasin prior to the court making a ruling. This stipulation further provides that the Authority will be added as a Defendant in the SLRIWA Litigation when the stay ends. In December 2023, DWR approved the GSP for the Pauma Valley, but SLRIWA has not requested to end the stay. It is unclear whether they will do so and the timing for the same. Thus, the litigation remains on hold until such time as SLRIWA requests to end the current stay.

NOTE 7 – SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through October 31, 2024, the date which the financial statements were available to be issued.

Other Independent Auditors' Reports



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

Board of Directors
Upper San Luis Rey Groundwater Management Authority
Pauma Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Upper San Luis Rey Groundwater Management Authority (Authority) which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 31, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Murrieta, California
October 31, 2024