



For the Fiscal Year ended
June 30, 2022



Annual Comprehensive Financial Report

Elsinore Valley Municipal Water District



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31315 Chaney Street, Lake Elsinore, CA 92530
(951) 674-3146, www.evmwd.com

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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, 2022

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INTRODUCTORY SECTION



ELSINORE VALLEY MUNICIPAL WATER DISTRICT
YEAR ENDED JUNE 30, 2022

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Board of Directors

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

December 14, 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, 2022.

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, 2022. 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.

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.

Board of Directors

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



General Manager

Greg Thomas
District Secretary
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The District's Board includes:

Darcy M. Burke, President	Division 1
Harvey R. Ryan, Director	Division 2
Chance Edmondson, Treasurer	Division 3
Phil Williams, Director	Division 4
Andy Morris, Vice President	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 13.7%. During this fiscal year, the number of active water meters and wastewater service connections grew by 451 (1.0%) and 322 (0.9%), respectively, compared to the prior year. The population of Riverside County increased by approximately 0.5% 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 130 ongoing capital projects with total authorized costs of approximately \$214.1 million, of which, approximately \$100.8 million has been expended as of June 30, 2022 on these projects. Several noteworthy projects are described below.

Water Facilities – The District has authorized \$42.5 million for 70 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) (\$3.2 million), the Pipeline from Tomlin 1 to Los Pinos 2 (\$2.5 million), and the Lee Lake Dam Upgrades (\$2.3 million).

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. \$39.3 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").

Wastewater Facilities – The District has authorized \$30.9 million for 58 smaller wastewater related projects that have an individual authorized amount of \$3.6 million or less each. A few of the larger projects are the Railroad Canyon Water Reclamation Facility Yard Piping Modifications (\$3.2 million), McVicar Lift Station Force Main (\$3.0 million), and Sewer line replacements at Peck and Chestnut Streets (\$2.1 million).

Board of Directors

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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. 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 July 2024, with \$22.7 million authorized to date and an estimated project cost of \$34.0 million.

Indirect Potable Reuse Project – 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. Working with RWQCB, staff completed a Maximum Benefit Study, the Indirect Potable Reuse (IPR) Project, which would inject advanced treated recycled water in the Elsinore Groundwater Management Zone. RWQCB has approved the project as the District’s future salt mitigation project. The project is expected to commence when the District reaches 10 million gallons per day (MGD) of recycled water production at its Regional Water Reclamation Facility, anticipated in 2030. The District has authorized \$16.0 million for the project to date, with an estimated project cost of \$50.0 million.

Regional Water Reclamation Facility Expansion – Planning/Design – The Regional Water Reclamation Facility (“RWRF”) 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. To date, \$7.2 million in funding has been awarded and authorized for planning and design costs related to the expansion project. This includes \$5.8 million in loan interest SRF loans and \$500,000 in green project principal forgiveness awarded from the Clean Water State Revolving Fund (“CWSRF”). In addition, \$900,000 in funding has been received from the Bureau of Reclamation WaterSMART Title XVI grant.

Other Facilities – The District has authorized \$10.4 million for 29 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), Comprehensive Asset Management Plan (\$1.3 million), Condition Assessment of Motor Control Centers (\$1.0 million), Additional District Parking (\$731,000), and the Lake Elsinore Restoration Project (\$655,000).

Mayhew Well – The purpose of the Mayhew Well Project is to replace the existing well with a new well. The Project design is expected to be completed by 2025 with construction anticipated to start at the end of 2025. The District has authorized \$7.8 million to date with an estimated project cost of \$8.0 million

Diamond Regional Lift Station and Dual Force Main Project – This Project will construct a new force main to convey wastewater from the new Diamond Regional Lift Station to the existing sewer main in Lakeshore Dr. and Elm St. The new force main is needed to accommodate existing flows and future flows from the area being serviced by the existing temporary Summerly Life Station as well as B-1 and B-2 Lift Stations in subsequent phases. The District has authorized \$10.3 million to date and an estimated project cost of \$61.0 million. In addition, the District is awaiting the final funding agreement with the SWRCB for a \$36.0 million low interest SRF loan.

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 capacity and water quality parameters. Project construction will be in two phases: Phase 1- Well Drilling began October 2021 and Phase 2 – Wellhead Facilities and offsite Pipelines is estimated to be bid

Board of Directors

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in April 2024. 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 \$6.0 million in funding to date for this project.

Railroad Canyon Treatment Facility SCADA Improvements – This is a wastewater treatment facility providing recycled water for irrigation. The SCADA Improvements Project is to upgrade the plant for improved operational reliability and to improve remote access for staff to identify the plant’s status and operate normal functions unmanned. Project completion is estimated by 2024. The District has authorized \$5.6 million to date and an estimated project cost of \$6.0 million.

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. Project design is complete and construction completion is anticipated by July 2023. The District has authorized \$5.4 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 RWRf 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.

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+ rating with Standard & Poor’s, an AA credit rating with Fitch, 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 \$86.5 million with the largest of these projects being the Regional Water Reclamation Facility Expansion Construction (\$60.0 million), A-3 Lift Station and Force Main Replacement (\$2.8 million), Downtown Sewer Replacement (\$2.0 million), Ortega Reservoir Rehabilitation (\$2.0 million), and Goetz Rd Intertie (\$2.0 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.

Board of Directors

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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 was adversely affected by this global pandemic. The District experienced much higher rates of delinquent accounts, lack of supplies, higher costs, and more recently a spike in overall inflation.

The District acted quickly in an attempt to minimize any effects that this pandemic had 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.
 - » Conference rooms and break rooms were 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 daily.
 - » Contact tracing was 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 included:
 - » 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.
 - » A 10% reduction in operating costs throughout the District's departments.

Board of Directors

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In the first few months of 2022 the most significant impacts of COVID-19 appear to have abated. The biggest issues we are now contending with are increased costs associated with inflation. Due to staffs' efforts to mitigate all of the challenges the District faced over the past two years, the District has not included any contingencies in the financial statements specific to this issue.

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, 2021. 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-one (31) consecutive fiscal years (fiscal years ended 1990-2021). 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 Scott Thompson and 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

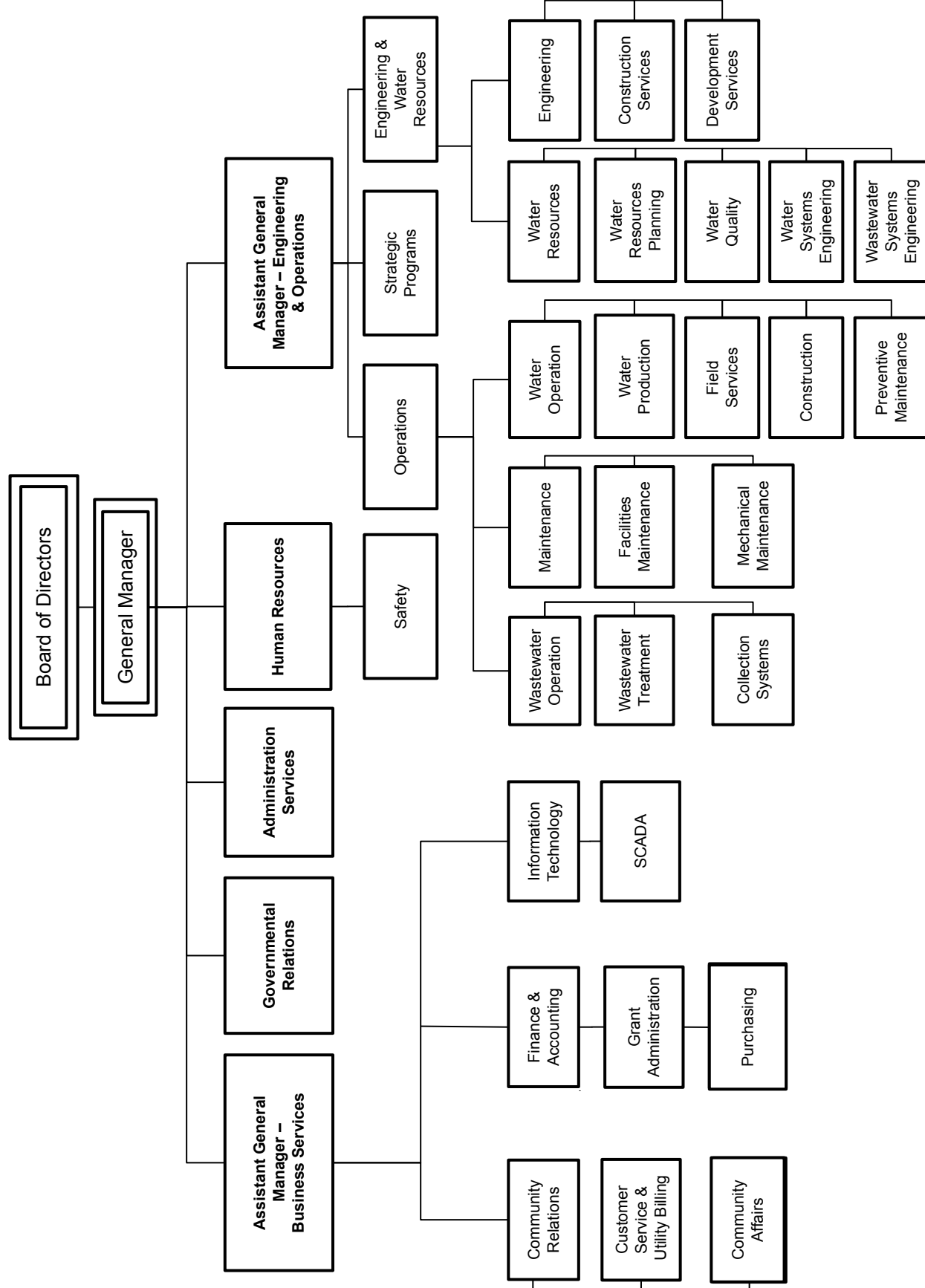
Robert A. Hartwig, CPA, MBA
 Assistant General Manager - Business Services Division

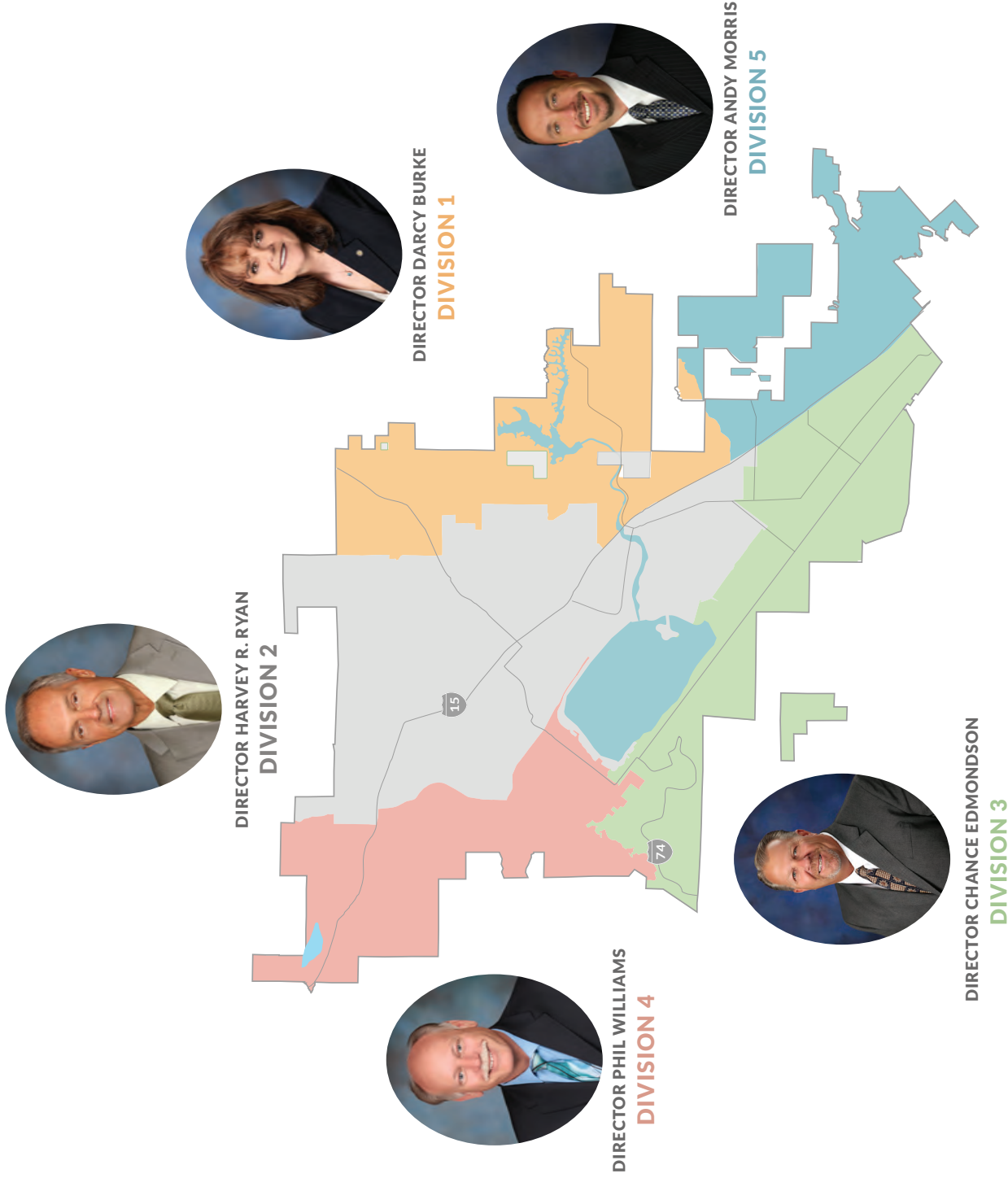
BOARD OF DIRECTORS

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

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	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







Government Finance Officers Association

**Certificate of
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Presented to

**Elsinore Valley Municipal Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
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Independent Auditor's Report

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

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, 2022, 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, 2022, 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 2021 financial statements, and we expressed unmodified opinions on the respective financial statements in our report dated December 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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, 2021, from which such summarized information was derived.

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 1, 2022 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 1, 2022

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The image shows the interior of a water treatment plant. Large blue pipes and tanks are the main focus, with various valves and gauges attached. The background is a brick wall. A green banner is overlaid on the middle of the image, containing the title text. In the bottom right corner, there is a small green square followed by the text 'EL SINORE VALLEY MUNICIPAL WATER DISTRICT' and 'YEAR ENDED JUNE 30, 2022' written vertically.

MANAGEMENT'S DISCUSSION AND ANALYSIS

EL SINORE VALLEY MUNICIPAL WATER DISTRICT
YEAR ENDED JUNE 30, 2022

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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, 2022. 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 2.9% per year over the past ten fiscal years from approximately \$580 million at June 30, 2013 to \$753 million at June 30, 2022. During the current fiscal year, the District's net position grew by \$37.3 million or 5.2% from the prior fiscal year. The yearly comparison of changes in net position for the prior ten fiscal years are shown on page 97-98 of the Statistical Section.

STATEMENT OF NET POSITION

<u>(Dollars in Thousands)</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase / (Decrease)</u>	
			<u>\$ Amount</u>	<u>% Percent</u>
Assets:				
Current Assets	\$ 121,229	\$ 127,314	\$ (6,084)	-4.8%
Other Non-Current Assets	290,912	296,650	(5,738)	-1.9%
Capital Assets, Net	<u>655,776</u>	<u>639,597</u>	<u>16,179</u>	<u>2.5%</u>
Total Assets	1,067,917	1,063,561	4,356	0.4%
Deferred Outflows of Resources	10,766	11,329	(563)	-5.0%
Liabilities:				
Current Liabilities	38,018	34,913	3,105	8.9%
Long-term Liabilities	<u>164,621</u>	<u>208,138</u>	<u>(43,517)</u>	<u>-20.9%</u>
Total Liabilities	202,639	243,051	(40,412)	-16.6%
Deferred Inflows of Resources	122,902	116,041	6,861	5.9%
Net Position:				
Net investment in capital assets	505,147	462,458	42,689	9.2%
Restricted	43,353	71,967	(28,614)	-39.8%
Unrestricted	<u>204,642</u>	<u>181,372</u>	<u>23,270</u>	<u>12.8%</u>
Total Net Position	\$ 753,143	\$ 715,798	\$ 37,345	5.2%

Allow for rounding differences

The following explains the significant changes in net position between fiscal years 2021/2022 and 2020/2021 as shown in the above table:

- Current assets decreased by approximately \$6.1 million or -4.8% during the year. This was mainly due to a decrease in restricted assets (cash) of \$28.2 million as a result of the re-funding of the 2008B and 2011A Certificates of Participation; and a decrease in other receivables of \$10.2 million related to the receipt of outstanding grant reimbursements receivables that were received from State Water Resources Control Board during the year. These decreases were offset with increases of \$19.6 million in cash and cash equivalents, which is also partially attributed to the receipt of grant reimbursements mentioned above, and an increase of \$13.5 million in investments maturing in less than a year.
- Other assets decreased by approximately \$5.7 million or 1.9%. This was mainly due to a decrease in long term investments of \$5.2 million during the year. This was the result of investments now being considered part of cash and cash equivalents as they are now closer to maturity. Additionally lease receivables decreased by \$2.5 million. This decrease was partially offset with an increase of \$2.1 million in the investment in the Santa Rosa Regional Resources Authority ("SRRA") as well as an increase in the investment in Mutual Water Company of \$757,000.
- Capital assets, net of depreciation increased by approximately \$16.18 million or 2.5% during the year. This was the result of a decrease in capitalized assets of \$7.3 million offset by an increase in construction in progress of \$23.4 million.
- Deferred outflows of resources decreased by approximately \$563,000 or -5.0%. This was a result of a \$286,000 decrease in employee pension related items as required by GASB 68, as well as a \$277,000 decrease in unamortized bond redemption costs.
- Total current liabilities increased by approximately \$3.1 million or 8.9% during the year. This was mostly the result of an increase of \$1.3 million in retention payable related to District CIP related project costs and a combined increase of \$3.9 million in developer advances and customer deposits. This was partially offset by a \$2.4 million decrease in accounts payables.

- Long-term liabilities decreased by approximately \$43.5 million or 20.9%. This change was mainly the result of a net decrease in certificates of participation payable and revenue bonds payable of \$35.5 million due to the refunding of the 2008A and 2011A COPs and debt service payments made on the revenue bonds. Additionally, the net pension liability decreased by \$12.5 million due mostly to large investment gains made by CalPERS during the year. These decreases were partially offset by an increase in loans payable of approximately \$4.8 million which were the result of an increased loan amount for the Regional Water Reclamation Facility Upgrade project.
- Net investment in capital assets increased by approximately \$42.7 million or 9.2% over the previous year. This change was the result of a \$16.1 million increase in capital expenditures and a \$29.5 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 decreased by approximately \$28.6 million or 39.8% during the year. This was primarily the result of a decrease in debt service reserves of \$29.5 million which were utilized to pay down outstanding debt during the refunding of the 2008B and 2011A Certificates of Participation. This decrease was partially offset by an increase of \$676,000 in operating reserves.
- 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 increased by approximately \$20.3 million or 11% during the fiscal year due to increases of \$23.4 million in reserves for encumbered CIP projects, \$4.8 million in debt service reserves, \$3.8 million in customer deposits, and \$3.8 million in employee pension reserves. These increases were offset by decreases of \$11.7 million in replacement reserves, \$3.9 million in special revenue reserves, and \$2.9 million in other unrestricted reserves.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

As the following table shows, net position increased by \$37.3 million in fiscal year 2021/2022, an increase of 5.2% from the prior year.

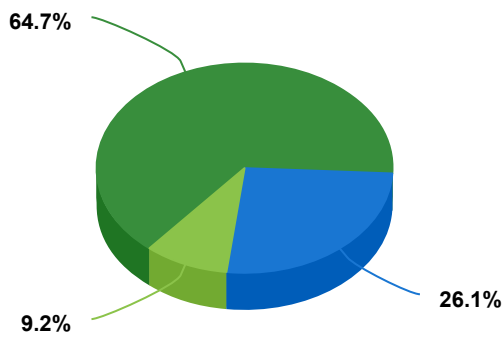
<u>(Dollars in Thousands)</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase / (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Operating Revenues:</u>				
Water Revenues	\$ 58,017	\$ 57,121	\$ 896	1.6%
Wastewater Revenues	26,850	26,304	546	2.1%
Recycled Water Revenues	1,681	1,548	133	8.6%
Total Operating Revenues	86,548	84,973	1,575	1.9%
<u>Non-Operating Revenues:</u>				
Property and Other Related Taxes	12,243	11,707	536	4.6%
Standby Charges	812	798	14	1.7%
Investment Income	(7,115)	310	(7,425)	-2395.1%
Other Non-Operating Revenues	4,628	3,533	1,095	31.0%
Total Non-Operating Revenues	10,568	16,348	(5,780)	-35.4%
Total Revenues	97,117	101,322	(4,205)	-4.1%
<u>Operating Expenses:</u>				
Water Purchases	22,993	22,387	606	2.7%
Water Operations	18,092	18,028	63	0.4%
Wastewater Operations	12,574	12,345	229	1.9%
Recycled Water Operations	1,096	963	133	13.8%
General and Other Operating Expenses	12,619	15,657	(3,038)	-19.4%
Depreciation and Amortization	21,874	21,739	135	0.6%
Total Operating Expenses	89,248	91,120	(1,872)	-2.1%
<u>Non-Operating Expenses:</u>				
Interest Expense	2,674	2,382	291	12.2%
Other Expenses	2,821	2,683	138	5.1%
Total Non-Operating Expenses	5,494	5,065	429	8.5%
Total Expenses	94,742	96,185	(1,443)	-1.5%
Income/(Loss) Before Contributions	2,375	5,137	(2,761)	-53.8%
Capital Contributions	34,970	18,500	16,470	89.0%
Change in Net Position	37,345	23,637	13,708	58.0%
Beginning Net Position	715,798	692,161	23,637	3.4%
Ending Net Position	\$ 753,143	\$ 715,798	\$ 37,345	5.2%

Allow for rounding differences

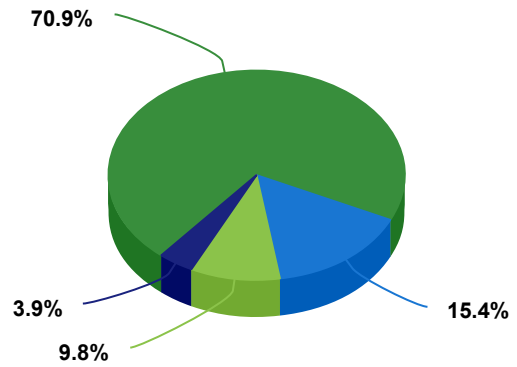
As previously stated, the operations of the District are accounted for as an enterprise fund, which is financed and operated in a manner like a private business enterprise. The costs (expenses, including depreciation) of providing water, wastewater, and recycled water services on a continuing basis are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

SOURCE OF REVENUE

FY 2022



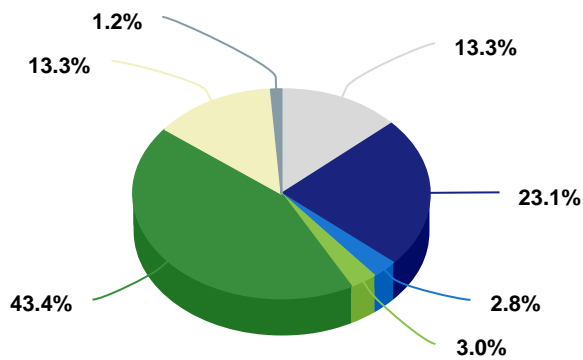
FY 2021



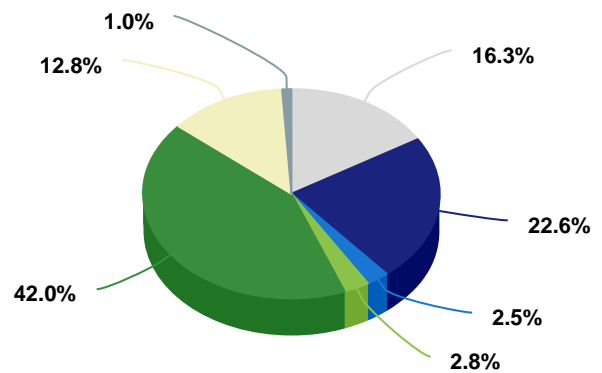
- Operating Revenue
- Contrib. Cap
- Taxes
- Other

FUNCTIONAL EXPENSES

FY 2022



FY 2021



- G & A
- Depreciation
- Interest
- Other
- Water Ops.
- W W Ops.
- Recycled Ops.

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 2021/2022 and 2020/2021 as shown on the statement of revenues, expenses and changes in net position.

- Water revenues increased by approximately \$896,000 or 1.6% 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.
- Wastewater revenues increased by approximately \$546,000 or 2.1% during fiscal year 2021/2022. This can be attributed to increases to wastewater rates and increase in wastewater accounts serviced by the District.
- Recycled water revenues increased by approximately \$133,000 or 8.6% during the year. This was mostly the result of increased recycled water rates as the recycled water sales were actually down for the year as compared to prior year.
- Non-operating revenues decreased by \$5.8 million or 35.4%. This was primarily the result of a \$7.4 million decrease in investment income caused by a large increase in unrealized losses which have resulted from the current interest rate environment. These were partially offset by increases in property taxes of \$536,000 and \$416,000 in other non-operating revenues.
- Total operating expenses decreased by approximately \$1.9 million or -2.1%. This was largely due to decreases in general and other operating expenses of \$3.0 million. This decrease was offset by increases of \$606,000 in water purchases, \$229,000 in wastewater operations, \$133,000 in recycled water operations, and \$135,000 in depreciation expense.
- Non-operating expenses increased by \$429,000 or 8.5%. This change was partially due to an increase in interest expense of \$291,000 resulting from new District debt. Other expenses increased by \$138,000.
- Capital contributions increased by approximately \$16.5 million or 89.0%. This was directly attributable to increases in grant funding of \$3.8 million; and \$13.1 million in other contributions. Increase in other contributions is related to developer contribution for the Horsethief WRF rehab and expansion project.

CAPITAL ASSETS AND INFRASTRUCTURE

The District provides water services to approximately 47,000 domestic customers through 740 miles of pipeline ranging in size from 6 to 36 inches in diameter, 53 booster stations, 71 reservoirs, and 12 wells. In addition, the District provides wastewater services to approximately 37,600 customers through 3 treatment plants, 37 lift stations, and a 376 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, 2022, the District had invested approximately \$654.5 million in capital assets net of accumulated depreciation, as shown below. This amount represents a net increase of \$16.1 million (2.5%) which is the combination of several factors including an increase in construction in progress of \$23.4 million, an increase in capitalized assets of \$14.1 million, offset by depreciation of \$21.4 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 grant funding, low interest SRF loans, long-term debt or by cash funding through the use of existing replacement and 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.

<u>(Dollars in Thousands)</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Incr (Decr)</u>
Capital Assets Not Being Depreciated			
Land	\$ 7,914	\$ 7,914	\$ -
Construction in progress	100,810	77,396	23,414
Water Rights	33,428	33,428	-
Total Capital Assets Not Being Depreciated	<u>142,152</u>	<u>118,738</u>	<u>23,414</u>
Capital Assets Being Depreciated (Net)			
Infrastructure - Water	241,013	247,953	(6,940)
Infrastructure - Wastewater	260,109	260,175	(66)
Building & Structures	9,000	9,605	(605)
Vehicles & Equipment	1,189	1,281	(92)
Miscellaneous	1,091	653	438
Total Capital Assets Being Depreciated	<u>512,402</u>	<u>519,667</u>	<u>(7,265)</u>
Total Capital Assets, net	<u>\$ 654,554</u>	<u>\$ 638,405</u>	<u>\$ 16,149</u>

Allow for rounding differences

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

- \$3.2 - Horsethief Treatment Plant Design
- \$3.0 - Developer Projects
- \$1.8 - Recycled Pipe to Lake Elsinore - Phase 1
- \$0.5 - Salt & Nutrient Management Plan
- \$0.2 - Fuel Island Piping
- \$0.2 - Mayhew Well Repairs and Improvements
- \$0.1 - Hydro Excavator and Water Tank Trailer Unit #881

The District's fiscal year 2022-23 budget includes \$86.5 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 8 of the financial statements.

LONG – TERM LIABILITIES

At June 30, 2022, the District had approximately \$164.6 million in long-term liabilities outstanding (\$173.374 million total, less \$8.7 million due in one year), a net decrease of \$43.5 million or (21.0%) from the prior year. Approximately \$29.1 million of this decrease is attributed to the issuance of the Refunding Water Revenue Bonds, series 2021A in the amount of \$36.3 million. This bond issue refunded the 2008B and 2011A Certificates of Participation totaling \$65.4 million. The remaining difference is a combination of \$6.8 million in principal reductions throughout the year offset with additional disbursements received of approximately \$5.8 million from the State Water Resources Control Board in relation to the Regional Water Reclamation Facilities Upgrade Construction and Expansion loans. Additional reductions include a \$12.5 million decrease in net pension liability described below. For more detailed information about loans and principal payments see notes 13-15 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, 2021, using standard methods and shows a \$12.5 million decrease from the prior year. For the measurement period ended June 30, 2021, the total pension liability was \$118.3 million, offset by the fiduciary net position of \$101.4 million resulting in a net pension liability of \$16.9 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 \$8.7 million (excludes compensated absences). The District had an obligation of \$4.8 million at June 30, 2022 for compensated absences relating to accrued vacation pay, sick leave and savings clause benefits with an amount due within one year of \$977,000. 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 11 of the financial statements.

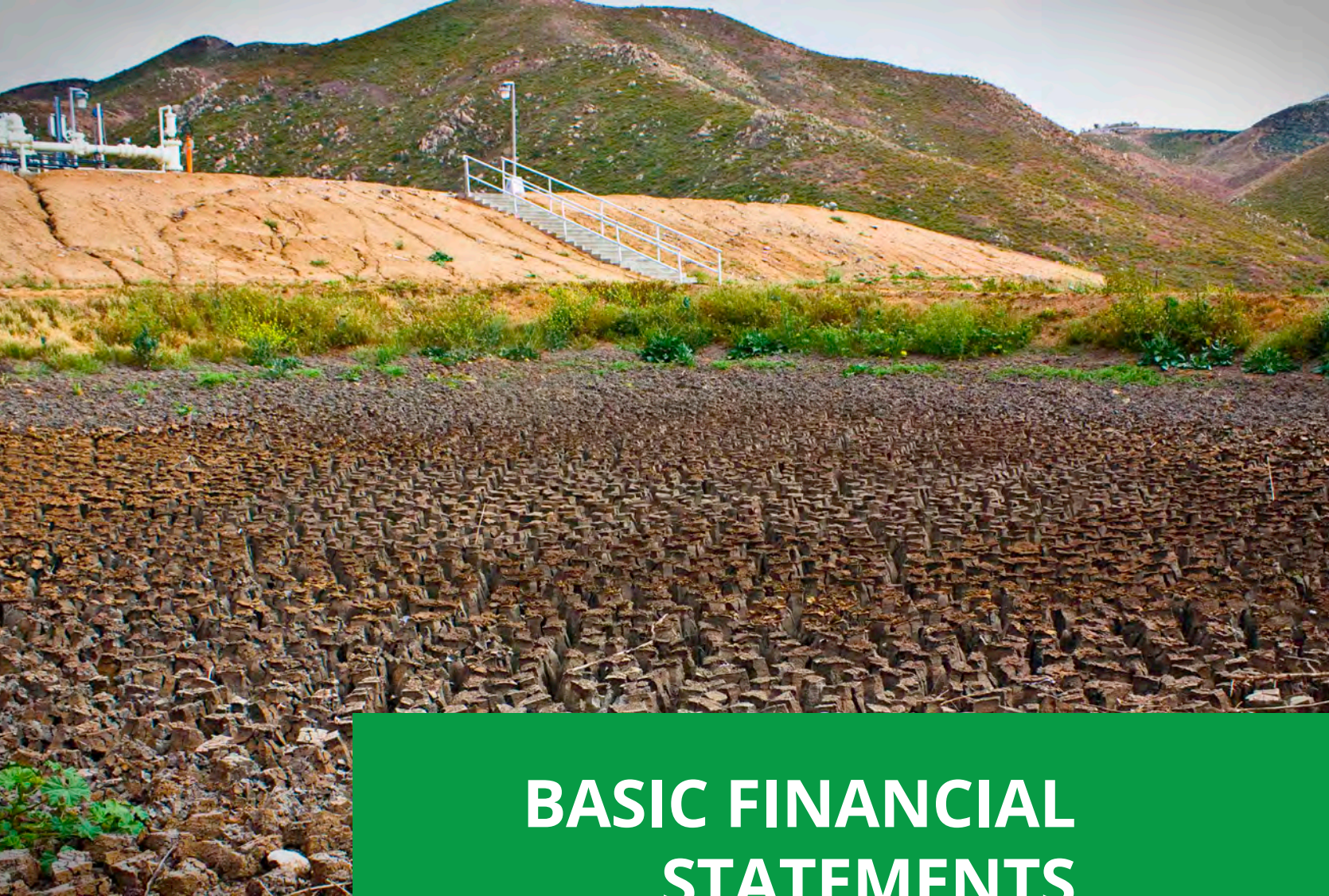
The District issues debt in compliance with its formally-adopted debt policy. This policy includes general management, financial management, and debt and capital management. It documents the District's goals for the use of debt, especially as it relates to financing District infrastructure and project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

Rating Agency	Date	Rating	Rating Reflects
Standard & Poor's	June 2021	AA+	Extremely Strong Liquidity; Moderate Debt to Capitalization Level; Strong Debt Service Coverage; Comprehensive Financial Management
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

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

ELSINORE VALLEY MUNICIPAL WATER DISTRICT
YEAR ENDED JUNE 30, 2022

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STATEMENT OF NET POSITION

AS OF JUNE 30, 2022

(With Comparative Amounts for 2021)

	<u>June 2022</u>	<u>June 2021</u>
ASSETS:		
Current Assets:		
Cash and cash equivalents (Notes 1j and 2)	\$ 38,292,112	\$ 18,735,853
Restricted assets (Notes 1k and 2)	8,234,502	36,409,827
Investments maturing in less than a year (Notes 1n and 2)	52,248,908	38,753,253
Accounts receivable, net of allowances (Note 1l)	12,035,546	13,136,514
Other receivables	6,670,334	16,829,374
Accrued interest receivable	190,633	66,667
Materials and supplies inventories (Note 1m)	1,149,797	1,282,075
Prepaid expenses	2,407,622	2,088,402
Deposits	-	11,843
Total Current Assets	<u>121,229,454</u>	<u>127,313,808</u>
Noncurrent Assets:		
Investments (Notes 1n and 2)	156,818,430	162,047,699
Investment in Mutual Water Company (Note 3)	5,290,191	4,533,602
Investment in SRRRA (Note 4)	14,769,520	12,677,026
Accrued interest receivable	601,033	778,942
Lease Receivable (Note 17)	113,389,300	115,849,893
Receivable from CFD (Note 5)	43,307	63,307
Notes and contracts receivable (Note 6)	-	700,000
Leased Assets, depreciated - net (Notes 1o and 7)	1,222,094	1,192,379
Capital assets, depreciated - net (Notes 1p and 8)	512,402,137	519,667,119
Capital assets, not depreciated (Notes 1p and 8)	142,151,630	118,737,615
Total Noncurrent Assets	<u>946,687,642</u>	<u>936,247,582</u>
Total Assets	<u>1,067,917,096</u>	<u>1,063,561,390</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Unamortized bond redemption (Note 1q)	5,309,601	5,586,316
Deferred outflows - employee pension contributions (Notes 1q and 9)	4,415,197	3,783,072
Deferred outflows - employee pension related items (Notes 1q and 9)	1,041,543	1,959,704
Total Deferred Outflow of Resources	<u>10,766,341</u>	<u>11,329,092</u>
LIABILITIES:		
Current Liabilities:		
Accounts payable and accrued expenses	12,036,714	14,398,503
Retentions payable	4,240,270	2,946,797
Customer deposits	3,816,797	2,775,849
Interest payable	1,914,893	1,594,039
Long-term liabilities due within one year (Note 11)	8,747,421	8,707,361
Developer and other advances	4,975,451	2,161,514
Held for bondholders (Note 10)	2,286,463	2,328,958
Total Current Liabilities	<u>38,018,009</u>	<u>34,913,021</u>

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF NET POSITION (Continued)

AS OF JUNE 30, 2022

(With Comparative Amounts for 2021)

	<u>June 2022</u>	<u>June 2021</u>
Noncurrent Liabilities:		
Certificates of participation payable (Notes 11 and 13)	\$ -	\$ 65,201,070
Revenue bond payable (Notes 11 and 14)	102,594,502	72,871,186
Loans payable (Notes 11 and 15)	44,403,075	39,595,789
Advances from U.S. Government (Notes 11 and 16)	3,478,256	3,864,729
Lease Payable (Notes 1o, 7 and 11)	1,221,887	1,192,240
Accrued compensated absences (Notes 1r, 11 and 12)	4,753,360	4,734,233
Net pension liability (Notes 9 and 11)	16,917,533	29,386,442
Less amount due within one year (Note 11)	<u>(8,747,421)</u>	<u>(8,707,361)</u>
Total Noncurrent Liabilities	<u>164,621,192</u>	<u>208,138,328</u>
Total Liabilities	<u>202,639,201</u>	<u>243,051,349</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - employee pension related items (Notes 1q and 9)	9,321,684	-
Deferred Inflows - leased assets (Notes 1q and 17)	<u>113,579,971</u>	<u>116,041,256</u>
	<u>122,901,655</u>	<u>116,041,256</u>
NET POSITION (Note 18)		
Net investment in capital assets	505,147,263	462,458,274
<u>Restricted for:</u>		
Rate stabilization fund	3,000,000	3,000,000
Operating reserve	14,346,286	13,670,607
Debt service reserves	90,000	29,570,034
Capacity fees	<u>25,917,026</u>	<u>25,726,731</u>
Total Restricted Net Position	43,353,312	71,967,372
Unrestricted	<u>204,642,006</u>	<u>181,372,092</u>
Total Net Position	<u>\$ 753,142,580</u>	<u>\$ 715,797,738</u>

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, 2022
(With Comparative Amounts for the Fiscal Year Ended June 30, 2021)

	June 2022	June 2021
OPERATING REVENUES:		
Water revenues	\$ 58,016,755	\$ 57,121,080
Wastewater revenues	26,850,381	26,304,422
Recycled water revenues	1,681,044	1,547,653
Total Operating Revenues	86,548,180	84,973,155
OPERATING EXPENSES:		
Water purchases	22,992,874	22,386,982
Water operations	18,091,588	18,028,308
Wastewater operations	12,574,157	12,345,224
Recycled water operations	1,095,709	963,053
General and administrative	12,618,955	15,657,193
Depreciation/amortization (Notes 1p and 8)	21,874,270	21,738,999
Total Operating Expenses	89,247,553	91,119,759
Operating Income/(Loss)	(2,699,373)	(6,146,604)
NON-OPERATING REVENUES:		
<u>Property taxes: (Note 1s)</u>		
General purpose	7,782,474	7,573,574
Redevelopment	3,929,925	3,665,361
Temescal Valley Project	530,390	467,759
Total Property taxes	12,242,789	11,706,694
Standby charges	812,403	798,439
<u>Investment Income:</u>		
Investment Income, Net	3,320,607	4,026,051
Investment Income, Unrealized Gans/(Losses) (Note 1n)	(10,435,511)	(3,715,985)
Total Investment Income	(7,114,904)	310,066
Mutual Water Company (Note 3)	756,589	77,677
Lease income (Note 17)	2,592,838	2,027,106
Other income	1,278,665	1,428,541
Total Nonoperating Revenues	10,568,380	16,348,523
NON-OPERATING EXPENSES:		
<u>Interest Expense:</u>		
Certificates of Participation	-	57,325
Bonds and Loans	2,673,587	2,324,999
Other expenses	2,820,602	2,683,069
Total Nonoperating Expenses	5,494,189	5,065,393
INCOME BEFORE CONTRIBUTIONS:	2,374,818	5,136,526
<u>Capital Contributions (Note 1u)</u>		
Capacity fees	11,838,766	12,257,507
Capital grant	3,980,027	169,481
Other contributions	19,151,230	6,073,323
Total Capital Contributions	34,970,023	18,500,311
Change in Net Position	37,344,841	23,636,837
NET POSITION, BEGINNING OF YEAR	715,797,739	692,160,902
NET POSITION, END OF YEAR	\$ 753,142,580	\$ 715,797,739

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (With Comparative Amounts for the Fiscal Year Ended June 30, 2021)

	<u>June 2022</u>	<u>June 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 97,931,692	\$ 75,968,392
Cash payments to employees for services	(28,243,263)	(27,123,370)
Cash payments to suppliers for goods and services	(39,360,749)	(37,377,879)
Other operating income	<u>(1,141,674)</u>	<u>(806,056)</u>
Net Cash Provided By Operating Activities	29,186,006	10,661,088
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Property taxes	12,931,688	12,399,495
Property tax collection activities	<u>(34,289)</u>	<u>(35,437)</u>
Net Cash Provided By Noncapital And Related Financing Activities	12,897,399	12,364,058
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Bond handling fees	(365,974)	(413,034)
Proceeds from loans	37,784,386	24,984,522
Principal payments of long - term debt	(65,352,925)	(121,712,603)
Purchase, construction, and disposal of capital assets	(32,510,932)	65,902,427
Capacity fees	11,838,766	12,257,506
Capital grant	3,980,027	169,481
Capital reimbursement fees	11,588,504	(53,628)
Interest and penalty payments	(3,514,826)	(3,344,363)
Receipts of funds held for bondholders	-	12,611
Payment of funds held for bondholders	(42,495)	(41,619)
Loan payments received/(issued)	<u>700,000</u>	<u>1,400,000</u>
Net Cash (Used For) Capital and Related Financing Activities	(35,895,469)	(20,838,700)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Lease income	2,592,838	2,027,106
Investment income received	(9,133,454)	(1,549,087)
Sale of investments and maturities	75,167,423	53,879,418
Purchase of investments	<u>(55,258,484)</u>	<u>(84,011,563)</u>
Net Cash Provided By/(Used For) Investing Activities	<u>13,368,323</u>	<u>(29,654,126)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	19,556,259	(27,467,680)
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	<u>18,735,853</u>	<u>46,203,534</u>
CASH AND CASH EQUIVALENT, END OF YEAR	<u>\$ 38,292,112</u>	<u>\$ 18,735,853</u>

Allow for rounding differences
 See notes to the basic financial statements

STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(With Comparative Amounts for the Fiscal Year Ended June 30, 2021)

	<u>June 2022</u>	<u>June 2021</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH		
PROVIDED BY/(USED FOR) OPERATING ACTIVITIES:		
Operating Income/(loss)	\$ (2,699,373)	\$ (6,146,604)
<u>Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:</u>		
Depreciation/amortization	21,874,270	21,738,999
Bad debt expense - operating	210,694	373,807
Other operating income	(1,141,674)	(806,056)
<u>Changes in assets and liabilities:</u>		
(Inc)/Dec in accounts receivable	11,172,819	(9,378,570)
(Inc)/Dec in inventory, prepaid expenses and deposits	(175,099)	(704,168)
Inc/(Dec) in accounts payable, accrued expenses and deposits	1,492,957	2,344,025
Inc/(Dec) in retentions payable	1,293,473	2,003,439
Inc(Dec) in net pension liability	(12,468,909)	2,261,549
Inc/(Dec) in accrued compensated absences	19,128	313,022
<u>Changes in deferred inflows and outflows:</u>		
(Inc)/Dec in deferred outflows-employee pension contributions	<u>9,607,720</u>	<u>(1,338,355)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 29,186,006</u>	<u>\$ 10,661,088</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in unrealized gain (loss) in fair value of investment	\$ 10,435,511	\$ (3,715,985)
Capital contribution	(7,562,725)	6,126,952
Change in deferred outflows of resources, unamortized bond redemption	(276,715)	(480,164)
Change in deferred inflows of resources, leased assets	2,461,285	(116,041,256)
Change in amortized premium/discount	(1,162,093)	(841,029)

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2022

(With Comparative Amounts for 2021)

	<u>June 2022</u>	<u>June 2021</u>
ASSETS:		
Cash and cash equivalents	\$ 10,730,816	\$ 2,361,271
Receivables:		
Special Assessments Receivable	503,334	515,470
Investments at fair value:		
Mutual Funds	1,434,506	250,739
Total Assets	<u>12,668,656</u>	<u>3,127,480</u>
DEFERRED INFLOWS OF RESOURCES:	<u>141,641</u>	<u>157,990</u>
LIABILITIES:		
Accounts payable and other liabilities	412,500	180,657
Bonds payable	28,717,845	11,512,191
Other long term liabilities	43,307	63,308
Total Liabilities	<u>29,173,652</u>	<u>11,756,156</u>
NET POSITION:		
Restricted for:		
Debt Service	<u>(16,363,356)</u>	<u>(8,470,686)⁽¹⁾</u>
TOTAL NET POSITION / (DEFICIT)	<u>\$ (16,363,356)</u>	<u>\$ (8,470,686)</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

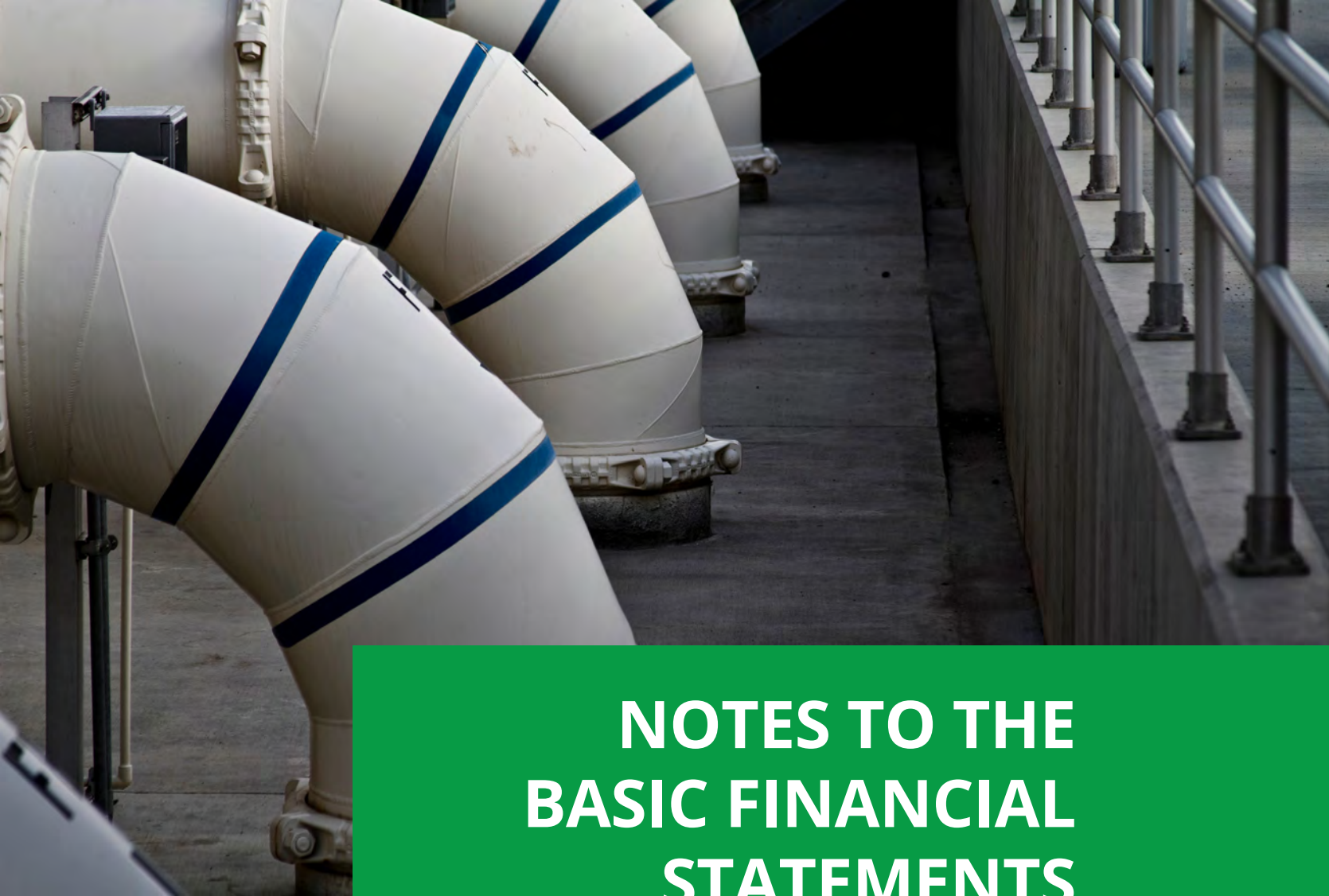
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(With Comparative Amounts for 2021)

	<u>June 2022</u>	<u>June 2021</u>
ADDITIONS:		
Special Assessments	\$ 1,315,518	\$ 1,341,601
Interest Income	616	51
Total Additions	<u>1,316,134</u>	<u>1,341,652</u>
DEDUCTIONS:		
Amortization	16,349	16,349
Bond Handling Fees	727,064	90,674
Interest Expense	1,057,512	547,500
Capital Expenditures	7,404,845	-
Other Expense	3,034	2,090
Total Deductions	<u>9,208,804</u>	<u>656,613</u>
INCREASE/(DECREASE) IN FIDUCIARY NET POSITION	<u>(7,892,670)</u>	<u>685,039</u>
NET POSITION/(DEFICIT) - BEGINNING OF YEAR	<u>(8,470,686)</u>	<u>(9,155,725)⁽¹⁾</u>
Adjustment on Prior Year Net Position	-	-
NET POSITION/(DEFICIT) - END OF YEAR	<u>\$ (16,363,356)</u>	<u>\$ (8,470,686)</u>

Allow for rounding differences

⁽¹⁾ 2021 Net Position - Beginning of Year updated to reflect reclassification of Debt Service Reserves



NOTES TO THE BASIC FINANCIAL STATEMENTS

 **ELSINORE VALLEY MUNICIPAL WATER DISTRICT**
YEAR ENDED JUNE 30, 2022

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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, 2022, 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. Some reclassifications were deemed necessary in these financial statements due to the implementation of GASB 87 Leases.

h. New Effective Accounting Pronouncements:

The Governmental Accounting Standards Board has issued the following Statements, which affected the District's current financial reporting.

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 took effect for financial statements starting the fiscal year that ends 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 took effect for financial statements starting with the fiscal year that ends June 30, 2022.

GASB Statement No. 98, "The Annual Comprehensive Financial Report." This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial reports and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

on a commitment to promoting inclusiveness. The requirements of this Statement took effect for the fiscal year that ends December 31, 2021.

i. **Future 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.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 will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

GASB Statement No. 99, "Omnibus 2022." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective fiscal years beginning after June 15, 2022.

GASB Statement No. 100, "Accounting Changes and Error Corrections." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, "Compensated Absences." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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 \$90,864 as of June 30, 2022 and \$182,480 as of June 30, 2021.

The amount written off is \$210,694 for June 30, 2022 and \$373,807 for June 30, 2021.

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;

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- 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. Leased Assets:

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. This statement establishes a single model for lease accounting based on the 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. As of June 30, 2022 the value of the leased assets net of depreciation is \$1,222,094 and the related lease liability is \$1,221,887. See Note 7 for details.

p. 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.

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

q. Deferred Outflows/Inflows of Resources:

Deferred outflows of resources represent a consumption of net assets that applies to future periods while deferred inflows of resources represent an acquisition of net assets that applies to future periods.

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 the refunding of the Series 2000 and 2007 Certificates of Participation with the Series 2016A Revenue Bonds and the refunding of the 2008B and 2011A Certificates of Participation with the Series 2021A Water Revenue Bonds. These amounts are deferred and amortized over the remaining life of the Bonds. As of June 30, 2022, the District reported a balance of \$5.3 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, 2022, the District reported a combined balance of \$5.5 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 9.

The District has two items that qualify as deferred inflows of resources. The implementation of GASB 68 also created a deferred inflow of resources related to other employee pension related items. As of June 30, 2022, the District reported a balance of \$9.3 million 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 9.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The implementation of GASB 87 also created a deferred inflow of resources which corresponds to the lease receivable and the recognition of revenue over future reporting periods. Total deferred inflows of resources related to leases are \$113.6 million and \$116.0 million at June 30, 2022 and June 30, 2021 respectively. A more detailed description of the deferred inflows of resources related to leases is discussed in Note 17.

r. Compensated Absences:

Accumulated unpaid vacation, sick pay, and savings clause amounts are accrued when incurred. Total accrued compensated absences are \$4,753,360 and \$4,734,233 at June 30, 2022 and 2021, respectively (see Notes 11 and 12).

s. 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.

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 collects assessments to provide for payment of bond principal and interest in its community facilities districts. All assessments collected for debt service are maintained in separate accounts designated for payment of the debt.

t. 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.

u. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The following special charges levied by the District against newly connecting customers are being accounted for as capital contributions as of June 30, 2022:

Water Facilities:

Meter Installations (by meter size)	\$ 490	to \$6,333 per service
Storage Participation Tank Charges	\$ 2,386	per capacity unit
Temescal Valley Project	\$ 3,051	per capacity unit
Pumping Plant	\$ 1,335	per capacity unit
Transmission Facilities	\$ 4,003	per capacity unit
Source of Supply	\$ 2,938	per capacity unit

Wastewater Facilities (per Equivalent Dwelling Unit):

	Regional / Canyon Lake	Alberhill
Sewer Facility		
Treatment Plant	\$ 4,085	\$ 8,463
Collection	3,856	3,856
Total	<u>\$ 7,941</u>	<u>\$ 12,319</u>

2. CASH AND INVESTMENTS:

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Current Assets:

Cash & cash equivalents	\$ 38,292,112
Restricted assets	8,234,502
Investments maturing ≤ one year	52,248,908

Noncurrent Assets:

Investments	156,818,430
Total Cash and Investments	<u>\$ 255,593,952</u>

Cash and investments as of June 30, 2022 consist of the following:

Cash on Hand / Deposits with financial institutions	19,517,884
Investments (includes fair value adjustment)	236,076,067
Total Cash and Investments	<u>\$ 255,593,952</u>

Cash & cash equivalents:

LAIF	\$ 18,580,254
CAMP	5
Money Market Mutual Funds	193,969
Cash on Hand / Deposits with financial institutions	19,517,884
	<u>\$ 38,292,112</u>

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	\$ 112,396,839	1.9	\$ 7,804,262	\$ 12,063,943	\$ 92,528,634
Federal Agency Securities	51,158,392	1.8	1,253,113	9,394,729	40,510,551
Certificate of Deposit	2,481,600	0.4	0	2,481,600	0
Medium Term Notes	40,145,508	1.6	1,999,240	14,752,022	23,394,246
Local Agency Bonds	2,885,000	10.3			2,885,000
	<u>209,067,339</u>		<u>\$ 11,056,615</u>	<u>\$ 38,692,294</u>	<u>\$ 159,318,430</u>
Money Market Mutual Funds	193,969	n/a			
CAMP	5				
LAIF	18,580,253	n/a			
Held with Fiscal Agent:					
Money Market Mutual Funds	8,234,502	n/a			
Total	<u>\$ 236,076,067</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 Farm Credit Bank	Federal Agency	\$ 17,587,673	7.5
Federal National Mortgage Association	Federal Agency	\$ 12,309,844	5.2

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	\$ 112,396,839	N/A	\$ 112,396,839	\$ -	\$ -	\$ -	-
Federal Agency Securities	51,158,392	N/A	-	51,158,392	-	-	-
Certificate of Deposit	2,481,600	AA	-	-	-	2,481,600	-
Medium Term Notes	40,145,508	A	-	12,196,307	13,798,568	14,150,633	-
Local Agency Bonds	2,885,000	N/A	-	-	-	-	2,885,000
Money Market Mutual Funds	193,969	Aaa	-	193,969	-	-	-
CAMP	5	N/A	-	5	-	-	-
LAIF	18,580,253	N/A	-	-	-	-	18,580,253
<u>Held with Fiscal Agent:</u>							
Money Market Mutual	8,234,502	Aaa	-	8,234,502	-	-	-
Total	\$ 236,076,067		\$ 112,396,839	\$ 71,783,175	\$ 13,798,568	\$ 16,632,233	\$ 21,465,253

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, 2022, the carrying amount of the District's deposits was \$20,755,670 and the corresponding bank balance was \$21,253,482. The difference of \$497,812 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, 2022, 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.

<u>Investment Type</u>	<u>Total Amount</u>
U.S. Treasury Obligations	\$ 112,396,839
Federal Agency Securities	51,158,392
Medium Term Notes	40,145,508
Certificate of Depsoit	2,481,600
Money Market Mutual Funds	193,969

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, 2022:

<u>Investment by Fair Value Level</u>	<u>Quoted Prices - Level 1</u>	<u>Observable Inputs - Level 2</u>	<u>Unobservable Inputs - Level 3</u>	<u>Total</u>
U.S. Treasury Obligations	\$ -	\$ 112,396,839	\$ -	\$ 112,396,839
Federal Agency Securities	-	51,158,392	-	51,158,392
Medium Term Notes	-	40,145,508	-	40,145,508
Certificate of Deposit	-	2,481,600	-	2,481,600
Local Agency Bonds	-	2,885,000	-	2,885,000
	<u>\$ -</u>	<u>\$ 209,067,339</u>	<u>\$ -</u>	<u>\$ 209,067,339</u>

Investments not subject to the Fair Value heirarchy:

LAIF	18,580,253
CAMP	5
Money Market Mutual Funds	193,969
<u>Held with Fiscal Agent:</u>	
Money Market Mutual Funds	8,234,502
Total	<u>\$ 236,076,067</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, 2022, 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 \$9,212,250, liabilities of \$86,963 and a net income of \$153,244 for the year ended June 30, 2022.

The District recorded an income of \$756,589 from its investment in the Meeks and Daley for the year ended June 30, 2022, which increased its investment balance from \$4,533,602 to \$5,290,191.

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, 2022 and 2021 are as follows:

	<u>June 2022</u>	<u>June 2021</u>
Total Assets	\$ 87,468,406	\$ 91,796,896
Total Liabilities	<u>77,960,509</u>	<u>80,369,758</u>
Total Net Position	<u>\$ 9,507,897</u>	<u>\$ 11,427,138</u>
Increase/(Decrease) in Net Position	<u>\$ (1,919,241)</u>	<u>\$ 5,333,495</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, 2022 is \$43,307.

6. NOTES & CONTRACTS RECEIVABLE:

	<u>2022</u>	<u>2021</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
Total Notes and Contracts Receivable	<u>\$ -</u>	<u>\$ 700,000</u>

7. LEASED ASSETS AND LEASE PAYABLE:

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the 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. For additional information, refer to the disclosures below.

The District entered into multiple lease agreements with Enterprise various vehicles with an average 60-month lease term. On July 1, 2021, an initial lease asset was recorded in the amount of \$1,222,018. As of June 30, 2022, the value of the right to use asset was \$1,698,631. Conversely, an initial lease liability was recorded in the amount of \$866,225, and as of June 30, 2022 the value of the lease liability was \$989,720. The vehicle leases have an average interest rate of 5.66%.

The District also entered into multiple lease agreements for the use of various First American computers and printers. On July 1, 2021, an initial lease asset was recorded in the amount of \$322,773. As of June 30, 2022, the value of the right to use assets was \$309,855. Conversely, an initial lease liability was recorded in the amount of \$210,247 and as of June 30, 2022, the value of the lease liability was \$159,310. The computer leases have an average interest rate of 1.024%.

The District also entered into multiple lease agreements for the use of various Great America's computers and printers. On July 1, 2021, an initial lease asset was recorded in the amount of \$131,520, as of June 30, 2022, the value of the right to use assets was \$125,236. Conversely, an initial lease liability was recorded in the amount of \$96,200, as of June 30, 2022, the value of the lease liability was \$60,128. The computer leases have an average interest rate of 0.550%.

The District also leases postage meters from Pitney Bowes. The initial value of these right to use assets as of July 1, 2021 was \$26,241 and was \$19,569 as of June 30, 2022. Total lease payable at June 30, 2022 is \$12,908.

Below is a summary of District leases as of June 30, 2022.

Lease Name - EVMWD as Lessee	Term	FY 2021 - 6/30/2021			FY2022 - 6/30/2022		
		Lease Assets	Lease Payable	Amortization Expense	Lease Assets	Lease Payable	Amortization Expense
Enterprise FSM -Vehicle Leases	Various agreements for 76 vehicles Average 60-month lease term Average IBR rate of 5.66%	\$866,226	\$866,224	\$435,230	\$989,721	\$989,720	\$454,620
First American -Computer Leases	36- month lease Average IBR rate at 1.024%	210,340	210,247	114,797	159,311	159,130	121,543
Great America - Computer Leases	48- month lease Average IBR rate at .550%	96,236	96,200	35,596	60,148	60,129	39,716
Pitney Bowes - Postage Meter lease	49-month lease IBR rate of .553%	19,577	19,569	6,868	12,914	12,908	7,231
Total Leases as Lessee		\$1,192,379	\$1,192,240	\$592,491	\$1,222,094	\$1,221,887	\$623,110

8. CAPITAL ASSETS:

	Balance June 30, 2021	Additions	Retirements/ Transfers	Balance June 30, 2022
Capital Assets Not Being Depreciated:				
Land	\$ 7,913,561	\$ -	\$ -	\$ 7,913,561
Construction in Progress	77,396,244	37,582,657	(14,168,642)	100,810,259
Water Rights	33,427,810	-	-	33,427,810
Total Capital Assets Not Being Depreciated	<u>118,737,615</u>	<u>37,582,657</u>	<u>(14,168,642)</u>	<u>142,151,630</u>
Capital Assets Being Depreciated:				
Infrastructure - Water	449,339,248	4,618,755	-	453,958,003
Infrastructure - Wastewater	406,911,854	8,682,859	-	415,594,713
Buildings and Structures	24,566,139	-	-	24,566,139
Vehicles and Equipment	8,522,958	281,366	-	8,804,324
Miscellaneous	1,832,537	585,663	-	2,418,200
Total Capital Assets Being Depreciated	<u>891,172,736</u>	<u>14,168,643</u>	<u>-</u>	<u>905,341,379</u>
Less Accumulated Depreciation:				
Infrastructure - Water	(201,386,158)	(11,558,690)	-	(212,944,848)
Infrastructure - Wastewater	(146,736,838)	(8,749,027)	-	(155,485,865)
Buildings and Structures	(14,961,049)	(604,823)	-	(15,565,872)
Vehicles and Equipment	(7,242,007)	(373,577)	-	(7,615,584)
Miscellaneous	(1,179,564)	(147,508)	-	(1,327,072)
Total Accumulated Depreciation	<u>(371,505,616)</u>	<u>(21,433,625)</u>	<u>-</u>	<u>(392,939,241)</u>
Total Capital Assets Being Depreciated, Net	<u>519,667,119</u>	<u>(7,264,982)</u>	<u>-</u>	<u>512,402,137</u>
Capital Assets, Net	<u>\$ 638,404,734</u>	<u>\$ 30,317,675</u>	<u>\$ (14,168,642)</u>	<u>\$ 654,553,767</u>

	Amount Authorized	Cumulative Expenditures June 30, 2022	Unexpended Commitments
Major components of Construction Work In Progress (CIP):			
Water Facilities	\$ 42,472,768	\$ 19,319,914	\$ 23,152,854
Regional Water Reclamation Facility Upgrades Construction	39,320,829	41,366,578	(2,045,749)
Wastewater Facilities	30,870,713	10,533,814	20,336,899
Horsethief Treatment Plant Expansion	22,705,244	6,037,785	16,667,459
Salt Removal Projects (Desalter)	15,998,853	631	15,998,222
Regional Water Reclamation Facility Expansion Planning	12,981,436	9,023,356	3,958,080
Other Facilities	10,363,561	3,203,093	7,160,468
Mayhew Well (New)	7,789,726	1,145	7,788,581
Diamond Regional Lift Station Dual Force Main	6,729,975	552,423	6,177,552
Lee Lake Well Conversion	5,987,545	1,724,722	4,262,823
Railroad Canyon Treatment Facility Improvements	5,634,674	1,238,934	4,395,740
Palomar Wells	5,356,470	2,754,672	2,601,798
CLWTP Master Plan Phase I Improvements	4,268,584	1,800,065	2,468,519
Regional Water Reclamation Facility Upgrades Planning	3,625,600	3,253,127	372,473
Total Major Components of CIP	<u>\$ 214,105,978</u>	<u>\$ 100,810,259</u>	<u>\$ 113,295,719</u>

Allow for rounding differences

9. 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, 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, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

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, 2020, 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

9. 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, 2022 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	12.29%	12.29%	12.29%
Employer Payment of Unfunded Liability	16.58%	16.58%	16.58%

Employees Covered:

At June 30, 2022, the following employees were covered by the benefit terms:

	<u>Miscellaneous</u>
Active employees	160
Transferred members	146
Terminated employees	117
Retired members and beneficiaries	174
Total	<u><u>597</u></u>

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.

9. 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2020 valuation was rolled forward to determine the June 30, 2021 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.

Changes of Assumptions:

There were no changes in assumptions for measurement date June 30, 2021.

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.

9. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

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 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

9. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):***Pension Plan Fiduciary Net Position:***

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. For example, for the accounting reports, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in your funding actuarial valuation.

Changes in the Net Pension Liability

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: 6/30/2020 Measurement Date	\$ 111,779,977	\$ 82,393,535	\$ 29,386,442
Changes Recognized for the Measurement Period:			
Service Cost	2,708,216	-	2,708,216
Interest on Total Pension Liability	7,966,474	-	7,966,474
Differences between Expected and Actual Experience	732,020	-	732,020
Contributions- employer	-	4,016,728	(4,016,728)
Contributions- employee	-	1,134,140	(1,134,140)
Net Investment Income	-	18,807,057	(18,807,057)
Benefit Payments, including Refunds of Employee Contributions	4,893,768	4,893,768	-
Administrative Expense	-	(82,306)	82,306
Net Changes during 2020-2021	6,512,942	18,981,851	(12,468,909)
Balance at: 6/30/2021 Measurement Date	\$ 118,292,919	\$ 101,375,386	\$ 16,917,533

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	\$33,660,884	\$16,917,533	\$3,186,248

9. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Subsequent Events:

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20% from 7.00% to 6.8%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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.

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, 2021 is 3.5 years, which was obtained by dividing the total service years of 1,788 (the sum of remaining service lifetimes of the active employees) by 517 (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, 2021

As of the start of the measurement period (July 1, 2020), the net pension liability was \$29,386,442.

9. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

For the measurement period ending June 30, 2021 (the measurement date), the Authority incurred a pension expense of \$1,787,664 for the Plan. A complete breakdown of the pension expense is as follows:

Description	Amount
Service Cost	\$ 2,708,216
Interest on Total Pension Liability	7,966,474
Recognized Differences between Expected and Actual Experience	873,240
Employee Contributions	(1,134,140)
Projected Earnings on Pension Plan Investments	(5,892,352)
Recognized Differences between Projected and Actual Earnings on Pension Plan Investment	(2,816,080)
Administrative Expense	82,306
Total Pension Expense	\$ 1,787,664

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, 2021. 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	\$ 4,415,197	\$ -
Differences Between Expected and Actual Experience	1,041,543	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investment	-	(9,321,684)
Total	\$ 5,456,740	\$ (9,321,684)

\$4,415,197 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 upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources (net amount of \$8,280,141) related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2023	\$ (1,706,201)
2024	(1,844,875)
2025	(2,146,124)
2026	(2,582,941)
2027	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2022, the Authority reported a payable of \$120,374 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

10. FIDUCIARY FUNDS - COMMUNITIES FACILITIES DISTRICT BONDS:

The District currently has eight 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 2002-1, 2003-1, 2003-2, 2020-1 IA-1A, 2020-1 IA-2A, and 2020-1 IA-3A 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 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, 2022 is \$2,885,000.

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, 2022 is \$1,838,000.

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, 2022 is \$1,307,000. 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, 2022 is \$2,614,000. 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.

10. COMMUNITIES FACILITIES DISTRICT BONDS (CONTINUED):

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, 2022 is \$949,000. 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 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, 2022 is \$1,238,000.

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 1,174 residential units. The CFD was formed with seven improvement areas labeled either Improvement Area "A" or "B". Bonds for Improvement Area 1A, 2A, and 3A were 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.

Improvement Area No 1A includes approximately 146 acres with residential lot maps expected to be created through the recordation of four phased final subdivision maps. The first three phases are planned for 225 residential lots on approximately 43.30 acres that are subject to the Special Tax. The development of the fourth phase is uncertain and has not been assumed while sizing the Improvement Area No. 1A Bonds. Bonds in the amount of \$4,800,000 were issued September 23, 2021 with repayment being provided by a special tax to be placed on each parcel of taxable property. Principal payments on the bonds will commence September 1, 2024 and will expire September 1, 2051. The outstanding balance as of June 30, 2022 is \$4,800,000.

The Developer within Improvement Area No. 1A has deposited with the District a letter of credit in an amount equal to two years of the Maximum Special Tax on all phases within Improvement Area No. 1A, which may be drawn upon by the District in the event of delinquencies in the payment of Special Taxes.

Improvement Area No 2A includes approximately 46 acres and is planned for 229 single family homes. Approximately 24 acres are expected to be subject to the Special Tax. Bonds in the amount of \$5,145,000 were issued September 23, 2021 for Improvement Area 2A with repayment being provided by a special tax to be placed on each parcel of taxable property. Principal payments on the bonds will commence September 1, 2024 and will expire September 1, 2051. The outstanding balance as of June 30, 2022 is \$5,145,000.

Improvement Area No 3A includes approximately 130 acres and is entitled with 334 single family homes in six planning areas. Approximately 69.553 acres of the property would be subject to the Special Tax at build-out assuming residential use. Bonds in the amount of \$7,550,000 were issued September 23, 2021 for Improvement Area 3A with repayment being provided by a special tax to be placed on each parcel of taxable property. Principal payments on the bonds will commence September 1, 2024 and will expire September 1, 2051. The outstanding balance as of June 30, 2022 is \$7,550,000.

The Developer within Improvement Area No. 3A has deposited with the District a cash deposit in an amount equal to two years of the Special Tax, which may be drawn upon by the District in the event of delinquencies in the payment of Special Taxes.

10. COMMUNITIES FACILITIES DISTRICT BONDS (CONTINUED):

On February 25, 2021, CFD 2021-1 was formed to help finance the acquisition and construction of certain public facilities to serve approximately 11.69 acres located in the City of Wildomar. Repayment of the bonds would be provided by a special assessment charged to each parcel or acre of land within the project. As of June 30, 2022 bonds had not been issued and the process to dismantle the CFD was initiated.

As of June 30, 2022, the available funds for each CFD are as follows:

CFD #	Amount
1998-2	\$ 732,466
1999-1	391,310
2004-1	124,626
2014-1	1,038,061
	<u>\$ 2,286,463</u>

11. LONG TERM LIABILITIES:

Long-Term Liabilities for the year-ended June 30, 2022 are as follows:

	Balance at June 30, 2021	Additions	Deletions	Amortizations	Balance at June 30, 2022	Amounts Due In One Year
Certificates of Participation	\$ 65,201,070	\$ -	\$ 65,365,000	\$ 163,930	\$ -	\$ -
Water Revenue Bonds	72,871,186	36,270,409	5,385,000	(1,162,093)	102,594,502	6,350,000
Direct Borrowings:						
Loans Payable	39,595,789	5,833,875	1,026,589	-	44,403,075	1,033,926
Advances from U.S. Government	3,864,729	-	386,473	-	3,478,256	386,473
Total Long-Term Debt, net of						
Unamortized Premium	181,532,774	42,104,284	72,163,062	(998,163)	150,475,833	7,770,399
Net Pension Liability	29,386,442	6,512,942	18,981,851	-	16,917,533	-
Lease Payable	1,192,240	123,496	93,849	-	1,221,887	-
Accrued Compensated Absences	4,734,233	1,913,260	1,894,133	-	4,753,360	977,022
Total Long-Term Liabilities	<u>\$ 216,845,689</u>	<u>\$ 50,653,982</u>	<u>\$ 93,132,895</u>	<u>\$ (998,163)</u>	<u>\$ 173,368,613</u>	<u>\$ 8,747,421</u>

11. LONG TERM LIABILITIES (CONTINUED):

Total future long-term debt maturities as of June 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 7,770,399	\$ 3,679,378	\$ 11,449,777
2024	9,419,879	3,821,015	13,240,894
2025	9,793,244	3,469,700	13,262,944
2026	10,243,342	3,100,529	13,343,871
2027	10,707,359	2,711,013	13,418,372
2028-2032	47,403,940	7,665,600	55,069,540
2033-2037	28,532,015	2,360,939	30,892,954
2038-2042	10,020,369	521,088	10,541,457
2043-2047	2,006,549	26,845	2,033,394
2048-2052	8,777	484	9,261
2053-2055	5,458	99	5,557
Total	135,911,331	27,356,690	163,268,021
Unamortized Premium/Discount	14,564,502	-	14,564,502
Total	\$ 150,475,833	\$ 27,356,690	\$ 177,832,523

Allow for rounding differences

12. 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 \$1,286,183 and \$1,382,367 as of June 30, 2022 and June 30, 2021, respectively.

13. CERTIFICATES OF PARTICIPATION:

	<u>2022</u>	<u>2021</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%). All outstanding principal amounts and interest due was paid July 1, 2021.	\$ -	\$ 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%). All outstanding principal amounts and interest due was paid July 1, 2021.	-	17,900,000
Total Certificates of Participation Payable	-	65,365,000
Unamortized Premium/Discount on issue	-	(163,930)
Net Certificates of Participation Payable	<u>\$ -</u>	<u>\$ 65,201,070</u>

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 were payable solely from installment payments to be made by the District. The District was obligated to make annual installment payments from any and all lawfully available revenues. The District covenanted to budget and annually appropriate sufficient sums to pay all required installment payments when due. The COPs were refunded on July 1, 2022 with the issuance of the Refunding Water Revenue Bonds, Series 2021A in the amount of \$31,625,000. The current refunding met the requirements of a legal defeasance and both COPs were removed from the financial statements.

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. On July 1, 2021, the certificates were defeased through a current refunding and removed from the District’s financial statements.

As part of the refunding, the District utilized the Reserve fund balance of \$4.3 million that was established and deposited with the Trustee on the Closing Date of the Bonds pursuant to the Reserve Requirement of the 2008B COPs. The District maintained the Reserve Fund until all required 2008B installment payments, and interest thereon, were paid in full pursuant to the 2008B Installment Sale Agreement and until the first date upon which the Series B Certificates were 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 was terminated when the bonds were fully defeased on July 1, 2022.

Payments for the 2008B Certificates were 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 continued until the July 1, 2022 refunding. At that time all outstanding certificates were called and paid in full.

13. CERTIFICATES OF PARTICIPATION (CONTINUED):

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 was terminated with the full repayment of the bonds.

Payments for the 2011A Certificates were 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.

14. WATER REVENUE BONDS PAYABLE:

	<u>2022</u>	<u>2021</u>
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.	\$ 56,405,000	\$ 61,790,000
Water Revenue Bonds, Series 2021A totaling \$31,625,000, dated July 1, 2021, issued to advance refund the 2008B and 2011A Certificates of Participation. Interest is payable semi-annually on July 1 and January 1, at 3.00%. Principal amounts are payable annually on each July 1, commencing July 2022 and ranging from \$685,000 in July 2022 to \$4,835,000 in July 2035.	31,625,000	-
Total Water Revenue Bonds Payable	88,030,000	61,790,000
Unamortized Premium/Discount on issue	<u>14,564,502</u>	<u>11,081,186</u>
Net Water Revenue Bonds Payable	<u>\$ 102,594,502</u>	<u>\$ 72,871,186</u>

Future long-term water revenue bond maturities as of June 30, 2022 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 6,350,000	\$ 3,617,100	\$ 9,967,100
2024	6,680,000	3,305,400	9,985,400
2025	7,030,000	2,977,450	10,007,450
2026	7,455,000	2,631,525	10,086,525
2027	7,895,000	2,266,025	10,161,025
2028-2032	34,165,000	5,812,475	39,977,475
2033-2036	18,455,000	1,159,075	19,614,075
Total	<u>\$ 88,030,000</u>	<u>\$ 21,769,050</u>	<u>\$ 109,799,050</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.

14. WATER REVENUE BONDS PAYABLE (CONTINUED):

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.

On July 1, 2021 the Authority issued Refunding Water Revenue Bonds, Series 2021A in the amount of \$31,625,000 at 3%. The proceeds were used to refund the Elsinore Valley Municipal Water District's 2008B and 2011A COPs and placed in separate irrevocable escrow funds to pay the remaining debt service requirements on the refunded debt.

The current 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 \$4.3 million and contributed an additional \$24.2 million to the refunding. The reacquisition price exceeded the net carrying amount of the old debt by \$164,000. This amount is being netted against the new debt and is being amortized over the remaining life of the refunding debt. The total savings in cash flow was \$4.9 million and the economic gain or net present value savings at 1.215% was \$4.1 million. Principal repayment for the revenue bonds will commence July 1, 2022 and continue through July 2035. 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.

15. LOANS PAYABLE - Direct Borrowings:

	2022	2021
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.	\$ 246,837	\$ 489,276
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.	1,931,818	2,036,123
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.	1,544,774	1,737,871
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.	3,798,008	4,220,009
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.	1,386,614	1,451,361
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 \$35,446,517 was disbursed as of June 30, 2022. Interest accrues at a rate of 1.3% upon the final disbursement request and project completion date of September 30, 2022. Payments begin September 2023 and continue through September 2042.	35,446,517	29,661,149
State Water Resources Control Board – California’s Clean Water State Revolving Fund. Original loan amount of \$129,860,229 authorized for the Regional Water Reclamation Facility Expansion Construction. A total amount of \$48,507 was disbursed as of June 30, 2022. Interest accrues at a rate of 0.9% upon the final disbursement request and project completion date of September 30, 2024. Payments begin September 2025 and continue through September 2054.	48,507	-
Total Loans Payable	<u>\$ 44,403,075</u>	<u>\$ 39,595,789</u>

15. LOANS PAYABLE - Direct Borrowings (CONTINUED):

Future long-term maturities as of June 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 1,033,926	\$ 62,278	\$ 1,096,204
2024	2,353,406	515,615	2,869,021
2025	2,376,771	492,250	2,869,021
2026	2,401,869	469,004	2,870,873
2027	2,425,886	444,988	2,870,874
2028-2032	11,693,049	1,853,125	13,546,174
2033-2037	10,077,015	1,201,864	11,278,879
2038-2042	10,020,369	521,088	10,541,457
2043-2047	2,006,549	26,845	2,033,394
2048-2052	8,777	484	9,261
2053-2055	5,458	99	5,557
Total	<u>\$ 44,403,075</u>	<u>\$ 5,587,640</u>	<u>\$ 49,990,715</u>

Allow for rounding differences

EVMWD has seven 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.

16. 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 \$13,116,244 has been repaid as of June 30, 2022, with a current unpaid balance of \$3,478,256. 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, 2022 are as follows:

Fiscal Year	Principal
2023	\$ 386,473
2024	386,473
2025	386,473
2026	386,473
2027	386,473
2028-2031	1,545,891
Total	<u>\$ 3,478,256</u>

17. LEASE INCOME:

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the 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. For additional information, refer to the disclosures below.

The District as a Lessor classified the lease revenues as operating and non-operating, depending on the type of the underlying assets being leased out. The Canyon Lake Property Owners Association (POA) lake lease and the San Bernardino Basin Area Water rights (SBBA) lease are considered as non-operating revenue, while revenue from cell site leases are considered under the operating revenue in the Statement of Revenue, Expenses and Changes in Net Position.

The District leases the exclusive right to use the Railroad Canyon Reservoir for boating, fishing and water sports to the Canyon Lake POA. On March 10, 2017, the fifth amendment to Railroad Canyon Reservoir lease agreement was executed extending the current lease agreement through December 31, 2111, which includes the amended lease 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. The payment is calculated by adding to the base rent the cost of living adjustment based on the Consumer Price Index for All Urban Consumers (COI-U) in Riverside-San Bernardino-Ontario County.

Cost of living adjustments are cumulative. The amount recorded as revenue for the fiscal year 2021/2022 is \$1,618,775.

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

On January 1, 2022, the base rate was 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 2021/2022 is \$974,063.

The amount recorded as non-operating revenue for the fiscal year 2021/2022 is \$2,592,838.

The District also has thirteen cell site leases with various terms and lease options. On July 1, 2021 the initial lease receivable for all thirteen cell site leases was recorded at \$3,927,498. As of June 30, 2022, the value of the lease receivable is \$3,024,113. The cell site leases have an average interest rate of 0.8806%. The value of the deferred inflow of resources as of June 30, 2022 was \$3,026,665 and the District recognized rental income of \$440,779.

17. LEASE INCOME (CONTINUED):

Below is a summary of the leases of the District as a lessor as of June 30, 2022.

Lease Name - EVMWD as Lessor	Term	Lease End Date	Lessee's Mo. Fixed Payment	IBR Rate	Lease Receivable	FY 2021	FY2022		Lease & Interest Revenue Earned
						6/30/2022	6/30/2022	6/30/2022	
						Lease Receivable	Deferred Inflow of Resources		
Canyon Lake POA - Railroad Canyon Reservoir	1086- month lease 44-year extension was already applied on the 2111 lease end date	12/31/2111	\$128,315	2.0780%	\$ 93,978,178	\$ 92,926,717	\$ 93,086,480	\$ 1,618,775	
San Bernardino Back Basin Area - Water Rights	1/1/2021 lease commencement date 240- month lease 2 extension options for 60 months each	12/31/2041	\$74,600	1.9360%	\$ 18,381,992	\$ 17,438,470	\$ 17,466,826	\$ 974,063	
Sub-Total Non-Operating					\$ 112,360,171	\$ 110,365,187	\$ 110,553,306	\$ 2,592,838	
Cell Site -American Tower Hampton	79- month lease 2 extension options for 60 months each	1/31/2027	\$2,692	0.8060%	\$ 205,849	\$ 168,977	\$ 169,094	\$ 32,824	
Cell Site - ATT Mobility -Goldrush	72- month lease 1 extension options for 60 months each	7/27/2026	\$3,378	0.7030%	288,835	231,916	232,061	49,110	
Cell Site - CCATT Holdings - Cedar Hill	112 month lease 11 extension, each for 60 months	11/12/2029	\$3,058	0.9220%	345,033	303,789	304,024	38,786	
Cell Site - CCATT Holdings - Sunnyslope	112-month lease 11 extension options, each for 60 months	11/12/2029	\$2,598	0.9220%	293,873	258,744	258,945	33,065	
Cell Site - Crown Castle	112-month lease 11 extension options, each for 60 months	11/12/2029	\$1,568	0.9220%	177,435	156,467	156,346	23,459	
Cell Site - Lower Meadowbrook Reservoir	112-month lease 11 extension options, each for 60 months	11/12/2029	\$2,505	0.9220%	339,436	298,860	299,097	33,449	
Cell Site - Phoenix Tower - 22905 Gold Rush	77-month lease 1 extension option, for 60 months	11/30/2026	\$2,657	0.7030%	193,453	157,736	157,830	30,950	
Cell Site - AT&T Mobility - Blackhorse Dr.	70-month lease 1 extension option, for 60 months	5/9/2026	\$3,446	0.7030%	232,723	237,842	238,081	20,582	
Cell Site - SBA/Cox -CA2952 Blackhorse	158-month lease 1 extension options, each for 12 months	9/23/2033	\$1,653	1.2070%	259,024	184,818	184,929	41,533	
Cell Site - Verizon - Cedarhill Lease	156-month lease 2 extension options, each for 12 months	6/30/2033	\$2,781	1.2070%	488,910	467,269	468,179	34,548	
Cell Site - VB Run LLC / Sprint Cottonwood Reservoir - RV70XC106	76-month lease 1 extension options, each for 60 months	11/4/2026	\$3,047	0.7030%	221,715	180,227	180,335	39,179	
Cell Site - Verizon - Goldrush aka Cross Hill Lease	102-month lease 2 extension options, each for 12 months	12/31/2028	\$2,464	0.9220%	251,759	218,187	218,357	31,299	
Cell Site - Verizon - Kachina Ct Lease Agreement	83-month lease 3 extension options, each for 12 months	5/31/2027	\$2,601	0.8060%	191,678	159,281	159,387	31,995	
Sub-total Operating Leases					3,489,722	3,024,113	3,026,665	440,779	
Total Leases					\$ 115,849,893	\$ 113,389,300	\$ 113,579,971	\$ 3,033,617	

18. 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>2022</u>	<u>2021</u>
Capital Assets (Net)	\$ 654,553,767	\$ 638,404,733
Less: Debt offsetting capital assets	<u>(149,406,504)</u>	<u>(175,946,459)</u>
Net investment in capital assets	505,147,263	462,458,274
Restricted Net Position	43,353,312	71,967,372
Unrestricted Net Position	<u>204,642,006</u>	<u>181,372,092</u>
Total Net Position	<u>\$ 753,142,580</u>	<u>\$ 715,797,738</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, 2022 and June 30, 2021 unrestricted net position amounts consist of the following:

	<u>2022</u>	<u>2021</u>
Customer Deposits	\$ 8,704,843	\$ 4,867,194
Debt Services Reserves	16,427,561	11,633,545
Reserve For Encumbered Projects	114,131,964	90,722,823
Special Revenue Reserve	12,917,109	16,796,787
Other Unrestricted Net Position	19,761,123	12,481,124
Operational Reserve	22,069,446	22,532,489
Replacement Reserve	<u>10,629,960</u>	<u>22,338,130</u>
Total Unrestricted Net Position	<u>\$ 204,642,006</u>	<u>\$ 181,372,092</u>

Allow for rounding differences

19. 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, 2022, and are included in the District's financial statements.

CONDENSED STATEMENT OF NET POSITION

	WESA	SEWER CORP	TOTAL
ASSETS:			
Current Assets	\$ 2,193,943	\$ -	\$ 2,193,943
Noncurrent Assets	24,558,814	-	24,558,814
Total Assets	<u>26,752,757</u>	-	<u>26,752,757</u>
DEFERRED OUTFLOWS OF RESOURCES	5,456,740	-	5,456,740
LIABILITIES:			
Current Liabilities	1,909,234	-	1,909,234
Noncurrent Liabilities	20,693,871	-	20,693,871
Total Liabilities	<u>22,603,105</u>	-	<u>22,603,105</u>
DEFERRED INFLOWS OF RESOURCES	9,321,684	-	9,321,684
NET POSITION			
Unrestricted	<u>\$ 284,708</u>	<u>\$ -</u>	<u>\$ 284,708</u>

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

	WESA	SEWER CORP	TOTAL
Operating Revenue	\$ 23,840,889	\$ -	\$ 23,840,889
Operating Expenses	(23,840,889)	(535)	(23,841,424)
Net Operating Income	-	(535)	(535)
Non-Operating Revenue	-	535	535
Change in Net Position	-	-	-
Net Position, Beginning of Year	284,708	-	284,708
Net Position, End of Year	<u>\$ 284,708</u>	<u>\$ -</u>	<u>\$ 284,708</u>

CONDENSED STATEMENT OF CASH FLOW

	WESA	SEWER CORP	TOTAL
NET CASH PROVIDED (USED) BY:			
Operating activities	\$ 235,347	\$ -	\$ 235,347
Investing activities	-	1,710	1,710
Capital and related financing activities	-	(1,710)	(1,710)
Net increase in cash and cash equivalents	235,347	-	235,347
CASH AND CASH EQUIVALENTS, Beginning of Year	854,783	-	854,783
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 1,090,130</u>	<u>\$ -</u>	<u>\$ 1,090,130</u>

Allow for rounding differences

20. 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, 2022, 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 is \$100,000 per incident.

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 nine fiscal years, the District had no settlements exceeding insurance coverage for these categories of risk. At June 30, 2022, 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.

21. 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.

22. JOINT VENTURE - BCGSA:

The Bedford-Coldwater Groundwater Sustainability Authority ("BCGSA") was organized on February 28, 2021 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, 2022 is as follows:

	June 2022	June 2021
Total Assets	\$ 986,510	\$ 739,646
Total Liabilities	780,135	515,421
Total Net Position	206,375	224,225
Increase/(Decrease) in Net Position	(17,850)	(28,175)

23. 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 received \$1.6 million in funding for residential and commercial water arrearages that qualified for reimbursement through the program in fiscal year 2022. Additional funding for residential and commercial sewer arrearages of approximately \$500,000 are estimated for fiscal year 2023.



REQUIRED SUPPLEMENTARY INFORMATION



ELISINORE VALLEY MUNICIPAL WATER DISTRICT
YEAR ENDED JUNE 30, 2022

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

Measurement Period	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:								
Service Cost	\$ 2,708,216	\$ 2,708,137	\$ 2,504,040	\$ 2,466,139	\$ 2,636,694	\$ 2,449,304	\$ 2,408,523	\$ 2,458,216
Interest	7,966,474	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	732,020	610,773	1,730,513	(287,200)	(579,128)	(219,718)	(286,905)	-
Benefit Payments, Including Refunds of Employee Contributions	(4,893,768)	(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	6,512,942	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	111,779,977	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)	\$ 118,292,919	\$ 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	\$ 4,016,728	\$ 3,669,646	\$ 3,299,273	\$ 2,907,458	\$ 2,742,846	\$ 2,656,957	\$ 2,500,495	\$ 2,232,962
Contributions - Employee	1,134,140	1,079,391	1,016,843	1,041,634	979,078	972,455	967,375	1,026,237
Net Investment Income	18,807,057	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	(4,893,768)	(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	(82,306)	(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	18,981,851	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⁾	82,393,535	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)	\$ 101,375,386	\$ 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)	\$ 16,917,533	\$ 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								
Covered Payroll ⁽³⁾	85.70%	73.71%	74.28%	74.70%	72.18%	72.92%	76.56%	77.42%
Plan Net Pension Liability as a Percentage of Covered Payroll	\$ 14,179,139	\$ 13,966,669	\$ 12,560,391	\$ 12,085,954	\$ 12,560,469	\$ 12,648,098	\$ 12,307,222	\$ 11,676,322
	119.31%	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) No. 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 OPEB 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 - 21; 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 eight 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 on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan activity.

Changes of Assumptions: None in 2021. 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-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 the new UAL bases established on or after June 30, 2019. None 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 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

Year ended June 30, 2022

Required Supplementary Information

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

Employer Fiscal Year End	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution ⁽²⁾	\$ 4,415,197	\$ 4,016,728	\$ 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⁾	(4,415,197)	(4,016,728)	(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⁾	\$15,355,655	\$14,179,139	\$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⁾	28.75%	28.33%	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 choose 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, 2018-21; 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 nine years are shown.

Notes to Schedule of Plan Contributions:

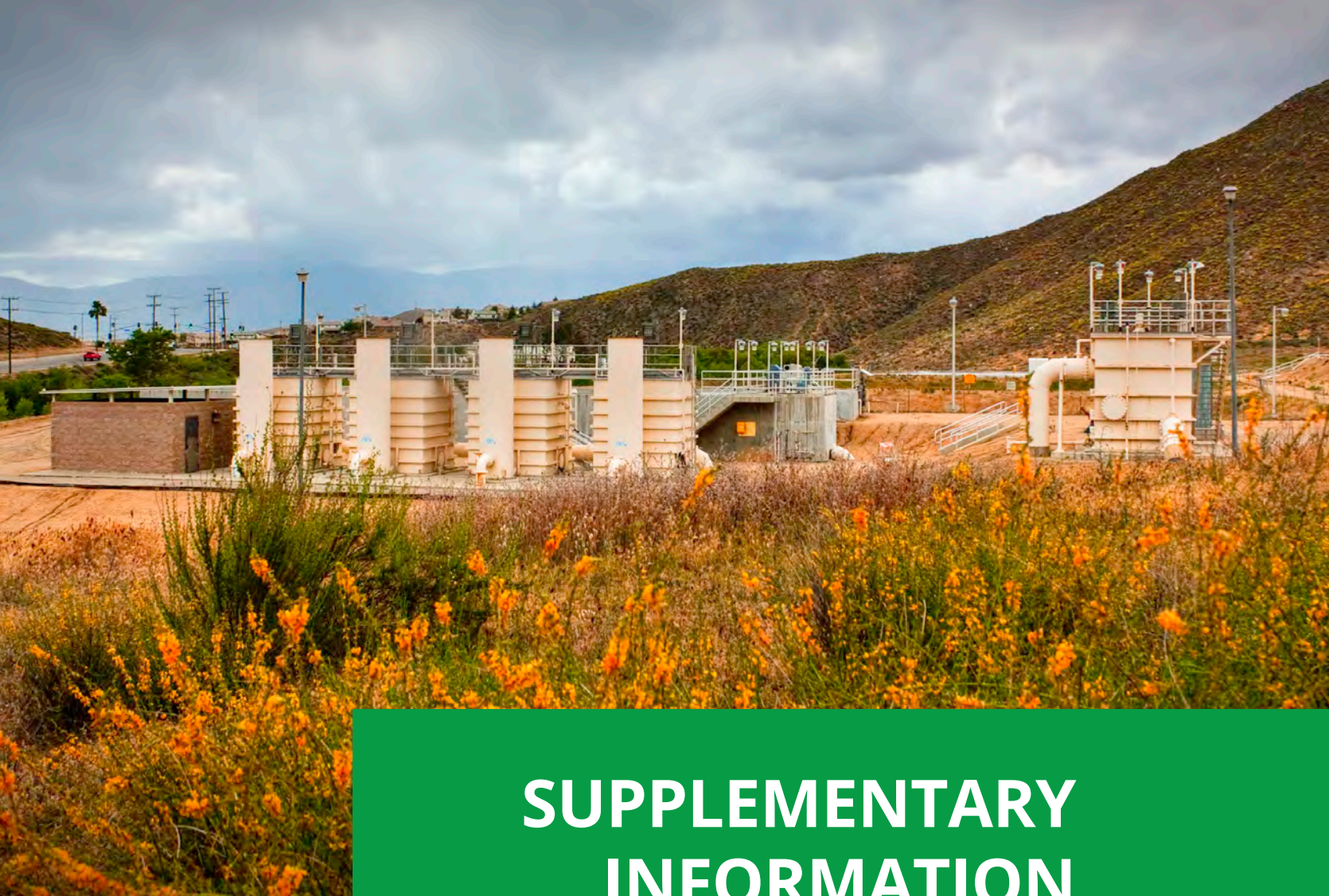
The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2020 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2020 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets.
Inflation	2.5%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
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



ELSINORE VALLEY MUNICIPAL WATER DISTRICT
YEAR ENDED JUNE 30, 2022

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**SCHEDULE OF MATURITIES OF
CERTIFICATES OF PARTICIPATION PAYABLE**

June 30, 2022 and 2021

<u>Payment Date</u>	<u>Interest Rate⁽²⁾</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾⁽³⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
Elsinore Valley Water and Sewer Facilities Corporation, 2008B - Refunding of 2005A - Original Issue \$54,655,000 ⁽²⁾					
07/01/20	0.010%	\$ -	\$ 47,465	\$ 47,465	\$ 47,465,000
07/01/21	0.020	47,465,000	-	47,465,000	-
Elsinore Valley Water and Sewer Facilities Corporation, 2011A - Refi of TVP USBR Loan Original Issue \$25,485,000 ⁽²⁾					
07/01/20	0.010%	\$ 945,000	\$ 18,845	\$ 963,845	\$ 17,900,000
07/01/21	0.020	17,900,000	-	17,900,000	-

⁽¹⁾ Rounded to the nearest dollar

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

⁽³⁾ All interest due 7/1/21 was prepaid on 6/30/21 as part of the refunding

**SCHEDULE OF MATURITIES OF
WATER REVENUE BONDS PAYABLE**

June 30, 2022 and 2021

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
Elsinore Valley Municipal Water District Financing Authority, 2016A Water Revenue Bonds - Refunding of 2007A and 2008A - Original Issue \$71,660,000					
07/01/20	5.000%	\$ 5,120,000	\$ 1,672,750	\$ 6,792,750	\$ 61,790,000
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, 2022 and 2021

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Service Fee Payments⁽¹⁾⁽²⁾</u>	<u>Grant Fee Payments⁽¹⁾⁽²⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Original Loan \$5,000,000							
02/28/21	1.814%	\$ 238,118	\$ 13,198	\$ -	\$ -	\$ 251,316	\$ 489,276
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							
12/31/20	1.700%	\$ 102,562	\$ 36,358	\$ -	\$ -	\$ 138,920	\$ 2,036,123
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, 2022 and 2021

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Service Fee Payments⁽¹⁾</u>	<u>Grant Fee Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Original Loan \$1,930,968							
10/31/20	0.000%	\$ 193,097	\$ -	\$ -	\$ -	\$ 193,097	\$ 1,737,871
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							
10/31/20	0.000%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 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

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

June 30, 2022 and 2021

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Service Fee Payments⁽¹⁾</u>	<u>Grant Fee Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Original Loan \$1,521,061							
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

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

June 30, 2022 and 2021

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Service Fee Payments⁽¹⁾</u>	<u>Grant Fee Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Estimated Loan \$42,487,100 ⁽³⁾							
06/30/21	1.300%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,661,149
06/30/22	1.300	-	-	-	-	-	35,446,517 ⁽²⁾
09/30/22	1.300	-	-	-	-	-	35,446,517
09/30/23	1.300	1,563,328	460,805	-	-	2,024,133	33,883,189
09/30/24	1.300	1,583,651	440,481	-	-	2,024,132	32,299,538
09/30/25	1.300	1,604,238	419,894	-	-	2,024,132	30,695,300
09/30/26	1.300	1,625,093	399,039	-	-	2,024,132	29,070,207
09/30/27	1.300	1,646,220	377,913	-	-	2,024,133	27,423,987
09/30/28	1.300	1,667,620	356,512	-	-	2,024,132	25,756,367
09/30/29	1.300	1,689,299	334,833	-	-	2,024,132	24,067,068
09/30/30	1.300	1,711,260	312,872	-	-	2,024,132	22,355,808
09/30/31	1.300	1,733,507	290,625	-	-	2,024,132	20,622,301
09/30/32	1.300	1,756,042	268,090	-	-	2,024,132	18,866,259
09/30/33	1.300	1,778,871	245,261	-	-	2,024,132	17,087,388
09/30/34	1.300	1,801,996	222,136	-	-	2,024,132	15,285,392
09/30/35	1.300	1,825,422	198,710	-	-	2,024,132	13,459,970
09/30/36	1.300	1,849,153	174,980	-	-	2,024,133	11,610,817
09/30/37	1.300	1,873,192	150,941	-	-	2,024,133	9,737,625
09/30/38	1.300	1,897,543	126,589	-	-	2,024,132	7,840,082
09/30/39	1.300	1,922,211	101,921	-	-	2,024,132	5,917,871
09/30/40	1.300	1,947,200	76,932	-	-	2,024,132	3,970,671
09/30/41	1.300	1,972,514	51,619	-	-	2,024,133	1,998,157
09/30/42	1.300	1,998,156	25,976	-	-	2,024,132	-

⁽¹⁾ Rounded to the nearest dollar

⁽²⁾ Preliminary debt schedule. Balance equal to amount disbursed to date.

⁽³⁾ Loan amount authorized. See Note 14.

SCHEDULE OF MATURITIES OF LOANS PAYABLE (Continued)

June 30, 2022 and 2021

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Service Fee Payments⁽¹⁾</u>	<u>Grant Fee Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
State of California Water Resources Control Board - Estimated Loan \$129,860,229 ⁽³⁾							
06/30/22	0.900%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,507 ⁽²⁾
08/25/22	0.900	-	-	-	-	-	48,507
08/25/23	0.900	-	-	-	-	-	48,507
08/25/24	0.900	-	-	-	-	-	129,860,229 ⁽⁴⁾
08/25/25	0.900	3,789,901	1,168,742	-	-	4,958,643	126,070,328
08/25/26	0.900	3,824,010	1,134,633	-	-	4,958,643	122,246,318
08/25/27	0.900	3,858,426	1,100,217	-	-	4,958,643	118,387,892
08/25/28	0.900	3,893,152	1,065,491	-	-	4,958,643	114,494,740
08/25/29	0.900	3,928,190	1,030,453	-	-	4,958,643	110,566,550
08/25/30	0.900	3,963,544	995,099	-	-	4,958,643	106,603,006
08/25/31	0.900	3,999,216	959,427	-	-	4,958,643	102,603,790
08/25/32	0.900	4,035,209	923,434	-	-	4,958,643	98,568,581
08/25/33	0.900	4,071,526	887,117	-	-	4,958,643	94,497,055
08/25/34	0.900	4,108,169	850,474	-	-	4,958,643	90,388,886
08/25/35	0.900	4,145,143	813,500	-	-	4,958,643	86,243,743
08/25/36	0.900	4,182,449	776,194	-	-	4,958,643	82,061,294
08/25/37	0.900	4,220,091	738,552	-	-	4,958,643	77,841,203
08/25/38	0.900	4,258,072	700,571	-	-	4,958,643	73,583,131
08/25/39	0.900	4,296,395	662,248	-	-	4,958,643	69,286,736
08/25/40	0.900	4,335,062	623,581	-	-	4,958,643	64,951,674
08/25/41	0.900	4,374,078	584,565	-	-	4,958,643	60,577,596
08/25/42	0.900	4,413,445	545,198	-	-	4,958,643	56,164,151
08/25/43	0.900	4,453,166	505,477	-	-	4,958,643	51,710,985
08/25/44	0.900	4,493,244	465,399	-	-	4,958,643	47,217,741
08/25/45	0.900	4,533,683	424,960	-	-	4,958,643	42,684,058
08/25/46	0.900	4,574,486	384,157	-	-	4,958,643	38,109,572
08/25/47	0.900	4,615,657	342,986	-	-	4,958,643	33,493,915
08/25/48	0.900	4,657,198	301,445	-	-	4,958,643	28,836,717
08/25/49	0.900	4,699,112	259,530	-	-	4,958,642	24,137,605
08/25/50	0.900	4,741,404	217,238	-	-	4,958,642	19,396,201
08/25/51	0.900	4,784,077	174,566	-	-	4,958,643	14,612,124
08/25/52	0.900	4,827,134	131,509	-	-	4,958,643	9,784,990
08/25/53	0.900	4,870,578	88,065	-	-	4,958,643	4,914,413
08/25/54	0.900	4,914,413	44,230	-	-	4,958,643	-

⁽¹⁾ Rounded to the nearest dollar

⁽²⁾ Preliminary debt schedule. Balance equal to amount disbursed to date.

⁽³⁾ Loan amount authorized. See Note 14.

⁽⁴⁾ Preliminary debt schedule. Figures subject to change. Schedule based on estimated amount.

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

June 30, 2022 and 2021

<u>Payment Date</u>	<u>Interest Rate</u>	<u>Principal Payments⁽¹⁾</u>	<u>Interest Payments⁽¹⁾</u>	<u>Total Debt Service⁽¹⁾</u>	<u>Principal Balance⁽¹⁾</u>
U.S. Bureau of Reclamation - Lake Management Project - Original Advance \$16,594,500					
05/01/21		\$ 386,473	\$ -	\$ 386,473	\$ 3,864,729
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



ELISNORE VALLEY MUNICIPAL WATER DISTRICT
YEAR ENDED JUNE 30, 2022

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This part of Elsinore Valley Municipal Water District’s Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

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 | These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time. 96

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 | These schedules contain information to help the reader assess the District’s most significant local revenue source, charges for services, and the property tax. 100

Debt Capacity.....108

 | 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. 108

Demographic and Economic Information112

 | These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place. 112

Operating Information.....115

 | 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

	<u>2013</u> ⁽¹⁾	<u>2014</u> ⁽²⁾	<u>2015</u>	<u>2016</u>	<u>2017</u>
NET POSITION					
Net investment in capital assets	\$ 346,436,891	\$ 353,090,158	\$ 356,641,697	\$ 407,432,038	\$ 416,010,569
Restricted	62,321,631	57,979,711	55,144,571	42,947,105	49,833,001
Unrestricted	<u>170,834,107</u>	<u>159,272,415</u>	<u>164,601,667</u>	<u>140,810,860</u>	<u>147,164,785</u>
TOTAL NET POSITION	<u>\$ 579,592,629</u>	<u>\$ 570,342,284</u>	<u>\$ 576,387,935</u>	<u>\$ 591,190,003</u>	<u>\$ 613,008,355</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
NET POSITION					
Net investment in capital assets	\$ 427,769,322	\$ 439,789,160	\$ 446,212,414	\$ 462,458,274	\$ 505,147,263
Restricted	52,157,863	55,240,883	54,818,750	71,967,372	43,353,312
Unrestricted	<u>161,488,668</u>	<u>168,286,791</u>	<u>191,129,738</u>	<u>181,372,092</u>	<u>204,642,006</u>
TOTAL NET POSITION	<u>\$ 641,415,853</u>	<u>\$ 663,316,834</u>	<u>\$ 692,160,902</u>	<u>\$ 715,797,738</u>	<u>\$ 753,142,580</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
OPERATING REVENUES										
Water Revenues	\$ 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	\$ 58,016,755
Wastewater Revenues	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	26,850,381
Recycled Water Revenues	-	-	-	939,750	1,036,047	1,146,853	1,043,280	1,353,922	1,547,653	1,681,044
Total Operating Revenues	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	86,548,180
NON-OPERATING REVENUES										
Property Taxes	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	12,242,789
Standby Charges	884,932	964,603	913,699	680,793	595,492	617,948	636,398	758,323	798,439	812,403
Investment Income	555,805	1,626,111	1,610,326	2,453,021	126,852	934,564	8,106,997	8,317,596	310,066	(7,114,904)
Other Non-Operating Revenues	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	4,628,092
Total Non-Operating Revenues	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	10,568,380
Total Revenues	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	97,116,560
OPERATING EXPENSES										
Water Purchases	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	22,992,874
Water Operations	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	18,091,588
Wastewater Operations	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	12,574,157
Recycled Water Operations	-	-	-	1,340,151	976,330	948,191	946,532	1,002,544	963,053	1,095,709
General and Administrative	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	12,618,955
Depreciation and Amortization	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	21,874,270
Total Operating Expenses	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	89,247,553

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NON-OPERATING EXPENSES										
Interest Expense	\$ 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	\$ 2,673,587
Other Expenses	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	2,820,602
Total Non-Operating Expenses	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	5,494,189
Total Expenses	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	94,741,742
INCOME (LOSS) BEFORE CONTRIBUTIONS	(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	2,374,818
CAPITAL CONTRIBUTIONS	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	34,970,023
CHANGE IN NET POSITION	\$ 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	\$ 37,344,841

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		Regional Wastewater			Total	
							Capital	Wastewater	Capital	Wastewater			
2022	\$ 1,351,727	\$ 1,756,063	\$ 744,796	\$ 2,296,205	\$ 1,281,772	\$ (44)	\$ (770)	\$ 2,060,581	\$ 1,956,197	\$ -	\$ 392,238	\$ 11,838,766	(3.4)%
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)	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

⁽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			
						Base Rate ⁽¹⁾	Usage Rate ⁽²⁾	Base Rate ⁽⁴⁾	Usage Rate ⁽⁴⁾
2022	24,283	22,888	1,395	5.7 %	8,862 \$	30.28 \$	3.38 \$	21.11 \$	7.21
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	-

⁽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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fixed Meter Charge:										
3/4"	\$ 14.82	\$ 15.78	\$ 16.58	\$ 21.08	\$ 21.27	\$ 23.77	\$ 26.27	\$ 27.65	\$ 28.70	\$ 30.28
1"	25.19	26.83	28.18	33.06	33.36	37.16	41.29	46.08	47.83	50.47
1-1/2"	48.91	52.09	54.70	63.01	63.58	70.63	78.85	92.17	95.67	100.94
2"	78.55	83.65	87.85	98.95	99.84	110.79	123.91	147.47	153.07	161.49
3"	148.20	157.83	165.76	212.76	214.67	237.96	266.59	294.93	306.14	322.98
4"	247.49	263.58	276.82	380.48	383.90	425.37	476.87	460.83	478.35	504.66
6"	493.51	525.59	551.98	961.51	970.16	1,074.63	1,205.35	921.67	956.69	1,009.31
8"	789.91	841.26	883.49	1,680.31	1,695.43	1,877.83	2,106.55	1,474.67	1,530.70	1,614.89
Variable Service Charge:										
Tier 2 User Rate (per ccf)	\$ 2.56	\$ 2.78	\$ 2.85	\$ 2.75	\$ 2.77	\$ 2.78	\$ 2.84	\$ 3.08	\$ 3.20	\$ 3.38
Power Zone 2 (per ccf)	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.26	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.31
SEWER RATES										
Fixed Service Charge	\$ 42.00	\$ 43.50	\$ 43.50	\$ 43.50	\$ 43.50	\$ 45.87	\$ 20.29	\$ 20.29	\$ 20.29	\$ 21.11
Variable (per person)	-	-	-	-	-	-	6.93	6.93	6.93	7.21

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - ELSINORE WATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2022 and 2013

Fiscal Year Ended June 30, 2022

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LEUSD	School District	704	\$ 1,357,751	2.34 %
2. City of Lake Elsinore	Government	428	747,913	1.29
3. Tuscany Hills Landscape & Rec Corp	Property Owners Association	269	579,955	1.00
4. City of Murrieta	Government	241	577,623	1.00
5. Farm Mutual Water Company	Water Company	334	537,146	0.93
6. Greer Ranch Community Association	Property Owners Association	214	443,427	0.76
7. Canyon Lake POA	Property Owners Association	176	395,495	0.68
8. KB Homes Coastal Inc	Property Owners Association	138	372,613	0.64
9. Rosetta Canyon Community Assoc	Property Owners Association	154	299,374	0.52
10. The Colony at California Oaks	Property Owners Association	134	285,425	0.49
		Total	2,792 \$ 5,596,724	9.65 %

Fiscal Year Ended June 30, 2013

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LEUSD	School District	962	\$ 1,543,558	3.62 %
2. City of Lake Elsinore	Government	409	684,709	1.60
3. City of Murrieta	Government	334	612,151	1.43
4. Canyon Lake POA	Property Owners Association	238	475,860	1.11
5. Greer Ranch Community Association	Property Owners Association	273	443,641	1.04
6. The Farm Mutual Water Company	Water Company	361	422,535	0.99
7. Rosetta Canyon Community Assoc	Property Owners Association	201	391,402	0.92
8. Pardee Construction	Developer	283	390,762	0.92
9. Tuscany Hills Landscape & Rec Corp	Property Owners Association	259	385,182	0.90
10. The Colony at California Oaks	Property Owners Association	154	255,566	0.60
		Total	3,474 \$ 5,605,366	13.13 %

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - TEMESCAL WATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2022 and 2013

Fiscal Year Ended June 30, 2022

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	27	\$ 61,200	0.11 %
2. Glen Ivy RVPOA Butterfield Estates Homeowners Association	Property Owners Association	41	47,893	0.08
3. Bledsoe Construction	Property Owners Association	23	41,045	0.07
4. Glen Ivy Village Inc	Business	9	17,215	0.03
5. Werner Corp	Property Owners Association	8	9,353	0.02
6. Resident	Business	3	9,264	0.02
7. Resident	Residence	3	7,711	0.01
8. Resident	Residence	2	6,615	0.01
9. Concept Corp.	Business	2	5,345	0.01
10. Resident	Residence	2	5,071	0.01
Total		<u>120</u>	<u>\$ 210,712</u>	<u>0.37 %</u>

Fiscal Year Ended June 30, 2013

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. The Golf Club at Glen Ivy	Golf Course	599	\$ 448,620	1.05%
2. Werner Corporation	Business	161	121,514	0.28
3. Mayhew Aggregates & Mine Reclamation	Business	87	72,474	0.17
4. Waste Management	Landfill	78	62,920	0.15
5. WSR /Butterfield Lee Lake Water District/Sycamore Creek Park	Property Owners Association	41	60,831	0.14
6. Glen Ivy RVPOA	Water Utility	247	60,659	0.14
7. California Meadows Home Owners Association	Property Owners Association	41	48,987	0.11
8. Corona Clay Company	Property Owners Association	29	41,973	0.10
9. Kenneth Holt	Business	42	34,449	0.08
10. Kenneth Holt	Agriculture	43	33,266	0.08
Total		<u>1,368</u>	<u>\$ 985,693</u>	<u>2.30%</u>

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - WASTEWATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2022 and 2013

Fiscal Year Ended June 30, 2022

Customer Name	Business Type	Annual Wastewater Revenues	Percentage of District Wastewater Revenues
1. Cottonwood Canyon Hills HOA	Property Owner Association	\$ 309,195	1.15 %
2. LEUSD	School District	296,509	1.10
3. City of Lake Elsinore	Government	282,495	1.05
4. Canyon Lake POA	Property Owners Association	231,675	0.86
5. Summerly Community Association	Property Owners Association	193,276	0.72
6. Links at Summerly	Golf Course	172,291	0.64
7. Horsethief Canyon Ranch Maint. Corp.	Property Owner Association	122,619	0.46
8. Amanda Park Partners	Apartment Complex	102,603	0.38
9. Lake Elsinore Casino	Casino	98,579	0.37
10. Blue Canary Corporation	Business Complex	80,558	0.30
Total		<u>\$ 1,889,800</u>	<u>7.03 %</u>

Fiscal Year Ended June 30, 2013

Customer Name	Business Type	Annual Wastewater Revenues	Percentage of District Wastewater Revenues
1. LEUSD	School District	\$ 323,400	1.30 %
2. Cottonwood Canyon Hills HOA	Property Owner Association	259,231	1.04
3. Pardee Homes	Developer	182,202	0.73
4. Amanda Park Partners	Apartment Complex	172,425	0.69
5. Santa Rosa Apartments	Apartment Complex	120,194	0.48
6. Lake Elsinore Casino	Casino	93,669	0.38
7. Wildomar Senior Partners	Apartment Complex	86,876	0.35
8. Ridgestone Apartments	Apartment Complex	86,507	0.35
9. Brookview Terrace HOA	Property Owner Association	82,188	0.33
10. River's Edge Apartments	Apartment Complex	61,035	0.25
Total		<u>\$ 1,467,727</u>	<u>5.90 %</u>

Source: Elsinore Valley Municipal Water District

WATER RATE COMPARISON FOR 20 CCF PER MONTH
As of June 30, 2022

	\$40	\$50	\$60	\$70	\$80	\$90	\$100+	\$200+
City of Escondido								218.95
City of San Diego							173.62	
Rainbow Municipal Water District							173.09	
Valley Center Municipal Water District							159.97	
Western Municipal Water District (March East)							150.46	
Farm Mutual Water Company							114.97	
Western Municipal Water District (Murrieta)							113.24	
Western Municipal Water District (Rainbow)							100.78	
Elsinore Valley Municipal Water District						97.28		
Western Municipal Water District (Riverside)						96.69		
Rancho California Water District (Santa Rosa Division)					86.55			
Temescal Valley Water District					83.50			
City of Corona				78.01				
City of Riverside (Outside City Limits)				76.15				
Eastern Municipal Water District				70.34				
Eastern Municipal Water District (San Jacinto)			62.22					
City of Riverside (Inside City Limits)		51.80						
Rancho California Water District (Rancho Division)		51.21						

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, 2022

	\$20	\$30	\$40	\$50	\$60	\$70	\$80
City of Escondido						77.30	
Western Municipal Water District (Riverside, Perris, Cajalco)						73.17	
Valley Center Municipal Water District				58.67			
City of San Diego				57.51			
Rainbow Municipal Water District				55.07			
Elsinore Valley Municipal Water District⁽¹⁾⁽²⁾			49.95				
City of Corona			45.60				
Western Municipal Water District (treated by EMWD)			45.08				
Rancho California Water District			45.00				
Western Municipal Water District (treated by RCWD)			42.58				
Eastern Municipal Water District (Perris Valley)			39.60				
City of Riverside		39.59					
Temescal Valley Water District		38.57					
Eastern Municipal Water District (Temecula Valley)		34.98					
Farm Mutual Water Company		34.00					
Eastern Municipal Water District (Sun City)		31.03					
Eastern Municipal Water District (San Jacinto)	29.81						

⁽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 Amount	Delinquency Percent	Taxes Levied	Taxes Collected	Delinquency Amount	Delinquency Percent
2022	\$ 7,340,742	\$ 7,150,257	\$ 190,485	2.6%	\$ 361,021	\$ 349,973	\$ 11,048	3.1%
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

Source: County of Riverside
Elsinore Valley Municipal Water District

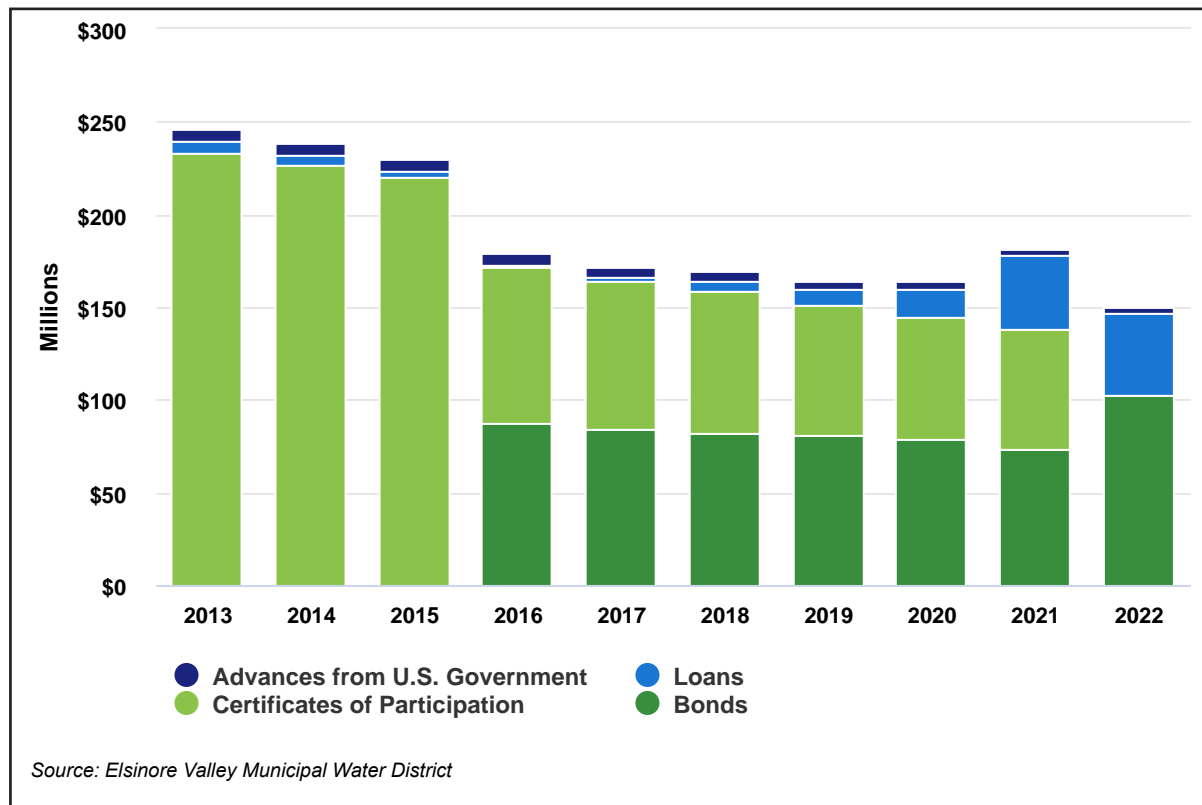
Note: Total taxes collected do not include prior year, supplemental, or EWD taxes collected

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*
2022	\$ 102,594,502	\$ 0	\$ 44,403,075	\$ 3,478,256	\$ 150,475,833	1,790
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

* 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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES:										
Water Revenues	\$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	\$58,016,755
Sewer Revenues	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	26,850,381
Recycled Water Revenues	-	-	-	939,750	1,036,047	1,146,853	1,043,280	1,353,922	1,547,653	1,681,044
Property Taxes - General Purpose	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	7,782,474
Property Taxes - Temescal Redevelopment	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	3,929,925
Property Taxes - Temescal Valley Project	495,822	504,533	451,752	433,830	492,364	482,155	508,160	526,009	467,759	530,390
Standby Charges	884,932	964,603	913,699	680,793	595,492	617,948	636,398	758,323	798,439	812,403
Capacity Fees	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	11,838,766
Investment Income	563,761	1,626,111	1,610,326	2,453,021	126,852	934,561	8,106,997	8,317,596	310,066	(7,114,904)
Grants	7,000	112,299	286,910	817,868	6,906,333	3,090,355	25,315	5,364,290	169,481	3,980,027
Lease Income	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	2,592,838
Return of Principal	54,614	56,619	58,685	-	-	-	-	-	-	-
Transfer From (To) Rate Stabilization Fund	1,181,240	(3,306,178)	906,149	(42,352)	4,333,915 (2)	(10,812,292)(2)	4,256,563(4)	(83,018)	(3,482,135)	1,255,324
Other	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	1,278,664
Total Gross Revenues	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	113,434,087
MAINTENANCE AND OPERATION COSTS:										
Water Purchases	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	22,992,874
Water Operations	14,559,163	14,517,118	14,660,805	15,165,860	16,047,064	14,756,080	15,425,962	17,345,188	18,028,308	18,091,588
Sewer Operations	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	12,574,157
Recycled Water Operations	-	-	-	1,340,151	976,330	948,191	946,532	1,002,544	963,053	1,095,709
General and Administrative	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	12,618,955
Maintenance & Operation Obligations	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473
Other	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	2,826,016
Total Maintenance and Operations Costs	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	70,585,772
Net Revenue	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	42,848,315

COMPUTATION OF DEBT COVERAGE RATIOS (Continued)

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
OBLIGATIONS										
EXPENDITURES:										
Principal	\$7,353,365	\$7,727,405	\$8,038,324	\$7,768,644	\$6,261,316	\$7,400,717	\$7,966,348	\$8,759,998	\$8,877,915	\$9,133,526
Interest	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	2,673,587
Total Obligation Expenditures	15,383,428	15,414,478	15,417,708	14,329,822	9,813,354	11,025,300	11,501,031	11,965,825	11,219,585	11,807,113
NET REVENUE AFTER OBLIGATION EXPENDITURES	15,869,869	15,157,122	16,324,349	23,309,608	36,766,161	25,131,788	33,088,410	36,542,169	26,563,685	31,041,202
DEBT SERVICE COVERAGE RATIO	203%	198%	206%	263%	475%	328%	388%	405%	337%	363%
ALTERNATIVE DEBT SERVICE COVERAGE RATIO ⁽¹⁾	144%	154%	162%	187%	255%	209%	324%	290%	226%	229%
ALTERNATIVE DEBT SERVICE COVERAGE RATIO ⁽⁵⁾	212%	197%	206%	259%	491%	342%	348%	371%	364%	451%

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

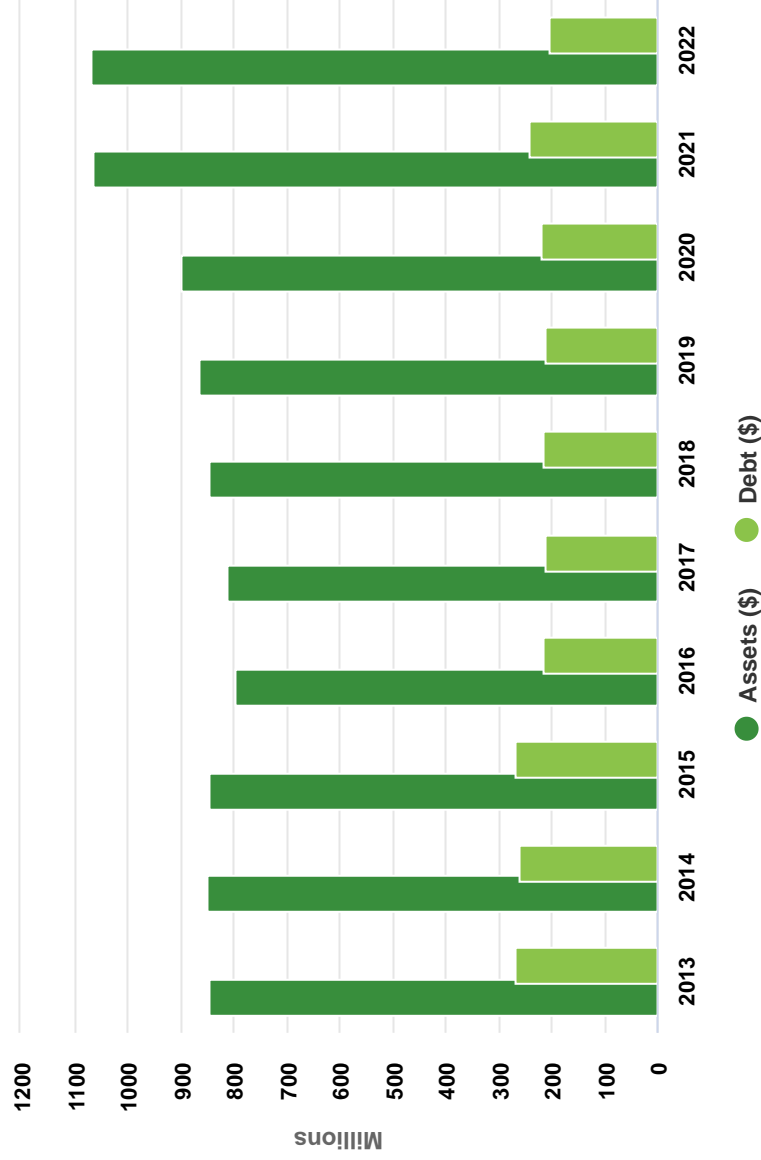
⁽⁴⁾ FY 2018 Transfers from (to) Rate stabilization was updated to include the net transfers (in)/from the Sta Rosa (RCWD) Capital

⁽⁵⁾ Excludes the Unrealized Gains and Losses on Investment Income

Source: Elsinore Valley Municipal Water District

TOTAL DEBT TO ASSETS RATIO

Last Ten Fiscal Years



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assets (\$)	\$ 846	\$ 848	\$ 846	\$ 846	\$ 797	\$ 813	\$ 844	\$ 844	\$ 1,064	\$ 1,068
Debt (\$)	\$ 266	\$ 259	\$ 268	\$ 268	\$ 215	\$ 213	\$ 217	\$ 217	\$ 243	\$ 203
Debt as % of Assets	31.4%	30.5%	31.7%	31.7%	27.0%	26.2%	25.7%	25.7%	22.9%	19.0%

(in Millions)

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

⁽²⁾ FY2021 figures updated to reflect prior period adjustment to record certain lease liabilities in accordance with implementation of GASB 87.

Source: Elsinore Valley Municipal Water District

POPULATION WITHIN DISTRICT BOUNDARIES

Last Ten Calendar Years

Year	City of Lake Elsinore		City of Canyon Lake		City of Murrieta ⁽¹⁾		City of Wildomar ⁽²⁾		% of Growth		Unincorporated Riverside County ⁽¹⁾		Total Population		% of Growth	
	Population	% of Growth	Population	% of Growth	Population	% of Growth	Population	% of Growth	Population	% of Growth	Population	% of Growth	Population	% of Growth	Population	% of Growth
2022	71,615	10.6 %	11,056	0.3 %	19,546	(0.1)%	36,632	(1.0)%	22,132	(20.2)%	160,981	4.6	160,981	0.6%		
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	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	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	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	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	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	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	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	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	141,560	6.5		

⁽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⁾
2022	\$ 8,740,866	\$ 55,037	3.4%
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

⁽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, 2022 and 2013

Employer	2013 ⁽¹⁾			2022 ⁽²⁾		
	Rank	Employees	% of Total Labor Force	Rank	Employees	% of Total Labor Force
County of Riverside	1	17,766	1.9%	1	23,772	2.0%
Amazon				2	14,500	1.3
March Air Reserve Base	2	9,000	0.9	3	9,600	0.8
University of California, Riverside	5	5,497	0.6	4	8,593	0.7
Moreno Valley Unified School District	9	3,355	0.4	5	6,020	0.5
Kaiser Permanente Riverside Medical Center	8	4,500	0.5	6	5,817	0.5
Corona-Norco Unified School District	7	4,633	0.5	7	5,478	0.5
Riverside Unified School District	6	5,000	0.5	8	5,431	0.5
Stater Bros. Markets	3	6,900	0.7	9	4,638	0.4
Mt. San Jacinto Community College District				10	4,638	0.4
Walmart	4	5,681	0.6			
Hemet Unified School District	10	3,270	0.3			
Total		65,602	6.9%		88,487	5.6%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>WATER PRODUCTION SOURCES (AF)</u>										
Wells (Ground Storage)	3,437	5,521	6,440	4,384	3,861	2,747	2,593	4,670	5,562	3,341
Back Basin Water Treatment Plant	1,851	2,931	2,060	1,803	413	-	1,086	425	1,347	3,237
Canyon Lake Water Treatment Plant	27	948	2,510	435	2,460	1,215	922	1,503	-	-
MWD (Purchased Water) ⁽¹⁾	19,800	16,821	12,699	13,572	15,218	19,198	16,991	15,703	17,571	17,705
TOTAL WATER PRODUCTION	25,115	26,221	23,709	20,194	21,952	23,160	21,592	22,301	24,480	24,283
WATER SALES & USES (AF)	24,596	25,434	22,891	19,291	20,278	22,500	20,574	20,919	23,503	22,888
% OF UNACCOUNTABLE WATER	2.1%	3.0%	3.5%	4.5%	7.6%	2.8%	4.7%	6.2%	4.0%	5.7%
CANYON LAKE WATER PURCHASES (AF)	-	-	-	-	-	-	1,800	-	-	-
RECYCLED WATER SALES (AF)	531	595	747	690	864	872	918	1,193	1,301	1,315
CONJUNCTIVE USE PROGRAM (AF)	(2,285)	1,990	5,051	1,068	-	(4,370)	(417)	(1,025)	-	-
PEAK DAILY PRODUCTION (MG)	45.7	38.1	41.2	29.4	56.3	47.0	46.8	52.4	37.9	36.7
AVERAGE DAILY PRODUCTION (MG)	22.4	23.0	20.8	17.7	19.2	20.3	18.9	19.2	21.0	19.4
TOTAL DAILY PRODUCTION CAPACITY (MG)	60.2	61.7	63.6	63.6	63.6	63.6	63.6	60.1	60.1	60.1
STORAGE CAPACITY (MG)	91.9	91.9	89.6	90.1	90.1	90.1	90.1	90.1	90.0	89.2
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	74	69	70	70	70	70	70	69	68
MILES OF PIPE IN SERVICE	697	700	703	703	725	731	735	730	728	728
ACTIVE BOOSTER STATIONS	54	52	50	51	54	53	53	53	54	51
ACTIVE WATER PRODUCTION WELLS	10	10	10	10	10	10	12	12	11	10
WATER METERS	41,250	41,858	42,393	42,957	43,858	44,558	44,892	45,100	45,680	46,112
RECYCLED WATER METERS	78	83	83	114	116	115	115	140	140	142
POPULATION SERVED ⁽²⁾	139,332	142,300	146,752	148,533	151,203	153,453	154,402	155,331	160,093	160,981
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	168	163	164	164	164	169	169	171	173	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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
WATER PRODUCTION SOURCES (AF)										
Wells (Ground Storage)	2,159	2,757	1,956	306	548	500	214	1,352	1,269	676
Lee Lake (Surface Water)	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Imported - MWD	-	-	-	46	12	71	350	-	8	27
TOTAL WATER PRODUCTION (AF)	2,159	2,757	1,956	352	560	571	564	1,352	1,277	703
PALM AVENUE PRODUCTION (AF)	-	-	708	1	521	958	883	363	789	1
WATER SALES & USES (AF)	1,785	2,158	1,936	327	541	542	515	1,401	1,347	682
% of UNACCOUNTABLE WATER ⁽¹⁾	17.3%	21.7%	1.0%	7.1%	3.4%	5.1%	8.7%	-3.6% ⁽⁴⁾	-5.5% ⁽⁴⁾	2.9%
PEAK DAILY PRODUCTION(MG) ⁽²⁾	6.9	3.9	7.4	4.6	14.4	4.7	7.5	4.9	4.9	3.6
AVERAGE DAILY PRODUCTION (MG)	1.2	1.9	2.3	0.3	1.0	1.9	0.5	1.7	3.3	2.1
TOTAL DAILY PRODUCTION CAPACITY (MGD)	7.4	8.6	2.2	2.2	2.2	2.2	2.0	2.2	2.2	2.2
STORAGE CAPACITY (MG)	0.4	0.4	0.4	0.3	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	2	2	2	2	2	2
MILES OF PIPE IN SERVICE	65	66	50	50	12	12	12	12	12	12
ACTIVE BOOSTER STATIONS	2	4	3	3	2	2	2	2	2	2
ACTIVE WATER PRODUCTION WELLS	13	13	11	11	2	2	2	2	2	2
ACTIVE WATER BASINS	6	6	6	6	6	6	6	6	6	6
WATER METERS	753	751	751	722	760	770	780	770	766	783
POPULATION SERVED	2,228	2,251	2,307	2,303	2,303	2,290	2,290	2,323	2,323	2,313
NON POTABLE ACREAGE SERVED	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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Wastewater Services</u>										
Regional	21,891	22,387	22,899	23,548	24,344	24,907	25,146	25,442	25,946	26,211 ⁽⁴⁾
Railroad Canyon ⁽¹⁾	4,496	4,513	4,520	4,528	4,537	4,553	4,561	4,568	4,594	4,619
Southern ⁽²⁾	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,713 ⁽⁴⁾
Horsethief Canyon	2,054	2,054	2,054	2,055	2,052	2,052	2,052	2,051	2,051	2,051
Total	33,018	33,531	34,050	34,708	35,510	36,089	36,336	36,638	37,168	37,594
<u>Equivalent Dwelling Units</u>										
Regional	30,577	31,067	31,586	32,241	33,325	34,607	35,025	35,345	35,111	34,616 ⁽⁴⁾
Railroad Canyon ⁽¹⁾	4,897	4,913	4,920	4,928	4,937	4,953	4,961	4,968	4,992	5,014
Southern ⁽²⁾	5,086	5,086	5,086	5,086	5,078	5,079	5,079	5,079	5,079	6,052 ⁽⁴⁾
Horsethief Canyon	2,097	2,097	2,097	2,098	2,052	2,052	2,052	2,051	2,051	2,051
Total	42,657	43,163	43,689	44,353	45,392	46,691	47,117	47,443	47,233	47,733
<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	5.270	5.443	5.757	5.278	6.023	5.641	5.950	6.167	6.010	6.089
Railroad Canyon	0.702	0.754	0.641	0.569	0.705	0.696	0.696	0.651	0.699	0.573
Southern ⁽²⁾	0.849	0.803	0.754	0.795	0.734	0.768	0.824	0.879	0.938	0.872
Horsethief Canyon	0.368	0.357	0.354	0.337	0.342	0.333	0.331	0.386	0.359	0.377
Total	7.189	7.357	7.506	6.979	7.804	7.438	7.745	8.083	8.006	7.911

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

⁽⁴⁾ Various properties were reclassified from Regional to Southern service

Source: Elsinore Valley Municipal Water District

MISCELLANEOUS STATISTICS - WASTEWATER DIVISIONS (Continued)

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<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	5.959	6.427	6.427	5.880	7.048	6.478	6.863	7.067	6.625	6.800
Railroad Canyon	0.950	0.875	0.875	0.720	0.842	0.841	0.804	0.793	0.805	0.680
Horsethief Canyon	0.459	0.449	0.449	0.440	0.463	0.412	0.428	0.506	0.525	0.481
Total	7.368	7.751	7.751	7.040	8.353	7.731	8.095	8.366	7.955	7.961
<u>% of Capacity Used</u>										
Regional	65.9	68.0	72.0	66.0	75.3	70.5	74.4	77.1	75.1	76.1
Railroad Canyon	58.5	62.8	53.4	47.4	58.8	58.0	58.0	54.2	58.3	47.7
Horsethief Canyon	73.6	71.4	70.8	67.3	68.4	66.6	66.2	77.2	71.8	75.4
<u>Miles of Pipe in Service</u>										
Regional	291.8	296.8	296.8	300.0	313.3	305.4	306.8	308.2	310.5	311.6
Railroad Canyon	48.9	48.9	48.9	48.9	49.2	46.2	46.2	46.3	46.3	46.2
Horsethief Canyon	18.7	18.7	18.7	18.7	18.7	18.7	18.7	18.2	18.2	18.2
Total	359.4	364.4	364.4	367.6	381.2	370.3	371.7	372.7	375.0	376.0
<u>Number of Lift Stations</u>										
Regional	28	28	28	28	29	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	36	36	36	36	37	37	37	37	37	37
<u>Recycled Water Production (MG)</u>										
Regional	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	2,222.6
Railroad Canyon	262.8	275.1	234.1	207.8	257.4	254.0	254.0	238.2	255.3	209.0
Horsethief Canyon	133.1	130.2	129.3	122.9	124.9	121.5	121.2	141.4	131.2	137.6
Total	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	2,569.3

Source: Elsinore Valley Municipal Water District

NUMBER OF AUTHORIZED EMPLOYEES BY IDENTIFIABLE ACTIVITY

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Water:</u>										
Administration	7.5	6.0	6.0	6.0	6.0	3.0	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	1.0
Water Resources Planning	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water Quality	8.0	5.0	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	-	-	-	-	-	-	-	-
Field Services	8.0	11.0	11.0	11.0	11.0	8.0	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	11.0	11.0	11.0	11.0	11.0
Mechanical Maintenance	9.0	9.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0	12.0
Facilities Maintenance	8.0	5.0	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	2.0	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	8.0	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	5.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Strategic Programs	-	6.0	2.0	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	6.0	6.0	6.0	6.0

Source: Eisnore Valley Municipal Water District

NUMBER OF AUTHORIZED EMPLOYEES BY IDENTIFIABLE ACTIVITY (Continued)

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<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	5.0	5.0	5.0	-	-	-	-	-
Government Relations	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Human Resources/Safety	4.0	3.0	4.0	4.0	4.0	5.0	5.0	5.0	6.0	6.0
<u>Business Services</u>										
Administration	-	3.0	1.0	1.0	1.0	2.0	3.0	3.0	3.0	3.0
Finance & Accounting	13.0	11.0	11.0	11.0	11.0	13.0	13.0	13.0	13.0	13.0
Customer Service	13.0	14.0	14.0	14.0	14.0	-	-	-	-	-
Community Relations	-	-	-	-	-	18.0	18.0	18.0	18.0	18.0
Meter	6.0	-	-	-	-	-	-	-	-	-
Purchasing/Warehousing	4.0	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Information Technology	6.0	6.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0	10.0
Total	167.5	163.0	164.0	164.0	164.0	169.0	169.0	171.0	173.0	173.0

Source: Elsinore Valley Municipal Water District

WATER AND WASTEWATER PREMISES⁽¹⁾

Last Ten Fiscal Years

Year	Water					Wastewater					% of Wastewater vs. Water
	Eisinoire	Temescal	Total Water	Regional	Railroad Canyon	Southern	Horsethief Canyon	Total Wastewater			
2022	45,017	718	45,735	26,051	4,196	4,710	2,051	37,008		80.9	
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	

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

Source: Eisinoire Valley Municipal Water District

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

Meter Size	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
3/4"	38,968	39,560	40,080	40,650	41,292	42,041	42,293	42,527	43,096	43,443
1"	1,711	1,719	1,727	1,763	2,015	2,035	2,069	2,079	2,079	2,104
1-1/2"	376	384	390	399	410	409	426	424	428	445
2"	817	815	816	832	854	837	860	842	844	874
3"	48	48	48	55	58	50	59	51	52	65
4"	57	57	57	73	78	60	78	60	60	78
6"	14	14	14	11	16	15	17	16	16	17
8"	10	10	10	6	9	9	9	9	9	9
Other	2	2	2	2	2	2	2	2	2	2
Totals	42,003	42,609	43,144	43,791	44,734	45,458	45,813	46,010	46,586	47,037
Increase (Decrease)	716	606	535	647	943	724	355	197	576	451
% Change	1.7	1.4	1.3	1.5	2.2	1.6	0.8	0.4	1.3	1.0

Source: Elsinore Valley Municipal Water District

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

SCHEDULE OF IMPORTED WATER COSTS (PER ACRE FOOT)

Last Ten Fiscal Years

Calendar Year	MWD Untreated		MWD Admin		MWD Treated		Total Imported Water Costs		Total Imported Water Costs		EMWD Surcharge ⁽²⁾	% of Rate Increase
	Rate-Tier 1 ⁽¹⁾	Rate-Tier 2 ⁽¹⁾	Surcharge	Surcharge	Surcharge	Surcharge	Untreated-Tier 1	Treated-Tier 1	Treated-Tier 1	Pipeline Surcharge ⁽²⁾		
2022	799.00	841.00	24.06	823.06	344.00	1,167.06	16.26	11.00	3.5%			
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			

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

⁽²⁾The District pays either the WMWD Pipeline Surcharge (\$16.26) 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

ELSINORE VALLEY MUNICIPAL WATER DISTRICT
YEAR ENDED JUNE 30, 2022

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DISTRICT EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Covered Payroll	11,336,235	11,676,322	12,307,222	12,648,098	12,560,469	12,085,954	12,560,391	13,966,669	14,179,139	15,355,655 ⁽³⁾
Employer contributions	2,099,215	2,232,962	2,500,495	2,656,957	2,742,846	2,907,458	3,299,273	3,669,646	4,016,728	4,415,197 ⁽³⁾
Employer contribution rate	18.460%	19.124%	20.323%	21.019%	21.871%	24.057%	26.267%	26.274%	28.328%	28.753%
Employer paid										
employee contributions	36,519	10,253	10,465	10,320	10,420	9,875	10,320	10,947	9,612	648
Employer paid										
employee contributions rate	0.32%	0.09%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.07%	0.00%
Total PERS contribution	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	4,415,845
Total contributions										
expressed as a percentage										
of annual covered payroll	18.84%	19.21%	20.40%	21.09%	21.92%	24.14%	26.35%	26.35%	25.88%	28.76%
Funded Ratio	69.78%	77.42%	76.56%	72.92%	72.18%	74.70%	74.28%	73.71%	85.70%	(1)
Actuarial Value of Assets	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	101,375,386	(1)
Actuarial Accrued Liability										
Entry Age	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	118,292,919	(1)
Unfunded actuarial accrued liability	20,870,735	16,792,356	18,299,369	22,529,337	26,103,706	24,836,475	27,124,893	29,386,442	16,917,533	(1)
Unfunded actuarial accrued liability as a percent of payroll	158.90%	143.80%	148.70%	178.10%	207.80%	205.50%	215.96%	210.40%	119.31%	(1)
Normal cost	11.56%	12.06%	12.02%	12.42%	12.30%	12.13%	12.20%	12.51%	12.94%	12.29%

⁽¹⁾ Information not available

⁽²⁾ Beginning in FY2014, information from CalPer's GASB 68 Accounting Valuation Report, RSI, measurement date of June 30, 2021

⁽³⁾ Information from District Financial Report, as of June 30, 2022

⁽⁴⁾ Beginning in FY2014, information from CalPer's GASB 68 Accounting Valuation Report, RSI, measurement date of June 30, 2021

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
2022	\$ 17,299,557,374	\$ 126,839,545	\$ 17,426,396,919	5.5%
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)

Source: County of Riverside

CAPITAL EXPENDITURES

Last Ten Fiscal Years

