



Elsinore Valley Municipal Water District

31315 Chaney Street,
Lake Elsinore, CA 92530
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2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2021



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ELSINORE VALLEY MUNICIPAL WATER DISTRICT

Lake Elsinore, California

Prepared by the Finance Department

Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION

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A close-up photograph of several flower spikes, likely from a species of Amaranth. The spikes are composed of numerous small, tightly packed flowers, showing a color gradient from light pink to deep purple. A small fly is perched on one of the lower spikes. The background is a soft-focus green field. An orange rectangular box is overlaid on the right side of the image, containing the text 'INTRODUCTORY SECTION' in white, bold, uppercase letters.

**INTRODUCTORY
SECTION**

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Board of Directors
 Phil Williams, President
 Darcy Burke, Vice President
 Harvey R. Ryan, Treasurer
 Andy Morris, Director
 Chance Edmondson, Director



General Manager
 Greg Thomas
District Secretary
 Terese Quintanar
Legal Counsel
 Best Best & Krieger

Our Mission...

The EVMWD team delivers total water management that powers the health and vibrancy of its communities so life can flourish.

January 27, 2022

Board of Directors and
 Customers Served by the District
 Elsinore Valley Municipal Water District
 31315 Chaney Street
 Lake Elsinore, CA 92530

We are pleased to present the Elsinore Valley Municipal Water District's ("District") Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended June 30, 2021.

This report was prepared by District staff following financial reporting guidelines set forth by the Governmental Accounting Standards Board. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements presented are free of any material misstatements.

Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, have issued an unmodified "clean" opinion on the District's financial statements for the fiscal year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The District was incorporated on December 23, 1950, under the legal authority of the California Municipal Water District Act of 1911. This Act allows the District to supply and distribute water, treat and dispose of wastewater, make beneficial use of reclaimed water, and manage water-related recreational activities. The District provides service to a population of approximately 157,000 within 61,949 acres or 97 square miles of land located in the western portion of Riverside County and a portion of Orange County along the Ortega Highway. The District primarily provides service to the cities of Lake Elsinore, Canyon Lake, Wildomar, the California Oaks Development within the City of Murrieta, and the unincorporated communities of Lakeland Village, Meadowbrook, Rancho Capistrano/El Cariso Village, Horsethief Canyon, and Temescal Canyon. The District is a member agency of the Western Municipal Water District ("WMWD"), which is a member agency of the Metropolitan Water District of Southern California ("MWD").

The financial data presented includes information relating to certain separate legal entities whose activities are significantly controlled by the District. These include the Water Employee Services Authority ("WESA"), Elsinore Valley Water and Sewer Facilities Corporation, Elsinore Valley Municipal Water District Financing Authority, and the Meeks and Daley Water Company in which the District owns a controlling interest. WESA was established in 2003 and started providing employee services to the District and Meeks and Daley on January 1, 2008. WESA is also available to provide this service to other water and wastewater agencies. The District continues the tradition of providing high quality, professional water and wastewater services to the communities it serves.

Board of Directors
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Andy Morris, Director
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The District is governed by a five member Board of Directors (“Board”) elected by the voters within their respective divisions for staggered four-year terms.

The District’s Board includes:

Darcy M. Burke, Vice President	Division 1
Harvey R. Ryan, Treasurer	Division 2
Chance Edmondson, Director	Division 3
Phil Williams, President	Division 4
Andy Morris, Director	Division 5

The District is not legally required to adopt and adhere to a budget or to present budgetary comparison information. However, the Board chooses to approve a biennial budget as a management tool, which serves as the foundation for the District’s financial planning and control. The budget is prepared by fund, function, and department. The Board does not formally amend the budget after approval.

LOCAL ECONOMY

Over the last ten years the District’s population has grown by a total of 20.4%. During this fiscal year, the number of active water meters and wastewater service connections grew by 576 (1.3%) and 579 (1.6%), respectively, compared to the prior year. The population of Riverside County increased by approximately 0.6% over the same period. The District has planned for a growth rate of 1.0% in water services and 1.3% in wastewater services for the next fiscal year. Should the actual growth rate in utility services be higher than projections, adequate water and wastewater capacities are available to meet the demand for District services.

MAJOR INITIATIVES

The District has continued to perform water and wastewater system upgrades and expansions as needed to provide safe and reliable services. Currently, the District has over 110 ongoing capital projects with total authorized costs of approximately \$170.1 million, of which, approximately \$77.4 million has been expended as of June 30, 2021 on these projects. Several noteworthy projects are described below.

Regional Water Reclamation Facility Upgrades Construction – The Regional Water Reclamation Facility (“RWRF”) was originally constructed in 1984 and most recently expanded in 2000-2001. Many of the facilities have reached the end of their useful life and/or no longer meet current regulatory requirements which has necessitated an upgrade of the existing facility. A master plan was completed in June 2016 which included plans for the upgrade and expansion of this facility. Costs for the recommended upgrade are estimated at \$46.0 million. \$33.5 million has been authorized to date for this project. A loan in the amount of \$46.0 million was awarded from the Clean Water State Revolving Fund (“CWSRF”).

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Water Facilities – The District has authorized \$31.6 million for 45 smaller water related projects that have an individual authorized amount of \$3.6 million or less each. A few of the larger projects are the Skymeadows Pump Station (\$3.6 million), the Mills Capacity Line (12cfs) (\$2.6 million), the Pipeline from Tomlin 1 to Los Pinos 2 (\$2.5 million), and the Lee Lake Dam Upgrades (\$2.3 million).

Wastewater Facilities – The District has authorized \$26.7 million for 39 smaller wastewater related projects that have an individual authorized amount of \$3.2 million or less each. A few of the larger projects are the Railroad Canyon Water Reclamation Facility Yard Piping Modifications (\$3.2 million) and the Supervisory Control and Data Acquisition system (SCADA) installation at the Railroad Canyon Wastewater Treatment Plant (\$3.1 million).

Indirect Potable Reuse – Due to a high concentration of total dissolved solids (“TDS”) in imported water supplies, the District experiences elevated TDS concentrations in its recycled water effluent which affects the waste discharge permits. Therefore, the Santa Ana Regional Water Quality Control Board (“RWQCB”) requires the District to have a plan in place to offset the TDS discharge. The District’s Maximum Benefit proposal to the RWQCB, scheduled for approval in December 2021, includes a commitment to implement the Indirect Potable Reuse Program as part of its offset plan. The District has set aside funding of \$16.0 million towards the estimated \$132 million project cost.

Regional Water Reclamation Facility Expansion Planning – The Regional Water Reclamation Facility (“RWRP”) was originally constructed in 1984 and most recently expanded in 2000-2001. Growth within the service area combined with many of the facilities reaching the end of their useful life and/or no longer meeting current regulatory requirements has necessitated upgrades and additional expansion. A master plan was completed in June 2016 which included plans for the upgrade and expansion of this facility. Costs for the recommended 4.0 million gallons per day (“MGD”) Phase 1 Expansion and existing plant upgrade design are estimated at \$13.1 million. \$12.5 million has been authorized to date for this project. A loan in the amount of \$6.3 million was awarded from the Clean Water State Revolving Fund (“CWSRF”) and a grant in the amount of \$900 thousand was awarded from the Bureau of Reclamation WaterSMART Title XVI.

Horsethief Canyon Water Reclamation Facility Expansion – There are four proposed developments planned northeast of the existing Horsethief Canyon WRF, in the northern section of the District’s service area. The developments consist of approximately 1,200 residential homes with no parks or commercial areas. In order to accommodate the new development, the Horsethief WRF will be expanded by 0.3 million gallons per day. The project is expected to be completed by December 2023, with \$9.0 million authorized to date and an estimated project cost of \$34.0 million.

Other Facilities – The District has authorized \$8.0 million for 25 smaller projects for other facilities that have an individual authorized amount of \$2.6 million or less each. A few of the larger projects are the Administration Building Repairs (\$2.6 million), Condition Assessment of Motor Control Centers (\$1.0 million), Additional District Parking (\$768 thousand), and the Comprehensive Asset Management Plan (\$512 thousand).

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Diamond Regional Lift Station – The construction of the Diamond Regional Lift Station will ultimately replace four existing lift stations and will accommodate existing and future development flows. The lift station will be designed to accommodate initial flow of about 3.0 million gallons per day (MGD) and future upgrades to pump 6.6 MGD. The project design is expected to be completed by October 2021 with construction anticipated by 2024. The District has authorized \$6.7 million to date and an estimated project cost of \$35 million.

Lee Lake Wells Project (Integrated Resource Project) – The purpose of the Lee Lake Wells Project is to provide an additional source of potable water in the northern area of the District’s service area. This project has been sited on a District owned property. A borehole exploratory study and water quality testing was conducted and found to be successful from both a capacity and water quality parameters. A Preliminary Design Report was received in March 2019. The project is anticipated to be constructed in two phases: Phase 1 – Well Drilling is expected to begin in October 2021 and Phase 2 – Wellhead Facilities and offsite Pipelines is estimated to be bid in April 2022. This project is part of the Santa Ana Regional Conservation Conjunctive Use Program (SARCCUP). The District has entered into an agreement with Western Municipal Water District to receive \$3.0 million in funding for this project from the Department of Water Resource Proposition 84 through Santa Ana Watershed Project Authority. The District has authorized \$5.2 million in funding to date for this project.

Palomar Well (Integrated Resource Project) – The Palomar Well Project is part of the near-term water supply program recommended for implementation in the 2017 Integrated Resources Plan. The implementation of these local water supply projects will help EVMWD to have a more reliable long term water supply portfolio and will contribute to becoming less dependent on imported water supply. The Project design is expected to be completed by August 2021 with construction anticipated to be complete by 2023. The District has authorized \$5.1 million to date and an estimated total project cost of \$6.6 million.

LONG-TERM FINANCIAL PLANNING

The District is heavily committed to investing into its major capital facilities and infrastructure in order to provide for continued high levels of water, wastewater, and recycled water services in the future. In addition, maintenance and replacement of current District facilities is also performed as necessary to ensure they will be available for continued future use. As costs continue to increase, the District has been required to increase rates in order to maintain its ability to provide a consistent high level of service. The District continues to analyze its long-term capital investments to determine the best means of financing these projects. Most of the projects discussed above are planned as cash (pay-as-you-go) projects.

The District continues to take advantage of low interest rate loans being offered by the Clean Water State Revolving Fund (“CWSRF”) to finance larger projects such as the RWRP upgrade and expansion projects rather than using traditional debt financing to fund these types of projects due to the amount of cost savings involved. In the event that these types of loans are no longer offered in the future, or the District does not qualify for them, the District will likely fund larger projects of these types through debt issuance.

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In the past, the District has funded larger capital investments through debt financing and will continue to do so on an as needed basis. The District maintains an AA credit rating with Fitch, an AA+ rating with Standard & Poor's, and an Aa2 rating with Moody's. The District reviews all potential debt against its capital needs with the intent to maintain or improve its credit rating.

The District's next fiscal year budget includes capital improvement projects with a total cost of approximately \$88.1 million with the largest of these projects being the Regional Water Reclamation Facility Expansion Construction (\$60.0 million), Horsethief Water Reclamation Facility Design Build Rehab and Expansion (\$5.0 million), Mayhew Well (\$3.6 million), Railroad Canyon Water Reclamation Facility DCS Conversion (\$2.5 million), and Stage Ranch Road Pipeline (\$1.3 million).

To maintain fiscal stability, utility rates were developed to match variable costs with commodity rates, fixed costs with fixed rates, and to include a goal of Capital Replacement Program funding at 100% depreciation by fiscal year 2029-2030. The District plans to maintain Rate Stabilization Reserve funding at a minimum of 15% and a maximum of 30% of operating costs. To ensure that there is sufficient funding to implement its Capital Improvement Program, the District maintains cash flow and non-operating rate projections for all sources of project funding five years into the future.

COVID 19

Beginning in December 2019, a novel strain of coronavirus (COVID-19) spread around the world resulting in business and social disruptions. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business activity of the District could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus.

The District acted quickly in an attempt to minimize any anticipated effects that this pandemic could potentially have on operations and business activity. Efforts by the District were two-fold: 1) Health and Safety, and 2) Financial

- Utility systems are critical infrastructure, and some staff must work on site each day. Since the beginning of the pandemic, health and safety efforts include assigning approximately 50% of office staff to work from home. In addition:
 - » Staff who are required to work onsite are segregated into cohorts to reduce exposure.
 - » A pandemic response plan and an updated transition plan were implemented, providing guidelines for the initial response, and safely transitioning back to regular operations.
 - » Face coverings are required for all staff and visitors and are provided by the District at no cost.
 - » Cleaning and disinfecting products have been placed in all high traffic areas.
 - » Meetings are held either virtually, or as hybrid meetings to reduce the number of staff in conference rooms.

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- » Conference rooms and break rooms have been redesigned to ensure proper social distancing.
- » Signage has been placed throughout the District informing employees of proper health and safety measures, and safety training provided.
- » Staff are required to self-certify daily before the start of their work shift that they do not have symptoms of illness.
- » All common areas and frequently touched surfaces are cleaned twice each day.
- » Contact tracing is performed when necessary based on exposure or illness.
- » Appropriate accommodations are made for employees who may have been exposed but still need to report to work.
- » A telecommuting policy was adopted to properly identify, document, and compensate employees who are working from home due to the pandemic
- Financial efforts included staff identifying potential operational cost savings to help offset the anticipated effects on net operating income. These cost savings were necessary to:
 - » Rate deferrals adopted by the Board to ease the economic burden on rate payers, and an increase in uncollectible customer accounts caused by economic conditions and State-imposed mandates as a result of COVID-19.

The District has not included any contingencies in the financial statements specific to this issue.

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AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for the fiscal year ending June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The District has received a Certificate of Achievement from the GFOA for the last thirty (30) consecutive fiscal years (fiscal years ended 1990-2020). We believe our current ACFR continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA.

We would like to express our appreciation to all members of the District’s staff, particularly the members of the Finance & Accounting Department, who have participated in the preparation of this report. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the financial affairs of the District.

Sincerely,



Greg Thomas
General Manager



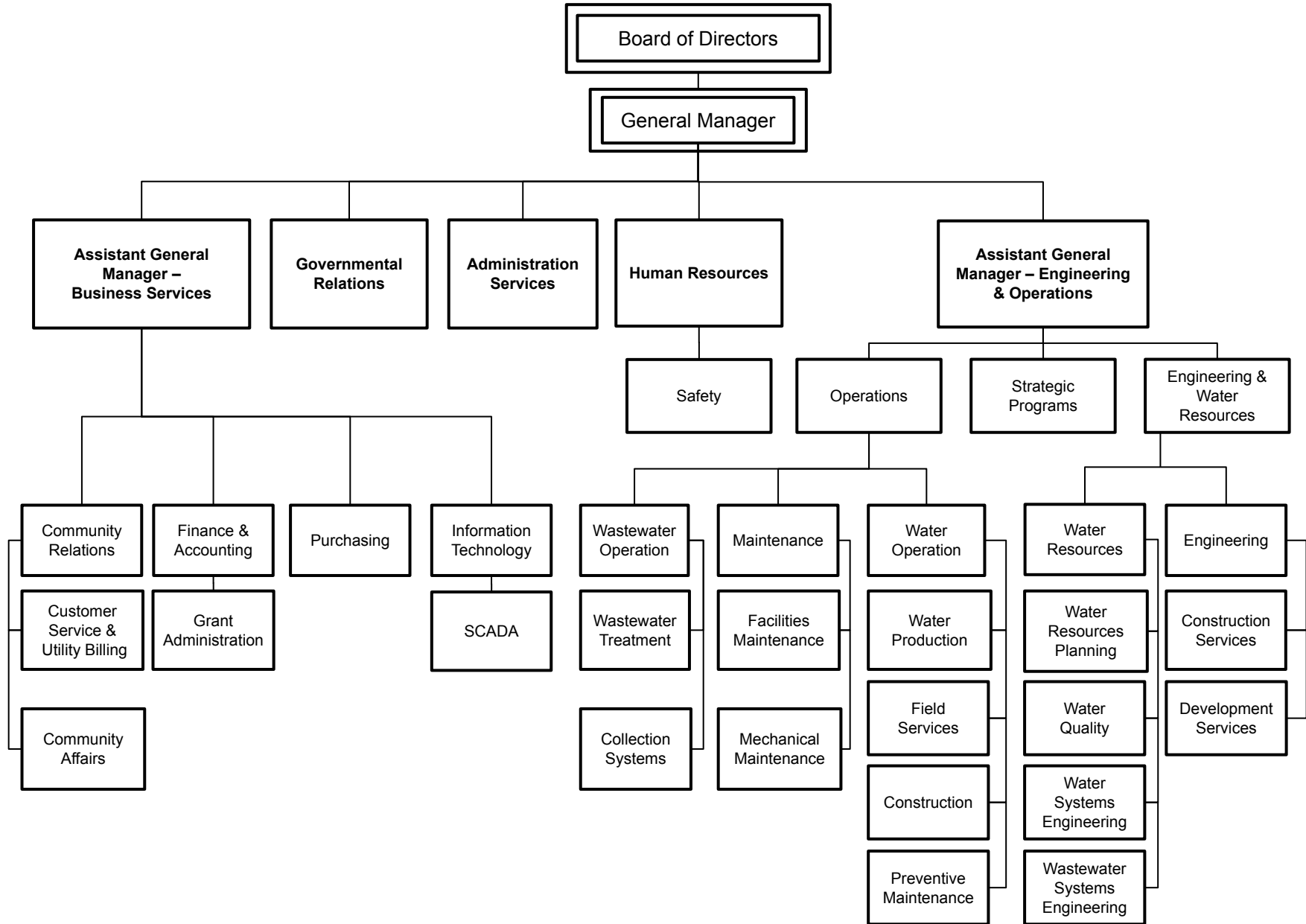
Robert A. Hartwig, CPA, MBA
Assistant General Manager - Business Services Division

BOARD OF DIRECTORS

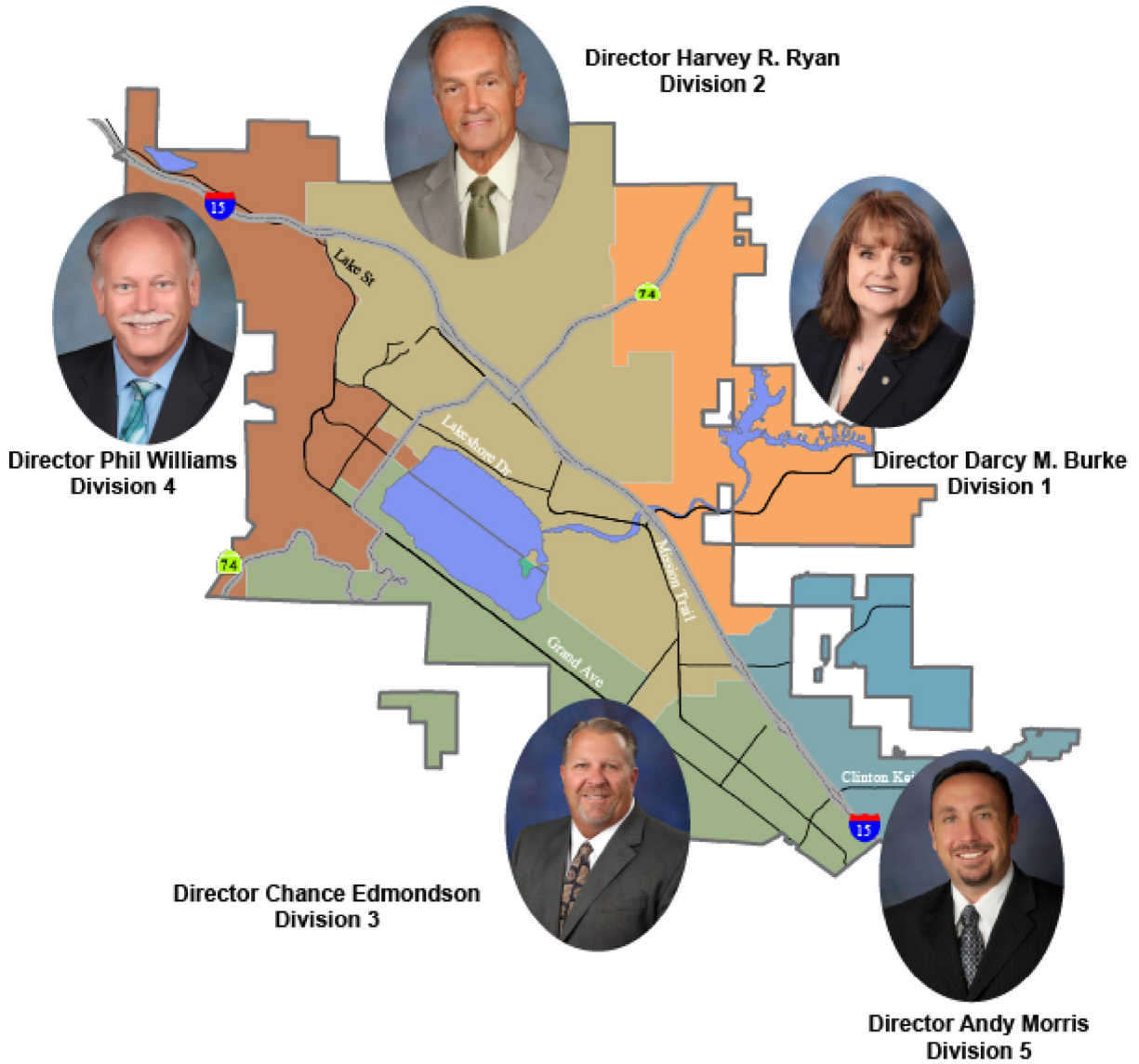
Name	Position	District
Phil Williams	President	Division 4
Darcy M. Burke	Vice President	Division 1
Harvey R. Ryan	Treasurer	Division 2
Andy Morris	Director	Division 5
Chance Edmondson	Director	Division 3

DISTRICT MANAGEMENT

Name	Position
Greg Thomas	General Manager
Ganesh Krishnamurthy	Assistant General Manager – Engineering & Operations
Robert A. Hartwig	Assistant General Manager – Business Services
Margie Armstrong	Director of Strategic Programs
Greg Morrison	Government Relations Officer
Darryn Flexman	Interim Director of Information Technology
Jase Warner	Director of Operations
Jason Dafforn	Director of Engineering & Water Resources
Jennifer Dancho	Director of Human Resources
Terese Quintanar	District Secretary/Administrative Services Supervisor



DISTRICT MAP





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Elsinore Valley Municipal Water District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
 CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Independent Auditor's Report

To the Board of Directors
 Elsinore Valley Municipal Water District
 Lake Elsinore, California

PARTNERS

Brenda L. Odle, CPA, MST
 Terry P. Shea, CPA
 Scott W. Manno, CPA, CGMA
 Leena Shanbhag, CPA, MST, CGMA
 Bradferd A. Welebir, CPA, MBA, CGMA
 Jenny W. Liu, CPA, MST

MANAGERS / STAFF

Gardenya Duran, CPA, CGMA
 Brianna Schultz, CPA, CGMA
 Seong-Hyea Lee, CPA, MBA
 Evelyn Morentin-Barcelona, CPA
 Veronica Hernandez, CPA
 Laura Arvizu, CPA
 Xinlu Zoe Zhang, CPA, MSA
 John Maldonado, CPA, MSA
 Thao Le, CPA, MBA
 Julia Rodriguez Fuentes, CPA, MSA

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 Certified Public Accountants

PCPS The AICPA Alliance
 for CPA Firms

Governmental Audit
 Quality Center

Employee Benefit Plan
 Audit Quality Center

California Society of
 Certified Public Accountants



Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Elsinore Valley Municipal Water District (the District), as of and for the year ended June 30, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

STABILITY. ACCURACY. TRUST.

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.

Report on Summarized Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required or 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, 2020, from which such summarized information was derived.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and those schedules 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 accompanying supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary 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. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical, and data sections 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 31, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 31, 2021

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**MANAGEMENT'S
DISCUSSION
AND ANALYSIS**

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This discussion and analysis of the Elsinore Valley Municipal Water District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter beginning on page 1 and the District's basic financial statements.

FINANCIAL STATEMENTS

The District operates as a utility enterprise and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting. As an enterprise fund, the District's basic financial statements are made up of two components: financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The financial statements conform to accounting principles set forth by Generally Accepted Accounting Principles ("GAAP"). The District's financial statements consist of the statement of net position; the statement of revenues, expenses and changes in net position; the statement of cash flows; and the notes to the basic financial statements.

- **Statement of Net Position:** This statement includes the District's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as net position. This statement also provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.
- **Statement of Revenues, Expenses and Changes in Net Position:** This statement accounts for the District's revenues and expenses. This statement measures the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.
- **Statement of Cash Flows:** This statement reports cash receipts, cash disbursements, and net changes in cash resulting from operations, non-capital financing, capital financing, and investing activities during the reporting period.
- **Notes to the Basic Financial Statements:** These notes 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 presented in the financial statements.

FINANCIAL HIGHLIGHTS

The District's net position, on average, has grown by approximately 2.5% per year over the past ten fiscal years from approximately \$570 million at June 30, 2012 to \$716 million at June 30, 2021. During the current fiscal year, the District's net position grew by \$23.6 million or 3.5% from the prior fiscal year. The yearly comparison of changes in net position for the prior ten fiscal years are shown on page 97 of the Statistical Section.

STATEMENT OF NET POSITION

(Dollars in Thousands)	June 30, 2021	June 30, 2020	Increase / (Decrease)	
			\$ Amount	% Percent
Assets:				
Current Assets	\$ 127,122	\$ 153,132	\$ (26,010)	-17.0%
Other Non-Current Assets	180,801	141,966	38,834	27.4%
Capital Assets, Net	638,405	604,590	33,815	5.6%
Total Assets	946,328	899,689	46,639	5.2%
Deferred Outflows of Resources	11,329	11,040	289	2.6%
Liabilities:				
Current Liabilities	34,913	29,917	4,996	16.7%
Long-term Liabilities	206,946	188,082	18,864	10.0%
Total Liabilities	241,859	217,999	23,860	10.9%
Deferred Inflows of Resources	-	569	(569)	-100.0%
Net Position:				
Net investment in capital assets	462,458	446,212	16,246	3.6%
Restricted	71,967	54,819	17,149	31.3%
Unrestricted	181,372	191,130	(9,758)	-5.1%
Total Net Position	\$ 715,798	\$ 692,161	\$ 23,637	3.4%

Allow for rounding differences

The following explains the significant changes in net position between fiscal years 2020/2021 and 2019/2020 as shown in the above table:

- Current assets decreased by approximately \$26.0 million or -17.0% during the year. This was mainly the result of a decrease by \$27.5 million in Cash and cash equivalents, mainly from Local Agency investment Fund, which were used for the debt payments; investments maturing in less than a year decreased by \$32.5 million which were re-invested into longer term maturities, restricted assets increased by \$24.4 million due to the pre-funding requirements of 2008B Certificate of Participation. In addition, other receivables increased by \$5.2 million and accounts receivables increased by \$3.8 million in combined grant reimbursement due from the State Water Resources Control Board for the RWRf upgrade and SCADA projects.
- Other assets increased by approximately \$38.8 million or 27.4%. This was mainly due to an increase in long term investments by \$38.2 million during the year. This was the result of short-term investments matured during the year which were reinvested into long-term (noncurrent assets) to maximize investment returns caused by current market conditions. The investment in the Santa Rosa Regional Resources Authority ("SRRRA") also increased by \$2.2M. This increase was partially offset by a \$1.6 million decrease in the Notes and Contracts receivable and accrued interest receivable.
- Capital assets, net of depreciation increased by approximately \$33.8 million or 5.6% during the year. This was the result of increases in capitalized assets of \$15.2 million, increases in construction in progress of \$25.0 million, increases in land and water rights of \$13.6 million and depreciation of \$20.0 million.
- Deferred outflows of resources increased by approximately \$289 thousand or 2.6%. This was a result of a \$769 thousand increase in employee pension related items as required by GASB 68, and net of \$480 thousand decrease in unamortized bond redemption costs.
- Total current liabilities increased by approximately \$5.0 million or 16.7% during the year. This was the result of an increase of \$2.0 million in retention payable related to District CIP related project costs, a \$1.4 million increase

in trade payables, a combined net increase of \$1.8 million increase in developer advances, long-term debt due in one year, and customer deposits offset by decreases in interest payable and held for bondholders for about \$200 thousand.

- Long-term liabilities increased by approximately \$18.9 million or 10.0%. This change was mainly the result of an increase in loans payable of \$24.4 million due to new SRF loans related to the Regional Upgrades & Expansion design, and Expansion Planning, and an increase of \$2.3 million in net pension liability. These increases were partially offset by decreases in revenue bond payable of \$6.0 million, certification of participations of \$933 thousand, advances from the US Government of \$386 thousand, and amounts due within one year of \$799 thousand due to debt service payments.
- Net investment in capital assets increased by approximately \$16.2 million or 3.6% over the previous year. This change was the result of a \$33.8 million increase in capital expenditures and offset by a \$17.6 million increase in debt offsetting capital assets.
- Restricted net position includes amounts that are legally constrained by creditors, grantors, and contributors; and bylaws and regulations of other governments. Total restricted net position increased by approximately \$22.0 million or 40.2% during the year. This was primarily the result of increases in unspent debt service reserves of \$25.2 million, customer deposits of \$958 thousand, and operating debt reserve of \$385 thousand. These increases were offset by a decrease of \$4.5 million in capacity fees, which are funds earmarked for future capital projects.
- Unrestricted net position includes amounts that have been designated for various purposes. These designations have been established and maintained to provide sound financial management and a stable and equitable rate structure. The total unrestricted net position decreased by approximately \$14.6 million or 7.7% during the fiscal year due to decreases of \$23.7 million debt service reserves, \$4.9 million in special revenue reserves and \$9.3 million in other unrestricted reserves. This was offset by increases of \$8.1 million in reserves for encumbered projects, \$6.7 million in replacement reserves, \$3.9 million in operational reserves; \$3.8 million in employee pension reserve; and \$830 thousand in system improvement reserves.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

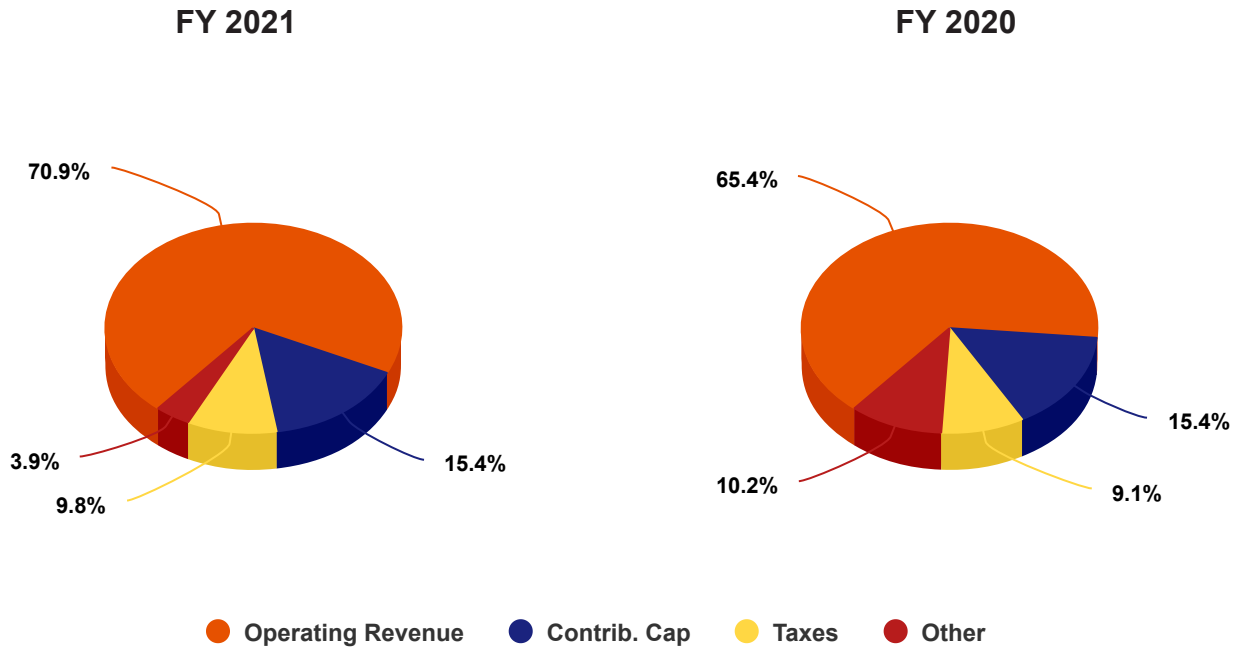
As the following table shows, net position increased by \$23.6 million in fiscal year 2020/2021, an increase of 3.4% from the prior year.

(Dollars in Thousands)	June 30, 2021	June 30, 2020	Increase / (Decrease)	
			Amount	Percent
Operating Revenues:				
Water Revenues	\$ 57,121	\$ 51,092	\$ 6,029	11.8%
Wastewater Revenues	26,304	25,723	581	2.3%
Recycled Water Revenues	1,548	1,354	194	14.3%
Total Operating Revenues	84,973	78,169	6,804	8.7%
Non-Operating Revenues:				
Property and Other Related Taxes	11,707	10,828	880	8.1%
Standby Charges	798	758	40	5.3%
Investment Income	388	8,370	(7,983)	-95.4%
Other Non-Operating Revenues	3,456	3,101	355	11.5%
Total Non-Operating Revenues	16,349	23,057	(6,707)	-29.1%
Total Revenues	101,322	101,226	97	0.1%
Operating Expenses:				
Water Purchases	22,387	18,428	3,959	21.5%
Water Operations	18,028	17,345	683	3.9%
Wastewater Operations	12,345	11,363	982	8.6%
Recycled Water Operations	963	1,003	(39)	-3.9%
General and Other Operating Expenses	15,657	16,552	(896)	-5.4%
Depreciation and Amortization	21,739	21,531	208	1.0%
Total Operating Expenses	91,120	86,222	4,898	5.7%
Non-Operating Expenses:				
Interest Expense	2,382	3,206	(824)	-25.7%
Other Expenses	2,683	1,322	1,361	103.0%
Total Non-Operating Expenses	5,065	4,528	538	11.9%
Total Expenses	96,186	90,750	5,436	6.0%
Income/(Loss) Before Contributions	5,136	10,476	(5,340)	-51.0%
Capital Contributions	18,500	18,367	132	0.7%
Change in Net Position	23,636	28,843	(5,207)	-18.1%
Beginning Net Position	692,159	663,316	28,843	4.3%
Ending Net Position	\$ 715,795	\$ 692,159	\$ 23,636	3.4%

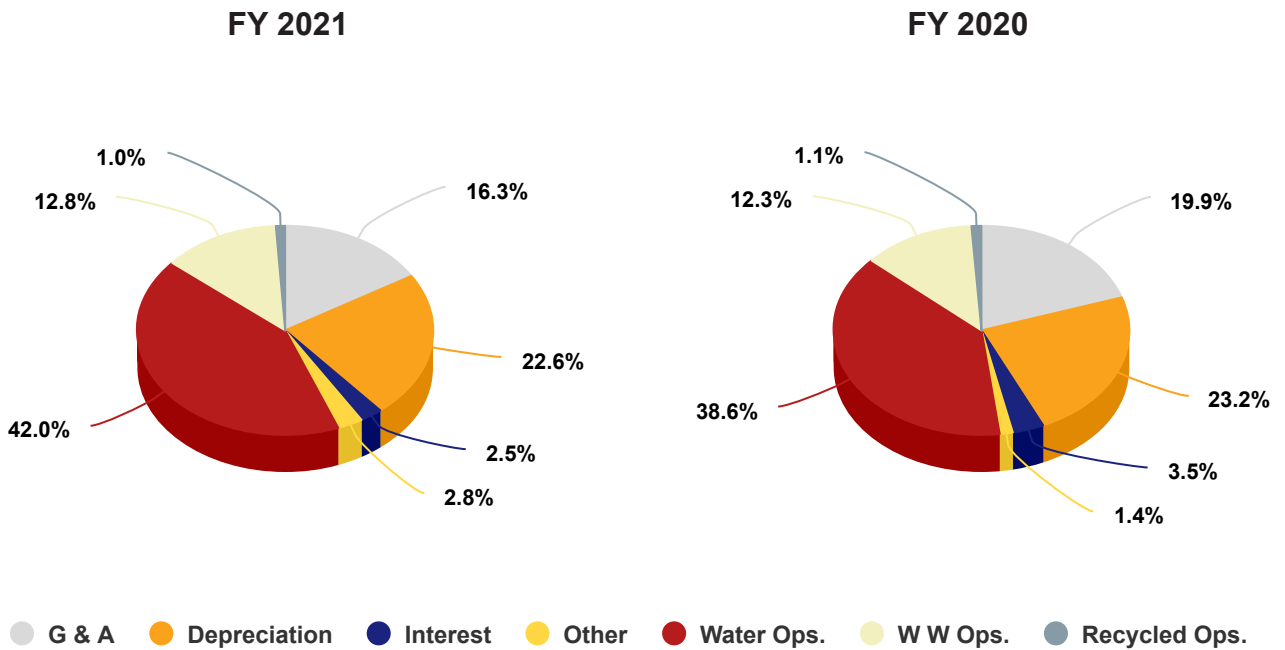
Allow for rounding differences

As previously stated, the operations of the District are accounted for as an enterprise fund, which is financed and operated in a manner like a private business enterprise. The costs (expenses, including depreciation) of providing water, wastewater, and recycled water services on a continuing basis are financed or recovered primarily through user fees. The following graphs illustrate the District's major sources and uses of revenue:

SOURCE OF REVENUE



FUNCTIONAL EXPENSES



Water, wastewater, and recycled water user fees are evaluated annually based primarily upon the budget requirements for total operation, maintenance, and capital expenditures for providing water, wastewater and recycled water treatment services. Capacity fees (amounts charged for new developments) are the major source of contributed capital. Capacity fees are determined based on the funding requirements for current and planned capital projects relating to system expansion. Property tax revenues, the major source of tax revenues, may be used for any general purpose of the District, however, in the past they have generally been used for the payment of debt service and for capital funding relating to repair and replacement of existing capital assets.

The following explains some of the significant differences between fiscal years 2020/2021 and 2019/2020 as shown on the statement of revenues, expenses and changes in net position.

- Water revenues increased by approximately \$6.0 million or 11.8% during the fiscal year. The majority of this change was related to increased fixed and variable water rates adopted during the year as well as an increase in overall water accounts. This was partially offset by lower than expected domestic/irrigation water sales attributed to above average rainfall during the year.
- Wastewater revenues increased by approximately \$581 thousand or 2.3% during fiscal year 2020/2021. This can be attributed to an overall increase in wastewater accounts serviced by the District. There were no increases to wastewater rates during the current fiscal year.
- Recycled water revenues increased by approximately \$194 thousand or 14.3% during the year. This was mostly the result of increased recycled water production/sales of over 90 million gallons as compared to the prior year. Other contributing factors were due to an increase in recycled water accounts and increases to recycled water rates adopted during the year.
- Non-operating revenues decreased by \$6.7 million or 29.1%. This was primarily the result of a \$8.0 million decrease in investment income offset by increases in property taxes by \$879 thousand, \$355 thousand in other non-operating revenues and \$40 thousand in standby charges.
- Total operating expenses increased by approximately \$4.9 million or 5.7%. This was largely due to increases in water purchases of \$4.0 million, water operations by \$683 thousand, wastewater operations by \$982 thousand, and \$208 thousand in depreciation expenses. These increases were offset by decreases of \$895 thousand in administrative and other operating expenses; and \$40 thousand in recycled water operations.
- Non-operating expenses increased by \$537 thousand or 11.9%. This change was partially due to a decrease in interest expense of \$824 thousand resulting from the retirement of some District debt and lower than normal interest rates on variable rate debt obligations due to current market conditions. Other expenses increased by \$1.4 million, mostly due to the loss on disposal of assets.
- Capital contributions increased by approximately \$133 thousand or 0.7%. This was directly attributable to increases in capacity fees of \$3.9 million; and \$1.5 million in other contributions, offset by a \$5.2 million decrease in capital grants. Grant contributions are only recognized to the extent of grant related expenditures incurred during the year.

CAPITAL ASSETS AND INFRASTRUCTURE

The District provides water services to approximately 46,590 domestic customers through 740 miles of pipeline ranging in size from 6 to 36 inches in diameter, 56 booster stations, 71 reservoirs, and 13 wells. In addition, the District provides wastewater services to approximately 37,000 customers through 3 treatment plants, 37 lift stations, and a 375 mile collection system. The District performs routine inspections and maintenance of all facilities on a regular basis as part of its preventive maintenance program. The District also has a comprehensive facilities and resources protection program in place to ensure the integrity and continuity of its assets.

As of June 30th, 2021, the District had invested approximately \$638.4 million in capital assets net of accumulated depreciation, as shown below. This amount represents a net increase of \$33.8 million (5.6%) which is the combination of several factors including an increase in construction in progress of \$25.0 million, an increase in capitalized assets of \$28.9 million, and depreciation of \$20.1 million. More detailed information about Capital Assets are presented in Note 7 of the financial statements.

The District's Capital Improvement Program is financed from a variety of sources including SRF loans, long-term debt or by cash funding through property taxes or the use of existing replacement or capacity fee reserves. Replacement reserves are funded annually through transfers from the operating funds and are used to cash fund replacement and/or major refurbishment projects. Capacity fee reserves are funded through the receipt of capacity fees collected from developers for connecting to District facilities and are used to cash fund new development projects. Projects may be funded through a combination of funding sources or reserves depending upon whether the project is for replacement to accommodate growth, new development, or a combination of both.

(Dollars in Thousands)	June 30, 2021	June 30, 2020	Incr (Decr)
Capital Assets Not Being Depreciated			
Land	\$ 7,914	\$ 7,908	\$ 6
Construction in progress	77,396	52,363	25,033
Water Rights	33,428	19,815	13,613
Total Capital Assets Not Being Depreciated	118,738	80,086	38,652
Capital Assets Being Depreciated (Net)			
Infrastructure - Water	247,953	255,549	(7,596)
Infrastructure - Wastewater	260,175	258,689	1,486
Building & Structures	9,605	9,684	(79)
Vehicles & Equipment	1,281	276	1,005
Miscellaneous	653	307	346
Total Capital Assets Being Depreciated	519,667	524,505	(4,838)
Total Capital Assets, net	\$ 638,405	\$ 604,591	\$ 33,814

Allow for rounding differences

Major capital asset additions for the current fiscal year included (in millions):

- \$13.6 - Mills Capacity Line (9cfs)
- \$8.4 - Developer Projects
- \$3.2 - Regional Water Reclamation Facility SCADA Construction
- \$2.9 - A-2 Lift Station
- \$1.1 - Repair Sewer Manholes
- \$0.6 - 2020 Gap Vac Truck Unit #873
- \$0.6 - 2020 Western Star 4700 Sewer Cleaning Truck Unit #876

The District's fiscal year 2021-22 budget includes \$88.1 million for additions and improvements to water, recycled water, and wastewater facilities. More detailed information about the District's capital assets are presented in Note 7 of the financial statement.

LONG – TERM LIABILITIES

At June 30, 2021, the District had approximately \$206.9 million in long-term liabilities outstanding (\$215.65 million total, less \$8.7 million due in one year), a net increase of \$18.9 million or (10.0%) from the prior year. The increase is due to additional disbursements received of approximately \$25.0 million from the State Water Resources Control Board in relation to the Regional Water Reclamation Facilities Upgrade Construction loan. The increase is offset with approximately \$7.0 million in principal reductions throughout the year. More detailed information about loans and principal payments is presented in Notes 12-14 of the financial statements.

In accordance with GASB Statement No. 68 and effective for fiscal years beginning after June 15, 2014, the District is required to include the net pension liability on the financial statements. The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The new pension liability was measured as of June 30, 2020, using standard methods. For the measurement period ended June 30, 2020, the total pension liability was \$111.8 million, offset by the fiduciary net position of \$82.4 million resulting in a net pension liability of \$29.4 million.

Other long-term liabilities consist of Certificates of Participation, Water Revenue Bonds, Advances from the U.S. Government, loans payable, and accrued compensated absences. The amount of debt due within one year totaled \$7.8 million. The District had an obligation of \$4.7 million at June 30, 2021 for compensated absences relating to accrued vacation pay, sick leave and savings clause benefits with an amount due within one year of \$939 thousand. At fiscal year end, the District had no long-term material claims or judgments outstanding. More detailed information about the District's long-term liabilities are presented in Notes 8 through 15 of the financial statements.

The District issues debt in compliance with its formally-adopted debt policy. This policy includes general management, financial management, and debt and capital management. It documents the District's goals for the use of debt, especially as it relates to financing District infrastructure and project needs. The following table is the most recent rating received for the District.

Rating Agency	Date	Rating	Rating Reflects
Fitch	June 2021	AA	Strong Financial Profile; Low Leverage; Strong Revenue Defensibility; Low Operating Risk
Moody's	February 2016	Aa2	Healthy Debt Service Coverage; Strong Liquidity; Strong Management of Rates and CIP; Diverse Operating Revenues
Standard & Poor's	June 2021	AA+	Extremely Strong Liquidity; Moderate Debt to Capitalization Level; Strong Debt Service Coverage; Comprehensive Financial Management

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board, customers, creditors and investors with a general overview of the District's accountability for the financial resources it manages. If you have any questions concerning this report or need additional financial information, contact the Elsinore Valley Municipal Water District's Finance & Accounting Department at 31315 Chaney Street, Lake Elsinore, California 92530.

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**BASIC
FINANCIAL
STATEMENTS**

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STATEMENT OF NET POSITION**AS OF JUNE 30, 2021**

(With Comparative Amounts for 2020)

	<u>June 2021</u>	<u>June 2020</u>
ASSETS:		
<u>Current Assets:</u>		
Cash and cash equivalents (Notes 1j and 2)	\$ 18,735,853	\$ 46,203,534
Restricted assets (Notes 1k and 2)	36,409,827	12,004,067
Investments maturing in less than a year (Notes 1n and 2)	38,753,253	71,236,690
Accounts receivable, net of allowances (Note 1l)	13,136,514	9,344,165
Other receivables	16,638,012	11,511,322
Accrued interest receivable	66,667	154,683
Materials and supplies inventories (Note 1m)	1,282,075	963,296
Prepaid expenses	2,088,402	1,702,698
Deposits	11,843	12,158
Total Current Assets	<u>127,122,446</u>	<u>153,132,613</u>
<u>Noncurrent Assets:</u>		
Investments (Notes 1n and 2)	162,047,699	123,838,178
Investment in Mutual Water Company (Note 3)	4,533,602	4,455,925
Investment in SRRRA (Note 4)	12,677,026	10,516,218
Accrued interest receivable	778,942	972,580
Receivable from CFD (Note 5)	63,307	83,307
Notes and contracts receivable (Note 6)	700,000	2,100,000
Capital assets, depreciated - net (Notes 1o and 7)	519,667,119	524,505,401
Capital assets, not depreciated (Notes 1o and 7)	118,737,615	80,084,766
Total Noncurrent Assets	<u>819,205,310</u>	<u>746,556,375</u>
Total Assets	<u>946,327,756</u>	<u>899,688,988</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Unamortized bond redemption (Note 1p)	5,586,316	6,066,480
Deferred outflows - employee pension contributions (Notes 1p and 8)	3,783,072	3,737,822
Deferred outflows - employee pension related items (Notes 1p and 8)	1,959,704	1,236,081
Total Deferred Outflow of Resources	<u>11,329,092</u>	<u>11,040,383</u>
LIABILITIES:		
<u>Current Liabilities:</u>		
Accounts payable and accrued expenses	14,398,503	13,046,560
Retentions payable	2,946,797	943,358
Customer deposits	2,775,849	2,727,635
Interest payable	1,594,039	1,715,049
Long-term liabilities due within one year (Note 10)	8,707,361	7,908,329
Developer and other advances	2,161,514	1,217,784
Held for bondholders (Note 9)	2,328,958	2,357,966
Total Current Liabilities	<u>34,913,021</u>	<u>29,916,681</u>

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF NET POSITION (Continued)

AS OF JUNE 30, 2021

(With Comparative Amounts for 2020)

	June 2021	June 2020
Noncurrent Liabilities:		
Certificates of participation payable (Notes 10 and 12)	\$ 65,201,070	\$ 66,134,700
Revenue bond payable (Notes 10 and 13)	72,871,186	78,843,586
Loans payable (Notes 10 and 14)	39,595,789	15,214,744
Advances from U.S. Government (Notes 10 and 15)	3,864,729	4,251,202
Accrued compensated absences (Notes 1q, 10 and 11)	4,734,233	4,421,210
Net pension liability (Notes 8 and 10)	29,386,442	27,124,893
Less amount due within one year (Note 10)	(8,707,361)	(7,908,329)
Total Noncurrent Liabilities	206,946,088	188,082,006
Total Liabilities	241,859,109	217,998,687
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - employee pension related items (Notes 1p and 8)	-	569,482
NET POSITION (Note 17)		
Net investment in capital assets	462,458,274	446,212,414
<u>Restricted for:</u>		
Rate stabilization fund	3,000,000	3,000,000
Operating reserve	13,670,607	13,285,482
Debt service reserves	29,570,034	4,351,515
Capacity fees	25,726,731	30,272,742
Total Restricted Net Position	71,967,372	50,909,739
Unrestricted	181,372,092	195,038,749
Total Net Position	\$ 715,797,738	\$ 692,160,902

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(With Comparative Amounts for the Fiscal Year Ended June 30, 2020)

	June 2021	June 2020
OPERATING REVENUES:		
Water revenues	\$ 57,121,080	\$ 51,092,052
Wastewater revenues	26,304,422	25,723,353
Recycled water revenues	1,547,653	1,353,922
Total Operating Revenues	84,973,155	78,169,327
OPERATING EXPENSES:		
Water purchases	22,386,982	18,427,794
Water operations	18,028,308	17,345,188
Wastewater operations	12,345,224	11,362,953
Recycled water operations	963,053	1,002,544
General and administrative	15,657,193	16,552,478
Depreciation/amortization (Notes 1o and 7)	21,738,999	21,530,659
Total Operating Expenses	91,119,759	86,221,616
Operating Income/(Loss)	(6,146,604)	(8,052,288)
NON-OPERATING REVENUES:		
<u>Property taxes: (Note 1r)</u>		
General purpose	7,573,574	7,080,598
Redevelopment	3,665,361	3,221,072
Temescal Valley Project	467,759	526,009
Total Property taxes	11,706,694	10,827,679
Standby charges	798,439	758,323
Investment Income	310,066	8,317,596
Mutual Water Company (Note 3)	77,677	52,721
Lease income (Note 16)	2,027,106	1,530,985
Other income	1,428,541	1,569,526
Total Nonoperating Revenues	16,348,523	23,056,830
NON-OPERATING EXPENSES:		
<u>Interest Expense:</u>		
Certificates of Participation	2,335,081	3,152,586
Bonds and Loans	47,243	53,241
Other expenses	2,683,069	1,321,827
Total Nonoperating Expenses	5,065,393	4,527,654
INCOME BEFORE CONTRIBUTIONS:		
	5,136,526	10,476,888
<u>Capital Contributions (Note 1t)</u>		
Capacity fees	12,257,507	8,394,691
Capital grant	169,481	5,364,290
Other contributions	6,073,323	4,608,199
Total Capital Contributions	18,500,311	18,367,180
Change in Net Position	23,636,837	28,844,068
NET POSITION, BEGINNING OF YEAR	692,160,902	663,316,834
NET POSITION, END OF YEAR	\$ 715,797,739	\$ 692,160,902

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(With Comparative Amounts for the Fiscal Year Ended June 30, 2020)

	June 2021	June 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 76,159,755	\$ 68,762,673
Cash payments to employees for services	(27,123,370)	(25,847,375)
Cash payments to suppliers for goods and services	(37,378,018)	(30,616,555)
Other operating income	(806,056)	725,232
Net Cash Provided By Operating Activities	10,852,312	13,023,975
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Property taxes	12,399,495	11,654,500
Property tax collection activities	(35,437)	(28,117)
Net Cash Provided By Noncapital And Related Financing Activities	12,364,058	11,626,383
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Bond handling fees	(413,034)	(449,416)
Proceeds from loans	24,984,522	7,454,397
Principal payments of long - term debt	(7,054,950)	(6,501,196)
Purchase, construction, and disposal of capital assets	(48,946,450)	(24,234,576)
Capacity fees	12,257,506	8,394,692
Capital grant	169,481	4,331,569
Other contributions	(53,628)	776,688
Interest and penalty payments	(3,344,363)	(4,242,249)
Receipts of funds held for bondholders	12,611	21,492
Payment of funds held for bondholders	(41,619)	(78,196)
Loan payments received/(issued)	1,400,000	(800,000)
Net Cash (Used For) Capital and Related Financing Activities	(21,029,924)	(15,326,794)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Lease income	2,027,106	1,530,985
Investment income received	(1,549,087)	5,594,966
Sale of investments and maturities	53,879,418	54,720,702
Purchase of investments	(84,011,563)	(43,533,866)
Net Cash Provided By/(Used For) Investing Activities	(29,654,126)	18,312,787
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(27,467,681)	27,636,350
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	46,203,534	18,567,184
CASH AND CASH EQUIVALENT, END OF YEAR	\$ 18,735,853	\$ 46,203,534

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(With Comparative Amounts for the Fiscal Year Ended June 30, 2020)

	June 2021	June 2020
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH		
PROVIDED BY/(USED FOR) OPERATING ACTIVITIES:		
Operating Income/(loss)	\$ (6,146,604)	\$ (8,052,288)
<u>Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:</u>		
Depreciation/amortization	21,738,999	21,530,659
Bad debt expense - operating	373,807	302,261
Other operating income	(806,056)	725,232
<u>Changes in assets and liabilities:</u>		
(Inc)/Dec in accounts receivable	(9,187,207)	(9,708,915)
(Inc)/Dec in inventory, prepaid expenses and deposits	(704,168)	68,251
Inc/(Dec) in accounts payable, accrued expenses and deposits	2,343,886	5,316,387
Inc/(Dec) in retentions payable	2,003,439	396,854
Inc(Dec) in net pension liability	2,261,549	2,288,418
Inc/(Dec) in accrued compensated absences	313,022	160,782
<u>Changes in deferred inflows and outflows:</u>		
(Inc)/Dec in deferred outflows-employee pension contributions	(1,338,355)	(3,666)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 10,852,312	\$ 13,023,975
 NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in unrealized gain (loss) in fair value of investment	\$ (3,715,985)	\$ 4,104,322
Capital contribution	6,126,952	3,831,511
Change in deferred outflows of resources, Unamortized bond redemption	(480,164)	(480,164)
Change in amortized premium/discount	(841,029)	(841,029)

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2021

(With Comparative Amounts for 2020)

	June 2021	June 2020
ASSETS:		
Cash and cash equivalents	\$ 2,361,271	\$ 2,388,078
Receivables:		
Special Assessments Receivable	515,470	515,463
Investments at fair value:		
Mututal Funds	250,739	252,915
Total Assets	3,127,481	3,156,457
DEFERRED INFLOWS OF RESOURCES:	157,990	174,339
LIABILITIES:		
Accounts payable and other liabilities	180,657	191,716
Bonds payable	11,512,191	12,211,497
Other long term liabilities	153,982	173,982
Total Liabilities	11,846,830	12,577,195
NET POSITION:		
Restricted for:		
Debt Service	(8,561,362)	(9,246,400)
TOTAL NET POSITION	\$ (8,561,362)	\$ (9,246,400)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(With Comparative Amounts for 2020)

	June 2021	June 2020
ADDITIONS:		
Special Assessments	\$ 1,341,601	\$ 1,343,826
Interest Income	51	3,591
Total Additions	1,341,652	1,347,417
DEDUCTIONS:		
Amortization	16,349	16,349
Bond Handling Fees	90,674	90,614
Interest Expense	547,500	580,432
Other Expense	2,090	2,325
Total Deductions	656,613	689,720
INCREASE/(DECREASE) IN FIDUCIARY NET POSITION	685,039	657,697
NET POSITION/(DEFICIT) - BEGINNING OF YEAR	(9,246,400)	(10,418,944)
Adjustment on Prior Year Net Position	-	514,847
NET POSITION/(DEFICIT) - END OF YEAR	\$ (8,561,362)	\$ (9,246,400)

Allow for rounding differences

See notes to the basic financial statements



**NOTES TO THE
BASIC FINANCIAL
STATEMENTS**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting Entity:

The reporting entity Elsinore Valley Municipal Water District (“District”) includes the accounts of the District, Water Employee Services Authority (“WESA”) and the Elsinore Valley Water and Sewer Facilities Corporation (“Corporation”).

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board (“GASB”) Statement 14, as amended by GASB 61. The District is the primary government unit. Despite being legally separate, the Corporation and WESA are so intertwined with the District that they are, in substance, part of the District’s operations. Accordingly, the balances and transactions of these component units are reported within the accounts of the District. Component units are those entities which are financially accountable to the primary government. Blended component units, although separate legal entities, are in substance part of the government’s operations. The District has accounted for the Corporation and WESA as blended component units. WESA’s Board of Directors is composed of the District’s Board of Directors and WESA provides services almost entirely to the District. The Corporation’s Board of Directors is appointed by the District’s Board of Directors and the Corporation provides service entirely to the District.

The District was incorporated on December 23, 1950, under the provisions of the California Municipal Water District Act of 1911. The District’s 97 square mile service area lies in Western Riverside County between the cities of Corona and Temecula.

The Corporation was organized on April 21, 1980, pursuant to the NonProfit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2, of the California Corporations Code), solely for the purpose of providing financial assistance to the District by acquiring, constructing, improving and developing certain real and personal property for the use, benefit and enjoyment of the District. The Corporation is blended with the District’s financial statements and does not issue separate audited financial statements.

In August 2003, the Board approved an agreement for the formation of the Water Employee Services Authority and an operating agreement between the District and WESA. WESA was established as a joint powers authority between the District and Meeks and Daley Mutual Water Company (“Meeks & Daley”). The purpose of WESA is to provide professional water and wastewater employee services to both agencies. In September 2003, the Meeks and Daley Board also approved both agreements. With approval of these operating agreements, District employees were transferred to WESA. A separately issued audited financial report is available for WESA and may be obtained by contacting the District’s office.

In May 2013, the District and WESA formed the Elsinore Valley Municipal Water District Financing Authority (“EVMW DFA”) to facilitate a pooled refunding of existing Community Facilities District (“CFD”) Bonds. These bonds were originally issued to finance water and sewer facilities owned and operated by the District. The formation of EVMW DFA provided the ability to assist in financing or refinancing public capital improvement projects that will encourage economic development. It has been determined that EVMW DFA is not a component unit of the District. A separately issued financial report is available for the Authority and may be obtained by contacting the District’s Office.

b. Basis of Accounting and Measurement Focus:

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods and services to the general public on a continuing basis (including depreciation), are financed through user fees and charges. For financial reporting purposes, all of the funds and component units of the District have been consolidated after elimination of significant inter-fund accounts and transactions. Revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. An enterprise fund is accounted for using the economic resources measurement focus. This means that all assets and liabilities associated with the activity (whether current or noncurrent) are included on the statement of net position.

The District distinguishes between operating and non-operating revenues and expenses. Operating revenues are those revenues that are generated by providing water, wastewater and recycled water services while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water, wastewater and recycled water services.

c. **Use of Estimates:**

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

d. **Restricted Resources:**

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

e. **Budgetary Information:**

Although the District prepares and approves an annual budget, budgetary information is not presented because the District is not legally required to adopt a budget. In this situation, GAAP does not require presentation of budgetary information.

f. **Claims & Judgments:**

When it is probable that a claim liability has been incurred at year-end and the amount of the loss can be reasonably estimated, the District records the estimated loss, net of any insurance coverage under its self-insurance program. As of June 30, 2021, in the opinion of legal counsel, the District had no material claims which would require loss provision in the financial statements.

g. **Comparative Data & Reclassifications:**

Comparative data for prior years have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District’s financial position and operations. No reclassifications were deemed necessary in these financial statements.

h. **New Effective Accounting Pronouncements:**

The Governmental Accounting Standards Board has issued the following Statements, which may affect the District’s financial reporting in the future.

GASB Statement No. 84, “Fiduciary Activities”. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements are the fiduciary activities. The requirements of this Statement will take effect for financial statements with the fiscal year that ends on or after December 31, 2020.

Implementation Guide No. 2019-2, “Fiduciary Activities”. The objective of this Guide is to provide guidance that clarifies, or elaborates on the requirements of Statement No. 84, Fiduciary Activities. The requirements of this Implementation Guide will take effect for financial statements with the fiscal year that ends on or after December 31, 2020.

GASB Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61”. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. The requirements of this Statement will take effect for financial statements with the fiscal year that ends on or after December 31, 2020.

Implementation Guide No. 2019-1, “Implementation Guidance Update”. The objective of this Guide is to provide guidance that clarifies, or elaborates on GASB Statements. The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends on or after June 30, 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Future Accounting Pronouncements:

GASB Statement No. 87, "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement will take effect for financial statements with the fiscal year that ends on or after June 30, 2022.

Implementation Guide No. 2019-3,"Leases." The objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on the requirements of Statement No. 87, Leases. The requirements of this Implementation Guide will take effect for financial statements with the fiscal year that ends on or after June 30, 2022.

GASB Statement No.89, "Accounting for Interest Cost Incurred before the end of a Construction Period". The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for certain interest costs. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement will take effect for financial statements with the fiscal year that ends on or after December 31, 2021.

GASB Statement No.91, "Conduit Debt Obligations." The objective of this statement is to better meet the information needs of the financial statement users by enhancing the comparability and consistency of the conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. This Statement also is intended to improve the relevance, reliability, and understandability of information about conduit debt obligations, as well as related transactions and events. The requirements of this Statement will take effect for financial statements with the fiscal year that ends on or after December 31, 2022.

GASB Statement No.92, "Omnibus 2020." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement will take effect for financial statements with the fiscal year that ends on or after June 30, 2022.

GASB Statement No.93, "Replacement of Interbank Offered Rates." The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 30, 2022.

GASB Statement No.94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 30, 2023, and all reporting periods thereafter.

GASB Statement No.96, "Subscription-Based Information Technology Arrangements." The purpose of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 30, 2023, and all reporting periods thereafter.

GASB Statement No.97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans." The primary objectives of this

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for fiscal years beginning after June 30, 2022.

j. **Cash & Cash Equivalents:**

For the statement of net position and the statement of cash flows, cash and cash equivalents have been defined as demand deposits, highly liquid investments purchased with an original maturity of 90 days or less from the original date of purchase.

k. **Restricted Assets:**

Amounts shown as restricted assets have been restricted by either bond indenture, law, or contractual obligations to be used for specified purposes, such as servicing bonded debt and construction of capital assets.

l. **Allowance for Doubtful Accounts:**

The District has a policy which requires that uncollectible accounts for water, wastewater, and other services be written off 90 days after the invoice date. The Allowance for Doubtful Accounts is deducted against the Account and Note Receivable on the Statement of Net Position. The amount of allowance for doubtful accounts is \$182,480 as of June 30, 2021 and \$323,093 as of June 30, 2020.

The amount written off is \$373,807 for June 30, 2021 and \$302,261 for June 30, 2020.

m. **Inventories:**

The District utilizes a standard (or average) cost method of valuing inventories consisting of materials and supplies for utility plant construction and repairs.

n. **Investments:**

As a governmental entity other than an external investment pool, in accordance with GASB 31, the District's investments are stated at fair value. In applying GASB 31, the District utilizes the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio does not hold investments in:
 - (a) Items subject to involuntary participation in an external pool;
 - (b) Items associated with a fund other than the fund to which the income is assigned;
- 3) The gain or loss resulting from valuation is reported within the revenue account, "Investment Income" on the Statement of Revenues, Expenses and Changes in Net Position.

o. **Capital Assets:**

Capital Assets are valued at historical cost or estimated historical cost if actual cost is not available. Contributed assets are valued at acquisition value on the date contributed. The District maintains a threshold of \$10,000 for capital asset capitalization.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Depreciation of capital assets used by the District is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method with asset lives as follows:

Category	Number of Years
Reservoirs - storage	50 - 100
Source of supply	5 - 30
Pumping and water treatment facilities	40
Transmission and distribution	50
Meter and services	30
Wastewater treatment plant and collection system	5 - 50
Transportation equipment	5 - 20
Studies, Tools, Equipment (Office or Laboratory)	5 - 10

p. Deferred Outflows/Inflows of Resources:

Deferred outflows of resources is defined as the current consumption of net position that is applicable to a future reporting period while deferred inflows of resources is defined as the current acquisition of net position that is applicable to a future reporting period.

The District has three items that qualify as deferred outflows of resources. The first is the unamortized bond redemption costs. The bond redemption costs resulted from refunding the Series 2000 and 2007 Certificates of Participation with the Series 2016A Revenue Bonds. This amount is deferred and amortized over the remaining period of the 2016A Bonds. As of June 30, 2021, the District reported a balance of \$5.6 million in unamortized bond redemption due to the refunding.

GASB 68 took effect for fiscal years beginning after June 15, 2014. The purpose of this statement is to improve accounting and financial reporting by public agencies for pensions.

The implementation of GASB 68 created the second and third deferred outflows of resources: employee pension contributions and other employee pension related items. As of June 30, 2021, the District reported a combined balance of \$7.5 million in deferred outflows of resources related to pensions. A more detailed description of the deferred outflows of resources related to employee pensions is discussed in Note 8.

The implementation of GASB 68 also created a deferred inflow of resources related to other employee pension related items. As of June 30, 2021, the District reported a balance of \$0 in deferred inflows of resources related to pensions. A more detailed description of the deferred inflows of resources related to employee pensions is discussed in Note 8.

q. Compensated Absences:

Accumulated unpaid vacation, sick pay, and savings clause amounts are accrued when incurred. Total accrued compensated absences are \$4,734,233 and \$4,421,210 at June 30, 2021 and 2020, respectively (see Notes 10 and 11).

r. Property Taxes:

Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to the appropriate units of local government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Dates:	First Installment - November 1 Second Installment - February 1
Delinquent Dates:	First Installment - December 10 Second Installment - April 10

Taxes are collected by Riverside County and are remitted to the District periodically according to the following schedule. Dates and percentages may vary slightly from year to year:

December	30% Advance - First Installment
January	Balance of First Installment (to 55%)
April	10% Advance - Second Installment
May	Balance of Second Installment (to 95%)
August	Third Installment (to 100%)
October	Final Teeter Plan Settlement

In addition, the District has assessed property taxes to provide for payment of bond principal and interest in the improvement district. All taxes collected for debt service are maintained in separate accounts designated for payment of the debt.

s. **Maintenance Costs:**

All expenditures for maintenance and repair of property, including refurbishment of minor items, are charged to the appropriate maintenance expense accounts. A betterment or replacement of a unit of property is accounted for as an addition or retirement of property.

t. **Capital Contributions:**

Capital Contributions represent: (a) cash or capital asset additions contributed to the District by property owners or developers desiring services that require capital expenditures or capacity commitment, and (b) costs of capital asset additions funded by grants. Depreciation of contributed capital asset additions is charged to operations.

The following special charges levied by the District against newly connecting customers are being accounted for as capital contributions as of June 30, 2021:

Water Facilities:

Meter Installations (by meter size)	\$ 540	to \$5,973 per service
Storage Participation Tank Charges	\$ 2,369	per capacity unit
Temescal Valley Project	\$ 2,878	per capacity unit
Pumping Plant	\$ 1,326	per capacity unit
Transmission Facilities	\$ 3,975	per capacity unit
Source of Supply	\$ 2,918	per capacity unit

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Wastewater Facilities (per Equivalent Dwelling Unit):

Sewer Facility	Regional / Canyon Lake	Alberhill
Treatment Plant	\$ 4,057	\$ 8,404
Collection	3,829	3,829
Total	\$ 7,886	\$ 12,233

2. CASH AND INVESTMENTS:

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Current Assets:

Cash & cash equivalents	\$ 18,735,853
Restricted assets	36,409,827
Investments maturing ≤ one year	38,753,253

Noncurrent Assets:

Investments	162,047,699
Total Cash and Investments	\$ 255,946,632

Cash and investments as of June 30, 2021 consist of the following:

Cash on Hand	\$ 237,535
Deposits with financial institutions	10,796,890
Investments (includes fair value adjustment)	244,912,206
Total Cash and Investments	\$ 255,946,632

Cash & cash equivalents:

LAIF	\$ 7,534,652
CAMP	5
Deposits with financial institutions	10,796,890
Money Market Mutual Funds	166,769
Cash on Hand	237,536
	\$ 18,735,853

2. CASH AND INVESTMENTS (CONTINUED):

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) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy. The maximum percentage portfolio excludes amounts held by bond trustee that are not subject to California Government Code restrictions.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment per Issuer
State and Local Agency Securities	Yes	5 Years	10%	None
U.S. Treasury Obligations	Yes	5 Years	None	None
Federal Agency Securities	Yes	5 Years	40%	None
Banker’s Acceptances	Yes	180 Days	10%	30 %
Commercial Paper	Yes	270 Days	10%	None
Negotiable & Non-Negotiable CDs	Yes	None	10%	None
Repurchase Agreements	Yes	90 Days	5%	None
Medium Term Notes	Yes	5 Years	20%	None
Supranational Obligation	Yes	5 Years	10%	None
Mutual Funds	Yes	5 Years	20%	10%
Money Market Mutual Funds	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	\$65M	\$75M
Local Government Investment Pools (LGIPs)	Yes	N/A	None	None
Passbook Savings	Yes	N/A	None	None

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee, are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The tables on the following pages identify certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	30 Years	None	None
Federal Agency Securities	5 Years	40%	None
Bankers Acceptances	180 days	10%	30%
Commercial Paper	270 days	10%	None
Non-Negotiable CDs	None	None	None
Repurchase Agreements	90 Days	5%	None
Money Market Mutual Funds	N/A	15%	10%
Investment Contracts	None	None	None
LAIF	N/A	\$75M	\$75M
Passbook Savings	N/A	None	None

2. CASH AND INVESTMENTS (CONTINUED):

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 is 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 and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity needed for operations. The District monitors the inherent interest rate risk in its portfolio by measuring the weighted average maturity of its portfolio. The District has no specific limitations with respect to this metric.

Investment Type	Total Amount	Weighted Average Maturity (in years)	Maturity		
			≤ 90 days	≤ one year	> one year
U.S. Treasury Obligations	\$ 94,501,065	2.5	\$ -	\$ 3,865,246	\$ 90,635,819
Federal Agency Securities	54,899,964	2.1	\$ -	\$ 12,584,512	\$ 42,315,452
Supranationals	13,652,550	0.5	\$ 5,159,724	\$ 8,492,826	\$ -
Medium Term Notes	34,637,374	1.7	\$ 4,359,431	\$ 4,291,516	\$ 25,986,427
Local Agency Bonds	3,110,000	11.3			3,110,000
	<u>200,800,953</u>		<u>\$ 9,519,155</u>	<u>\$ 29,234,100</u>	<u>\$ 162,047,698</u>
Money Market Mutual Funds	166,769	n/a			
CAMP	5				
LAIF	7,534,652	n/a			
Held with Fiscal Agent:					
Money Market Mutual Funds	36,409,827	n/a			
Total	<u>\$ 244,912,206</u>				

Concentration of Credit Risk:

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District’s investment in a single investment. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issue (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5 percent or more of the total District’s investments are as follows:

Issuer	Investments Type	Amount	%
Federal Home Loan Banks	Federal Agency	\$ 19,142,984	7.8
Federal National Mortgage Association	Federal Agency	\$ 18,390,215	7.5

2. CASH AND INVESTMENTS (CONTINUED):

Credit Risk:

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a nationally recognized statistical rating organization. The following is the minimum rating required by the California Government Code (where applicable), the District's investment policy, or debt agreements, and the actual rating (as rated by Moody's or S&P) as of year-end for each investment type:

Investment Type	Amount	Min Legal Rating	Not Required to be Rated	Ratings as of Year End			
				Aaa	Aa	A	Unrated
U.S. Treasury Obligations	\$ 94,501,065	N/A	\$ 94,501,065	\$ -	\$ -	\$ -	\$ -
Federal Agency Securities	54,899,964	N/A	-	54,899,964	-	-	-
Suprationals	13,652,550	AA	-	13,652,550	-	-	-
Medium Term Notes	34,637,374	A	-	-	8,161,732	26,475,642	-
Local Agency Bonds	3,110,000	N/A	-	-	-	-	3,110,000
Money Market Mutual Funds	166,769	Aaa	-	166,769	-	-	-
CAMP	5	N/A	-	5	-	-	-
LAIF	7,534,652	N/A	-	-	-	-	7,534,652
<u>Held with Fiscal Agent:</u>							
Money Market Mutual	36,409,827	Aaa	-	36,409,827	-	-	-
Total	\$ 244,912,206		\$ 94,501,065	\$ 105,129,115	\$ 8,161,732	\$ 26,475,642	\$ 10,644,652

Custodial Credit Risk:

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 fair 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 District deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

GASB Statement No. 40 requires the disclosure of the deposits into a financial institution that are not covered by FDIC depository insurance and are uncollateralized. As of June 30, 2021, the carrying amount of the District's deposits was \$10,796,890 and the corresponding bank balance was \$11,122,383. The difference of \$325,493 was primarily due to outstanding warrants, wires and deposits in transit. Of the bank balance, \$250,000 was insured by FDIC depository insurance, and the remainder secured by pledged securities as discussed above.

Custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (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.

2. CASH AND INVESTMENTS (CONTINUED):

As of June 30, 2021, District investments in the following investment types were held by the safekeeping department of Bank of America utilized by the District in the management of its investments.

Investment Type	Total Amount
U.S. Treasury Obligations	\$ 94,501,065
Federal Agency Securities	54,899,964
Medium Term Notes	34,637,374
Supranationals	13,652,550
Money Market Mutual Funds	166,769

Fair Value Measurements:

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The District has the following recurring fair value measurements as of June 30, 2021:

Investment by Fair Value Level	Quoted Prices - Level 1	Observable Inputs - Level 2	Unobservable Inputs - Level 3	Total
U.S. Treasury Obligations	\$ -	\$ 94,501,065	\$ -	\$ 94,501,065
Federal Agency Securities	-	54,899,964	-	54,899,964
Medium Term Notes	-	34,637,374	-	34,637,374
Supranationals	-	13,652,550	-	13,652,550
Local Agency Bonds	-	3,110,000	-	3,110,000
	<u>\$ -</u>	<u>\$ 200,800,953</u>	<u>\$ -</u>	<u>\$ 200,800,953</u>

Investments not subject to the Fair Value hierarchy:

LAIF	7,534,652
CAMP	5
Money Market Mutual Funds	166,769
<u>Held with Fiscal Agent:</u>	
Money Market Mutual Funds	36,409,827
Total	<u><u>\$ 244,912,206</u></u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. The District does not have any securities that fall within Level 3 of the fair value hierarchy.

In accordance with GASB 72, certain investments that were measured at Net Asset Value (“NAV”) per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net position.

2. CASH AND INVESTMENTS (CONTINUED):

Investment Pools:

The District is a voluntary participant in the Local Agency Investment Fund (“LAIF”) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are mortgage-backed securities, other asset backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured notes. For withdrawals over \$10,000,000, LAIF requires at least 24-hour notice. Also, there is a \$5,000 minimum and a limit of 15 transactions per month.

The District is a voluntary participant in CAMP, a Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Code Section 601(p). CAMP is directed by a Board of Trustees (of which the Agency is a member), which is made up of experienced local government finance directors and treasurers. There are no withdrawal limitations or restrictions.

3. INVESTMENT IN COMMON STOCK – MUTUAL WATER COMPANY:

The Meeks and Daley Water Company (“Meeks and Daley”) is a mutual water company whose purpose is to provide non-potable water to its shareholders based upon the number of shares owned. The District owns shares in Meeks and Daley and considers this as an investment in common stock, accounting for it under the equity method.

As of June 30, 2021, the District owned 468,457 shares of voting common stock representing an ownership interest of approximately 57.9 percent. The carrying value of the District’s investment approximates its share of the underlying equity in the net position of the company. Meeks and Daley’s reported assets of \$7,910,238, liabilities of \$91,691 and a net income of \$148,153 for the year ended June 30, 2021.

The District recorded an income of \$77,677 from its investment in the Meeks and Daley for the year ended June 30, 2021, which increased its investment balance from \$4,455,925 to \$4,533,602.

Separate audited financial statements for the Company can be obtained from the District at 31315 Chaney Street, Lake Elsinore, CA 92530.

4. INVESTMENT IN JOINT VENTURE - SRRRA:

On November 12, 2015, the District, under Section 6500 of the Government Code of the State of California, entered into a Joint Exercise of Powers Agreement between Rancho California Water District (“RCWD”) and Western Municipal Water District (“WMWD”); to create the Santa Rosa Regional Resources Authority (“SRRRA”). SRRRA was created as a public agency, separate from its Member Agencies, for the ownership, operation, maintenance, and administration of the Santa Rosa Water Reclamation Facilities (“SRWRF”), on a cooperative basis for the collection, treatment of wastewater and the disposal of wastewater treatment byproducts.

The Member Agencies have pipeline and treatment capacity, as well as recycled effluent rights. Each Member Agency owns and has the right to control, transfer and derive all financial benefit from the treated wastewater and recycled water produced by the Facilities, less any amount consumed during the operation of the Facilities.

Budgeting occurs in accordance with the Joint Exercise of Powers Agreement for SRRRA and is done in four sections; general operating, non-operating, capital projects and specific projects. Each Member Agency is responsible for paying its corresponding share of these budgeted amounts payable on agreed terms and dates.

The District has an explicit, measurable right to the net resources of SRRRA and considers this as an investment in a joint venture, accounting for it under the equity method.

4. INVESTMENT IN JOINT VENTURE - SRRRA (CONTINUED):

Separate audited financial statements for the Company can be obtained from the Rancho California Water District at 42135 Winchester Road, Temecula, CA 92590. The summary as of June 30, 2021 and 2020 are as follows:

	<u>June 2021</u>	<u>June 2020</u>
Total Assets	\$ 91,796,896	\$ 89,283,613
Total Liabilities	80,369,758	83,189,970
Total Net Position	<u>\$ 11,427,138</u>	<u>\$ 6,093,643</u>
Increase/(Decrease) in Net Position	<u>\$ 5,333,495</u>	<u>\$ 2,848,230</u>

5. RECEIVABLE FROM CFDs:

The Receivable from CFD represents the amount owed to the District from the 2016 Special Tax Refunding Bonds. In fiscal year 2016, property tax receipts totaling \$147,307 from CFD 2003-1 Watermark were improperly applied to CFD 2004-1 Woodmoor. The misapplied funds were inadvertently included in the funds determined to be available for the refunding of the original CFD 2004-1 Woodmoor Bonds. As a result, the 2016 Special Tax Refunding Bonds will repay the District these funds through the annual assessment of administration expenses for the remaining life of the bonds (22 years). Payments commenced in fiscal year 2017/2018 and the balance as of June 30, 2021 is \$63,307.

6. NOTES & CONTRACTS RECEIVABLE:

	<u>2021</u>	<u>2020</u>
As part of the Joint Exercise of Powers Agreement for Santa Rosa Regional Resources Authority (SRRRA), the District is required to contribute to the cost of rehabilitation projects. SRRRA received an SRF loan for a major portion of the cost of the rehabilitation project, however for various reasons there has been significantly delays in receiving SRF reimbursements. For cash flow purposes, and in order for SRRRA to be able to pay its contractors timely, the member agencies have advanced funds to SRRRA. These funds will be returned to its member agencies upon completion of the rehabilitation projects.	\$ 700,000	\$ 2,100,000
Total Notes and Contracts Receivable	<u>\$ 700,000</u>	<u>\$ 2,100,000</u>

7. CAPITAL ASSETS:

	Balance June 30, 2020	Additions	Retirements/ Transfers	Balance June 30, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 7,907,521	\$ 6,040	\$ -	\$ 7,913,561
Construction in Progress	52,362,565	55,171,349	(30,137,669)	77,396,244
Water Rights	19,814,681	13,613,130	-	33,427,810
Total Capital Assets Not Being Depreciated	<u>80,084,767</u>	<u>68,790,519</u>	<u>(30,137,669)</u>	<u>118,737,615</u>
Capital Assets Being Depreciated:				
Infrastructure - Water	445,616,482	4,634,344	(911,578)	449,339,248
Infrastructure - Wastewater	397,012,327	9,899,527	-	406,911,854
Buildings and Structures	24,051,765	514,374	-	24,566,139
Vehicles and Equipment	7,730,741	1,518,665	(726,448)	8,522,958
Miscellaneous	1,422,731	409,806	-	1,832,537
Total Capital Assets Being Depreciated	<u>875,834,046</u>	<u>16,976,716</u>	<u>(1,638,026)</u>	<u>891,172,736</u>
Less Accumulated Depreciation:				
Infrastructure - Water	(190,067,351)	(11,791,915)	473,108	(201,386,158)
Infrastructure - Wastewater	(138,323,081)	(8,413,757)	-	(146,736,838)
Buildings and Structures	(14,367,817)	(593,232)	-	(14,961,049)
Vehicles and Equipment	(7,455,116)	(376,405)	589,514	(7,242,007)
Miscellaneous	(1,115,281)	(64,283)	-	(1,179,564)
Total Accumulated Depreciation	<u>(351,328,646)</u>	<u>(21,239,592)</u>	<u>1,062,622</u>	<u>(371,505,616)</u>
Total Capital Assets Being Depreciated, Net	<u>524,505,400</u>	<u>(4,262,876)</u>	<u>(575,404)</u>	<u>519,667,119</u>
Capital Assets, Net	<u>\$ 604,590,167</u>	<u>\$ 64,527,643</u>	<u>\$ (30,713,073)</u>	<u>\$ 638,404,734</u>

	Amount Authorized	Expenditures June 30, 2021	Unexpended Commitments
Major components of Construction Work In Progress (CIP):			
Regional Water Reclamation Facility Upgrades Construction	\$ 33,535,461	\$ 33,573,013	\$ (37,552)
Water Facilities	31,611,829	14,331,491	17,280,338
Wastewater Facilities	26,690,000	8,497,278	18,192,722
Salt Removal Projects (Desalter)	15,998,853	631	15,998,222
Regional Water Reclamation Facility Expansion Planning	12,574,732	8,788,741	3,785,991
Horsethief Treatment Plant Expansion	8,965,537	3,192,011	5,773,526
Other Facilities	8,001,727	140,899	7,860,828
Diamond Regional Lift Station Dual Force Main	6,729,975	534,234	6,195,741
Lee Lake Well Conversion	5,224,088	748,697	4,475,391
Palomar Wells	5,106,470	2,518,191	2,588,279
CLWTP Master Plan Phase I Improvements	4,268,584	145,753	4,122,831
Mayhew Well (New)	4,200,000	1,145	4,198,855
Regional Water Reclamation Facility Upgrades Planning	3,625,600	3,212,635	412,965
Diamond Regional Lift Station	3,600,000	1,711,525	1,888,475
Total Major Components of CIP	<u>\$ 170,132,856</u>	<u>\$ 77,396,244</u>	<u>\$ 92,736,612</u>

Allow for rounding differences

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM:

Overview:

Governmental Accounting Standards Board (GASB) Statement No.68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27 (GASB 68), requires public employers to comply with new accounting and financial reporting standards. GASB 68 outlines a different approach to the recognition and calculation of pension obligations. Under GASB 68, employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record their portion of the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position.

Net pension liability is the plan’s total pension liability based on the entry age normal actuarial cost method less the plan’s fiduciary net position. This may be a net pension asset when the Plan’s fiduciary net position exceeds its total pension liability.

Pension expense is the change in net pension liability from the previous reporting period to the current reporting period less adjustments. This may be a negative expense (pension income), which should be reported as a credit in pension expense.

Deferred outflows of resources and deferred inflows of resources related to pensions are certain changes in total pension liability and fiduciary net position that are to be recognized in future pension expenses.

Summary of Significant Accounting Policies:

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

General Information about the Pension Plan

Plan Description:

The Plan is an agent, multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (“CalPERS”). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2019, Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website.

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 or 52 depending on the plan, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following; the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan operates under the provisions of the California Public Employees’ Retirement Law (“PERL”), the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”), and the regulations, procedures and

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases, require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Miscellaneous		
	Inactive before January 1, 2008	Active & Classic On or Before January 1, 2013	New Members On or After January 1, 2013
Hire Date			
Benefit Formula	2.0% @ 55	2.7% @ 55	2.0% @ 62
Benefit Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 63	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	1.1% to 2.4%	2.0 % to 2.7%	1.0% to 2.0%
Required Employee Contribution Rates	7.00%	8.00%	7.25%
Required Employer Contribution Rates	12.94%	12.94%	12.94%
Employer Payment of Unfunded Liability	15.98%	15.98%	15.98%

Employees Covered:

At June 30, 2021, the following employees were covered by the benefit terms:

	Miscellaneous
Active employees	165
Transferred members	152
Terminated employees	114
Retired members and beneficiaries	156
Total	587

Contribution Description:

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

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Net Pension Liability

The District’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability:

The June 30, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability, based on the following actuarial methods and assumptions:	
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Valuation Method	Market Value of assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CALPERS’ Membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS’ specific data. The probabilities of mortality are based on 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumptions:

The plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019.

Discount Rate:

The discount rate used to measure the total pension liability was 7.15 percent. 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 rate of return on plan investments was applied to all periods of projected payments to determine the total pension liability.

Long-Term Expected Rate of Return:

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return Years 1 -10 ⁽²⁾	Real Return Years 11+ ⁽³⁾
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

⁽¹⁾ In the system's ACFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments;
Inflation Assets are included in both Global Equity Securities and Global Debt Securities

⁽²⁾ An expected inflation of 2.0% used for this period

⁽³⁾ An expected inflation of 2.92% used for this period

Pension Plan Fiduciary Net Position:

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves.

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2019 Measurement Date	\$ 105,446,251	\$ 78,321,358	\$ 27,124,893
Changes Recognized for the Measurement Period:			
Service Cost	2,708,137	-	2,708,137
Interest on the Total Pension Liability	7,518,873	-	7,518,873
Differences between Expected and Actual Experience	610,773	-	610,773
Contributions- employer	-	3,669,646	(3,669,646)
Contributions- employee	-	1,079,391	(1,079,391)
Net Investment Income	-	3,937,611	(3,937,611)
Benefit Payments, including Refunds of Employee Contributions	(4,504,057)	(4,504,057)	-
Administrative Expense		(110,414)	110,414
Net Changes during 2019-2020	6,333,726	4,072,177	2,261,549
Balance at: 6/30/2020 Measurement Date	\$ 111,779,977	\$ 82,393,535	\$ 29,386,442

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$45,317,351	\$29,386,442	\$16,324,469

Subsequent Events:

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

Amortization of Deferred Outflows and Deferred Inflows of Resources:

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

Expected Average Remaining Service Lifetime (“EARSL”):

The EARSL for the Plan for measurement period ending the June 30, 2020 is 3.6 years, which was obtained by dividing the total service years of 1,811 (the sum of remaining service lifetimes of the active employees) by 506 (the total number of participants: active, transferred, terminated, and retired). Inactive employees and retirees have remaining service lifetimes equal to -0-. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

Pension Expense/(Income) for Measurement Period ended June 30, 2020

As of the start of the measurement period (July 1, 2019), the net pension liability was \$27,124,893.

For the measurement period ending June 30, 2020 (the measurement date), the Authority incurred a pension expense of \$4,638,090 for the Plan. A complete breakdown of the pension expense is as follows:

<u>Description</u>	<u>Amount</u>
Service Cost	\$ 2,708,137
Interest on the Total Pension Liability	7,518,873
Recognized Differences between Expected and Actual Experience	(211,766)
Recognized Changes of Assumptions	574,959
Employee Contributions	(1,079,391)
Projected Earnings on Pension Plan Investments	(5,598,831)
Recognized Differences between Projected and Actual Earnings on	615,695
Administrative Expense	110,414
Total Pension Expense	<u>\$ 4,638,090</u>

8. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Deferred Outflows and Deferred Inflows of Resources Related to Pensions:

The following table represents deferred outflows and deferred inflows of resources related to pensions as of June 30, 2020. Note that no adjustments to the net pension liability have been made for contributions subsequent to the measurement date. Appropriate treatment of any contributions made after the measurement date is the responsibility of the District.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 3,783,072	\$ -
Differences Between Expected and Actual Experience	1,182,763	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investment	776,941	-
Total	\$ 5,742,776	\$ -

\$3,783,072 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources (net amount of \$1,959,704) related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2022	\$ 430,952
2023	667,591
2024	528,917
2025	332,244
2026	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2021, the Authority reported a payable of \$121,575 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

9. FIDUCIARY FUNDS - COMMUNITIES FACILITIES DISTRICT BONDS:

The District currently has seven outstanding Community Facilities District (CFD) Bonds. These CFD bonds are not reported as a liability in the accompanying financial statements. Thus, the District has no liability for the CFD bonds in the event of default by the property owners. The District's only obligation is to act as an agent remitting to bondholders' amounts collected from property owners.

A Reserve Fund was established for CFD 1999-1, 2002-1, 2003-1, 2003-2 and 2004-1 in an amount equal to the reserve requirement as of the closing date of the bonds. These reserves are to be used solely in the event of any deficiency at any time for the purpose of making any principal, interest or premium payments. A Reserve Fund was not established for CFD 1998-2 since the District is the sole bondholder.

To take advantage of low interest rates in 2014 the District formed the Elsinore Valley Municipal Water District Financing Authority (Authority) to help facilitate a pooled refunding of existing CFD bonds. The Authority assists the District in financing or refinancing public capital improvement projects, financing relating to the

9. COMMUNITIES FACILITIES DISTRICT BONDS (CONTINUED):

encouragement of economic development, and the stimulation of public revenues. The Authority is able to issue bonds for the purpose of completing a pooled refinancing of the CFD Bonds.

On December 22, 1998, CFD 1998-2 was formed in order to finance, in part, the acquisition and construction of water and sewer improvements necessary to provide service for nine parcels representing approximately 368 acres in the Wildomar area. The District provided a cash contribution to the project, which is anticipated to be reimbursed through an additional facilities charge on undeveloped property within the benefit area. Bonds in the amount of \$5,500,000 were issued on February 9, 2000, with repayment being provided by a special tax to be placed on each parcel of taxable property. The District purchased the bonds and is still the sole bondholder. These unrated bonds are shown as part of the District's total investments and are set to expire September 1, 2030. The outstanding balance as of June 30, 2021 is \$3,110,000.

On June 23, 1999, CFD 1999-1 was formed to provide tax-exempt financing for public sewer improvements and payment of water and sewer connection fees for approximately 81 acres located in the City of Murrieta. Bonds in the amount of \$4,000,000 were issued on January 4, 2000. In December 2006, CFD 1999-1 was refunded through the issuance of the 2006 Special Tax Refunding Bonds. Bonds in the amount of \$4,315,000 were issued on December 28, 2006. Then in June 2016, the 2006 outstanding bonds were refunded through the private placement of the 2016 Special Tax Refunding Bonds. Bonds in the amount of \$2,673,000 were issued on June 22, 2016, with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2029 and the outstanding balance as of June 30, 2021 is \$2,030,000.

On June 27, 2002, CFD 2002-1 was formed to provide financing for the construction and acquisition of public facilities and payment of water and sewer connection fees, as well as, Lake Elsinore Unified School District's capacity and school facilities fees for approximately 31.95 acres located in the unincorporated area known as Wildomar. Bonds in the amount of \$2,240,000 were issued May 26, 2004. In February 2014, CFD 2002-1 was refunded through the direct placement of the 2014A Special Tax Refunding Bonds. Bonds in the amount of \$1,818,000 were issued on February 20, 2014 by Elsinore Valley Municipal Water District Financing Authority (Authority) with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2034 and the outstanding balance as of June 30, 2021 is \$1,381,000. In the event of default, the Trustee and Fiscal Agent have the first right to collect payment for fees, charges and expenses incurred prior to payment of any bond. Installments of principal and interest will then be paid in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due and unpaid, 2) principal then due and payable, and 3) overdue installments of principal and interest.

On August 14, 2003, CFD 2003-1 was formed to provide financing for the construction and acquisition of public facilities and payment of water and sewer connection fees for approximately 64.5 acres located in the City of Lake Elsinore. Bonds in the amount of \$4,410,000 were issued September 23, 2004. In February 2014, CFD 2003-1 was refunded through the direct placement of the 2014A Special Tax Refunding Bonds. Bonds in the amount of \$3,634,000 were issued on February 20, 2014 by the Authority with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2034 and the outstanding balance as of June 30, 2021 is \$2,761,000. In the event of default, the Trustee and Fiscal Agent have the first right to collect payment for fees, charges and expenses incurred prior to payment of any bond. Installments of principal and interest will then be paid in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due and unpaid, 2) principal then due and payable, and 3) overdue installments of principal and interest.

On July 10, 2003, CFD 2003-2 was formed to provide financing for the construction and acquisition of public facilities for approximately 135 acres located in the City of Murrieta. Bonds in the amount of \$1,985,000 were issued March 23, 2004. In February 2014, CFD 2003-2 was refunded through the direct placement of the 2014A Special Tax Refunding Bonds. Bonds in the amount of \$1,340,000 were issued on February 20, 2014 by the Authority with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2034 and the outstanding balance as of June 30, 2021 is \$1,006,000. In the event of default, the Trustee and Fiscal Agent have the first right to collect payment for fees, charges and expenses incurred prior to payment of any bond. Installments of principal and interest will then be paid in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due and unpaid, 2) principal then due and payable, and 3) overdue installments of principal and interest.

9. COMMUNITIES FACILITIES DISTRICT BONDS (CONTINUED):

On December 20, 2004, CFD 2004-1 was formed to provide financing for the construction and acquisition of public facilities and payment of water and sewer connection fees for approximately 62.3 acres located in the City of Lake Elsinore. Bonds in the amount of \$2,130,000 were issued December 30, 2009. In June 2016, the outstanding bonds were refunded through the private placement of the 2016 Special Tax Refunding bonds. Bonds in the amount of \$1,461,000 were issued on June 22, 2016, with repayment being provided by a special tax to be placed on each parcel of taxable property. The bond will expire September 1, 2039 and the outstanding balance as of June 30, 2021 is \$1,286,000.

On January 14, 2021, CFD 2020-1 was formed to help finance the expansion of the Horsethief Water Reclamation Facility as well as other public facilities for approximately 481 acres in the unincorporated area commonly known as Horsethief Canyon. The project is currently entitled to include 1,118 residential units. The CFD was formed with seven improvement areas labeled either Improvement Area "A" or "B". Improvement Area "A" bonds will be issued in fiscal year 2022 to finance the Horsethief expansion project. The Improvement Area "B" bonds will be issued based on the timing of each development and utilized for additional public facilities of either EVMWD, the Lake Elsinore Unified School District, the County of Riverside, or the County Flood Control District. Repayment of the bonds will be provided by a special assessment charged to each parcel or acre of land within the project.

As of June 30, 2021, the available funds for each CFD are as follows:

CFD #	Amount
1998-2	\$ 757,428
1999-1	391,348
2004-1	127,666
2014-1	1,052,516
	<u>\$ 2,328,958</u>

10. LONG TERM LIABILITIES:

Long-Term Liabilities for the year-ended June 30, 2021 are as follows:

	Balance at June 30, 2020	Additions	Deletions	Amortizations	Balance at June 30, 2021	Amounts Due In One Year
Certificates of Participation	\$ 66,134,700	\$ -	\$ 945,000	\$ 11,370	\$ 65,201,070	\$ 970,000
Water Revenue Bonds	78,843,586	-	5,120,000	(852,400)	72,871,186	5,385,000
Direct Borrowings:						
Loans Payable	15,214,744	24,984,522	603,477	-	39,595,789	1,026,589
Advances from U.S. Government	4,251,202	-	386,473	-	3,864,729	386,473
Total Long-Term Debt, net of						
Unamortized Premium	164,444,233	24,984,522	7,054,950	(841,030)	181,532,774	7,768,062
Net Pension Liability	27,124,893	6,333,726	4,072,177		29,386,442	-
Accrued Compensated Absences	4,421,210	1,899,644	1,586,621		4,734,233	939,299
Total Long-Term Liabilities	<u>\$195,990,336</u>	<u>\$ 33,217,892</u>	<u>\$ 12,713,748</u>	<u>\$ (841,030)</u>	<u>\$215,653,449</u>	<u>\$ 8,707,361</u>

10. LONG TERM LIABILITIES (CONTINUED):

Total future long-term debt maturities as of June 30, 2021 are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 7,768,062	\$ 3,037,564	\$ 10,805,626
2023	9,393,570	3,139,377	12,532,947
2024	9,486,729	2,824,078	12,310,807
2025	9,846,998	2,497,854	12,344,852
2026	10,222,544	2,155,472	12,378,016
2027-2031	56,992,772	5,221,694	62,214,466
2032-2036	56,570,464	1,201,910	57,772,374
2037-2041	8,662,351	447,802	9,110,153
2042	1,672,029	21,736	1,693,765
Total	170,615,519	20,547,487	191,163,006
Unamortized Premium/Discount	10,917,255	-	10,917,255
Total	\$ 181,532,774	\$ 20,547,487	\$ 202,080,261

Allow for rounding differences

11. EMPLOYEE SAVINGS CLAUSE PLAN:

WESA has two “savings clause” plans; one that is administered for the benefit of the Employee Association (“EA”) for employees hired prior to January 1, 2012 and the other for the benefit of the Management Team Association (“MTA”) for employees hired prior to January 1, 2013. EA employees hired after January 1, 2012 and MTA employees hired after January 1, 2013 are not eligible for the employee savings clause benefit. Both plans credit employees with 160 hours of savings allowance upon completion of 60 months of active service. Beginning with the 63rd month of active service, employees are credited with an additional 40 hours and receive 40 hours of additional savings clause accrual for each 12 months of active service thereafter, to a maximum total of 800 hours. Employees are paid the savings benefit at the rate of pay the employees were earning on their last day of employment with WESA.

Effective January 1, 2018, employees were granted the option to cash out their savings clause early, without the ability or right to continue to earn any additional savings clause and/or to receive any savings clause at retirement or termination. The balance accrued is reported with the compensated absences balance. The amount under this plan was \$1,382,367 and \$1,384,968 as of June 30, 2021 and June 30, 2020, respectively.

12. CERTIFICATES OF PARTICIPATION:

	<u>2021</u>	<u>2020</u>
COPs Series 2008B, refunding of 2005 and 1995A Certificates of Participation totaling \$54,655,000, dated October 28, 2008. The interest rate is variable with resets on a weekly basis and reported at the rate in effect on June 30 (0.02%). Principal amounts are payable annually on each July 1, ranging from \$7,795,000 in July 2030 to \$9,105,000 in July 2034 with final payment of \$5,240,000 in July 2035.	\$ 47,465,000	\$ 47,465,000
COPs Series 2011A, refinancing of a U.S. Bureau of Reclamation Advance totaling \$25,485,000, dated May 25, 2011. The interest rate is variable with resets on a weekly basis and reported at the rate in effect on June 30 (0.02%). Principal amounts are payable annually on each July 1, ranging from \$770,000 in July 2013 to \$1,445,000 in July 2035.	17,900,000	18,845,000
Total Certificates of Participation Payable	65,365,000	66,310,000
Unamortized Premium/Discount on issue	<u>(163,930)</u>	<u>(175,300)</u>
Net Certificates of Participation Payable	<u>\$ 65,201,070</u>	<u>\$ 66,134,700</u>

Future long-term certificates of participation maturities as of June 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 970,000	\$ 13,073	\$ 983,073
2023	1,000,000	12,879	1,012,879
2024	1,025,000	12,679	1,037,679
2025	1,055,000	12,474	1,067,474
2026	1,085,000	12,263	1,097,263
2027-2031	13,725,000	57,926	13,782,926
2032-2036	46,505,000	26,965	46,531,965
Total	<u>\$ 65,365,000</u>	<u>\$ 148,259</u>	<u>\$ 65,513,259</u>

Allow for rounding differences

The Certificates of Participation (“COP”) were issued by the Elsinore Valley Water and Sewer Facilities Corporation (“Corporation”) to assist the District in financing various construction projects and to advance refund prior debt issues. The COP’s are payable solely from installment payments to be made by the District. The District is obligated to make annual installment payments from any and all lawfully available revenues. The District has covenanted to budget and annually appropriate sufficient sums to pay all required installment payments when due.

On October 28, 2008, the Corporation issued Refunding COP Series 2008B in the amount of \$54,665,000 at variable interest rates, calculated and paid on a weekly basis. The proceeds were utilized to refund the variable rate COP Series 2005. COP Series 2005 was issued to finance water and wastewater improvements as well as refunding COP Series 1995A. Principal repayment for the 2008B COP commenced July 2009 and continued through July 2015 bringing the principal balance down to \$47,465,000. No additional principal payments are due and payable from 2016 through 2029. Principal payments will begin again in July 2030 for a six-year period. The interest rate at June 30, 2021 was 0.02%. The average annual interest rate experienced in the fiscal year was 0.07% and actual interest paid was \$33,370 for the fiscal year ended June 30, 2021.

Pursuant to the Reserve Requirement of the 2008B COPs, a Reserve Fund was established and amounts deposited with the Trustee on the Closing Date of the Bonds. The District shall maintain the Reserve Fund until

12. CERTIFICATES OF PARTICIPATION (CONTINUED):

all required 2008B installment payments, and interest thereon, are paid in full pursuant to the 2008B Installment Sale Agreement and until the first date upon which the Series B Certificates are no longer outstanding.

In connection with the issuance of the COP Series 2008B, the District executed a Letter of Credit and Reimbursement Agreement between the District and US Bank National Association. The Letter of Credit with US Bank expired February 2014 and a new letter of credit and reimbursement agreement was established with Bank of America, N.A. The new letter of credit with Bank of America was extended in January 2020 to January 2023 in accordance with its terms. It is subject to termination and extension upon the occurrence of certain events.

Payments for the 2008B Certificates are secured by a pledge of net water and sewer revenues. No event of default shall constitute the immediate payment of principal and interest except for events defined as automatic acceleration events. Upon such events, the Letter of Credit Bank may terminate the Letter of Credit and direct the Trustee to draw upon the Letter of Credit to purchase all outstanding 2008B Certificates for the account of the Bank and pay all fees accrued and payable to the Bank.

On May 25, 2011, the Corporation issued Refunding COP Series 2011A in the amount of \$25,485,000 at variable interest rates, calculated and paid on a weekly basis. The proceeds were utilized to repay the District's loan from the Bureau of Reclamation for the Temescal Valley Pipeline. The issuance of the 2011A COP provided a more cost effective manner of paying for the Temescal Valley Pipeline. Principal repayment for the 2011A COP commenced July 2012 and will continue through July 2035. The interest rate at June 30, 2020 was 0.02%. The average interest rate experienced in the fiscal year was 0.07% and actual interest paid was \$12,585 for fiscal year ended June 30, 2021.

In connection with the issuance of the Series 2011A COP, the District executed a Letter of Credit and Reimbursement Agreement between the District and Union Bank, N.A. The Letter of Credit was set to expire in May 2021, but was extended to July 2021. It is subject to termination and extension upon the occurrence of certain events.

Payments for the 2011A Certificates are secured by a pledge of net water and sewer revenues. Under certain events of default the Letter of Credit Bank can require all obligations to become immediately due and payable from immediately available funds.

13. WATER REVENUE BONDS PAYABLE:

	2021	2020
Water Revenue Bonds, Series 2016A totaling \$71,660,000, dated April 14, 2016, issued to advance refund the 2007A and 2008A Certificates of Participation. Interest is payable semi-annually on July 1 and January 1, with rates ranging from 2.00% in 2016 to 5.00% in 2019 and beyond. Principal amounts are payable annually on each July 1, ranging from \$910,000 in July 2017 up to \$8,060,000 in July 2029 with a final payment of \$310,000 in July 2034.	\$ 61,790,000	\$ 66,910,000
Total Water Revenue Bonds Payable	61,790,000	66,910,000
Unamortized Premium/Discount on issue	11,081,186	11,933,586
Net Water Revenue Bonds Payable	\$ 72,871,186	\$ 78,843,586

13. WATER REVENUE BONDS PAYABLE (CONTINUED):

Future long-term water revenue bond maturities as of June 30, 2021 are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 5,385,000	\$ 2,954,875	\$ 8,339,875
2023	5,665,000	2,678,625	8,343,625
2024	5,960,000	2,388,000	8,348,000
2025	6,270,000	2,082,250	8,352,250
2026	6,595,000	1,760,625	8,355,625
2027-2031	30,430,000	3,569,000	33,999,000
2032-2035	1,485,000	137,625	1,622,625
Total	<u>\$ 61,790,000</u>	<u>\$ 15,571,000</u>	<u>\$ 77,361,000</u>

On May 6, 2013, the Elsinore Valley Municipal Water District Financing Authority (“Authority”) was established to assist the District in the financing and refinancing of public capital improvement projects through the issuance and refunding of District indebtedness. The debt issued by the Authority is payable solely from installment payments made by the District. The District is obligated to make annual installment payments from any and all lawfully available revenues. The District has covenanted to budget and annually appropriate sufficient sums to pay all required installment payments when due.

On April 14, 2016, the Authority issued the 2016A Water Revenue Bonds in the amount of \$71,660,000 with interest rates ranging from 2.00% to 5.00%. The proceeds were used to advance refund the District’s 2007A and 2008A Certificates of Participation and placed in an irrevocable escrow fund with an escrow bank to provide the remaining debt service payments on the refunded debt.

The COP series 2007A, consisting of \$75,720,000 in certificates with interest rates ranging from 4.25% to 5.00% were issued on August 7, 2007. The proceeds were utilized to finance the acquisition and construction of water and sewer system improvements. The outstanding balance at the time of refunding was \$62,355,000 with cash held in reserves of \$5.9 million.

The Refunding COP Series 2008A, in the amount of \$65,665,000 with interest rates ranging from 4.25% to 5.00%, were originally issued on August 14, 2008. The net proceeds were utilized to refund the District’s variable rate 2000A Certificates which were issued to finance water and wastewater improvements. The outstanding balance at the time of refunding was \$65,665,000 with cash held in reserves of \$6.5 million.

The refunding met the requirements of a legal defeasance and both COPs were removed from the District’s financial statements. The District utilized the cash held in reserves of \$12.4 million and contributed an additional \$39.1 million to the refunding. The reacquisition price exceeded the net carrying amount of the old debt by \$8,067,165. This amount is being netted against the new debt and being amortized over the remaining life of the refunding debt. The total savings in cash flow was \$35.2 million and the economic gain or net present value savings at 1.957% was \$21.5 million. Principal repayment for the revenue bonds commenced July 1, 2016 and continue through July 2034. There is no reserve requirement.

In the event of default, the Trustee can not declare that the principal and interest on the bonds be due and payable immediately. However, provisions for the application of moneys after all fees and expenses of the Trustee have been paid, will be applied in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due, in order of maturity, 2) unpaid principal then due, in order of due dates, and 3) to be held for future principal and interest payments not yet due.

14. LOANS PAYABLE - Direct Borrowings:

	2021	2020
State of California Water Resources Control Board – Division of Clean Water Programs. Original loan amount of \$5,000,000 used for the Regional Wastewater Reclamation Plant expansion. Imputed interest of 1.81% with annual principal and interest payments of \$251,316 through February 28, 2023. Balance is net of discount being amortized.	\$ 489,276	\$ 727,394
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$2,347,026 was used for the Advanced Metering Infrastructure Phase III project. Interest accrued at a rate of 1.7% through June 30, 2021. Effective July 1, 2021 a 1% Administrative Fee and 0.7% Small Community Grant Fee will be charged in lieu of the interest charge. Annual principal payments range from \$107,493 in December 2018 to \$136,598 in December 2037.	2,036,123	2,138,685
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$1,930,968 was used for the Regional Water Reclamation Facility Expansion and Upgrade Design. Interest accrues at a rate of 0.0% with annual principal payments of \$193,097. Payments began October 2020 and continue through October 2029.	1,737,871	1,930,968
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$4,220,009 was used for the Regional Water Reclamation Facility Expansion and Upgrade Design. Interest accrues at a rate of 0.0% with annual principal payments of \$422,001. Payments begin October 2021 and continue through October 2030.	4,220,009	3,607,428
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$1,521,061 was used for the Regional Water Reclamation Facility Supervisory Control and Data Acquisition (SCADA) Implementation. Interest accrues at a rate of 1.8% with annual payments of \$90,872. Payments began December 2020 and continue through December 2039.	1,451,361	1,594,558
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$45,987,100 authorized for the Regional Water Reclamation Facility Upgrades Construction with \$3,500,000 of principal forgiveness. A total amount of \$29,661,149 was disbursed as of June 30, 2021. Interest accrues at a rate of 1.3% upon the final disbursement request and project completion date of February 25, 2022. Payments begin August 2022 and continue through August 2041.	29,661,149	5,215,711
Total Loans Payable	<u>\$ 39,595,789</u>	<u>\$ 15,214,744</u>

14. LOANS PAYABLE - Direct Borrowings (CONTINUED):

Future long-term maturities as of June 30, 2021 are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 1,026,589	\$ 69,616	\$ 1,096,205
2023	2,342,097	447,873	2,789,970
2024	2,115,256	423,399	2,538,655
2025	2,135,525	403,130	2,538,655
2026	2,156,071	382,584	2,538,655
2027-2031	10,905,406	1,594,769	12,500,175
2032-2036	8,580,464	1,037,320	9,617,784
2037-2041	8,662,351	447,802	9,110,153
2042-2046	1,672,029	21,736	1,693,765
Total	\$ 39,595,789	\$ 4,828,229	\$ 44,424,018

Allow for rounding differences

EVMWD has six outstanding loans through direct borrowing from the California Clean Water State Revolving Fund. All outstanding loans, with the exception of one (see below), are secured by a pledge of net revenues with an Enterprise and Reserve Fund being established for each loan. In the event of default, immediate repayment of funds plus accrued interest and penalties is required. Interest shall accrue on all amounts due at the highest legal rate of interest from the date of notice of termination to the date monies are received by the State Board. Any fraud or misuse of public funds will terminate the agreements and require the repayment of all funds.

The Regional Wastewater Reclamation Plan expansion loan is secured by a pledge of connection fees and other charges determined on an annual basis. In the event of default, repayment of the current balance and all penalty assessments are due immediately. Any breach affecting Tax Exempt Status requires reimbursement to the state equal to any damages paid by or loss incurred by the State due to the breach.

15. ADVANCES FROM U.S. GOVERNMENT - Direct Borrowings:

In 1986, the District entered into a contract with the federal government under the provisions of Public Law 984, to provide funding for a portion of the Lake Management Project. The project was completed as of May 10, 1995. A summary of the total U.S. Bureau of Reclamation funding for the Lake Management Project is as follows:

Total Bureau funding (Lake Management)	\$ 26,000,000
Less: Non-repayable grant portion	<u>(9,405,500)</u>
Total loan proceeds	<u>\$ 16,594,500</u>
Distribution of loan proceeds:	
Agricultural component — non-interest bearing	\$ 4,894,000
Repayable grant component — non-interest bearing	9,405,500
Recreational, fish, and wildlife component — interest bearing at 10.875% per annum	<u>2,295,000</u>
Total loan proceeds	<u>\$ 16,594,500</u>

The loan proceeds are repayable in 40 annual installments varying from \$4,682 to \$606,389. In addition, interest at 10.875% was due on the recreational, fish and wildlife component. This component was fully repaid in 2007. Repayment of the loan commenced May 1, 1992. Principal of \$12,729,771 has been repaid as of June 30, 2021, with a current unpaid balance of \$3,864,729. The unpaid balance is non-interest bearing. Pursuant to the agreement, the District maintains reserve funds in an amount not to exceed \$90,000.

Future long-term advances from the U.S. government as of June 30, 2021 are as follows:

Fiscal Year	Principal
2022	\$ 386,473
2023	386,473
2024	386,473
2025	386,473
2026	386,473
2027-2031	1,932,364
Total	<u>\$ 3,864,729</u>

16. LEASE INCOME:

The District leases the exclusive right to use the Railroad Canyon Reservoir for boating, fishing and water sports to the Canyon Lake Property Owner’s Association. On March 10, 2017, the fifth amendment to Railroad Canyon Reservoir lease agreement was executed extending the current lease agreement through December 31, 2066. The terms of the amended lease contain an option for an additional forty-four-year extension, on the same terms and conditions, with the right to exercise the option to extend at any time prior to the expiration date of the current lease.

A payment is due for each quarter beginning September 1st as compensation for minimum water level maintenance in Canyon Lake. The quarterly payment is calculated by adding to the Agreement’s Payment Base a cost of living adjustment based on the Consumer Price Index for All Urban Consumers (CPI-U) in the Riverside-San Bernardino-Ontario County, CA Area to calculate lease payments.

Cost of living adjustments are cumulative. The amount recorded as revenue for the fiscal year 2020/2021 is \$1,561,597.

Fiscal Year	Lease Income
2022	\$ 1,618,158
2023	1,676,098
2024	1,734,762
2025	1,773,671
2026	1,809,144
2027-2066	111,461,430
Total	<u>\$ 120,073,263</u>

The District also leases rights to 4,680.6 acre-feet per year of groundwater in the San Bernardino Basin Area to Western Municipal Water District. The lease took effect on January 1, 2021 for a twenty-year term that terminates automatically on December 31, 2041.

A payment is due on the 15th of each month for one twelfth of the annual rate of 4,680.6 acre-feet per year of groundwater at the base rate of \$198.91 per acre-foot.

Beginning January 1, 2022, the base rate will be adjusted by August 2021 Consumer Price Index for All Urban Consumers (CPI-U) in the Los Angeles-Long Beach-Anaheim, CA plus one percent. Base rate adjustments will be no less than two and one quarter percent and no more than four and one quarter percent.

Base rate adjustments are cumulative. The amount recorded as revenue for the fiscal year 2020/2021 is \$465,509.

Fiscal Year	Lease Income
2022	\$ 950,802
2023	987,572
2024	1,022,137
2025	1,051,413
2026	1,075,070
2027-2041	19,357,064
Total	<u>\$ 24,444,058</u>

Total lease revenue recorded during fiscal year 2020/2021 is \$2,027,106.

17. NET POSITION:

The following is a detailed breakdown of net position. Also shown below is a listing of the designations of unrestricted net position.

	<u>2021</u>	<u>2020</u>
Capital Assets (Net)	\$ 638,404,733	\$ 604,590,166
Less: Debt offsetting capital assets	<u>(175,946,459)</u>	<u>(158,377,752)</u>
Net investment in capital assets	462,458,274	446,212,414
Restricted Net Position	71,967,372	50,909,739
Unrestricted Net Position	<u>181,372,092</u>	<u>195,038,749</u>
Total Net Position	<u>\$ 715,797,738</u>	<u>\$ 692,160,902</u>

Although not legally restricted, unrestricted net position has been designated for various purposes. These designations have been established and maintained to provide sound financial management and a stable and equitable rate structure. The June 30, 2021 and June 30, 2020 unrestricted net position amounts consist of the following:

	<u>2021</u>	<u>2020</u>
Customer Deposits	\$ 4,867,194	\$ 3,909,011
Debt Services Reserves	11,633,545	35,306,702
Reserve For Encumbered Projects	90,722,823	82,656,301
Special Revenue Reserve	16,796,787	21,683,144
Other Unrestricted Net Position	12,481,124	17,171,177
Operational Reserve	22,532,489	18,679,325
Replacement Reserve	<u>22,338,130</u>	<u>15,633,089</u>
Total Unrestricted Net Position	<u>\$ 181,372,092</u>	<u>\$ 195,038,749</u>

Allow for rounding differences

18. CONDENSED COMPONENT UNIT:

Below is the condensed component unit information for the Water Employee Services Authority (WESA) and the Elsinore Valley Water and Sewer Facilities Corporation (Sewer Corp). Both component units are considered blended component units for the fiscal year ended June 30, 2021, and are included in the District's financial statements.

CONDENSED STATEMENT OF NET POSITION

	WESA	SEWER CORP	TOTAL
ASSETS:			
Current Assets	\$ 1,968,377	\$ 26,204,523	\$ 28,172,900
Noncurrent Assets	27,438,599	39,012,508	66,451,107
Total Assets	29,406,976	65,217,031	94,624,007
DEFERRED OUTFLOWS OF RESOURCES	5,742,776	-	5,742,776
LIABILITIES:			
Current Liabilities	1,683,669	985,961	2,669,630
Noncurrent Liabilities	33,181,375	64,231,070	97,412,445
Total Liabilities	34,865,044	65,217,031	100,082,075
DEFERRED INFLOWS OF RESOURCES	-	-	-
NET POSITION			
Unrestricted	\$ 284,708	\$ -	\$ 284,708

CONDENSED STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	WESA	SEWER CORP	TOTAL
Operating Revenue	\$ 26,614,664	\$ -	\$ 26,614,664
Operating Expenses	(26,614,664)	(2,950,801)	(29,565,465)
Net Operating Income	-	(2,950,801)	(2,950,801)
Non-Operating Revenue	-	2,950,801	2,950,801
Change in Net Position	-	-	-
Net Position, Beginning of Year	284,708	-	284,708
Net Position, End of Year	\$ 284,708	\$ -	\$ 284,708

CONDENSED STATEMENT OF CASH FLOW

	WESA	SEWER CORP	TOTAL
NET CASH PROVIDED (USED) BY:			
Operating activities	\$ 630,460	\$ -	\$ 630,460
Investing activities	-	(373,525)	(373,525)
Capital and related financing activities	-	373,525	373,525
Net increase in cash and cash equivalents	630,460	-	630,460
CASH AND CASH EQUIVALENTS, Beginning of Year	224,323	-	224,323
CASH AND CASH EQUIVALENTS, End of Year	\$ 854,783	\$ -	\$ 854,783

Allow for rounding differences

19. 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; and natural disasters. To help mitigate these risks, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA).

Description of JPIA:

JPIA is an intergovernmental risk-pooling self-insurance authority, created under the provisions of California Government Code Sections 6500 et. seq. The purpose of JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

Self-Insurance Programs of JPIA:

At June 30, 2021, the District's participation in the self-insurance programs of JPIA is as follows:

Property Loss: Insured up to replacement value with a \$5,000 deductible per occurrence on scheduled buildings, fixed equipment and contents, actual cash value on scheduled mobile equipment with a \$1,000 deductible per occurrence and actual cash value on scheduled vehicles with a \$500 deductible per occurrence. JPIA is self-insured up to \$100,000 per loss and has purchased re-insurance coverage up to a \$500,000,000 limit per occurrence. Scheduled fixed equipment is covered for Accidental Mechanical Breakdown up to sub-limit of \$100,000,000 with deductible \$25,000 to \$50,000 depending on type of equipment.

Workers' Compensation: Insured for statutory limits, and Employer's Liability is insured up to \$4,000,000 per accident and \$4,000,000 per disease. JPIA is self-insured up to \$2,000,000 and excess insurance coverage has been purchased. The District's retrospective allocation point is \$250 per occurrence.

General, Automobile, Employment Practices & Public Officials' Liability: Broad coverage against third-party claims for the District, its directors, employees and volunteers. Covered up to the following limits: the JPIA pools for the first \$5,000,000 and purchases excess coverage with limit up to \$55,000,000 with aggregated policy limits. The District retrospective allocation point is \$50,000 per occurrence.

In addition to the above, the District has also purchased insurance coverage through JPIA as follows:

Dam Failure Liability Addendum covering Railroad Canyon and Lee Lake Liability: Insured up to \$4,000,000 per occurrence with a \$1,000,000 retention.

Cyber Liability: Including Cyber Security up to \$5,000,000 per occurrence/Aggregate Limit. Cyber Liability Deductible varies from \$10,000 to \$50,000 depending on District Revenue.

Employee Dishonesty/Crime Supplement: Insured up to \$100,000 per occurrence with a \$1,000 deductible for employee dishonesty which covers all employees, the Board of Directors, and the Treasurer. Insured up to \$100,000 per occurrence with a \$1,000 deductible for forgery or alteration. Insured up to \$100,000 per occurrence with a \$1,000 deductible for computer fraud. JPIA is self-insured up to \$100,000 per loss.

Underground Storage Tank Liability covering three (3) underground storage tanks at 31315 Chaney Street: Insured up to \$3,000,000 Each Pollution incident and Aggregate Limit; \$750,000 Aggregate Claims Expense, with a \$10,000 deductible. JPIA is self-insured up to \$500,000.

Separate financial statements of JPIA can be obtained at 2100 Professional Drive, Roseville, CA 95661 or <https://www.acwajpia.com/transparency/>.

For the past eight fiscal years, the District had no settlements exceeding insurance coverage for these categories of risk. At June 30, 2021, in the opinion of legal counsel, the District had no material claims which would require loss provision in the financial statements and therefore no claims liability has been recorded.

20. CONTINGENCIES:

Grant:

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Legal:

The District is involved in various legal proceedings from time to time in the normal course of business. In management’s opinion, the District is not involved in any legal proceeding that will have a material adverse effect on the financial position or changes in financial position of the District.

21. JOINT VENTURE - BCGSA:

The Bedford-Coldwater Groundwater Sustainability Authority (“BCGSA”) was organized on February 28, 2020 under Section 6500 of the Government code of the State of California and pursuant to the Joint Exercise of Powers Agreement by and among the District, the City of Corona (“Corona”), and the Temescal Valley Water District (“TVWD”) for the management of the Bedford-Coldwater Sub-Basin of the Elsinore Basin. BCGSA was formed with the purpose and intent of jointly fulfilling the role and legal obligations of a Groundwater Sustainability Agency (“GSA”) as required by the Sustainable Groundwater Management Act (“SGMA”), including complying with SGMA and ensuring sustainable groundwater management throughout the Bedford-Coldwater Sub-Basin of the Elsinore Basin (“Sub-Basin”) so that the Members may collaboratively and cost-effectively develop, adopt, and implement a Groundwater Sustainability Plan (“GSP”) for the Sub-Basin in accordance with pertinent regulatory timelines.

The Authority may represent the Members, as appropriate, in discussions and transactions with other local agencies, to include (but not limited to) the development of inter-basin coordination agreements with other GSAs in Riverside County, and agreements with other local agencies or GSAs as may be required to ensure compliance with SGMA for the Sub-Basin.

Pursuant to the Joint Powers Agreement, each member provides an equal contribution to the operating fund, which is used to pay all administrative, operating and other expenses incurred. The rate or amount of the contributions is established in the annual Operating Budget and based upon an equal contribution by each member. The District acts as the Administering Member of BCGSA providing all administrative and financial services.

Separate audited financial statements for the Company can be obtained from the District at 31315 Chaney Street, Lake Elsinore, CA 92530. The summary as of June 30, 2021 is as follows:

	June 2021	June 2020
Total Assets	\$ 739,646	\$ 969,283
Total Liabilities	515,421	716,883
Total Net Position	224,225	252,400
Increase/(Decrease) in Net Position	(28,175)	252,400

22. COVID-19:

In December 2019, a novel strain of coronavirus spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. As such, the United States, the State, and the Riverside and Orange Counties, declared a “state of emergency” or equivalent. Additionally, the State issued a “stay at home” order that severely restricted the movement of residents and generally mandates residents to remain in their home and, in effect, prohibits non-essential workers from working outside their home. This caused the disruption of daily life in all jurisdictions, including the closure of, among others, bars, dine-in restaurants, retail stores, schools, gyms, movie theatres, certain government buildings and religious institutions, and general prohibitions on gatherings.

The operations and business results of the District could potentially continue to be adversely affected by this global pandemic as a result of emerging variants and a continued rise in infection rates. The extent to which the coronavirus may continue to impact business activity or investment results will depend on future developments, which are still highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus or its variants and the actions required to contain them. The District has not included any contingencies in the financial statements specific to this issue.

As a result of the COVID-19 pandemic, and the Governor’s shut off moratorium for delinquent accounts, the District has experienced an unusually high amount of late/unpaid water/sewer accounts. The District continues to reach out and work with customers to make arrangements for the collection of unpaid bills and expects a large portion of the currently outstanding delinquent accounts to be collectible once the shutoff moratorium is lifted.

In addition, the State of California has allocated \$985 million in federal funding through the state legislature for past due water and wastewater bills. The District is currently working with the State Water Resources Control Board who has been tasked with administering the CWWAPP program and disbursing funds for arrearages. The District anticipates it will receive funding of approximately \$1.3-\$1.4 million in residential and commercial water arrearages that qualify for reimbursement through the program. In the event that there is additional funding remaining after water arrearages have been funded, the District estimates that it will be eligible for approximately \$500,000, or a portion thereof, of residential and commercial sewer arrearages.

23. SUBSEQUENT EVENTS:

On July 1, 2021 the Elsinore Valley Municipal Water District Financing Authority (“Authority”) issued Refunding Water Revenue Bonds, Series 2021A in the amount of \$31,625,000 to refund Elsinore Valley Municipal Water District’s 2008B and 2011A COPs (together the “Prior Certificates”). The District will have the same obligation to pay the Authority as it did the Prior Certificates and will therefore report the Revenue Bonds on their financial statements. The current refunding meets the requirements of a legal defeasance and both COPs will be removed from the District’s financial statements. The District utilized the cash held in reserves of \$4.3 million and contributed an additional \$24.2 million to the refunding. Principal repayment for the revenue bonds commences July 1, 2022 and will continue through July 2035. There is no reserve requirement.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

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Schedule of Changes in Net Pension Liability and Related Ratios Ended June 30th
Last 10 Years⁽⁴⁾

Measurement Period	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:							
Service Cost	\$ 2,708,137	\$ 2,504,040	\$ 2,466,139	\$ 2,636,694	\$ 2,449,304	\$ 2,408,523	\$ 2,458,216
Interest	7,518,873	7,087,735	6,593,931	6,285,034	5,933,814	5,551,505	5,183,730
Changes of Assumptions	-	-	(682,360)	5,623,164	-	(1,469,076)	-
Difference Between Expected and Actual Experience	610,773	1,730,513	(287,200)	(579,128)	(219,718)	(286,905)	-
Benefit Payments, Including Refunds of Employee Contributions	(4,504,057)	(4,045,325)	(3,761,071)	(3,332,206)	(3,036,730)	(2,489,673)	(2,327,994)
Net Change in Total Pension Liability	6,333,726	7,276,963	4,329,439	10,633,558	5,126,670	3,714,374	5,313,952
Total Pension Liability - Beginning	105,446,251	98,169,288	93,839,849	83,206,291	78,079,621	74,365,247	69,051,295
Total Pension Liability - Ending (a)	\$ 111,779,977	\$ 105,446,251	\$ 98,169,288	\$ 93,839,849	\$ 83,206,291	\$ 78,079,621	\$ 74,365,247
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 3,669,646	\$ 3,299,273	\$ 2,907,458	\$ 2,742,846	\$ 2,656,957	\$ 2,500,495	\$ 2,232,962
Contributions - Employee	1,079,391	1,016,843	1,041,634	979,078	972,455	967,375	1,026,237
Net Investment Income	3,937,611	4,769,917	5,714,814	6,761,115	340,453	1,296,452	8,461,126
Benefit Payments, Including Refunds of Employee Contributions	(4,504,057)	(4,045,325)	(3,761,071)	(3,332,206)	(3,036,730)	(2,489,673)	(2,327,994)
Net Plan to Plan Resource Movement	-	-	(169)	(2,059)	-	-	-
Administrative Expense	(110,414)	(52,332)	(105,552)	(89,585)	(36,433)	(67,288)	-
Other Miscellaneous Income/ (Expense) ⁽¹⁾	-	169	(200,444)	-	-	-	-
Net Change in Fiduciary Net Position	4,072,177	4,988,545	5,596,670	7,059,189	896,702	2,207,361	9,392,331
Plan Fiduciary Net Position - Beginning⁽²⁾	78,321,358	73,332,813	67,736,143	60,676,954	59,780,252	57,572,891	48,180,560
Plan Fiduciary Net Position - Ending (b)	\$ 82,393,535	\$ 78,321,358	\$ 73,332,813	\$ 67,736,143	\$ 60,676,954	\$ 59,780,252	\$ 57,572,891
Plan Net Pension Liability - Ending (a) - (b)	\$ 29,386,442	\$ 27,124,893	\$ 24,836,475	\$ 26,103,706	\$ 22,529,337	\$ 18,299,369	\$ 16,792,356
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.71%	74.28%	74.70%	72.18%	72.92%	76.56%	77.42%
Covered Payroll ⁽³⁾	\$ 13,966,669	\$ 12,560,391	\$ 12,085,954	\$ 12,560,469	\$ 12,648,098	\$ 12,307,222	\$ 11,676,322
Plan Net Pension Liability as a Percentage of Covered Payroll	210.40%	215.96%	205.50%	207.82%	178.12%	148.69%	143.82%

⁽¹⁾ During Fiscal Year 2017-18, as a result of Governmental Standards Board Statement (GASB) N0.75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPED plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

⁽²⁾ Includes any beginning of year adjustment.

⁽³⁾ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018 -20; 3.00 percent payroll growth for fiscal years ended June 30, 2014-17.

⁽⁴⁾ Measurement period 2013-2014 (fiscal year 2015) was the 1st year of implementation, therefore, only seven years are shown.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gain/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**Schedule of Plan Contributions for the Measurement Periods Ended June 30⁽¹⁾
Last 10 Years⁽⁴⁾**

Employer Fiscal Year End	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution ⁽²⁾	\$ 3,783,072	\$ 3,669,646	\$ 3,299,273	\$ 2,907,458	\$ 2,742,846	\$ 2,656,957	\$ 2,500,495	\$ 2,232,962
Contributions in Relation to the Actuarially Determined Contribution ⁽²⁾	(3,783,072)	(3,669,646)	(3,299,273)	(2,907,458)	(2,742,846)	(2,656,957)	(2,500,495)	(2,232,962)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ⁽³⁾	\$ 14,665,059	\$ 13,966,669	\$ 12,560,391	\$ 12,085,954	\$ 12,560,469	\$ 12,648,098	\$ 12,307,222	\$ 11,676,322
Contributions as a Percentage of Covered Payroll ⁽³⁾	25.80%	26.27%	26.27%	24.06%	21.84%	21.01%	20.32%	19.12%

⁽¹⁾ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

⁽²⁾ Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may chose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

⁽³⁾ Includes one year's payroll growth using 2.75 percent payroll assumption for fiscal year June 30, 2018-20; 3.0 percent payroll assumption for fiscal years ended June 30, 2014-17.

⁽⁴⁾ Measurement period 2013-2014 (fiscal year 2015) was the 1st year of implementation, therefore, only eight years are shown.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2019 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2019 Funding Valuation Report
Inflation	2.5%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.15% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other Information:

For changes to previous' year's information, refer to past GASB 68 reports.

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**SUPPLEMENTARY
INFORMATION**

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SCHEDULE OF MATURITIES OF CERTIFICATES OF PARTICIPATION PAYABLE

June 30, 2021 and 2020

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
Elsinore Valley Water and Sewer Facilities Corporation, 2008B - Refunding of 2005A - Original Issue \$54,655,000 ⁽²⁾					
07/01/21	0.020%	\$ -	\$ 9,493	\$ 9,493	\$ 47,465,000
07/01/22	0.020	-	9,493	9,493	47,465,000
07/01/23	0.020	-	9,493	9,493	47,465,000
07/01/24	0.020	-	9,493	9,493	47,465,000
07/01/25	0.020	-	9,493	9,493	47,465,000
07/01/26	0.020	-	9,493	9,493	47,465,000
07/01/27	0.020	-	9,493	9,493	47,465,000
07/01/28	0.020	-	9,493	9,493	47,465,000
07/01/29	0.020	-	9,493	9,493	47,465,000
07/01/30	0.020	7,795,000	9,493	7,804,493	39,670,000
07/01/31	0.020	8,105,000	7,934	8,112,934	31,565,000
07/01/32	0.020	8,450,000	6,313	8,456,313	23,115,000
07/01/33	0.020	8,770,000	4,623	8,774,623	14,345,000
07/01/34	0.020	9,105,000	2,869	9,107,869	5,240,000
07/01/35	0.020	5,240,000	1,048	5,241,048	-

⁽¹⁾ Rounded to the nearest dollar

⁽²⁾ Interest payment is calculated using the interest rate in effect at 6/30/20 & 6/30/21 for 2022 forward

SCHEDULE OF MATURITIES OF CERTIFICATES OF PARTICIPATION PAYABLE (Continued)

June 30, 2021 and 2020

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
Elsinore Valley Water and Sewer Facilities Corporation, 2011A - Refi of TVP USBR Loan Original Issue \$25,485,000 ⁽²⁾					
07/01/21	0.020%	\$ 970,000	\$ 3,580	\$ 973,580	\$ 16,930,000
07/01/22	0.020	1,000,000	3,386	1,003,386	15,930,000
07/01/23	0.020	1,025,000	3,186	1,028,186	14,905,000
07/01/24	0.020	1,055,000	2,981	1,057,981	13,850,000
07/01/25	0.020	1,085,000	2,770	1,087,770	12,765,000
07/01/26	0.020	1,120,000	2,553	1,122,553	11,645,000
07/01/27	0.020	1,150,000	2,329	1,152,329	10,495,000
07/01/28	0.020	1,185,000	2,099	1,187,099	9,310,000
07/01/29	0.020	1,220,000	1,862	1,221,862	8,090,000
07/01/30	0.020	1,255,000	1,618	1,256,618	6,835,000
07/01/31	0.020	1,290,000	1,367	1,291,367	5,545,000
07/01/32	0.020	1,330,000	1,109	1,331,109	4,215,000
07/01/33	0.020	1,365,000	843	1,365,843	2,850,000
07/01/34	0.020	1,405,000	570	1,405,570	1,445,000
07/01/35	0.020	1,445,000	289	1,445,289	-

⁽¹⁾ Rounded to the nearest dollar

⁽²⁾ Interest payment is calculated using the interest rate in effect at 6/30/20 & 6/30/21 for 2022 forward

SCHEDULE OF MATURITIES OF WATER REVENUE BONDS PAYABLE

June 30, 2021 and 2020

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
Elsinore Valley Municipal Water District Financing Authority, 2016A Water Revenue Bonds - Refunding of 2007A and 2008A - Original Issue \$71,660,000					
01/01/21	5.000%	\$ -	\$ 1,544,750	\$ 1,544,750	\$ 61,790,000
07/01/21	5.000	5,385,000	1,544,750	6,929,750	56,405,000
01/01/22	5.000	-	1,410,125	1,410,125	56,405,000
07/01/22	5.000	5,665,000	1,410,125	7,075,125	50,740,000
01/01/23	5.000	-	1,268,500	1,268,500	50,740,000
07/01/23	5.000	5,960,000	1,268,500	7,228,500	44,780,000
01/01/24	5.000	-	1,119,500	1,119,500	44,780,000
07/01/24	5.000	6,270,000	1,119,500	7,389,500	38,510,000
01/01/25	5.000	-	962,750	962,750	38,510,000
07/01/25	5.000	6,595,000	962,750	7,557,750	31,915,000
01/01/26	5.000	-	797,875	797,875	31,915,000
07/01/26	5.000	6,930,000	797,875	7,727,875	24,985,000
01/01/27	5.000	-	624,625	624,625	24,985,000
07/01/27	5.000	7,290,000	624,625	7,914,625	17,695,000
01/01/28	5.000	-	442,375	442,375	17,695,000
07/01/28	5.000	7,665,000	442,375	8,107,375	10,030,000
01/01/29	5.000	-	250,750	250,750	10,030,000
07/01/29	5.000	8,060,000	250,750	8,310,750	1,970,000
01/01/30	5.000	-	49,250	49,250	1,970,000
07/01/30	5.000	485,000	49,250	534,250	1,485,000
01/01/31	5.000	-	37,125	37,125	1,485,000
07/01/31	5.000	445,000	37,125	482,125	1,040,000
01/01/32	5.000	-	26,000	26,000	1,040,000
07/01/32	5.000	380,000	26,000	406,000	660,000
01/01/33	5.000	-	16,500	16,500	660,000
07/01/33	5.000	350,000	16,500	366,500	310,000
01/01/34	5.000	-	7,750	7,750	310,000
07/01/34	5.000	310,000	7,750	317,750	-

⁽¹⁾ Rounded to the nearest dollar

SCHEDULE OF MATURITIES OF LOANS PAYABLE

June 30, 2021 and 2020

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Service Fee Payments ⁽²⁾	Grant Fee Payments ⁽²⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
State of California Water Resources Control Board - Original Loan \$5,000,000							
02/28/22	1.814%	\$ 242,439	\$ 8,877	\$ -	\$ -	\$ 251,316	\$ 246,837
02/28/23	1.814	246,837	4,479	-	-	251,316	-
State of California Water Resources Control Board - Original Loan \$2,347,026							
12/31/21	1.700%	\$ 104,306	\$ -	\$ 20,361	\$ 14,253	\$ 138,920	\$ 1,931,818
12/31/22	1.700	106,079	-	19,318	13,523	138,920	1,825,739
12/31/23	1.700	107,882	-	18,257	12,780	138,920	1,717,857
12/31/24	1.700	109,716	-	17,179	12,025	138,920	1,608,140
12/31/25	1.700	111,581	-	16,081	11,257	138,920	1,496,559
12/31/26	1.700	113,478	-	14,966	10,476	138,920	1,383,081
12/31/27	1.700	115,407	-	13,831	9,682	138,920	1,267,674
12/31/28	1.700	117,369	-	12,677	8,874	138,920	1,150,304
12/31/29	1.700	119,365	-	11,503	8,052	138,920	1,030,940
12/31/30	1.700	121,394	-	10,309	7,217	138,920	909,546
12/31/31	1.700	123,457	-	9,095	6,367	138,920	786,089
12/31/32	1.700	125,556	-	7,861	5,503	138,920	660,533
12/31/33	1.700	127,691	-	6,605	4,624	138,920	532,842
12/31/34	1.700	129,861	-	5,328	3,730	138,920	402,981
12/31/35	1.700	132,069	-	4,030	2,821	138,920	270,912
12/31/36	1.700	134,314	-	2,709	1,896	138,920	136,598
12/31/37	1.700	136,598	-	1,366	956	138,920	-

⁽¹⁾ Rounded to the nearest dollar

⁽²⁾ 1.0% Administrative Service Fee and 0.7% Small Community Grant Fee in lieu of 1.7% Interest Rate effective 7/1/21.

SCHEDULE OF MATURITIES OF LOANS PAYABLE (Continued)

June 30, 2021 and 2020

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Service Fee Payments⁽²⁾</u>	<u>Grant Fee Payments⁽²⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Original Loan \$1,930,968							
10/31/21	0.000%	\$ 193,097	\$ -	\$ -	\$ -	\$ 193,097	\$ 1,544,774
10/31/22	0.000	193,097	-	-	-	193,097	1,351,678
10/31/23	0.000	193,097	-	-	-	193,097	1,158,581
10/31/24	0.000	193,097	-	-	-	193,097	965,485
10/31/25	0.000	193,097	-	-	-	193,097	772,388
10/31/26	0.000	193,097	-	-	-	193,097	579,291
10/31/27	0.000	193,097	-	-	-	193,097	386,194
10/31/28	0.000	193,097	-	-	-	193,097	193,097
10/31/29	0.000	193,097	-	-	-	193,097	-
State of California Water Resources Control Board - Original Loan \$4,220,009							
10/31/21	0.000%	\$ 422,001	\$ -	\$ -	\$ -	\$ 422,001	\$ 3,798,008
10/31/22	0.000	422,001	-	-	-	422,001	3,376,007
10/31/23	0.000	422,001	-	-	-	422,001	2,954,006
10/31/24	0.000	422,001	-	-	-	422,001	2,532,005
10/31/25	0.000	422,001	-	-	-	422,001	2,110,004
10/31/26	0.000	422,001	-	-	-	422,001	1,688,003
10/31/27	0.000	422,001	-	-	-	422,001	1,266,002
10/31/28	0.000	422,001	-	-	-	422,001	844,001
10/31/29	0.000	422,001	-	-	-	422,001	422,000
10/31/30	0.000	422,001	-	-	-	422,001	-

⁽¹⁾ Rounded to the nearest dollar

⁽²⁾ 1.0% Administrative Service Fee and 0.7% Small Community Grant Fee in lieu of 1.7% Interest Rate effective 7/1/21.

⁽³⁾ Preliminary debt schedule. Balance equal to amount disbursed to date.

SCHEDULE OF MATURITIES OF LOANS PAYABLE (Continued)

June 30, 2021 and 2020

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Service Fee Payments ⁽²⁾	Grant Fee Payments ⁽²⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
State of California Water Resources Control Board - Original Loan \$1,521,061 ⁽³⁾							
06/30/20	1.800%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,594,558 ⁽³⁾
12/31/20	1.800	69,700	21,172	-	-	90,872	1,451,361
12/31/21	1.800	64,747	26,124	-	-	90,872	1,386,614
12/31/22	1.800	65,913	24,959	-	-	90,872	1,320,701
12/31/23	1.800	67,099	23,773	-	-	90,872	1,253,602
12/31/24	1.800	68,307	22,565	-	-	90,872	1,185,295
12/31/25	1.800	69,536	21,335	-	-	90,872	1,115,759
12/31/26	1.800	70,788	20,084	-	-	90,872	1,044,971
12/31/27	1.800	72,062	18,809	-	-	90,872	972,909
12/31/28	1.800	73,359	17,512	-	-	90,872	899,550
12/31/29	1.800	74,680	16,192	-	-	90,872	824,870
12/31/30	1.800	76,024	14,848	-	-	90,872	748,846
12/31/31	1.800	77,392	13,479	-	-	90,872	671,454
12/31/32	1.800	78,785	12,086	-	-	90,872	592,669
12/31/33	1.800	80,204	10,668	-	-	90,872	512,465
12/31/34	1.800	81,647	9,224	-	-	90,872	430,818
12/31/35	1.800	83,117	7,755	-	-	90,872	347,701
12/31/36	1.800	84,613	6,259	-	-	90,872	263,088
12/31/37	1.800	86,136	4,736	-	-	90,872	176,952
12/31/38	1.800	87,687	3,185	-	-	90,872	89,265
12/31/39	1.800	89,265	1,607	-	-	90,872	-

⁽¹⁾ Rounded to the nearest dollar

⁽²⁾ 1.0% Administrative Service Fee and 0.7% Small Community Grant Fee in lieu of 1.7% Interest Rate effective 7/1/21.

⁽³⁾ Preliminary debt schedule. Balance equal to amount disbursed to date.

**SCHEDULE OF MATURITIES OF
LOANS PAYABLE (Continued)**

June 30, 2021 and 2020

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Service Fee Payments⁽²⁾</u>	<u>Grant Fee Payments⁽²⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Estimated Loan \$42,487,100 ⁽⁴⁾							
08/25/22	1.300	1,308,171	385,595	-	-	1,693,766	28,352,978
08/25/23	1.300	1,325,177	368,589	-	-	1,693,766	27,027,801
08/25/24	1.300	1,342,404	351,361	-	-	1,693,765	25,685,397
08/25/25	1.300	1,359,855	333,910	-	-	1,693,765	24,325,542
08/25/26	1.300	1,377,533	316,232	-	-	1,693,765	22,948,009
08/25/27	1.300	1,395,441	298,324	-	-	1,693,765	21,552,568
08/25/28	1.300	1,413,582	280,183	-	-	1,693,765	20,138,986
08/25/29	1.300	1,431,959	261,807	-	-	1,693,766	18,707,027
08/25/30	1.300	1,450,574	243,191	-	-	1,693,765	17,256,453
08/25/31	1.300	1,469,432	224,334	-	-	1,693,766	15,787,021
08/25/32	1.300	1,488,534	205,231	-	-	1,693,765	14,298,487
08/25/33	1.300	1,507,885	185,880	-	-	1,693,765	12,790,602
08/25/34	1.300	1,527,488	166,278	-	-	1,693,766	11,263,114
08/25/35	1.300	1,547,345	146,420	-	-	1,693,765	9,715,769
08/25/36	1.300	1,567,461	126,305	-	-	1,693,766	8,148,308
08/25/37	1.300	1,587,838	105,928	-	-	1,693,766	6,560,470
08/25/38	1.300	1,608,479	85,286	-	-	1,693,765	4,951,991
08/25/39	1.300	1,629,390	64,376	-	-	1,693,766	3,322,601
08/25/40	1.300	1,650,572	43,194	-	-	1,693,766	1,672,029
08/25/41	1.300	1,672,029	21,736	-	-	1,693,765	-

⁽¹⁾ Rounded to the nearest dollar

⁽²⁾ 1.0% Administrative Service Fee and 0.7% Small Community Grant Fee in lieu of 1.7% Interest Rate effective 7/1/21.

⁽³⁾ Preliminary debt schedule. Balance equal to amount disbursed to date.

⁽⁴⁾ Loan amount authorized. See Note 14.

SCHEDULE OF MATURITIES OF U.S. BUREAU OF RECLAMATION ADVANCES PAYABLE

June 30, 2021 and 2020

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
U.S. Bureau of Reclamation - Lake Management Project - Original Advance \$16,594,500					
05/01/22		386,473	-	386,473	3,478,256
05/01/23		386,473	-	386,473	3,091,783
05/01/24		386,473	-	386,473	2,705,310
05/01/25		386,473	-	386,473	2,318,837
05/01/26		386,473	-	386,473	1,932,364
05/01/27		386,473	-	386,473	1,545,891
05/01/28		386,473	-	386,473	1,159,418
05/01/29		386,473	-	386,473	772,945
05/01/30		386,473	-	386,473	386,472
05/01/31		386,472	-	386,472	-

⁽¹⁾ Rounded to the nearest dollar



**STATISTICAL
SECTION**

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STATISTICAL SECTION

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- 96 **FINANCIAL TRENDS**

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

These schedules contain information to help the reader assess the District's most significant local revenue source, charges for services, and the property tax.
- 108 **DEBT CAPACITY**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.
- 112 **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

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

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report (ACFR) for the relevant year.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2012	2013 ⁽¹⁾	2014 ⁽²⁾	2015	2016
NET POSITION					
Net investment in capital assets	\$ 334,449,334	\$ 346,436,891	\$ 353,090,158	\$ 356,641,697	\$ 407,432,038
Restricted	66,173,551	62,321,631	57,979,711	55,144,571	42,947,105
Unrestricted	169,223,043	170,834,107	159,272,415	164,601,667	140,810,860
TOTAL NET POSITION	\$ 569,845,928	\$ 579,592,629	\$ 570,342,284	\$ 576,387,935	\$ 591,190,003
	2017	2018	2019	2020	2021
NET POSITION					
Net investment in capital assets	\$ 416,010,569	\$ 427,769,322	\$ 439,789,160	\$ 446,212,414	\$ 462,458,274
Restricted	49,833,001	52,157,863	55,240,883	54,818,750	76,834,566
Unrestricted	147,164,785	161,488,668	168,286,791	191,129,738	181,372,092
TOTAL NET POSITION	\$ 613,008,355	\$ 641,415,853	\$ 663,316,834	\$ 692,160,902	\$ 720,664,932

Allow for rounding differences

⁽¹⁾ 2013 - Net position restated due to retroactively applied GASB 65

⁽²⁾ 2014 - Net position restated to apply GASB 68

Source: Elsinore Valley Municipal Water District

CHANGES IN NET POSITION

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OPERATING REVENUES										
Water Revenues	\$ 41,552,294	\$ 45,076,540	\$ 48,018,729	\$ 44,456,826	\$ 46,387,145	\$ 44,164,018	\$ 49,193,038	\$ 48,111,048	\$ 51,092,053	\$ 57,121,080
Wastewater Revenues	20,399,307	21,379,577	22,831,226	23,368,664	21,961,717	22,261,812	24,046,130	25,332,984	25,723,353	26,304,422
Recycled Water Revenues	-	-	-	-	939,750	1,036,047	1,146,853	1,043,280	1,353,922	1,547,653
Total Operating Revenues	61,951,601	66,456,117	70,849,955	67,825,490	69,288,612	67,461,877	74,386,021	74,487,312	78,169,328	84,973,155
NON-OPERATING REVENUES										
Property Taxes	7,259,320	7,556,448	7,613,764	8,239,146	8,510,208	9,133,430	9,635,769	10,290,446	10,827,679	11,706,694
Standby Charges	788,119	884,932	964,603	913,699	680,793	595,492	617,948	636,398	758,323	798,439
Investment Income	2,006,145	555,805	1,626,111	1,610,326	2,453,021	126,852	934,564	8,106,997	8,317,596	310,066
Other Non-Operating Revenues	2,231,248	2,804,570	2,913,949	2,859,651	2,387,901	296,438	9,460,968	4,122,888	3,153,232	3,533,324
Total Non-Operating Revenues	12,284,832	11,801,755	13,118,427	13,622,822	14,031,923	10,152,212	20,649,249	23,156,729	23,056,830	16,348,523
Total Revenues	74,236,433	78,257,872	83,968,382	81,448,312	83,320,535	77,614,089	95,035,270	97,644,041	101,226,158	101,321,678
OPERATING EXPENSES										
Water Purchases	15,401,145	18,352,085	17,892,769	16,306,497	15,452,140	16,266,623	18,036,267	20,646,287	18,427,794	22,386,982
Water Operations	13,667,701	14,559,163	14,517,118	14,660,805	15,165,860	16,047,064	14,756,060	15,425,962	17,345,188	18,028,308
Wastewater Operations	11,674,513	12,294,717	12,829,515	13,460,542	11,876,091	11,250,489	10,123,413	11,221,102	11,362,953	12,345,224
Recycled Water Operations	-	-	-	-	1,340,151	976,330	948,191	946,532	1,002,544	963,053
General and Administrative	8,909,361	9,005,299	9,102,775	10,675,786	10,246,633	10,561,347	14,268,344	14,263,892	16,552,478	15,657,193
Depreciation and Amortization	17,716,565	22,363,524	19,483,896	19,520,795	19,626,434	19,894,657	19,982,645	20,751,084	21,530,659	21,738,999
Total Operating Expenses	67,369,285	76,574,788	73,826,073	74,624,425	73,707,309	74,996,510	78,114,920	83,254,859	86,221,616	91,119,759

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NON-OPERATING EXPENSES										
Interest Expense	\$ 5,000,322	\$ 8,030,063	\$ 7,687,073	\$ 7,379,384	\$ 6,561,178	\$ 3,552,038	\$ 3,624,583	\$ 3,534,683	\$ 3,205,827	\$ 2,382,324
Other Expenses	2,225,212	3,071,781	2,288,392	1,845,509	2,166,692	1,597,944	2,805,062	1,782,127	1,321,827	2,683,069
Total Non-Operating Expenses	7,225,534	11,101,844	9,975,465	9,224,893	8,727,870	5,149,982	6,429,645	5,316,810	4,527,654	5,065,393
Total Expenses	74,594,819	87,676,632	83,801,538	83,849,318	82,435,179	80,146,492	84,544,565	88,571,669	90,749,270	96,185,152
INCOME (LOSS) BEFORE CONTRIBUTIONS	(358,386)	(9,418,760)	166,844	(2,401,006)	885,356	(2,532,403)	10,490,705	9,072,372	10,476,888	5,136,526
CAPITAL CONTRIBUTIONS	7,228,291	19,165,463	9,212,426	8,446,656	13,916,712	24,350,755	17,916,793	12,828,609	18,367,180	18,500,311
CHANGE IN NET POSITION	\$ 6,869,905	\$ 9,746,703	\$ 9,379,270	\$ 6,045,650	\$ 14,802,068	\$ 21,818,352	\$ 28,407,498	\$ 21,900,981	\$ 28,844,068	\$ 23,636,837

Allow for rounding differences

Source: Elsinore Valley Municipal Water District

SCHEDULE OF CAPACITY FEE REVENUES

Last Ten Fiscal Years

Fiscal Year	Water Capacity Revenues						Wastewater Capacity Revenues						Percent Change
	Storage	Temescal Valley Project	Pumping Plant	Transmission Facilities	Water Supply Facilities	Admin	Canyon Lake Wastewater Capital	Regional Plant Capacity	Regional Wastewater Capital	Southern Wastewater Capital	Recycled	Total	
2021	\$ 1,302,121	\$ 1,587,787	\$ 731,072	\$ 2,195,545	\$ 1,235,952	\$ -	\$ 50,057	\$ 2,474,421	\$ 2,261,296	\$ -	\$ 419,256	\$ 12,257,507	46.0 %
2020	928,703	1,035,039	505,238	1,550,686	879,760	(973)	27,132	1,281,191	1,838,067	-	349,849	8,394,691	14.4
2019	472,046	845,622	514,352	1,090,152	673,981	21,529	117,625	576,556	2,606,595	-	416,722	7,335,180	(26.8)
2018	476,706	1,033,276	706,267	1,489,247	963,954	26,187	192,041	1,626,074	2,917,838	-	595,620	10,027,210	(31.7)
2017	723,788	1,191,779	926,864	2,146,548	1,374,392	41,426	70,775	2,692,052	4,693,149	-	821,974	14,682,747	45.9
2016	578,306	996,254	735,449	1,561,475	923,076	29,874	85,887	1,765,762	2,721,685	-	664,029	10,061,797	56.4
2015	(11,028) (1)	581,173	512,455	1,156,193	697,766	24,181	70,095	1,416,906	1,477,388	-	508,245	6,433,374	(4.6)
2014	334,674	486,545	474,359	1,166,808	623,930	22,774	57,214	1,166,514	2,044,242	8,051	356,344	6,741,455	(26.4)
2013	375,958	488,959	575,460	1,592,705	1,001,021	30,005	18,582	1,741,462	2,877,270	143,371	319,517	9,164,310	29.8
2012	261,088	431,289	368,787	891,648	565,307	15,616	-	1,423,753	2,612,522	38,057	453,320	7,061,387	154.4

⁽¹⁾Prior year's fee credits issued under developer agreement

Source: Elsinore Valley Municipal Water District

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last Ten Fiscal Years

Fiscal Year	Water Produced (AF)	Water Consumed (AF)	Water Unbilled (AF)	Average Percent Unbilled	Wastewater Treated (AF)	Total Direct Rate			
						Water		Sewer ⁽³⁾	
						Base Rate ⁽¹⁾	Usage Rate ⁽²⁾	Base Rate ⁽⁴⁾	Usage Rate ⁽⁴⁾
2021	24,480	23,503	977	4.0 %	9,123	\$ 28.70	\$ 3.20	\$ 20.29	\$ 6.93
2020	22,301	20,919	1,382	6.2	9,142	27.65	3.08	20.29	6.93
2019	21,592	20,574	1,018	4.7	8,739	26.27	2.84	20.29	6.93
2018	23,160	22,500	660	2.8	8,331	23.77	2.78	45.87	-
2017	21,952	20,278	1,674	7.6	8,742	21.27	2.77	43.50	-
2016	20,194	19,291	903	4.5	7,818	21.08	2.75	43.50	-
2015	23,709	22,891	818	3.5	8,408	16.58	2.85	43.50	-
2014	26,221	25,434	787	3.0	8,241	15.78	2.78	43.50	-
2013	25,115	24,596	519	2.1	8,053	14.82	2.56	42.00	-
2012	23,815	23,292	523	2.2	8,224	14.35	2.56	42.00	-

⁽¹⁾ Rate shown is for 3/4" meters. See Water & Sewer Rates Table for additional meter sizes and rates.

⁽²⁾ Outdoor Use Rate, per CCF (748 gallons)

⁽³⁾ Single Family Residential, 4 person household

⁽⁴⁾ Beginning FY2019 the sewer rate changed from a fixed rate structure to a mixed rate structure (fixed & variable). The variable rate is charged per person in the household.

Source: Elsinore Valley Municipal Water District

WATER AND SEWER RATES

Last Ten Fiscal Years

WATER RATES

Fixed Meter Charge:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
3/4"	\$ 14.35	\$ 14.82	\$ 15.78	\$ 16.58	\$ 21.08	\$ 21.27	\$ 23.77	\$ 26.27	\$ 27.65	\$ 28.70
1"	24.40	25.19	26.83	28.18	33.06	33.36	37.16	41.29	46.08	47.83
1-1/2"	47.36	48.91	52.09	54.70	63.01	63.58	70.63	78.85	92.17	95.67
2"	76.06	78.55	83.65	87.85	98.95	99.84	110.79	123.91	147.47	153.07
3"	143.50	148.20	157.83	165.76	212.76	214.67	237.96	266.59	294.93	306.14
4"	239.65	247.49	263.58	276.82	380.48	383.90	425.37	476.87	460.83	478.35
6"	477.86	493.51	525.59	551.98	961.51	970.16	1,074.63	1,205.35	921.67	956.69
8"	764.86	789.91	841.26	883.49	1,680.31	1,695.43	1,877.83	2,106.55	1,474.67	1,530.70

Variable Service Charge:

User Rate (per ccf)	\$ 2.56	\$ 2.56	\$ 2.78	\$ 2.85	\$ 2.75	\$ 2.77	\$ 2.78	\$ 2.84	\$ 3.08	\$ 3.20
Power Zone (per ccf)	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.26	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29

SEWER RATES

Fixed Service Charge	\$ 42.00	\$ 42.00	\$ 43.50	\$ 43.50	\$ 43.50	\$ 43.50	\$ 45.87	\$ 20.29	\$ 20.29	\$ 20.29
Variable (per person)	-	-	-	-	-	-	-	6.93	6.93	6.93

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - ELSINORE WATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021 and 2012

Fiscal Year Ended June 30, 2021

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LEUSD	School District	672	\$ 1,334,640	2.34 %
2. City of Lake Elsinore	Government	454	758,742	1.33
3. Farm Mutual Water Company	Water Company	349	563,179	0.99
4. Tuscany Hills Landscape & Rec Corp	Property Owners Association	270	529,298	0.93
5. Greer Ranch Community Association	Property Owners Association	243	481,629	0.84
6. City of Murrieta	Government	182	460,151	0.81
7. Canyon Lake POA	Property Owners Association	193	422,575	0.74
8. The Colony at California Oaks	Property Owners Association	129	308,773	0.54
9. Rosetta Canyon Community Assoc	Property Owners Association	129	259,159	0.45
10. Santa Rosa Apartment Homes	Property Owners Association	71	251,026	0.44
Total		<u>2,692</u>	<u>\$ 5,369,172</u>	<u>9.41 %</u>

Fiscal Year Ended June 30, 2012

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LEUSD	School District	876	\$ 1,383,848	3.24 %
2. City of Lake Elsinore	Government	357	591,378	1.39
3. City of Murrieta	Government	252	453,538	1.06
4. Canyon Lake POA	Property Owners Association	229	439,812	1.03
5. Greer Ranch Community Association	Property Owners Association	260	399,437	0.94
6. Tuscany Hills Homeowner's Association	Property Owners Association	255	365,248	0.86
7. Farm Mutual Water Company	Water Company	316	358,738	0.84
8. Rosetta Canyon Community Assoc	Property Owners Association	193	329,022	0.77
9. The Colony at California Oaks	Property Owners Association	160	262,587	0.62
10. Pardee Construction	Developer	204	209,883	0.49
Total		<u>3,102</u>	<u>\$ 4,793,491</u>	<u>11.24 %</u>

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - TEMESCAL WATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021 and 2012

Fiscal Year Ended June 30, 2021

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. California Meadows HOA	Property Owners Association	32	\$ 73,970	0.13 %
2. Glen Ivy RVPOA	Property Owners Association	45	48,370	0.08
3. Butterfield Estates Homeowners Association	Property Owners Association	22	34,188	0.06
4. Bledsoe Construction	Business	9	13,917	0.02
5. Werner Corp	Business	4	9,405	0.02
6. Glen Ivy Village Inc	Property Owners Association	6	7,314	0.01
7. Resident	Residence	3	6,114	0.01
8. Daylight Recovery Services	Business	1	5,587	0.01
9. Resident	Residence	2	5,450	0.01
10. Resident	Residence	2	5,138	0.01
Total		<u>126</u>	<u>\$ 209,453</u>	<u>0.36 %</u>

Fiscal Year Ended June 30, 2012

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LWL Investments Group, LLC	Golf Course	418	\$ 315,566	0.74%
2. The Golf Club at Glen Ivy	Golf Course	186	145,796	0.34
3. Werner Corporation	Business	129	98,418	0.23
4. Cemex USA	Business	112	93,999	0.22
5. Western Waste Industries	Landfill	116	91,208	0.21
6. Glen Ivy RVPOA	Property Owners Association	36	47,311	0.11
7. WSR /Butterfield	Property Owners Association	31	45,343	0.11
8. California Meadows HOA	Property Owners Association	26	38,427	0.09
9. Kenneth Holt	Agriculture	39	30,606	0.07
10. Corona Clay Company	Business	30	25,783	0.06
Total		<u>1,123</u>	<u>\$ 932,457</u>	<u>2.18%</u>

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - WASTEWATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021 and 2012

Fiscal Year Ended June 30, 2021

Customer Name	Business Type	Annual Wastewater Revenues	Percentage of District Wastewater Revenues
1. Cottonwood Canyon Hills HOA	Property Owner Association	\$ 344,858	1.31 %
2. City of Lake Elsinore	Government	296,126	1.13
3. Canyon Lake POA	Property Owners Association	286,216	1.09
4. LEUSD	School District	225,749	0.86
5. Summerly Community Association	Property Owners Association	139,719	0.53
6. Horsethief Canyon Ranch Maint. Corp.	Property Owner Association	124,836	0.47
7. Links at Summerly	Golf Course	107,804	0.41
8. Amanda Park Partners	Apartment Complex	100,446	0.38
9. Santa Rosa Apartment Homes	Apartment Complex	85,705	0.33
10. Oak Springs Partners LP	Apartment Complex	83,562	0.32
Total		<u>\$ 1,795,021</u>	<u>6.83 %</u>

Fiscal Year Ended June 30, 2012

Customer Name	Business Type	Annual Wastewater Revenues	Percentage of District Wastewater Revenues
1. LEUSD	School District	\$ 280,858	1.13 %
2. Cottonwood Canyon Hills HOA	Property Owner Association	225,068	0.90
3. Amanda Park Partners	Apartment Complex	158,165	0.64
4. Pardee Homes	Developer	139,558	0.56
5. Santa Rosa Apartment Homes	Apartment Complex	120,382	0.48
6. Ridgestone Apartments	Apartment Complex	108,001	0.43
7. Wildomar Senior Partners	Apartment Complex	86,630	0.35
8. Lake Elsinore Casino	Casino	85,803	0.34
9. Brookview Terrace HOA	Property Owner Association	82,188	0.33
10. Harbor Grand Apartments	Apartment Complex	72,004	0.29
Total		<u>\$ 1,358,657</u>	<u>5.45 %</u>

Source: Elsinore Valley Municipal Water District

WATER RATE COMPARISON FOR 20 CCF PER MONTH

As of June 30, 2021

	\$40	\$50	\$60	\$70	\$80	\$90	\$100+	\$200+
City of Escondido								210.06
City of San Diego							161.73	
Rainbow Municipal Water District							159.33	
Western Municipal Water District (March East)							152.49	
Valley Center Municipal Water District							150.65	
Western Municipal Water District (Murrieta)							112.84	
Farm Mutual Water Company							106.97	
Western Municipal Water District (Rainbow)						98.73		
Western Municipal Water District (Riverside)						95.59		
Elsinore Valley Municipal Water District						92.04		
Temescal Valley Water District					83.50			
Rancho California Water District (Santa Rosa Division)					82.00			
City of Riverside (Outside City Limits)				74.21				
City of Corona				71.22				
Eastern Municipal Water District			68.92					
Eastern Municipal Water District (San Jacinto)			68.92					
Rancho California Water District (Rancho Division)	49.34							
City of Riverside (Inside City Limits)	48.45							

CCF = Hundred Cubic Feet

1 CCF = 748 Gallons

20 CCF = 14,960 Gallons

20 CCF = Approximately 500 Gallons per Day

Includes power zone 2 charge

Based on Single-family Residential Customer with a 3/4 inch Meter

Source: Elsinore Valley Municipal Water District

MONTHLY WASTEWATER SERVICE CHARGE COMPARISON

As of June 30, 2021

	\$20	\$30	\$40	\$50	\$60	\$70	\$80
City of Escondido						77.30	
Western Municipal Water District (Riverside, Perris, Cajalco)						71.03	
Valley Center Municipal Water District				56.45			
Rainbow Municipal Water District				55.07			
Elsinore Valley Municipal Water District ⁽¹⁾⁽²⁾			48.01				
City of San Diego			47.71				
City of Corona			45.60				
Rancho California Water District			44.00				
Western Municipal Water District (treated by EMWD)			43.38				
City of Riverside			42.96				
Western Municipal Water District (treated by RCWD)			42.58				
Eastern Municipal Water District (Perris Valley)		39.60					
Temescal Valley Water District		38.57					
Eastern Municipal Water District (Temecula Valley)		34.20					
Farm Mutual Water Company		32.00					
Eastern Municipal Water District (Sun City)		30.30					
Eastern Municipal Water District (San Jacinto)	29.10						

⁽¹⁾ Does Not Include Capital Surcharge

⁽²⁾ Based on a 4 person household

Source: Elsinore Valley Municipal Water District

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Secured					Unsecured				
	Taxes Levied	Taxes Collected	Delinquency		Taxes Levied	Taxes Collected	Delinquency			
			Amount	Percent			Amount	Percent		
2021	\$ 7,023,574	\$ 6,884,327	\$ 139,247	2.0%	\$ 362,440	\$ 293,090	\$ 69,350	19.1 %		
2020	6,857,146	6,557,229	299,917	4.4	339,870	275,341	64,529	19.0		
2019	6,370,831	6,322,771	48,060	0.8	276,247	277,612	(1,365)	(0.5)		
2018	6,036,883	5,932,781	104,102	1.7	264,093	260,763	3,330	1.3		
2017	5,780,886	5,696,716	84,170	1.5	264,788	258,933	5,855	2.2		
2016	5,537,429	5,479,710	57,719	1.0	246,421	220,435	25,986	10.5		
2015	5,249,007	5,178,459	70,548	1.3	244,250	225,753	18,497	7.6		
2014	4,761,376	4,539,234	222,142	4.7	245,852	229,879	15,974	6.5		
2013	4,602,744	4,371,641	231,103	5.0	243,208	200,342	42,866	17.6		
2012	4,534,157	4,092,269	441,888	9.7	249,330	225,215	24,115	9.7		

Source: County of Riverside
Elsinore Valley Municipal Water District

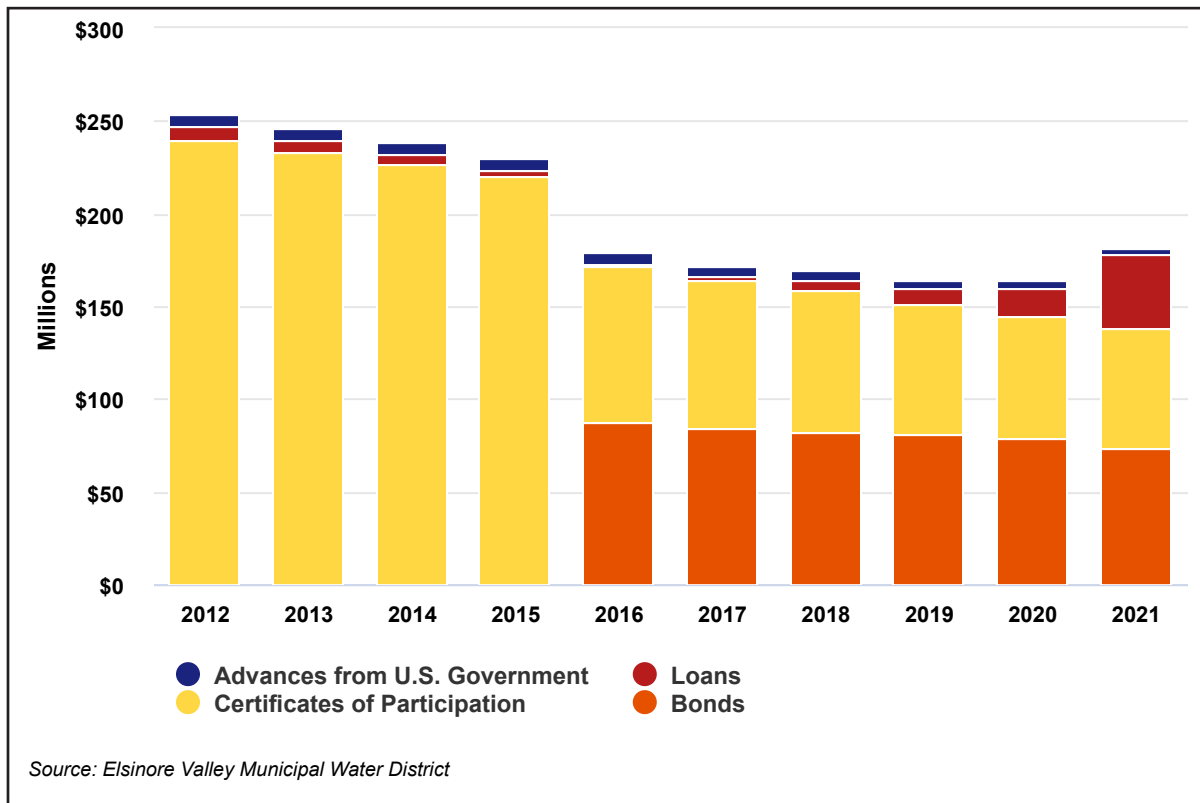
Note: Total taxes collected do not include prior year, supplemental, or EWD taxes collected

OUTSTANDING DEBT PER CUSTOMER BY TYPE

Last Ten Fiscal Years

Fiscal Year	Bonds	Certificates of Participation	Loans	Advances from U.S. Government	Total	Per Customer*
2021	\$ 72,871,186	\$ 65,201,070	\$ 39,595,789	\$ 3,864,729	\$ 181,532,776	2,180
2020	78,843,587	66,134,700	15,214,744	4,251,202	164,444,233	2,003
2019	80,705,986	70,893,330	8,095,070	4,637,675	164,332,061	2,012
2018	82,513,384	75,587,336	6,192,613	5,024,148	169,317,481	2,106
2017	84,275,784	80,071,342	1,416,590	5,410,621	171,174,337	2,149
2016	87,003,183	84,350,348	1,638,183	5,797,094	178,788,808	2,296
2015	-	219,687,192	3,684,401	6,183,567	229,555,160	2,995
2014	-	226,625,290	4,884,683	6,570,040	238,080,013	3,148
2013	-	233,278,388	6,051,720	6,956,513	246,286,621	3,310
2012	-	239,422,174	7,176,670	7,342,986	253,941,830	3,478

* Per customer rate relates to each water and wastewater connection. Some customers have both types of connections.



COMPUTATION OF DEBT COVERAGE RATIOS

	Last Ten Fiscal Years									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES:										
Water Revenues	\$41,552,294	\$45,076,540	\$48,018,729	\$44,456,826	\$46,387,145	\$44,164,018	\$49,193,038	\$48,111,048	\$51,092,053	\$57,121,080
Sewer Revenues	20,399,307	21,379,577	22,831,226	23,368,664	21,961,717	22,261,812	24,046,130	25,332,984	25,723,353	26,304,422
Recycled Water Revenues	-	-	-	-	939,750	1,036,047	1,146,853	1,043,280	1,353,922	1,547,653
Property Taxes - General Purpose	4,734,507	5,299,387	5,240,713	5,815,315	5,890,345	6,225,970	6,508,824	6,867,032	7,080,598	7,573,574
Property Taxes - Redevelopment	1,817,164	1,761,239	1,868,517	1,972,079	2,186,033	2,415,096	2,644,790	2,915,254	3,221,072	3,665,361
Property Taxes - Temescal Valley Project	707,648	495,822	504,533	451,752	433,830	492,364	482,155	508,160	526,009	467,759
Standby Charges	788,119	884,932	964,603	913,699	680,793	595,492	617,948	636,398	758,323	798,439
Capacity Fees	7,061,387	9,164,310	6,741,455	6,433,375	10,061,797	14,682,746	10,027,211	7,335,180	8,394,691	12,257,507
Investment Income	2,005,609	563,761	1,626,111	1,610,326	2,453,021	126,852	934,561	8,106,997	8,317,596	310,066
Grants	-	7,000	112,299	286,910	817,868	6,906,333	3,090,355	25,315	5,364,290	169,481
Lease Income	1,326,196	1,417,622	1,455,795	1,445,901	1,453,542	1,520,603	1,433,523	1,385,928	1,530,985	2,027,106
Return of Principal	52,674	54,614	56,619	58,685	-	-	-	-	-	-
Transfer From (To) Rate Stabilization Fund	2,191,658	1,181,240	(3,306,178)	906,149	(42,352)(2)	4,333,915 (2)	(10,812,292)(4)	4,256,563	(83,018)	(3,482,135)
Other	989,562	1,465,076	1,526,852	1,417,250	1,019,731	(1,156,661)	8,096,263	2,709,678	1,569,525	1,428,541
Total Gross Revenues	83,626,125	88,751,120	87,641,274	89,136,931	94,243,220	103,604,587	97,409,359	109,233,817	114,849,399	110,188,854
MAINTENANCE AND OPERATION COSTS:										
Water Purchases	15,401,145	18,352,085	17,892,769	16,306,497	15,452,140	16,266,623	18,036,267	20,646,287	18,427,794	22,386,982
Water Operations	13,667,701	14,559,163	14,517,118	14,660,805	15,165,860	16,047,064	14,756,060	15,425,962	17,345,188	18,028,308
Sewer Operations	11,674,513	12,294,717	12,829,515	13,460,542	11,876,091	11,250,489	10,123,413	11,221,102	11,362,953	12,345,224
Recycled Water Operations	-	-	-	-	1,340,151	976,330	948,191	946,532	1,002,544	963,053
General and Administrative	8,909,361	9,005,299	9,102,775	10,675,786	10,246,633	10,561,347	14,268,344	14,263,892	16,552,478	15,657,193
Maintenance & Operation Obligations	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473
Other	1,940,572	2,900,086	2,341,024	1,904,771	2,136,442	1,536,746	2,733,523	1,754,127	1,263,975	2,638,351
Total Maintenance and Operations Costs	51,979,765	57,497,823	57,069,674	57,394,874	56,603,790	57,025,072	61,252,271	64,644,375	66,341,405	72,405,584
Net Revenue	31,646,360	31,253,297	30,571,600	31,742,057	37,639,430	46,579,515	36,157,088	44,589,442	48,507,994	37,783,270

COMPUTATION OF DEBT COVERAGE RATIOS (Continued)

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OBLIGATIONS										
EXPENDITURES:										
Principal	\$5,829,797	\$7,353,365	\$7,727,405	\$8,038,324	\$7,768,644 ⁽³⁾	\$6,261,316	\$7,400,717	\$7,966,348	\$8,759,998	\$8,877,915
Interest	8,287,228	8,030,063	7,687,073	7,379,384	6,561,178	3,552,038	3,624,583	3,534,683	3,205,827	2,341,670
Total Obligation Expenditures	<u>14,117,025</u>	<u>15,383,428</u>	<u>15,414,478</u>	<u>15,417,708</u>	<u>14,329,822</u>	<u>9,813,354</u>	<u>11,025,300</u>	<u>11,501,031</u>	<u>11,965,825</u>	<u>11,219,585</u>
 NET REVENUE AFTER OBLIGATION EXPENDITURES	 <u>17,529,335</u>	 <u>15,869,869</u>	 <u>15,157,122</u>	 <u>16,324,349</u>	 <u>23,309,608</u>	 <u>36,766,161</u>	 <u>25,131,788</u>	 <u>33,088,410</u>	 <u>36,542,169</u>	 <u>26,563,685</u>
 DEBT SERVICE COVERAGE RATIO	 <u>224%</u>	 <u>203%</u>	 <u>198%</u>	 <u>206%</u>	 <u>263%</u>	 <u>475%</u>	 <u>328%</u>	 <u>388%</u>	 <u>405%</u>	 <u>337%</u>
 ALTERNATIVE DEBT SERVICE COVERAGE RATIO ⁽¹⁾	 <u>174%</u>	 <u>144%</u>	 <u>154%</u>	 <u>162%</u>	 <u>187%</u>	 <u>255%</u>	 <u>209%</u>	 <u>324%</u>	 <u>290%</u>	 <u>226%</u>

Allow for rounding differences

⁽¹⁾ Excludes capacity fees, and grants

⁽²⁾ Includes transfers from (to) drought, turf replacement, and excess power surcharge reserves

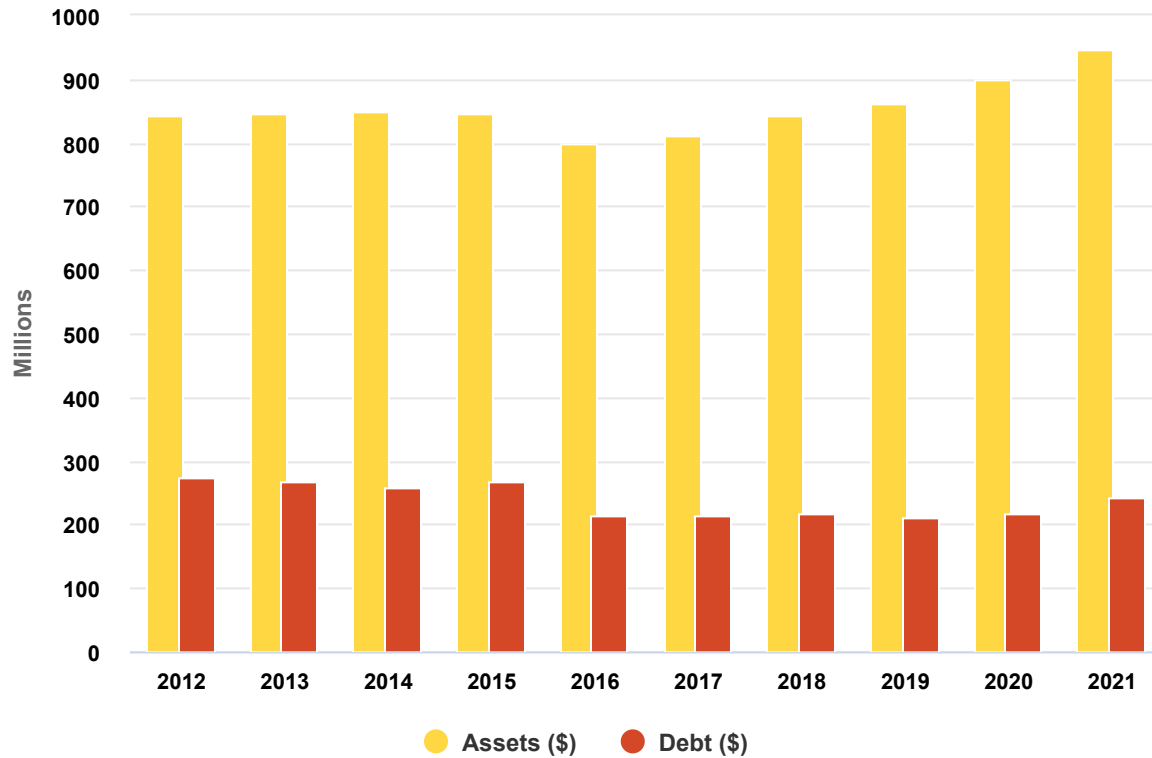
⁽³⁾ Excludes early prepayment on loans and COPs

⁽⁴⁾ FY 2018 Transfers from (to) Rate stabilization was updated to include the net transfers (in)/from the Sta Rosa (RCWD) Capital

Source: Elsinore Valley Municipal Water District

TOTAL DEBT TO ASSETS RATIO

Last Ten Fiscal Years



	(in Millions)										
	2012	2013	⁽¹⁾ 2014	2015	2016	2017	2018	2019	2020	2021	
Assets (\$)	\$ 842	\$ 846	\$ 848	\$ 846	\$ 797	\$ 813	\$ 844	\$ 862	\$ 900	\$ 946	
Debt (\$)	\$ 272	\$ 266	\$ 259	\$ 268	\$ 215	\$ 213	\$ 217	\$ 210	\$ 218	\$ 242	
Debt as % of Assets	32.3%	31.4%	30.5%	31.7%	27.0%	26.2%	25.7%	24.4%	24.2%	25.6%	

⁽¹⁾ FY 2013 figures updated to reflect prior period adjustment to expense bond issuance costs in accordance with GASB 65.

Source: Elsinore Valley Municipal Water District

POPULATION WITHIN DISTRICT BOUNDARIES

Last Ten Calendar Years

Year	City of Lake Elsinore	% of Growth	City of Canyon Lake	% of Growth	City of Murrieta ⁽¹⁾	% of Growth	City of Wildomar ⁽²⁾	% of Growth	Unincorporated Riverside County ⁽¹⁾	% of Growth	Total Population	% of Growth
2021	64,762	2.1 %	11,025	0.2 %	19,562	0.3 %	37,013	(0.5)%	27,731	4.6 %	160,093	1.5
2020	63,453	0.8	11,000	(2.5)	19,510	(0.1)	37,183	3.1	26,508	(1.3)	157,654	0.6
2019	62,949	(0.7)	11,285	2.4	19,529	(0.1)	36,066	(0.6)	26,863	5.2	156,692	0.6
2018	63,365	2.1	11,018	1.2	19,546	0.0	36,287	1.4	25,527	1.3	155,743	1.5
2017	62,092	1.8	10,891	2.0	19,543	0.1	35,782	1.7	25,199	3.1	153,507	1.8
2016	61,006	4.4	10,681	(2.0)	19,529	0.1	35,168	3.0	24,452	(6.2)	150,836	1.2
2015	58,426	3.0	10,901	0.7	19,512	0.8	34,148	1.3	26,072	8.9	149,059	3.1
2014	56,718	2.3	10,826	0.5	19,351	0.4	33,718	1.6	23,938	4.4	144,551	2.1
2013	55,430	4.5	10,768	0.7	19,269	0.9	33,174	1.4	22,919	31.8 (3)	141,560	6.5
2012	53,024	1.0	10,689	0.4	19,091	1.4	32,719	0.5	17,391	(0.1)	132,914	0.7

⁽¹⁾ Projected population within District boundary. Data restated from 2009 forward to account for the number of multi-family residential units.

⁽²⁾ City of Wildomar incorporated in 2008

⁽³⁾ Projection methods were revised from 2013 forward to account for service accounts with multiple units, i.e. multi-family

Sources: - State of California Department of Finance - Cities of Lake Elsinore, Canyon Lake, Murrieta, Wildomar, and Unincorporated Riverside County

- www.cityofwildomar.org

- Elsinore Valley Municipal Water District

ECONOMIC STATISTICS

Last Ten Calendar Years

Year	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽²⁾	Riverside County Unemployment Rate ⁽³⁾
2021	\$ 8,519,474	\$ 53,643	7.2%
2020	7,991,418	50,690	15.1
2019	7,691,697	49,088	3.5
2018	7,372,998	47,341	3.7
2017	7,552,804	46,821	5.5
2016	7,132,651	45,219	6.3
2015	6,886,537	44,200	6.8
2014	6,793,790	44,158	8.2
2013	6,692,931	44,138	10.3
2012	6,632,502	44,506	12.2

⁽¹⁾ Projected Personal Income within District boundary - in thousands

⁽²⁾ Occupation Employment Statistics (OES) for Riverside and San Bernardino Counties for the 1st Quarter of 2019

⁽³⁾ Bureau of Labor Statistics, Department of Labor

Sources: Employment Development Department, State of California, and Elsinore Valley Municipal Water District

TEN LARGEST PRINCIPAL EMPLOYERS IN RIVERSIDE COUNTY

FISCAL YEAR ENDED JUNE 30, 2021 and 2012

Employer	2012 ⁽¹⁾			2021 ⁽²⁾		
	Rank	Employees	% of Total Labor Force	Rank	Employees	% of Total Labor Force
County of Riverside	1	17,702	1.9%	1	21,672	2.0%
Amazon				2	10,500	1.0
University of California, Riverside	4	5,790	0.6	3	9,770	0.9
March Air Reserve Base	2	9,000	1.0	4	9,600	0.9
Stater Bros. Markets	3	6,900	0.7	5	8,304	0.8
Kaiser Permanente Riverside Medical Center	7	4,000	0.4	6	5,700	0.5
Pechanga Resort & Casino	8	4,000	0.4	7	5,078	0.5
Walmart	5	5,360	0.6	8	4,931	0.4
Corona-Norco Unified School District	6	4,686	0.5	9	4,903	0.4
Ross Dress for Less				10	4,321	0.4
Riverside Unified School District	9	3,796	0.4			
Moreno Valley Unified School District	10	3,500	0.4			
Total		64,734	5.0%		84,779	5.8%

Sources:

⁽¹⁾ County of Riverside - Note: Only the top ten employers that provided data to the Business Press annual census are listed.

⁽²⁾ Riverside County Economic Development Agency, Last Updated 2019

MISCELLANEOUS STATISTICS - ELSINORE WATER DIVISION

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>WATER PRODUCTION SOURCES (AF)</u>										
Wells (Ground Storage)	2,973	3,437	5,521	6,440	4,384	3,861	2,747	2,593	4,670	5,562
Back Basin Water Treatment Plant	661	1,851	2,931	2,060	1,803	413	-	1,086	425	1,347
Canyon Lake Water Treatment Plant	2,252	27	948	2,510	435	2,460	1,215	922	1,503	-
MWD (Purchased Water) ⁽¹⁾	17,929	19,800	16,821	12,699	13,572	15,218	19,198	16,991	15,703	17,571
TOTAL WATER PRODUCTION	23,815	25,115	26,221	23,709	20,194	21,952	23,160	21,592	22,301	24,480
WATER SALES & USES (AF)	23,292	24,596	25,434	22,891	19,291	20,278	22,500	20,574	20,919	23,503
% OF UNACCOUNTABLE WATER	2.2%	2.1%	3.0%	3.5%	4.5%	7.6%	2.8%	4.7%	6.2%	4.0%
CANYON LAKE WATER PURCHASES (AF)	-	-	-	-	-	-	-	1,800	-	-
RECYCLED WATER SALES (AF)	669	531	595	747	690	864	872	918	1,193	1,301
CONJUNCTIVE USE PROGRAM (AF)	(3,038)	(2,285)	1,990	5,051	1,068	-	(4,370)	(417)	(1,025)	-
PEAK DAILY PRODUCTION (MG)	45.3	45.7	38.1	41.2	29.4	56.3	47.0	46.8	52.4	37.9
AVERAGE DAILY PRODUCTION (MG)	20.7	22.4	23.0	20.8	17.7	19.2	20.3	18.9	19.2	21.0
TOTAL DAILY PRODUCTION CAPACITY (MG)	60.2	60.2	61.7	63.6	63.6	63.6	63.6	63.6	60.1	60.1
STORAGE CAPACITY (MG)	91.9	91.9	91.9	89.6	90.1	90.1	90.1	90.1	90.1	90.0
UNTREATED OPEN RESERVOIR CAPACITY (MG)	1,531	1,531	1,531	1,531	1,531	1,531	1,531	1,531	1,531	1,531
NUMBER OF STORAGE FACILITIES	75	75	74	69	70	70	70	70	70	69
MILES OF PIPE IN SERVICE	697	697	700	703	703	725	731	735	730	728
ACTIVE BOOSTER STATIONS	54	54	52	50	51	54	53	53	53	54
ACTIVE WATER PRODUCTION WELLS	10	10	10	10	10	10	10	12	12	11
WATER METERS	40,527	41,250	41,858	42,393	42,957	43,858	44,558	44,892	45,100	45,680
RECYCLED WATER METERS	73	78	83	83	114	116	115	115	140	140
POPULATION SERVED ⁽²⁾	130,423	139,332	142,300	146,752	148,533	151,203	153,453	154,402	155,331	160,093
ACREAGE SERVED	61,948	61,948	61,948	61,948	61,948	61,948	61,948	61,948	61,948	61,948
TOTAL AUTHORIZED DISTRICT EMPLOYEES	167	168	163	164	164	164	169	169	171	173

⁽¹⁾ Does not include purchases for Canyon Lake

⁽²⁾ Data restated from 2009 forward to account for a revised estimate calculation

AF = Acre Feet

MG = Million Gallons

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - TEMESCAL WATER DIVISION

Last Ten Fiscal Years

	2012	2013	2014	2015	2016 ⁽³⁾	2017	2018	2019	2020	2021
<u>WATER PRODUCTION SOURCES (AF)</u>										
Wells (Ground Storage)	1,085	2,159	2,757	1,956	306	548	500	214	1,352	1,269
Lee Lake (Surface Water)	704	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Imported - MWD	-	-	-	-	46	12	71	350	-	8
TOTAL WATER PRODUCTION (AF)	1,789	2,159	2,757	1,956	352	560	571	564	1,352	1,277
PALM AVENUE PRODUCTION (AF)	8	-	-	708	1	521	958	883	363	789
WATER SALES & USES (AF)	1,551	1,785	2,158	1,936	327	541	542	515	1,401	1,347
% of UNACCOUNTABLE WATER ⁽¹⁾	13.3%	17.3%	21.7%	1.0%	7.1%	3.4%	5.1%	8.7%	-3.6% ⁽⁴⁾	-5.5% ⁽⁴⁾
PEAK DAILY PRODUCTION(MG) ⁽²⁾	13.4	6.9	3.9	7.4	4.6	14.4	4.7	7.5	4.9	4.9
AVERAGE DAILY PRODUCTION (MG)	1.4	1.2	1.9	2.3	0.3	1.0	0.5	1.1	1.2	1.2
TOTAL DAILY PRODUCTION CAPACITY (MGD)	7.4	7.4	8.6	2.2	2.2	2.2	2.2	2.0	2.2	2.2
STORAGE CAPACITY (MG)	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3
UNTREATED OPEN RESERVOIR CAPACITY (MG)	246.0	246.0	246.0	246.0	246.0	246.0	246.0	246.0	246.0	246.0
NUMBER OF STORAGE FACILITIES	3	3	3	3	3	2	2	2	2	2
MILES OF PIPE IN SERVICE	65	65	66	50	50	12	12	12	12	12
ACTIVE BOOSTER STATIONS	3	2	4	3	3	2	2	2	2	2
ACTIVE WATER PRODUCTION WELLS	13	13	13	11	11	2	2	2	2	2
ACTIVE WATER BASINS	6	6	6	6	6	6	6	6	6	6
WATER METERS	760	753	751	751	722	760	770	770	770	770
POPULATION SERVED	2,492	2,228	2,251	2,307	2,303	2,303	2,290	2,290	2,323	2,323
NON POTABLE ACREAGE SERVED	1,088	1,088	1,088	1,088	-	-	-	-	-	-

⁽¹⁾ Does not include Palm Ave.

⁽²⁾ Increased peak daily production amounts are due to Palm Ave. production. This water is transferred to WMWD.

⁽³⁾ Reduced production result of Agricultural portion of the Temescal Water Division being sold off in March 2015

⁽⁴⁾ The well production meters were found to be inaccurate, which produced an inaccurate water loss percentage. Meters have been replaced.

AF = Acre Feet

MG = Million Gallons

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - WASTEWATER DIVISIONS

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Wastewater Services</u>										
Regional	21,133	21,891	22,387	22,899	23,548	24,344	24,907	25,146	25,442	25,946
Railroad Canyon ⁽¹⁾	4,493	4,496	4,513	4,520	4,528	4,537	4,553	4,561	4,568	4,594
Southern ⁽²⁾	4,575	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,577
Horsethief Canyon	2,054	2,054	2,054	2,054	2,055	2,052	2,052	2,052	2,051	2,051
Total	32,255	33,018	33,531	34,050	34,708	35,510	36,089	36,336	36,638	37,168
<u>Equivalent Dwelling Units</u>										
Regional	29,626	30,577	31,067	31,586	32,241	33,325	34,607	35,025	35,345	35,111
Railroad Canyon ⁽¹⁾	4,894	4,897	4,913	4,920	4,928	4,937	4,953	4,961	4,968	4,992
Southern ⁽²⁾	5,069	5,086	5,086	5,086	5,086	5,078	5,079	5,079	5,079	5,079
Horsethief Canyon	2,097	2,097	2,097	2,097	2,098	2,052	2,052	2,052	2,051	2,051
Total	41,686	42,657	43,163	43,689	44,353	45,392	46,691	47,117	47,443	47,233
<u>Treatment Plant Capacity (MGD) ⁽³⁾</u>										
Regional	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Railroad Canyon	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Horsethief Canyon	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
<u>Average Daily Flows (MG)</u>										
Regional	5.454	5.270	5.443	5.757	5.278	6.023	5.641	5.950	6.167	6.010
Railroad Canyon	0.698	0.702	0.754	0.641	0.569	0.705	0.696	0.696	0.651	0.699
Southern ⁽²⁾	0.820	0.849	0.803	0.754	0.795	0.734	0.768	0.824	0.879	0.938
Horsethief Canyon	0.370	0.368	0.357	0.354	0.337	0.342	0.333	0.331	0.386	0.359
Total	7.342	7.189	7.357	7.506	6.979	7.804	7.438	7.745	8.083	8.006

MG = Million Gallons

Services = Customer accounts with wastewater service

⁽¹⁾ Approximately 10% of Canyon Lake Sewer accounts are located in Eastern Municipal Water District

⁽²⁾ Treatment for Southern Wastewater Division is facilitated through Santa Rosa Regional Resources Authority

⁽³⁾ All Treatment is Tertiary

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - WASTEWATER DIVISIONS (Continued)

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Design Peak Hourly Flows (MG)</u>										
Regional	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60
Railroad Canyon	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Horsethief Canyon	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70
<u>Average Daily Peak (MG)</u>										
Regional	6.263	5.959	6.427	6.427	5.880	7.048	6.478	6.863	7.067	6.625
Railroad Canyon	1.037	0.950	0.875	0.875	0.720	0.842	0.841	0.804	0.793	0.805
Horsethief Canyon	0.475	0.459	0.449	0.449	0.440	0.463	0.412	0.428	0.506	0.525
Total	7.775	7.368	7.751	7.751	7.040	8.353	7.731	8.095	8.366	7.955
<u>% of Capacity Used</u>										
Regional	68.2	65.9	68.0	72.0	66.0	75.3	70.5	74.4	77.1	75.1
Railroad Canyon	58.2	58.5	62.8	53.4	47.4	58.8	58.0	58.0	54.2	58.3
Horsethief Canyon	74.0	73.6	71.4	70.8	67.3	68.4	66.6	66.2	77.2	71.8
<u>Miles of Pipe in Service</u>										
Regional	291.8	291.8	296.8	296.8	300.0	313.3	305.4	306.8	308.2	310.5
Railroad Canyon	48.9	48.9	48.9	48.9	48.9	49.2	46.2	46.2	46.3	46.3
Horsethief Canyon	18.7	18.7	18.7	18.7	18.7	18.7	18.7	18.7	18.2	18.2
Total	359.4	359.4	364.4	364.4	367.6	381.2	370.3	371.7	372.7	375.0
<u>Number of Lift Stations</u>										
Regional	26	28	28	28	28	29	29	29	29	29
Railroad Canyon	6	6	6	6	6	6	6	6	6	6
Horsethief Canyon	2	2	2	2	2	2	2	2	2	2
Total	34	36	36	36	36	37	37	37	37	37
<u>Recycled Water Production (MG)</u>										
Regional	2,118.6	2,044.4	1,986.6	2,101.3	1,926.6	2,198.3	2,059.0	2,171.7	2,257.2	2,187.8
Railroad Canyon	277.6	262.8	275.1	234.1	207.8	257.4	254.0	254.0	238.2	255.3
Horsethief Canyon	136.2	133.1	130.2	129.3	122.9	124.9	121.5	121.2	141.4	131.2
Total	2,532.4	2,440.3	2,391.9	2,464.7	2,257.3	2,580.6	2,434.5	2,546.9	2,636.8	2,574.3

Source: Elsinore Valley Municipal Water District

NUMBER OF AUTHORIZED EMPLOYEES BY IDENTIFIABLE ACTIVITY

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Water:</u>										
Administration	7.5	7.5	6.0	6.0	6.0	6.0	3.0	3.0	3.0	3.0
Water Resources Administration	-	-	1.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Water Resources Planning	-	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water Quality	9.0	8.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Water Systems	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Electrical Maintenance	6.0	6.0	6.0	-	-	-	-	-	-	-
Field Services	8.0	8.0	11.0	11.0	11.0	11.0	8.0	8.0	8.0	8.0
Preventive Maintenance	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Construction	9.0	9.0	9.0	9.0	9.0	9.0	11.0	11.0	11.0	11.0
Mechanical Maintenance	9.0	9.0	9.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0
Facilities Maintenance	8.0	8.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Water Production	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<u>Wastewater:</u>										
Administration	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Wastewater Systems	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Wastewater Collections	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0
Wastewater Treatment	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
<u>Engineering:</u>										
Administration	4.0	5.0	4.0	4.0	4.0	4.0	3.0	8.0	8.0	8.0
Strategic Programs	-	-	6.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Capital Design/Construction & Development Services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0	8.0	9.0

Source: Elsinore Valley Municipal Water District

NUMBER OF AUTHORIZED EMPLOYEES BY IDENTIFIABLE ACTIVITY (Continued)

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General and Administrative:</u>										
Administration	6.0	6.0	6.0	6.0	6.0	6.0	11.0	5.0	5.0	5.0
Legislative & Community Affairs	3.0	3.0	3.0	5.0	5.0	5.0	-	-	-	-
Government Relations	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Human Resources/Safety	4.0	4.0	3.0	4.0	4.0	4.0	5.0	5.0	5.0	6.0
<u>Business Services</u>										
Administration	-	-	3.0	1.0	1.0	1.0	2.0	3.0	3.0	3.0
Finance & Accounting	13.0	13.0	11.0	11.0	11.0	11.0	13.0	13.0	13.0	13.0
Customer Service	13.0	13.0	14.0	14.0	14.0	14.0	-	-	-	-
Community Relations	-	-	-	-	-	-	18.0	18.0	18.0	18.0
Meter	6.0	6.0	-	-	-	-	-	-	-	-
Purchasing/Warehousing	4.0	4.0	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Information Technology	5.0	6.0	6.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0
Total	166.5	167.5	163.0	164.0	164.0	164.0	169.0	169.0	171.0	173.0

Source: Elsinore Valley Municipal Water District

WATER AND WASTEWATER PREMISES⁽¹⁾

Last Ten Fiscal Years

Year	Water			Wastewater					% of Wastewater vs. Water
	Elsinore	Temescal	Total Water	Regional	Railroad Canyon	Southern	Horsethief Canyon	Total Wastewater	
2021	44,674	718	45,392	25,879	4,181	4,575	2,051	36,686	80.8 %
2020	44,108	718	44,826	25,325	4,156	4,575	2,051	36,107	80.5
2019	43,853	712	44,565	25,068	4,149	4,575	2,052	35,844	80.4
2018	43,591	712	44,303	24,837	4,136	4,575	2,052	35,600	80.4
2017	42,885	713	43,598	24,166	4,120	4,575	2,052	34,913	80.1
2016	41,917	714	42,631	23,348	4,114	4,575	2,055	34,092	80.0
2015	41,344	755	42,099	22,797	4,102	4,575	2,054	33,528	79.6
2014	40,816	755	41,571	22,289	4,095	4,575	2,054	33,013	79.4
2013	40,218	755	40,973	21,699	4,086	4,573	2,054	32,412	79.1
2012	39,522	755	40,277	21,009	4,085	4,573	2,054	31,721	78.8

⁽¹⁾ Premise = A distinct property to which the District provides water and/or wastewater service.

Source: Elsinore Valley Municipal Water District

ACTIVE METERS ⁽¹⁾ BY METER SIZE - ENTIRE DISTRICT
 Last Ten Fiscal Years

Meter Size	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
3/4"	38,262	38,968	39,560	40,080	40,650	41,292	42,041	42,293	42,527	43,096
1"	1,707	1,711	1,719	1,727	1,763	2,015	2,035	2,069	2,079	2,079
1-1/2"	375	376	384	390	399	410	409	426	424	428
2"	814	817	815	816	832	854	837	860	842	844
3"	48	48	48	48	55	58	50	59	51	52
4"	57	57	57	57	73	78	60	78	60	60
6"	14	14	14	14	11	16	15	17	16	16
8"	8	10	10	10	6	9	9	9	9	9
Other	2	2	2	2	2	2	2	2	2	2
Totals	41,287	42,003	42,609	43,144	43,791	44,734	45,458	45,813	46,010	46,586
Increase (Decrease)	2,006 (2)	716	606	535	647	943	724	355	197	576
% Change	5.1	1.7	1.4	1.3	1.5	2.2	1.6	0.8	0.4	1.3

Source: Elsinore Valley Municipal Water District

⁽¹⁾ - Includes Potable, Non-Potable and Recycled Water Meters

⁽²⁾ - Includes addition of approximately 1,600 Elsinore Water District customers

SCHEDULE OF IMPORTED WATER COSTS (PER ACRE FOOT)

Last Ten Fiscal Years

Calendar Year	MWD	MWD	WMWD	Total	MWD	Total	WMWD	EMWD	% of Rate Increase
	Untreated Rate-Tier 1 ⁽¹⁾	Untreated Rate-Tier 2 ⁽¹⁾	Admin Surcharge	Imported Water Costs Untreated-Tier 1	Treated Surcharge	Imported Water Costs Treated-Tier 1	Pipeline Surcharge ⁽²⁾		
2021	777.00	819.00	23.36	800.36	327.00	1,127.36	15.79	11.00	2.4%
2020	755.00	842.00	22.68	777.68	323.00	1,100.68	15.33	11.00	2.7
2019	731.00	817.00	22.02	753.02	319.00	1,072.02	14.88	11.00	3.4
2018	695.00	781.00	21.38	716.38	320.00	1,036.38	14.45	11.00	3.7
2017	666.00	760.00	20.76	686.76	313.00	999.76	13.76	11.00	3.9
2016	594.00	728.00	20.16	614.16	348.00	962.16	13.10	11.00	2.1
2015	582.00	714.00	19.57	601.57	341.00	942.57	12.72	11.00	3.7
2014	593.00	735.00	19.00	612.00	297.00	909.00	12.35	11.00	5.0
2013	593.00	743.00	18.45	611.45	254.00	865.45	12.00	11.00	6.5
2012	560.00	686.00	18.45	578.45	234.00	812.45	3.50	11.00	7.4

⁽¹⁾ In January 2003, MWD implemented a new two-tiered commodity rate structure

⁽²⁾ The District pays either the WMWD Pipeline Surcharge (\$15.79) or the EMWD (\$11.00) surcharge depending upon which connection is used to import water in addition to the total imported water cost-tier 1

MWD = Metropolitan Water District of Southern California

EMWD = Eastern Municipal Water District

WMWD = Western Municipal Water District

Source: Elsinore Valley Municipal Water District

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**DATA
SECTION**

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DISTRICT EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual Covered Payroll	10,755,416	11,336,235	11,676,322	12,307,222	12,648,098	12,560,469	12,085,954	12,560,391	13,966,669	14,655,059 ⁽³⁾
Employer contributions	1,927,567	2,099,215	2,232,962	2,500,495	2,656,957	2,742,846	2,907,458	3,299,273	3,669,646	3,783,072 ⁽³⁾
Employer contribution rate	18.690%	18.460%	19.124%	20.323%	21.019%	21.871%	24.057%	26.267%	26.274%	25.814%
Employer paid										
employee contributions	361,987	36,519	10,253	10,465	10,320	10,420	9,875	10,320	10,947	9,612
Employer paid										
employee contributions rate	3.37%	0.32%	0.09%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.07%
Total PERS contribution	2,289,554	2,135,734	2,243,215	2,510,960	2,667,277	2,753,266	2,917,333	3,309,593	3,680,593	3,792,684
Total contributions										
expressed as a percentage										
of annual covered payroll	21.29%	18.84%	19.21%	20.40%	21.09%	21.92%	24.14%	26.35%	26.35%	25.88%
Funded Ratio	80.30%	69.78%	77.42%	76.56%	72.92%	72.18%	74.70%	74.28%	73.71%	(1)
Actuarial Value of Assets	48,400,143	48,081,812	57,572,891 ⁽²⁾	59,780,252	60,676,954	67,736,143	73,332,813	78,321,358	82,393,535	(1)
Actuarial Accrued Liability										
Entry Age	60,276,523	69,051,295	74,365,247 ⁽⁴⁾	78,079,621	83,206,291	93,839,849	98,169,288	105,446,251	111,779,977	(1)
Unfunded actuarial accrued										
liability	11,876,380	20,870,735	16,792,356	18,299,369	22,529,337	26,103,706	24,836,475	27,124,893	29,386,442	(1)
Unfunded actuarial accrued										
liability as a percent of										
payroll	110.40%	158.90%	143.80%	148.70%	178.10%	207.80%	205.50%	215.96%	210.40%	(1)
Normal cost	11.50%	11.56%	12.06%	12.02%	12.42%	12.30%	12.13%	12.20%	12.51%	12.939%

⁽¹⁾ Information not available

⁽²⁾ Beginning in FY2014, information from CalPer's GASB 68 Accounting Valuation Report, RSI, measurement date of June 30, 2019

⁽³⁾ Information from District Financial Report, as of June 30, 2021

⁽⁴⁾ Beginning in FY2014, information from CalPer's GASB 68 Accounting Valuation Report, RSI, measurement date of June 30, 2019

Source: Elsinore Valley Municipal Water District and California Public Employees' Retirement System (CalPERS)

ASSESSED VALUATION OF TAXABLE PROPERTY WITHIN THE DISTRICT

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total	Percent Change
2021	\$ 16,392,341,906	\$ 128,344,671	\$ 16,520,686,577	4.8%
2020	15,626,610,388	131,732,321	15,758,342,709	4.5
2019	14,944,680,499	134,066,120	15,078,746,619	7.2
2018	13,929,748,871	135,323,188	14,065,072,059	5.5
2017	13,198,752,201	135,011,969	13,333,764,170	6.4
2016	12,394,604,722	134,577,017	12,529,181,739	6.6
2015	11,620,114,190	133,947,841	11,754,062,031	11.2
2014	10,437,685,697	135,314,622	10,573,000,319	3.9
2013	10,039,498,908	138,576,094	10,178,075,002	(1.4)
2012	10,182,807,916	141,507,428	10,324,315,344	1.0

Source: County of Riverside

CAPITAL EXPENDITURES

Last Ten Fiscal Years

