



Annual Comprehensive Financial Report

For the Fiscal Year ended
June 30, 2023

Elsinore Valley Municipal Water District

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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, 2023

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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Introductory Section

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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**BOARD OF DIRECTORS**

Andy Morris, President
Chance Edmondson, Vice President

Harvey R. Ryan, Treasurer
Darcy M. Burke, Director
Jack T. Ferguson, Director

GENERAL MANAGER
LEGAL COUNSEL
DISTRICT SECRETARY

Greg Thomas
Best, Best & Krieger
Terese Quintanar

November 15, 2023

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, 2023.

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, 2023. 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 159,000 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**

Andy Morris, President
Chance Edmondson, Vice President

Harvey R. Ryan, Treasurer
Darcy M. Burke, Director
Jack T. Ferguson, Director

GENERAL MANAGER
LEGAL COUNSEL
DISTRICT SECRETARY

Greg Thomas
Best, Best & Krieger
Terese Quintanar

The District's Board includes:

Darcy M. Burke, President	Division 1
Harvey R. Ryan, Director	Division 2
Chance Edmondson, Treasurer	Division 3
Jack T. Ferguson, 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 12.2%. During this fiscal year, the number of active water meters and wastewater service connections grew by 280 (0.6%) and 294 (0.8%), respectively, compared to the prior year. The population of Riverside County increased by approximately 0.3% over the same period. The District has planned for a growth rate of approximately 1.0% in water services and 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 161 ongoing capital projects with total authorized costs of approximately \$247.7 million, of which, approximately \$142.4 million has been expended as of June 30, 2023 on these projects. Several noteworthy projects are described below.

Water Facilities – The District has authorized \$50.1 million for 69 smaller water related projects that have an individual authorized amount of \$4.0 million or less each. A few of the larger projects are the Mills Capacity Line (12 cfs) (\$4.0 million), the Skymeadows Pump Station (\$3.9 million), the Lee Lake Dam Upgrades (\$3.0 million) and the Rice Canyon Reservoir Rehabilitation (\$2.5 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. This project is near completion at a cost of \$46.4 million. 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 \$40.7 million for 69 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 RWRF Upgrade Planning (3.6 million), the Diamond Regional Lift Station (\$3.6 million), the A-3 Lift Station and Dual Force Main Replacement (\$3.5 million), and the Railroad Canyon Water Reclamation Facility Yard Piping Modifications (\$3.2 million).

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DISTRICT SECRETARY

Greg Thomas
Best, Best & Krieger
Terese Quintanar

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 October 2024, with \$30.3 million authorized to date and an estimated project cost of \$35.0 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, \$13.0 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 \$12.5 million for 12 smaller projects for other facilities that have an individual authorized amount of \$4.1 million or less each. A few of the larger projects are the Administration Building Repairs (\$4.1 million), Comprehensive Asset Management Plan (\$2.0 million), Condition Assessment of Motor Control Centers (\$1.5 million), Reservoir Demolition Program (\$1.0 million), and the Lake Aeration Condition Assessment of Aeration Equipment (\$1.0 million).

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 \$9.5 million.

Diamond Regional Lift Station 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 \$6.7 million to date and an estimated project cost of \$56.0 million. In addition, the District has a final funding agreement with the SWRCB for a \$36.5 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 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 \$5.7 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 2026. The District has authorized \$5.6 million to date and an estimated project cost of \$6.0 million.

**BOARD OF DIRECTORS**

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Darcy M. Burke, Director
Jack T. Ferguson, Director

GENERAL MANAGER

LEGAL COUNSEL
DISTRICT SECRETARY

Greg Thomas
Best, Best & Krieger
Terese Quintanar

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 August 2024. 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 State Revolving Fund loans being offered by the Clean Water State Revolving Fund (“CWSRF”) to finance larger projects rather than using traditional debt financing 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 through traditional fixed or floating rate debt issuances.

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 currently maintains a AA+ rating with Standard & Poor’s and Fitch, and an Aa2 rating with Moody’s. The District reviews all potential debt issuances 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 budgeted cost of approximately \$130.6 million with the largest of these projects being the Regional Water Reclamation Facility Expansion Construction (\$67.0 million), CLWTP Master Plan Phase I Improvements (\$13.8 million), Sedco Septic-to-Sewer (\$11.2 million), Diamond Regional Lift Station (\$7 million), and Avenues Septic-to-Sewer (\$5.3 million)..

To maintain fiscal stability, utility rates were developed to match variable costs with commodity rates, fixed costs with fixed rates, and to include a goal of Capital Replacement Program funding at 100% depreciation by fiscal year 2029-2030. The District plans to maintain the Rate Stabilization Reserve 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.

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, 2022. 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-two (32) consecutive fiscal years (fiscal years ended 1990-2022). We believe our current ACFR continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA.

**BOARD OF DIRECTORS**

Andy Morris, President
Chance Edmondson, Vice President

Harvey R. Ryan, Treasurer
Darcy M. Burke, Director
Jack T. Ferguson, Director

GENERAL MANAGER
LEGAL COUNSEL
DISTRICT SECRETARY

Greg Thomas
Best, Best & Krieger
Terese Quintanar

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,

A handwritten signature in black ink that reads "G. Thomas".

Greg Thomas
General Manager

A handwritten signature in black ink that reads "R. Hartwig".

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

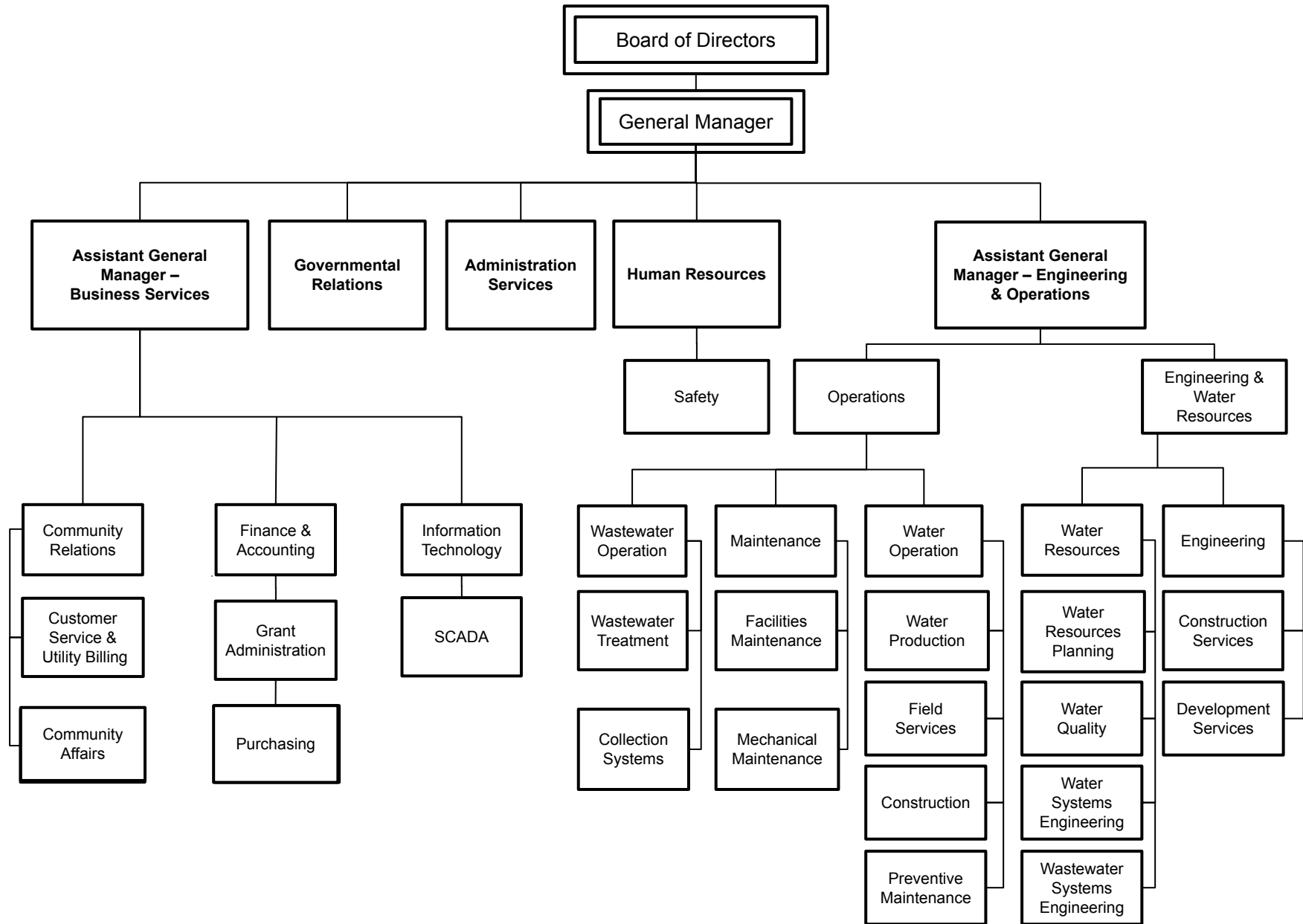
BOARD OF DIRECTORS

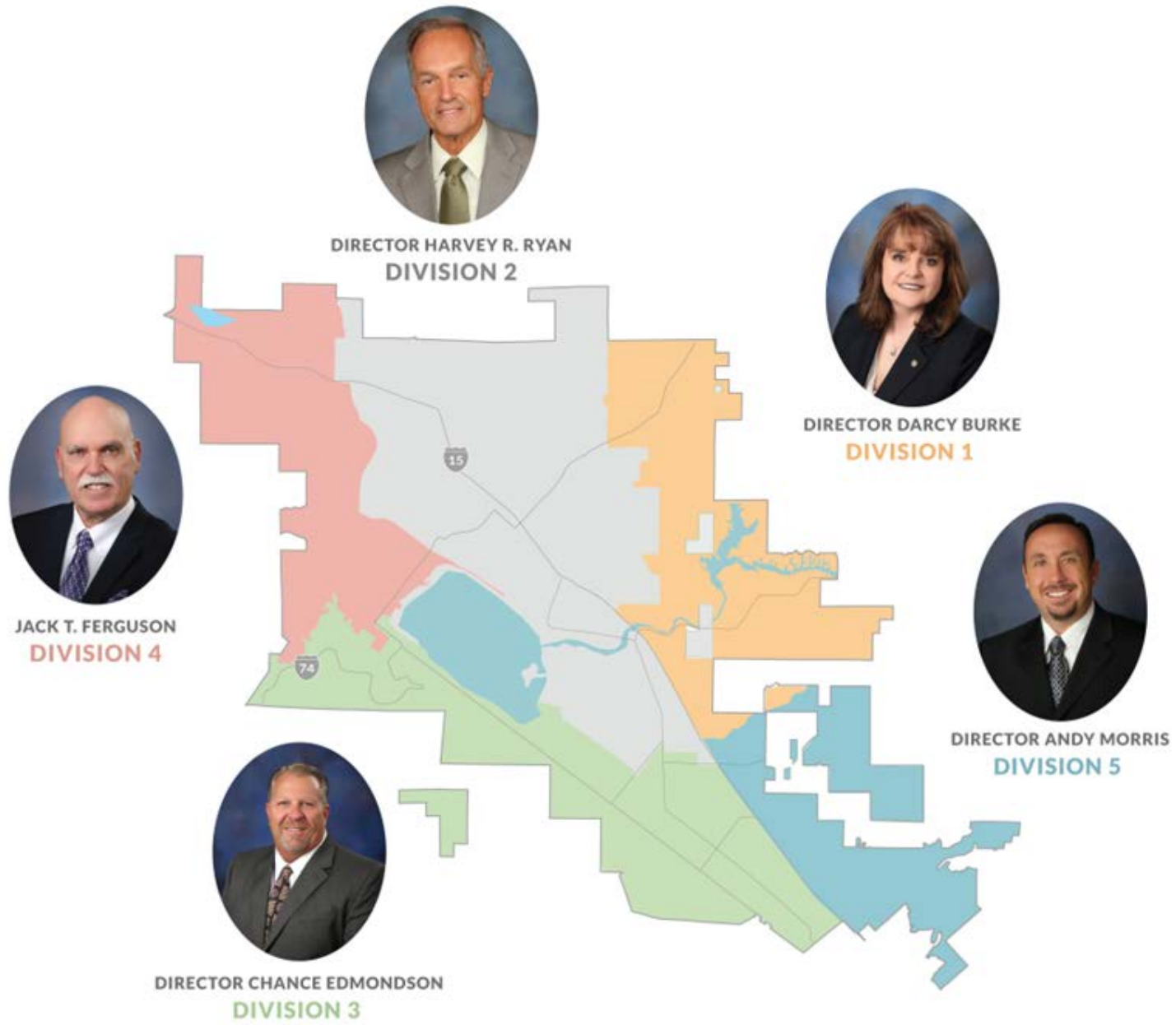
Name	Position	District
Darcy M. Burke	President	Division 1
Andy Morris	Vice President	Division 5
Chance Edmondson	Treasurer	Division 3
Harvey R. Ryan	Director	Division 2
Jack T. Ferguson	Director	Division 4

DISTRICT MANAGEMENT

Name	Position
Greg Thomas	General Manager
Ganesh Krishnamurthy	Assistant General Manager – Engineering & Operations
Robert A. Hartwig	Assistant General Manager – Business Services
Vacant	Government Relations Officer*
Darryn Flexman	Director of Information Technology
Jase Warner	Director of Operations
Vacant	Director of Engineering
Parag Kalaria	Director of Water Resources*
Scott Thompson	Director of Finance*
Christina Henry	Director of Community Relations*
Jennifer Dancho	Director of Human Resources*
Terese Quintanar	District Secretary/Administrative Services Supervisor

* Position status as of July 1, 2023







Government Finance Officers Association

Certificate of
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**Elsinore Valley Municipal Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Financial Section

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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

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Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
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Laura Arvizu, CPA
John Maldonado, CPA, MSA
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MEMBERS

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Governmental Audit
Quality Center

California Society of
Certified Public Accountants



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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 business-type activities and the aggregate remaining fund information of Elsinore Valley Municipal Water District (the District), as of and for the year ended June 30, 2023, 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 referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2023, 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.

Report on Summarized Comparative Information

We have previously audited the District's 2022 financial statements, and we expressed unmodified opinions on the respective financial statements in our report dated December 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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, 2022, from which such summarized information was derived.

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.

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 November 7, 2023 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
November 7, 2023

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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Management's Discussion and Analysis

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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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, 2023. 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 3.9% per year over the past ten fiscal years from approximately \$570 million at June 30, 2014 to \$803 million at June 30, 2023. During the current fiscal year, the District's net position grew by \$49.5 million or 6.6% from the prior fiscal year. The yearly comparison of changes in net position for the prior ten fiscal years are shown in the Statistical Section.

STATEMENT OF NET POSITION

(Dollars in Thousands)	June 30, 2023	June 30, 2022	Increase / (Decrease)	
			\$ Amount	% Percent
Assets:				
Current Assets	\$ 175,892	\$ 121,184	\$ 54,708	45.1%
Other Non-Current Assets	252,831	290,912	(38,081)	-13.1%
Capital Assets, Net	695,517	658,710	36,807	5.6%
Total Assets	1,124,240	1,070,806	53,434	5.0%
Deferred Outflows of Resources	18,493	10,766	7,727	71.8%
Liabilities:				
Current Liabilities	44,517	38,018	6,499	17.1%
Long-term Liabilities	181,859	167,530	14,329	8.6%
Total Liabilities	226,376	205,548	20,828	10.1%
Deferred Inflows of Resources	113,755	122,902	(9,147)	-7.4%
Net Position:				
Net investment in capital assets	545,849	505,172	40,677	8.1%
Restricted	50,441	43,353	7,088	16.3%
Unrestricted	206,313	204,597	1,716	0.8%
Total Net Position	\$ 802,603	\$ 753,122	\$ 49,481	6.6%

Allow for rounding differences

The following explains the significant changes in net position between fiscal years 2022/2023 and 2021/2022 as shown in the above table:

- Current assets increased by approximately \$54.7 million or 45.1% during the year. This was mainly due to the \$52.3 million transfers from long-term investments to short-term maturities in anticipation of the start of the Regional expansion construction, \$10.4 million increase in certificate of deposits, \$3.9 million in accounts receivable, mostly from State Water Resources Control Board, and a combined \$1.4 million increase in other restricted assets, interest receivables, inventories and prepaid expenses. These increases were offset with decreases of \$11.5 million in cash and cash equivalents and another \$2.0 million decrease in customer utility billings.
- Other assets decreased by approximately \$38.1 million or 13.1%. This was mainly due to the transfer of long term investments of \$52.3 million to the current short-term investments as described in the current asset section, another \$10.2 million decrease in investments in CFDs, and \$7.5 million decrease in treasury notes. These decreases were partially offset with an increase of \$26.2 million in Treasury Bills, \$3.8 million in Supranational investments, \$2.5 million investment in the Santa Rosa Regional Resources Authority ("SRRRA"), as well as an increase in the Lease receivable of \$473 thousand and \$177 thousand investment in Mutual Water Company.
- Capital assets, net of depreciation increased by approximately \$36.8 million or 5.6% during the year. This was mainly the result of increases of \$41.5 million in construction in progress mostly from \$15.7 million in Horsethief Treatment plant construction, \$10.5 million in Wastewater facilities projects, \$7.6 million in Regional Water Reclamation Facility Upgrades Construction and another \$6.0 million in Water facilities projects. These increases were offset by decreases in Lease assets of \$449 thousand and SBITA assets of \$620 thousand.
- Deferred outflows of resources increased by \$7.7 million or 71.8% during the year. This was a result of an \$8.2 million increase in employee pension related items as required by GASB 68, offset by a decrease of \$441 thousand in unamortized bond redemption costs.
- Total current liabilities increased by approximately \$6.5 million or 17.1% during the year. This was mostly the result of an increase of \$6.1 million in trade accounts payable and accrued expenses, an increase of \$1.9 million in long-term debts due in one year, and another \$757 thousand combined increases in developer advances, customer and other deposits. These increases were reduced by

Management's Discussion and Analysis

a \$2.1 million in retention payable, related to District CIP related project costs, \$155 thousand in interest payable and \$34 thousand from held for bondholders accounts.

- Long-term liabilities increased by approximately \$14.3 million or 8.6% during the year. This change was mainly the result of \$18.5 million increase in net pension liability, an increase of \$7.7 million for the Regional Water Reclamation Facility Upgrade and expansion project. These increases were partially offset by a decrease in revenue bonds payable of approximately \$7.5 million; \$1.4 million in other debt service payments; a \$577 thousand decrease in SBITA payable, \$422 thousand in Lease payable and \$73.0 thousand in accrued compensated absences.
- Net investment in capital assets increased by approximately \$40.7 million or 8.1% over the previous year. This change was the result of a \$36.8 million increase in capital expenditures and a \$3.9 million decrease in debt offsetting capital assets.
- Restricted net position includes amounts that are legally constrained by creditors, grantors, and contributors; and bylaws and regulations of other governments. Total restricted net position increased by approximately \$7.1 million or 16.3% during the year. This was primarily the result of an increase in capacity fees of \$6.6 million and, this decrease was partially offset by an increase of \$532 thousand 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 1.7 million or 0.84% during the fiscal year due to increases of \$5.5 million in debt service reserves, \$1.2 million in operational reserves, \$1.1 million in replacement reserves, and \$780 thousand in customer deposits. These increases were offset by decreases of \$3.4 million in other unrestricted reserves, \$2.3 million in reserve for encumbered CIP projects, and \$1.1 million in special revenue reserves.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

As the following table shows, net position increased by \$49.5 million in fiscal year 2022/2023, an increase of 6.6% from the prior year.

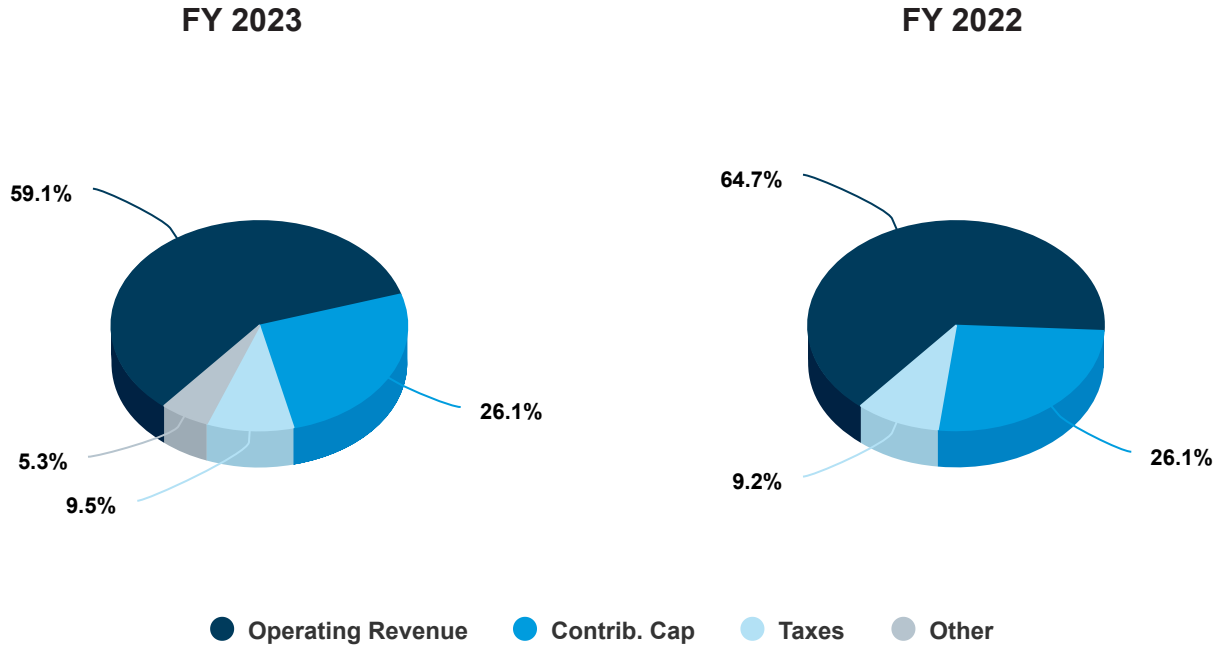
(Dollars in Thousands)	June 30, 2023	June 30, 2022	Increase / (Decrease)	
			Amount	Percent
Operating Revenues:				
Water Revenues	\$ 57,837	\$ 58,017	\$ (180)	-0.3%
Wastewater Revenues	27,777	26,850	927	3.5%
Recycled Water Revenues	1,514	1,681	(167)	-9.9%
Total Operating Revenues	87,128	86,548	580	0.7%
Non-Operating Revenues:				
Property and Other Related Taxes	13,989	12,243	1,746	14.3%
Standby Charges	470	812	(342)	-42.1%
Investment Income	3,220	(7,115)	10,335	-145.3%
Other Non-Operating Revenues	4,185	4,628	(443)	-9.6%
Total Non-Operating Revenues	21,863	10,568	11,295	106.9%
Total Revenues	108,992	97,116	11,876	12.2%
Operating Expenses:				
Water Purchases	17,842	22,993	(5,151)	-22.4%
Water Operations	20,305	18,092	2,213	12.2%
Wastewater Operations	14,626	12,574	2,052	16.3%
Recycled Water Operations	1,180	1,096	84	7.7%
General and Other Operating Expenses	17,180	11,470 ⁽¹⁾	5,710	49.8%
Depreciation and Amortization	22,878	23,044 ⁽¹⁾	(166)	-0.7%
Total Operating Expenses	94,010	89,269	4,741	5.3%
Non-Operating Expenses:				
Interest Expense	2,899	2,674	225	8.4%
Other Expenses	1,142	2,821	(1,679)	-59.5%
Total Non-Operating Expenses	4,041	5,494	(1,454)	-26.5%
Total Expenses	98,051	94,763	3,287	3.5%
Income/(Loss) Before Contributions	10,941	2,354 ⁽¹⁾	8,589	364.9%
Capital Contributions	38,540	34,970	3,570	10.2%
Change in Net Position	49,481	37,324 ⁽¹⁾	12,159	32.6%
Beginning Net Position	753,122	715,798	37,324	5.2%
Ending Net Position	\$ 802,603	\$ 753,122 ⁽¹⁾	\$ 49,483	6.6%

(1) Amounts have been restated due to the effect of the GASB 96 implementation.

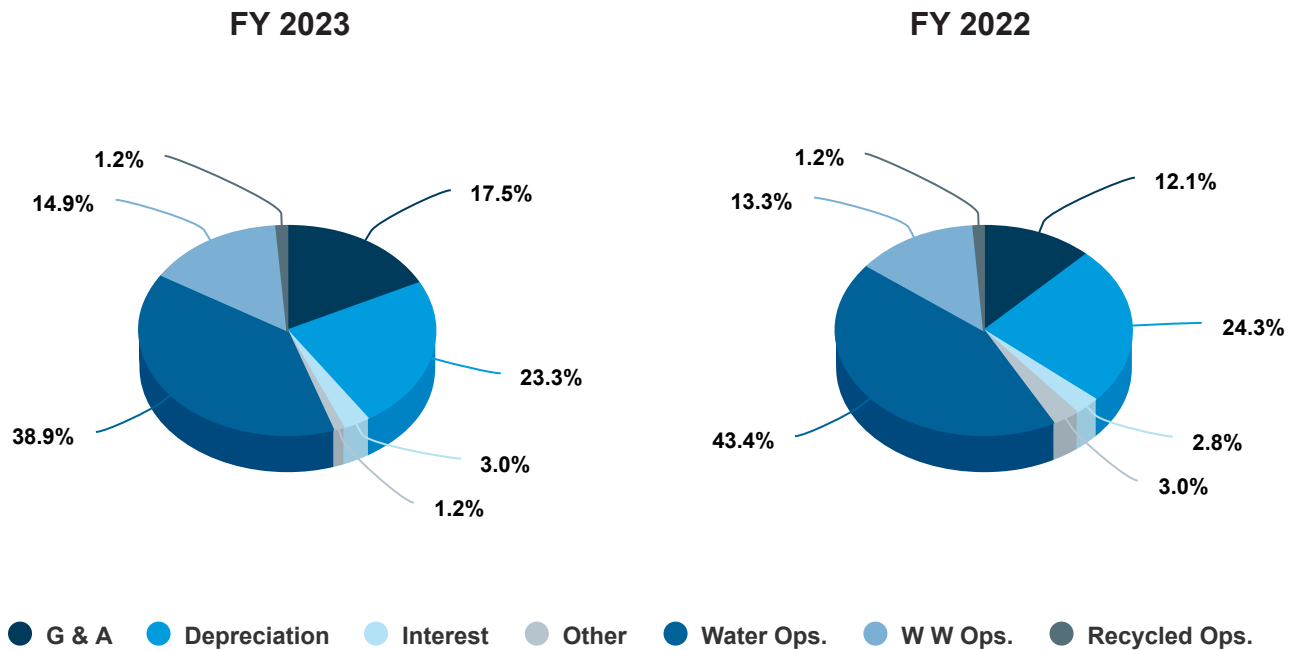
Allow for rounding differences

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:

SOURCES OF REVENUE



FUNCTIONAL EXPENSES



Management's Discussion and Analysis

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 2022/2023 and 2021/2022 as shown on the statement of revenues, expenses and changes in net position.

- Water revenues decreased by approximately \$180 thousand or 0.3% during the fiscal year. The decrease in water sales can be attributed to the much higher precipitation received in the area than normal during the year.
- Wastewater revenues increased by approximately \$927 thousand or 3.5% during the year. This can be attributed to an increase in wastewater accounts serviced by the District.
- Recycled water revenues decreased by approximately \$167 thousand or 9.9% during the year. The increase can also be attributed to the higher than normal rainfall received in the area during the fiscal year of 2022-2023.
- Non-operating revenues increased by \$11.3 million or 106.6%. This was primarily the result of a \$10.3 million increase in investment income caused by a large recovery from unrealized losses which have resulted from the current interest rate environment, and \$1.7 million increase in property taxes. These were partially offset by decreases in standby charges of \$343 thousand, \$603 thousand decrease in equity in Mutual and Water Company, and \$160 thousand decrease in lease income.
- Total operating expenses increased by \$4.7 million or 5.3%. This was largely due to increase in general and other operating expenses of \$5.7 million, \$2.2 million increase in water operations, and \$2.1 million in wastewater operations. These were offset by decreases in water purchases of \$5.2 million, and \$166 thousand in depreciation expense.
- Non-operating expenses decreased by \$1.5 million or 26.5%. This change was mainly due to the decrease in other non-operating expenses by \$1.7 million offset by the increase in interest expense of \$225 thousand.
- Capital contributions increased by approximately \$3.6 million or 10.2%. This was directly attributable to increases of \$5.0 million in the developer's contributed capital, and \$1.9 million increase in capacity fees. This was offset by a much lower grant funding of \$3.4 million compared to last fiscal year. The increase in the developer's contributions is mostly related to the Horsethief WRF rehab and expansion project.

CAPITAL ASSETS AND INFRASTRUCTURE

The District provides water services to approximately 47,300 domestic customers through 748 miles of pipeline ranging in size from 6 to 36 inches in diameter, 55 booster stations, 68 reservoirs, and 13 wells. In addition, the District provides wastewater services to approximately 38,000 customers through 3 treatment plants, 37 lift stations, and a 415-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, 2023, the District had invested approximately \$695.5 million in capital assets net of accumulated depreciation and amortization, as shown below. This amount represents a net increase of \$36.8 million (5.6%) which is the combination of several factors including an increase in construction in progress of \$41.5 million, an increase in capitalized assets of \$17.4 million, offset by depreciation and amortization of \$22.1 million. More detailed information about Capital Assets are presented in Notes 7, 8 and 9 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.

(Dollars in Thousands)	June 30, 2023	June 30, 2022	Incr (Decr)
Capital Assets Not Being Depreciated			
Land	\$ 7,914	\$ 7,914	\$ -
Construction in progress	142,359	100,810	41,549
Water Rights	33,428	33,428	-
Total Capital Assets Not Being Depreciated	183,701	142,152	41,549
Capital Assets Being Depreciated (Net)			
Infrastructure - Water	240,681	241,013	(332)
Infrastructure - Wastewater	257,854	260,109	(2,255)
Building & Structures	8,421	9,000	(579)
Vehicles & Equipment	924	1,189	(265)
Miscellaneous	851	1,091	(240)
Leased Assets	773	1,222	(449)
Total Capital Assets Being Depreciated	509,504	513,624	(4,120)
Capital Assets Being Amortized (Net)			
Subscription Based IT Agreements (SBITA)	2,313	2,934	(621)
Total Capital Assets Being Amortized	2,313	2,934	(621)
Total Capital Assets, net	\$ 695,518	\$ 658,710	\$ 36,808

Allow for rounding differences

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

- \$1.8 - Developer Projects
- \$0.5 - Cottonwood Booster Pump Station Standby Power
- \$0.3 - Back Basin Groundwater Treatment Plant Filter 5
- \$0.3 - Back Basin Groundwater Treatment Plant Filter 6
- \$0.3 - Larson Road Water Line Improvement
- \$0.1 - Trilogy Well Equipping
- \$0.1 - 2022 Hydro Excavator Trailer

The District's fiscal year 2023-24 budget includes \$130.6 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 9 of the financial statements.

LONG – TERM LIABILITIES

At June 30, 2023, the District had approximately \$181.9 million in long-term liabilities outstanding (\$192.47 million total, less \$10.61 million due in one year), a net increase of \$14.3 million or 8.6% from the prior year. The increase is related to an \$18.5 million increase in the Net Pension Liability described below plus an increase in loans payable of approximately \$7.7 million and is offset with principal reductions made throughout the year. Loans payable increased due to additional disbursements received from the State Water Resources Control Board in relation to the Regional Water Reclamation Facilities Upgrade Construction and Expansion loans. Principal reductions and lease payments totaling \$9.9 million for the year offset the increases. 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, 2022, using standard methods and shows a \$18.5 million increase from the prior year. For the measurement period ended June 30, 2022, the total pension liability was \$129.2 million, offset by the fiduciary net position of \$93.8 million resulting in a net pension liability of \$35.4 million.

In accordance with GASB Statement No. 87 and effective for fiscal years beginning after June 30, 2022, the District is required to include a lease liability and an intangible right-to-use lease asset on the financial statements. As of June 30, 2023, the lease liability is \$800 thousand and \$1.2 million at June 30, 2022. For details, see Note 1o and Note 6.

Effective for fiscal year ending June 30, 2023 in accordance with GASB Statement No. 96, the District is required to show all Subscription Based Information Technology Arrangements (SBITA) on the financial statements. Under this statement, the District recognized a subscription liability and an intangible right-to-use subscription asset. As of June 30, 2023 the balance of the SBITA payable is \$2.3 million and \$2.9 million as of June 30, 2022 the beginning reinstatement period. For details, see Note 1p and Note 7.

Other long-term liabilities consist of Water Revenue Bonds, Advances from the U.S. Government, loans payable, and accrued compensated absences. The amount of debt due within one year totaled \$9.4 million (excludes compensated absences). The District had an obligation of \$4.6 million at June 30, 2023 for compensated absences relating to accrued vacation pay, sick leave and savings clause benefits with an amount due within one year of \$1.2 million. 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	May 2023	AA+	Strong Financial Profile; Low Leverage; Strong Revenue Defensibility; Low Operating Risk; Solid Fiscal Footing; Strong Rate Flexibility
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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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Basic Financial Statements

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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STATEMENT OF NET POSITION
AS OF JUNE 30, 2023
 (With Comparative Amounts for 2022)

	June 2023	June 2022
ASSETS:		
Current Assets:		
Cash and cash equivalents (Notes 1j and 2)	\$ 26,781,593	\$ 38,247,007
Restricted assets (Notes 1k and 2)	8,412,604	8,234,502
Investments maturing in less than a year (Notes 1n and 2)	114,894,625	52,248,908
Accounts receivable, net of allowances (Note 1l)	10,000,543	12,035,546
Other receivables	10,795,041	6,670,334
Accrued interest receivable	485,838	190,633
Materials and supplies inventories (Note 1m)	1,780,901	1,149,797
Prepaid expenses	2,740,616	2,407,622
Total Current Assets	175,891,761	121,184,349
Noncurrent Assets:		
Investments (Notes 1n and 2)	115,617,495	156,818,430
Investment in Mutual Water Company (Note 3)	5,467,383	5,290,191
Investment in SRRRA (Note 4)	17,309,623	14,769,520
Accrued interest receivable	550,700	601,033
Lease Receivable (Note 16)	113,862,499	113,389,300
Receivable from CFD (Note 5)	23,307	43,307
Capital Assets:		
SBITA Assets, amortized - net (Notes 1p and 7)	2,313,422	2,933,780
Leased Assets, depreciated - net (Notes 1o and 6)	772,656	1,222,094
Capital assets, depreciated - net (Notes 1q and 8)	508,731,379	512,402,137
Capital assets, not depreciated (Notes 1q and 8)	183,700,027	142,151,630
Total Capital Assets	695,517,484	658,709,641
Total Noncurrent Assets	948,348,491	949,621,422
Total Assets	1,124,240,252	1,070,805,771
DEFERRED OUTFLOWS OF RESOURCES:		
Unamortized bond redemption (Note 1r)	4,868,955	5,309,600
Deferred outflows - employee pension contributions (Notes 1r and 9)	4,915,440	4,415,197
Deferred outflows - employee pension related items (Notes 1r and 9)	8,708,737	1,041,543
Total Deferred Outflow of Resources	18,493,132	10,766,340
LIABILITIES:		
Current Liabilities:		
Accounts payable and accrued expenses	18,181,597	12,036,714
Retentions payable	2,160,028	4,240,270
Customer deposits	3,842,059	3,816,797
Interest payable	1,760,005	1,914,893
Long-term liabilities due within one year (Note 11)	10,613,383	8,747,421
Developer and other advances	5,707,909	4,975,451
Held for bondholders (Note 10)	2,252,000	2,286,463
Total Current Liabilities	44,516,981	38,018,009

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF NET POSITION (Continued)
AS OF JUNE 30, 2023
(With Comparative Amounts for 2022)

	June 2023	June 2022
Noncurrent Liabilities:		
Revenue bond payable (Notes 11 and 13)	95,082,410	102,594,503
Loans payable (Notes 11 and 14)	51,071,806	44,403,075
Advances from U.S. Government (Notes 11 and 15)	3,091,783	3,478,256
Lease Payable (Notes 10, 6 and 11)	799,494	1,221,887
SBITA Payable (Notes 10, 7 and 11)	2,332,176	2,909,056
Accrued compensated absences (Notes 1r, 11 and 12)	4,680,298	4,753,360
Net pension liability (Notes 9 and 11)	35,414,224	16,917,533
Less amount due within one year (Note 11)	(10,613,383)	(8,747,421)
Total Noncurrent Liabilities	181,858,808	167,530,249
Total Liabilities	226,375,789	205,548,258
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - employee pension related items (Notes 1r and 9)	99,514	9,321,684
Deferred Inflows - leased assets (Notes 1r and 16)	113,655,129	113,579,971
	113,754,643	122,901,655
 NET POSITION (Note 17)		
Net investment in capital assets	545,848,743	505,171,986
<u>Restricted for:</u>		
Rate stabilization fund	3,000,000	3,000,000
Operating reserve	14,879,213	14,346,286
Debt service reserves	90,000	90,000
Capacity fees	32,471,797	25,917,026
Total Restricted Net Position	50,441,010	43,353,312
Unrestricted	206,313,198	204,596,901
Total Net Position	\$ 802,602,951	\$ 753,122,199

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, 2023
(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)

	June 2023	June 2022
OPERATING REVENUES:		
Water revenues	\$ 57,837,351	\$ 58,016,755
Wastewater revenues	27,776,785	26,850,381
Recycled water revenues	1,514,308	1,681,044
Total Operating Revenues	87,128,444	86,548,180
OPERATING EXPENSES:		
Water purchases	17,841,634	22,992,874
Water operations	20,304,841	18,091,588
Wastewater operations	14,626,092	12,574,157
Recycled water operations	1,180,378	1,095,709
General and administrative	17,179,582	11,469,867
Depreciation/amortization (Notes 1q and 8)	22,877,527	23,043,739
Total Operating Expenses	94,010,055	89,267,934
Operating Income/(Loss)	(6,881,611)	(2,719,754)
NON-OPERATING REVENUES:		
<u>Property taxes: (Note 1t)</u>		
General purpose	8,517,283	7,782,473
Redevelopment	5,003,709	3,929,925
Temescal Valley Project	468,039	530,390
Total Property taxes	13,989,031	12,242,788
Standby charges	469,891	812,403
<u>Investment Income:</u>		
Investment Income, Net	4,198,440	3,320,607
Investment Income, Unrealized Gans/(Losses) (Note 1n)	(978,549)	(10,435,511)
Total Investment Income	3,219,891	(7,114,904)
Mutual Water Company (Note 3)	153,226	756,589
Lease income (Note 16)	2,557,542	2,592,838
Other income	1,473,828	1,278,664
Total Nonoperating Revenues	21,863,409	10,568,378
NON-OPERATING EXPENSES:		
<u>Interest Expense:</u>		
Bonds and Loans	2,899,019	2,673,587
Other expenses	1,141,806	2,820,601
Total Nonoperating Expenses	4,040,825	5,494,188
INCOME BEFORE CONTRIBUTIONS:		
	10,940,973	2,354,436
<u>Capital Contributions (Note 1v)</u>		
Capacity fees	13,771,606	11,838,767
Capital grant	572,925	3,980,027
Other contributions	24,195,249	19,151,229
Total Capital Contributions	38,539,780	34,970,023
Change in Net Position	49,480,753	37,324,459
NET POSITION, BEGINNING OF YEAR (Note 22)	753,122,198	715,797,739
NET POSITION, END OF YEAR	\$ 802,602,951	\$ 753,122,198

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)

	June 2023	June 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 84,374,966	\$ 100,392,285
Cash payments to employees for services	(31,107,585)	(28,243,263)
Cash payments to suppliers for goods and services	(35,132,655)	(38,211,661)
Other operating income	403,440	(1,141,674)
Net Cash Provided By Operating Activities	18,538,166	32,795,686
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Property taxes	14,649,497	12,931,688
Property tax collection activities	(48,429)	(34,289)
Net Cash Provided By Noncapital And Related Financing Activities	14,601,068	12,897,399
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Bond handling fees	(22,990)	(365,974)
Proceeds from loans	7,702,657	37,784,386
Principal payments of long - term debt	(8,769,673)	(64,904,461)
Purchase, construction, and disposal of capital assets	(43,072,341)	(36,614,181)
Capacity fees	13,771,606	11,838,766
Capital grant	572,925	3,980,027
Capital reimbursement fees	8,098,022	11,588,504
Interest and penalty payments	(4,215,999)	(3,514,826)
Receipts of funds held for bondholders	36,382	-
Payment of funds held for bondholders	(70,845)	(42,495)
Loan payments received/(issued)	-	700,000
Net Cash (Used For) Capital and Related Financing Activities	(25,970,256)	(39,550,254)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Lease income	2,557,542	2,592,838
Investment income received	430,950	(9,133,454)
Sale of investments and maturities	71,170,050	75,167,423
Purchase of investments	(92,792,934)	(55,258,484)
Net Cash Provided By/(Used For) Investing Activities	(18,634,392)	13,368,323
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(11,465,414)	19,511,154
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	38,247,007	18,735,853
CASH AND CASH EQUIVALENT, END OF YEAR	\$ 26,781,593	\$ 38,247,007

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)

	June 2023	June 2022
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH		
PROVIDED BY/(USED FOR) OPERATING ACTIVITIES:		
Operating Income/(loss)	\$ (6,881,611)	\$ (2,719,754)
<u>Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:</u>		
Depreciation/amortization	22,877,527	23,043,739
Bad debt expense - operating	469,031	210,694
Other operating income	403,440	(1,141,674)
<u>Changes in assets and liabilities:</u>		
(Inc)/Dec in accounts receivable	(3,222,509)	13,633,411
(Inc)/Dec in inventory, prepaid expenses and deposits	(964,098)	(175,099)
Inc/(Dec) in accounts payable, accrued expenses, deposits, and advances	6,902,603	1,492,957
Inc/(Dec) in retentions payable	(2,080,242)	1,293,473
Inc(Dec) in net pension liability	18,496,691	(12,468,909)
Inc/(Dec) in accrued compensated absences	(73,062)	19,128
<u>Changes in deferred inflows and outflows:</u>		
(Inc)/Dec in deferred outflows and inflows-employee pension contributions	(17,389,606)	9,607,720
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 18,538,166	\$ 32,795,686
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	(440,645)	(276,715)
Change in deferred inflows of resources, leased assets	(75,158)	2,461,285
Change in amortized premium/discount	(1,162,093)	(1,162,093)

Allow for rounding differences

See notes to the basic financial statements

STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2023

(With Comparative Amounts for 2022)

	<u>June 2023</u>	<u>June 2022</u>
ASSETS:		
Cash and cash equivalents	\$ 4,621,726	\$ 10,730,816
Receivables:		
Special Assessments Receivable	504,021	503,334
Investments at fair value:		
Mututal Funds	<u>1,441,275</u>	<u>1,434,506</u>
Total Assets	<u>6,567,022</u>	<u>12,668,656</u>
DEFERRED INFLOWS OF RESOURCES:		
	<u>125,292</u>	<u>141,641</u>
LIABILITIES:		
Accounts payable and other liabilities	400,154	412,500
Bonds payable	27,925,194	28,717,845
Other long term liabilities	<u>23,307</u>	<u>43,307</u>
Total Liabilities	<u>28,348,655</u>	<u>29,173,652</u>
NET POSITION:		
Restricted for:		
Debt Service	<u>(21,656,341)</u>	<u>(16,363,356)</u>
TOTAL NET POSITION / (DEFICIT)	<u>\$ (21,656,341)</u>	<u>\$ (16,363,356)</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for 2022)

	June 2023	June 2022
ADDITIONS:		
Special Assessments	\$ 1,327,356	\$ 1,315,518
Interest Income	8,212	616
Total Additions	1,335,568	1,316,134
DEDUCTIONS:		
Amortization	16,349	16,349
Bond Handling Fees	90,104	727,064
Interest Expense	1,206,634	1,057,512
Capital Expenditures	5,313,261	7,404,845
Other Expense	2,205	3,034
Total Deductions	6,628,553	9,208,804
INCREASE/(DECREASE) IN FIDUCIARY NET POSITION	(5,292,985)	(7,892,670)
NET POSITION/(DEFICIT) - BEGINNING OF YEAR	(16,363,356)	(8,470,686)
NET POSITION/(DEFICIT) - END OF YEAR	\$ (21,656,341)	\$ (16,363,356)

Allow for rounding differences
See notes to the basic financial statements

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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Notes to the Basic Financial Statements

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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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 (“EVMWDF”) 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 EVMWDF provided the ability to assist in financing or refinancing public capital improvement projects that will encourage economic development. It has been determined that EVMWDF 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 expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water, wastewater and recycled water services.

The District also reports Custodial Funds as a Fiduciary Fund type. The custodial funds are used to account for taxes received for special assessment debt for which the District is not obligated.

Fiduciary Funds:

- Community Facilities District 98-2 Custodial Fund - used for debt service requirements of Community Facilities District No. 98-2.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- Community Facilities District 2003-2 Custodial Fund - used for debt service requirements of CFD 2003-2 Special Tax Refunding Bond Series 2014A.
 - Community Facilities District 2002-1 Custodial Fund - used for debt service requirements of CFD 2002-1 Special Tax Refunding Bond Series 2014A.
 - Community Facilities District 2003-1 Custodial Fund - used for debt service requirements of CFD 2003-1 Special Tax Refunding Bond Series 2014A.
 - Community Facilities District 2004-1 Custodial Fund - used for debt service requirements of CFD 2004-1 Special Tax Refunding Bond Series 2016.
 - Community Facilities District 99-1 Custodial Fund - used for debt service requirements of CFD 99-1 Special Tax Refunding Bond Series 2016.
 - Community Facilities District 2020-1 IA-1A Custodial Fund - used for debt service requirements of Community Facilities District No. 2020-1 Improvement area 1A.
 - Community Facilities District 2020-1 IA-2A Custodial Fund - used for debt service requirements of Community Facilities District No. 2020-1 Improvement area 2A.
 - Community Facilities District 2020-1 IA-3A Custodial Fund - used for debt service requirements of Community Facilities District No. 2020-1 Improvement area 3A.
- 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, 2023, 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 96 Subscription-Based Information Technology Arrangements (SBITAs).
- 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.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 took 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

for financial guarantees. The requirements of this Statement took effect for financial statements starting with the fiscal year that ends June 30, 2023.

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. 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 30, 2024, 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 31, 2024, 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 \$195,168 as of June 30, 2023 and \$90,864 as of June 30, 2022.

The amount written off is \$469,031 for June 30, 2023 and \$210,694 for June 30, 2022.

m. Inventories:

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

n. Investments:

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

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

o. Leased Assets:

Under GASB Statement No. 87, Leases, 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. As of June 30, 2023 the value of the leased assets net of depreciation is \$772,656 and the related lease liability is \$799,494. See Note 7 for details.

p. Subscription-Based Information Technology Arrangements (SBITA) Assets:

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As of June 30, 2023 the value of the SBITA assets net of depreciation is \$2,313,422 and the related SBITA liability is \$2,332,176. See Note 7 for details.

q. **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

r. **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, 2023, the District reported a balance of \$4.8 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, 2023, the District reported a combined balance of \$13.65 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, 2023, the District reported a balance of \$100 thousand 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.

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 \$113.7 million and \$113.6 million at June 30, 2023 and June 30, 2022 respectively. A more detailed description of the deferred inflows of resources related to leases is discussed in Note 16.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

s. **Compensated Absences:**

Accumulated unpaid vacation, sick pay, and savings clause amounts are accrued when incurred. Total accrued compensated absences are \$4,680,298 and \$4,753,360 at June 30, 2023 and 2022, respectively (see Notes 11 and 12).

t. **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.

u. **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.

v. **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, 2023:

Water Facilities:

Meter Installations (by meter size)	\$ 500	to \$6,780 per service
Storage Participation Tank Charges	\$ 2,691	per capacity unit
Temescal Valley Project	\$ 3,234	per capacity unit
Pumping Plant	\$ 1,506	per capacity unit
Transmission Facilities	\$ 4,515	per capacity unit
Source of Supply	\$ 3,314	per capacity unit

Wastewater Facilities (per Equivalent Dwelling Unit):

	Regional / Canyon Lake	Alberhill
Sewer Facility		
Treatment Plant	\$ 4,608	\$ 9,546
Collection	4,350	4,350
Total	\$ 8,958	\$ 13,896

2. CASH AND INVESTMENTS:

Cash and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Current Assets:

Cash & cash equivalents	\$ 26,781,593
Restricted assets	8,412,604
Investments maturing ≤ one year	114,894,625

Noncurrent Assets:

Investments	115,617,495
Total Cash and Investments	\$ 265,706,317

Cash and investments as of June 30, 2023 consist of the following:

Cash on Hand / Deposits with financial institutions	\$ 10,109,798
Investments (includes fair value adjustment)	255,596,520
Total Cash and Investments	\$ 265,706,317

Cash & cash equivalents:

LAIF	\$ 137,108
CAMP	16,103,967
Money Market Mutual Funds	430,721
Cash on Hand / Deposits with financial institutions	10,109,798
Total	\$ 26,781,593

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	50%	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	30%	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	\$75M	\$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	\$ 104,266,115	1.3	\$ 5,491,275	\$ 38,090,690	\$ 60,684,150
Federal Agency Securities	76,987,643	1.2	13,416,300	23,667,042	39,904,301
Certificate of Deposit	4,993,260	0.2	2,995,560	1,997,700	-
Commercial Paper	8,083,423	0.2	5,618,498	2,464,925	-
Asset Backed Securities	3,718,715	2.7	-	-	3,718,715
Medium Term Notes	29,817,965	1.6	-	5,605,593	24,212,372
Local Agency Bonds	2,645,000	9.3	-	-	2,645,000
	230,512,120		\$ 27,521,633	\$ 71,825,950	\$ 131,164,538
Money Market Mutual Funds	430,721	n/a			
CAMP	16,103,967				
LAIF	137,108	n/a			
Held with Fiscal Agent:					
Money Market Mutual Funds	8,412,604	n/a			
Total	\$ 255,596,520				

Concentration of Credit Risk:

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

Issuer	Investments Type	Amount	%
Federal Home Loan Banks	Federal Agency	\$ 32,242,349	12.6
Federal Farm Credit Bank	Federal Agency	\$ 20,586,022	8.1

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	Not	Ratings as of Year End			
		Legal Rating	Required to be Rated	Aaa	Aa	A	Unrated
U.S. Treasury	\$ 104,266,115	N/A	\$ 104,266,115	\$ -	\$ -	\$ -	\$ -
Federal Agency	76,987,643	N/A	-	76,987,643	-	-	-
Certificate of Deposit	4,993,260	AA	-	-	-	4,993,260	-
Commercial Paper	8,083,423	A	-	-	-	8,083,423	-
Asset Backed Securities	3,718,715	AA	-	3,718,715	-	-	-
Medium Term Notes	29,817,965	A	-	7,226,714	9,560,346	13,030,905	-
Local Agency Bonds	2,645,000	N/A	-	-	-	-	2,645,000
Money Market Mutual Funds	430,721	Aaa	-	430,721	-	-	-
CAMP	16,103,967	N/A	-	16,103,967	-	-	-
LAIF	137,108	N/A	-	-	-	-	137,108
<u>Held with Fiscal Agent:</u>							
Money Market Mutual	8,412,604	Aaa	-	8,412,604	-	-	-
Total	\$ 255,596,520		\$ 104,266,115	\$ 112,880,364	\$ 9,560,346	\$ 26,107,588	\$ 2,782,108

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, 2023, the carrying amount of the District's deposits was \$11,188,092 and the corresponding bank balance was \$8,993,926. The difference of \$2,194,166 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, 2023, District investments in the following investment types were held by the safekeeping department of US Bank utilized by the District in the management of its investments.

Investment Type	Total Amount
U.S. Treasury Obligations	\$ 104,266,115
Federal Agency Securities	76,987,643
Medium Term Notes	29,817,965
Certificate of Deposit	4,993,260
Commercial Paper	8,083,423
Asset Backed Securities	3,718,715
Money Market Mutual Funds	430,721

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, 2023:

Investment by Fair Value Level	Quoted Prices - Level 1	Observable Inputs - Level 2	Unobservable Inputs - Level 3	Total
U.S. Treasury Obligations	\$ -	\$ 104,266,115	\$ -	\$ 104,266,115
Federal Agency Securities	-	76,987,643	-	76,987,643
Medium Term Notes	-	29,817,965	-	29,817,965
Certificate of Deposit	-	4,993,260	-	4,993,260
Commercial Paper	-	8,083,423	-	8,083,423
Asset Backed Securities	-	3,718,715	-	3,718,715
Local Agency Bonds	-	2,645,000	-	2,645,000
	\$ -	\$ 230,512,120	\$ -	\$ 230,512,120

Investments not subject to the Fair Value hierarchy:

LAIF	137,108
CAMP	16,103,967
Money Market Mutual Funds	430,721
<u>Held with Fiscal Agent:</u>	
Money Market Mutual Funds	8,412,604
Total	\$ 255,596,520

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, 2023, the District owned 469,662 shares of voting common stock representing an ownership interest of approximately 58.05 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 \$9,549,646, liabilities of \$129,620 and a net income of \$241,956 for the year ended June 30, 2023.

The District recorded an income of \$153,226 from its investment in the Meeks and Daley for the year ended June 30, 2023, which increased its investment balance from \$5,290,191 to \$5,467,383.

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, 2023 and 2022 are as follows:

	<u>June 2023</u>	<u>June 2022</u>
Total Assets	\$ 85,733,305	\$ 87,468,406
Total Liabilities	<u>75,508,899</u>	<u>77,960,509</u>
Total Net Position	<u>\$ 10,224,406</u>	<u>\$ 9,507,897</u>
Increase/(Decrease) in Net Position	<u>\$ 716,509</u>	<u>\$ (1,919,241)</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, 2023 is \$23,307.

6. LEASED ASSETS AND LEASE PAYABLE:

Under GASB Statement No. 87, Leases, 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, see Note 16 for details as a lessor. For additional information on leases as lessee, refer to the disclosures below.

The District entered into multiple lease agreements with Enterprise FSM various vehicles with an average 60-month lease term. On July 1, 2022, lease assets were recorded in the amount of \$1,698,632. As of June 30, 2023, the value of the right to use asset was \$1,537,037. The lease liability was recorded in the amount of \$989,720 and \$703,479 as of June 30, 2022 and June 30, 2023 respectively. The vehicle leases have an average interest rate of 5.66%.

The District also entered into multiple lease agreements with First American, Great America and Pitney Bowes for various computers, equipment and printers. On July 1, 2022, an initial lease assets were recorded in the amount of \$461,332. As of June 30, 2023, the value of the right to use assets was \$326,425. The lease liabilities were recorded in the amount of \$232,167 and \$96,015 as of June 30, 2022, and June 30, 2023 respectively. The computer and equipment leases have an average interest rate of 1.024%.

Below is a summary of District leases as of June 30, 2023:

District as Lessee:	Balance as of			Balance as of
	July 1, 2022	Additions	Reductions	June 30, 2023
<u>Lease Assets:</u>				
Computer & Equipment	\$ 461,332	\$ -	\$ 134,907	\$ 326,425
Vehicles	1,698,632	95,648	257,243	1,537,037
Total Lease Assets	2,159,964	95,648	392,150	1,863,462
<u>Lease Accumulated Amortization:</u>				
Computer & Equipment	232,374	94,627	97,916	229,085
Vehicles	705,496	394,141	237,915	861,722
Total Lease Accumulated Amortization	937,870	488,768	335,831	1,090,807
Lease Assets, Net	<u>\$ 1,222,094</u>	<u>\$ (393,120)</u>	<u>\$ 56,319</u>	<u>\$ 772,655</u>
<u>Lease Payable:</u>				
Computer & Equipment	\$ 232,167	\$ -	\$ 136,152	\$ 96,015
Vehicles	989,720	-	286,241	703,479
Total Lease Liability	<u>\$ 1,221,887</u>	<u>\$ -</u>	<u>\$ 422,393</u>	<u>\$ 799,494</u>

Future long-term lease payable, principal and interest as of June 30, 2023.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 363,114	\$ 28,148	\$ 391,262
2025	224,374	15,084	239,458
2026	156,435	6,543	162,978
2027	55,571	986	56,557
	<u>\$ 799,494</u>	<u>\$ 50,761</u>	<u>\$ 850,255</u>

7. SBITA ASSETS AND SBITA PAYABLE:

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The District entered into multiple subscription arrangements for the use of various computer software for the District's day to day operations. As of June 30, 2023, the value of the right to use asset is \$3,423,210 with an accumulated amortization of \$1,109,788, and the value of the subscription liability is \$2,332,176. The subscriptions have an average interest rate of 0.737%. is included with Software on the Subscription Class activities table found below.

Below is a summary of District SBITAs as of June 30, 2023:

SBITA:	Balance as of June 30, 2022	Additions	Reductions	Balance as of June 30, 2023
SBITA Assets, Software	\$ 3,503,357	\$ -	\$ (80,147)	\$ 3,423,210
SBITA Accumulated Amortization	(569,577)	(620,358)	80,147	(1,109,788)
SBITA Assets, Net	<u>\$ 2,933,780</u>	<u>\$ 620,357</u>	<u>-</u>	<u>\$ 2,313,422</u>
SBITA Liability	<u>\$ 2,909,056</u>	<u>\$ -</u>	<u>\$ (576,880)</u>	<u>\$ 2,332,176</u>

Future long-term SBITA payable and interest as of June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total Payments
2024	\$ 573,910	\$ 8,077	\$ 581,987
2025	494,826	5,673	500,499
2026	502,482	3,741	506,223
2027	376,059	1,746	377,805
2028	384,899	883	385,782
	<u>\$ 2,332,176</u>	<u>\$ 20,120</u>	<u>\$ 2,352,296</u>

8. CAPITAL ASSETS:

	Balance June 30, 2022	Additions	Retirements/ Transfers	Balance June 30, 2023
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 7,913,561	\$ -	\$ -	\$ 7,913,561
Construction in Progress	100,810,258	59,283,161	(17,734,763)	142,358,656
Water Rights	33,427,810	-	-	33,427,810
Total Capital Assets Not Being Depreciated	142,151,629	59,283,161	(17,734,763)	183,700,027
<u>Capital Assets Being Depreciated:</u>				
Infrastructure - Water	453,958,003	11,182,271	-	465,140,274
Infrastructure - Wastewater	415,594,713	6,412,222	-	422,006,935
Buildings and Structures	24,566,139	23,940	-	24,590,079
Vehicles and Equipment	8,804,324	116,330	-	8,920,654
Miscellaneous	2,418,200	-	-	2,418,200
Total Capital Assets Being Depreciated	905,341,379	17,734,763	-	923,076,142
<u>Less Accumulated Depreciation:</u>				
Infrastructure - Water	(212,944,848)	(11,513,980)	-	(224,458,828)
Infrastructure - Wastewater	(155,485,865)	(8,667,385)	-	(164,153,250)
Buildings and Structures	(15,565,872)	(602,929)	-	(16,168,801)
Vehicles and Equipment	(7,615,584)	(380,721)	-	(7,996,305)
Miscellaneous	(1,327,072)	(240,507)	-	(1,567,579)
Total Accumulated Depreciation	(392,939,241)	(21,405,522)	-	(414,344,763)
Total Capital Assets Being Depreciated, Net	512,402,138	(3,670,759)	-	508,731,379
<u>Leased Assets Being Depreciated:</u>				
Leased Assets	2,159,964	95,648	(392,150)	1,863,462
Total Leased Assets Being Depreciated	2,159,964	95,648	(392,150)	1,863,462
<u>Less Accumulated Depreciation:</u>				
Leased Assets	(937,870)	(447,995)	295,058	(1,090,807)
Total Accumulated Depreciation	(937,870)	(447,995)	295,058	(1,090,807)
Total Leased Assets Being Depreciated, Net	1,222,094	(352,347)	(97,092)	772,655
<u>Capital Assets Being Amortized:</u>				
Subscription Based IT Agreements (SBITA)	3,503,357	-	(80,147)	3,423,210
Total Capital Assets Being Amortized	3,503,357	-	(80,147)	3,423,210
<u>Less Accumulated Amortization:</u>				
Subscription Based IT Agreements (SBITA)	(569,577)	(583,366)	43,155	(1,109,788)
Total Accumulated Amortization	(569,577)	(583,366)	43,155	(1,109,788)
Total Capital Assets Being Amortized, Net	2,933,780	(583,366)	(36,992)	2,313,422
Capital Assets, Net	\$ 658,709,641	\$ 54,676,689	\$ (17,868,847)	\$ 695,517,483

8. CAPITAL ASSETS (CONTINUED):

Major components of Construction Work In Progress (CIP):	Amount Authorized	Cumulative Expenditures June 30, 2023	Unexpended Commitments
Water Facilities	\$ 50,094,054	\$ 25,361,606	\$ 24,732,448
Regional Water Reclamation Facility Upgrades Construction	46,361,410	48,945,567	(2,584,157)
Wastewater Facilities	40,718,310	21,026,173	19,692,137
Horsethief Treatment Plant Expansion	30,295,619	21,779,659	8,515,960
Indirect Potable Reuse Project	14,020,030	631	14,019,399
Regional Water Reclamation Facility Expansion Planning	13,001,364	9,302,096	3,699,268
Other Facilities	12,497,887	4,958,962	7,538,925
Mayhew Well (New)	7,789,726	1,512	7,788,214
Diamond Regional Lift Station Dual Force Main	6,729,975	561,059	6,168,916
Lee Lake Well Conversion	5,679,029	2,362,742	3,316,287
Railroad Canyon Treatment Facility Improvements	5,634,674	1,300,901	4,333,773
Palomar Wells	5,356,470	3,111,258	2,245,212
Pipeline from Tomlin to Los Pinos	5,235,900	338,765	4,897,135
CLWTP Master Plan Phase I Improvements	4,268,584	3,307,725	960,859
Total Major Components of CIP	<u>\$ 247,683,032</u>	<u>\$ 142,358,656</u>	<u>\$ 105,324,376</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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

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, 2021, 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 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.

9. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

The Plan's provisions and benefits in effect at June 30, 2023 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	12.05%	12.05%	12.05%
Employer Payment of Unfunded Liability	18.73%	18.73%	18.73%

Employees Covered:

At June 30, 2023, the following employees were covered by the benefit terms:

	Miscellaneous
Active employees	165
Transferred members	94
Terminated employees	103
Retired members and beneficiaries	186
Total	548

Contribution Description:

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:	
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS’ specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

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. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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

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

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management study.

9. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Changes of Assumptions:

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate:

The discount rate used to measure the total pension liability was 6.90 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.

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: 6/30/2021 Measurement Date	\$ 118,292,919	101,375,386	\$ 16,917,533
Changes Recognized for the Measurement Period:			
Service Cost	3,080,952	-	3,080,952
Interest on Total Pension Liability	8,410,832	-	8,410,832
Changes of Assumptions	4,872,422	-	4,872,422
Differences between Expected and Actual Experience	(137,789)	-	(137,789)
Contributions- employer	-	4,332,215	(4,332,215)
Contributions- employee	-	1,170,466	(1,170,466)
Net Investment Income	-	(7,709,804)	7,709,804
Benefit Payments, including Refunds of Employee Contributions	(5,343,837)	(5,343,837)	-
Administrative Expense		(63,151)	63,151
Net Changes during 2021-2022	\$ 10,882,580	(7,614,111)	\$ 18,496,691
Balance at: 6/30/2022 Measurement Date	\$ 129,175,499	93,761,275	\$ 35,414,224

9. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

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 6.9%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9%) or 1 percentage-point higher (7.9%) than the current rate:

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability	\$54,253,180	\$35,414,224	\$20,031,473

Subsequent Events:

On July 12, 2021, CalPERS reported a preliminary 21.3 percent 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 percent prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20 percent from 7.00 percent to 6.8 percent. 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 percent (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 percent to 2.30 percent 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, 2022 is 3.6 years, which was obtained by dividing the total service years of 1,907 (the sum of remaining service lifetimes of the active employees) by 529 (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.

9. DISTRICT EMPLOYEES RETIREMENT SYSTEM (CONTINUED):

Pension Expense/(Income) for Measurement Period ended June 30, 2022

As of the start of the measurement period (July 1, 2021), the net pension liability was \$16,917,533.

For the measurement period ending June 30, 2022 (the measurement date), the District incurred a pension expense of \$5,939,542 for the Plan. A complete breakdown of the pension expense is as follows:

<u>Description</u>	<u>Amount</u>
Service Cost	\$ 3,080,952
Interest on Total Pension Liability	8,410,832
Recognized Changes in Assumptions	1,353,451
Recognized Differences Between Expected and Actual Experience	587,750
Employee Contribution	(1,170,466)
Projected Earnings on Pension Plan Investments	(6,994,829)
Recognized Differences Between projected and Actual Earnings on Plan Investments	608,701
Administrative Expense	63,151
Total Pension Expense	\$ 5,939,542

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, 2022. 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.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of Assumptions	\$ 3,518,971	
Differences Between Expected and Actual Experience	415,518	(99,514)
Net Difference Between Projected and Actual Earnings on Pension Plan Investment	4,774,248	
Pension contributions subsequent to measurement date	4,915,440	
Total	\$ 13,624,177	\$ (99,514)

\$4,915,440 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 \$8,609,223) related to pensions will be recognized in future pension expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2024	\$ 2,411,228
2025	2,109,979
2026	1,147,091
2027	2,940,925
2028	
Thereafter	

Payable to the Pension Plan

At June 30, 2023, the District reported a payable of \$278,812 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

10. FIDUCIARY FUNDS - COMMUNITIES FACILITIES DISTRICT BONDS:

The District currently has nine outstanding Community Facilities Districts (CFD) and seven with outstanding bond issues. These CFD bonds are not reported as a liability in the accompanying financial statements. Instead they are reported as custodial funds in the statement of fiduciary activities. 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, 2023 is \$2,645,000.

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, 2023 is \$1,635,000.

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, 2023 is \$1,230,000. 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, 2023 is \$2,459,000. In the event of default, the Trustee and Fiscal Agent have the first right to collect payment for fees, charges and expenses incurred prior to payment of any bond. Installments of principal and interest will then be paid in the following order, on a pro rata basis if available amounts are insufficient; 1) interest on bonds then due and unpaid, 2) principal then due and payable, and 3) overdue installments of principal and interest.

On July 10, 2003, CFD 2003-2 was formed to provide financing for the construction and acquisition of public facilities for approximately 135 acres located in the City of Murrieta. Bonds in the amount of \$1,985,000 were issued March 23, 2004. In February 2014, CFD 2003-2 was refunded through the direct placement of the 2014A Special Tax Refunding Bonds. Bonds in the amount of \$1,340,000 were issued on February 20, 2014 by the Authority with repayment being provided by a special tax to be placed on each parcel of taxable property. The bonds will expire September 1, 2034 and the outstanding balance as of June 30,

10. FIDUCIARY FUNDS - COMMUNITIES FACILITIES DISTRICT BONDS (CONTINUED):

2023 is \$893,000. 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, 2023 is \$1,187,000.

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, 2023 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, 2023 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, 2023 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.

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. As of June 30, 2023 the CFD had been dismantled.

On March 24, 2022, CFD 2022-1 was formed to provide financing for the construction and acquisition of public facilities and payment of water and sewer connection fees for approximately 89.9 acres located within District territory. Of this acreage, approximately 32.5 acres are expected to be developed into uses subject to a special tax levy. Bonds in the amount of \$12,000,000 were authorized with repayment being provided by a special tax to be placed on each parcel of taxable property. As of June 30, 2023 bonds had not been issued.

On March 24, 2022, CFD 2022-2 was formed to provide financing for the construction and acquisition of public facilities and payment of water and sewer connection fees for approximately 46.7 acres located within District territory. Of this acreage, approximately 32.03 acres are expected to be developed into uses subject to a special tax levy. Bonds in the amount of \$11,000,000

10. FIDUCIARY FUNDS - COMMUNITIES FACILITIES DISTRICT BONDS (CONTINUED):

were authorized with repayment being provided by a special tax to be placed on each parcel of taxable property. As of June 30, 2023 bonds had not been issued.

As of June 30, 2023, the available funds for each CFD are as follows. Deficit balances will be recovered through future special assessments.

CFD #	Amount
1998-2	\$ 707,434
1999-1	406,962
2004-1	125,837
2014-1	1,047,592
2020-1 IA-1A	(10,000)
2020-1 IA-2A	(13,075)
2020-1 IA-3A	(12,750)
	<u>\$ 2,252,000</u>

11. LONG TERM LIABILITIES:

Long-Term Liabilities for the year-ended June 30, 2023 are as follows:

	Balance at June 30, 2022	Additions	Deletions	Amortizations	Balance at June 30, 2023	Amounts Due In One Year
Water Revenue Bonds, net	\$ 102,594,502	\$ -	\$ 6,350,000	\$ (1,162,092)	\$ 95,082,410	\$ 6,680,000
Direct Borrowings:						
Loans Payable	44,403,075	7,702,657	1,033,926	-	51,071,806	2,377,658
Advances from U.S. Government	3,478,256	-	386,473	-	3,091,783	386,473
Total Long-Term Debt, net of						
Unamortized Premium	150,475,833	7,702,657	7,770,399	(1,162,092)	149,245,999	9,444,131
Net Pension Liability	16,917,533	18,496,691	-	-	35,414,224	-
Lease Payable	1,221,887	-	422,393	-	799,494	-
SBITA Payable	2,909,056	-	576,880	-	2,332,176	-
Accrued Compensated Absences	4,753,360	2,464,233	2,537,295	-	4,680,298	1,169,252
Total Long-Term Liabilities	<u>\$ 176,277,669</u>	<u>\$ 28,663,581</u>	<u>\$ 11,306,967</u>	<u>\$ (1,162,092)</u>	<u>\$ 192,472,191</u>	<u>\$ 10,613,383</u>

Amounts include balances of any unamortized premium/discount and may differ from cash flow figures.

Total future long-term debt maturities as of June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 9,444,131	\$ 3,827,597	\$ 13,271,728
2025	9,971,659	3,466,498	13,438,157
2026	10,611,790	3,171,908	13,783,698
2027	11,060,325	2,797,872	13,858,197
2028	11,539,242	2,383,156	13,922,398
2029-2033	44,437,542	6,504,057	50,941,599
2034-2038	26,254,616	1,937,742	28,192,358
2039-2043	12,449,046	474,328	12,923,374
2044-2048	30,369	2,844	33,213
2049-2053	31,761	1,453	33,214
2054-2058	13,108	177	13,285
Total	135,843,589	24,567,632	160,411,221
Unamortized Premium	13,402,410	-	13,402,410
Total	\$ 149,245,999	\$ 24,567,632	\$ 173,813,631

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 \$1,225,262 and \$1,286,183 as of June 30, 2023 and June 30, 2022, respectively.

13. WATER REVENUE BONDS PAYABLE:

	2023	2022
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.	\$ 50,740,000	\$ 56,405,000
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.	30,940,000	31,625,000
Total Water Revenue Bonds Payable	81,680,000	88,030,000
Unamortized Premium on issue	13,402,410	14,564,502
Net Water Revenue Bonds Payable	\$ 95,082,410	\$ 102,594,502

Future long-term water revenue bond maturities as of June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 6,680,000	\$ 3,305,400	\$ 9,985,400
2024	7,030,000	2,977,450	10,007,450
2025	7,455,000	2,631,525	10,086,525
2026	7,895,000	2,266,025	10,161,025
2027	8,345,000	1,880,225	10,225,225
2028-2032	30,215,000	4,436,975	34,651,975
2033-2036	14,060,000	654,350	14,714,350
Total	\$ 81,680,000	\$ 18,151,950	\$ 99,831,950

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

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

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

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

13. WATER REVENUE BONDS PAYABLE (CONTINUED):

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 continues 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 commenced July 1, 2022 and will 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.

14. LOANS PAYABLE - Direct Borrowings:

	2023	2022
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
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.	1,825,739	1,931,818
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.	1,351,678	1,544,774
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 began October 2021 and continue through October 2030.	3,376,007	3,798,008
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.	1,320,701	1,386,614
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 \$43,023,719 was disbursed as of June 30, 2023. Interest accrued 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.	43,023,719	35,446,517
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 \$173,962 was disbursed as of June 30, 2023. 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.	173,962	48,507
Total Loans Payable	\$ 51,071,806	\$ 44,403,075

14. LOANS PAYABLE - Direct Borrowings (CONTINUED):

Future long-term maturities as of June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 2,377,658	\$ 522,197	\$ 2,899,855
2025	2,555,186	489,048	3,044,234
2026	2,770,317	540,383	3,310,700
2027	2,778,852	531,847	3,310,699
2028	2,807,769	502,931	3,310,700
2029-2033	13,063,123	2,067,082	15,130,205
2034-2038	12,194,617	1,283,392	13,478,009
2039-2043	12,449,046	474,328	12,923,374
2044-2048	30,369	2,844	33,213
2049-2053	31,761	1,453	33,214
2054-2058	13,108	177	13,285
Total	<u>\$ 51,071,806</u>	<u>\$ 6,415,682</u>	<u>\$ 57,487,488</u>

Allow for rounding differences

EVMWD had seven loans through direct borrowing from the California Clean Water State Revolving Fund throughout the year with six outstanding as of June 30, 2023. All outstanding loans 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 was paid in full as of June 30, 2023. It was 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 were due immediately. Any breach affecting Tax Exempt Status required reimbursement to the state equal to any damages paid by or loss incurred by the State due to the breach.

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

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

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

The loan proceeds are repayable in 40 annual installments varying from \$4,682 to \$606,389. In addition, interest at 10.875% was due on the recreational, fish and wildlife component. This component was fully repaid in 2007. Repayment of the loan commenced May 1, 1992. Principal of \$13,502,717 has been repaid as of June 30, 2023, with a current unpaid balance of \$3,091,783. 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, 2023 are as follows:

Fiscal Year	Principal
2024	\$ 386,473
2025	386,473
2026	386,473
2027	386,473
2028	386,473
2029-2031	1,159,418
Total	<u>\$ 3,091,783</u>

16. LEASE INCOME AND LEASE RECEIVABLE:

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.

Base rate adjustments are cumulative. As of June 30, 2023, the lease receivable from POA was recorded at \$94,614,826, deferred inflow of resources was valued at \$94,625,688 and the District recognized non-operating revenue of \$1,682,260 for the fiscal year 2023.

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, 2023, the base rate was adjusted by August 2022 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. On July 1, 2022 the lease receivable SBBA Water rights was recorded at \$17,438,470. As of June 30, 2023, the value of the lease receivable is \$16,441,358. The value of the deferred inflow of resources as of June 30, 2023 was \$16,522,673 and the District recognized non-operating revenue of \$875,282.

The District also has thirteen cell site leases with various terms and lease options. On July 1, 2022 the lease receivable for all thirteen cell site leases was recorded at \$3,024,113. As of June 30, 2023, the value of the lease receivable is \$2,806,315. The cell site leases have an average interest rate of 0.8806%. The value of the deferred inflow of resources as of June 30, 2023 was \$2,506,768 and the District recognized rental income of \$849,373.

16. LEASE INCOME AND LEASE RECEIVABLE (CONTINUED):**District as Lessor:**

<u>Lease Receivable:</u>	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Cell Site Leases	\$ 3,024,113	\$ -	\$ 217,798	\$ 2,806,315
Canyon Lake Water POA	92,926,717	2,780,032	1,091,923	94,614,826
SBBA -Water Rights	17,438,470	-	997,112	16,441,358
	<hr/>	<hr/>	<hr/>	<hr/>
Total Lease Receivable	<u>\$ 113,389,300</u>	<u>\$ 2,780,032</u>	<u>\$ 2,306,833</u>	<u>\$ 113,862,499</u>

<u>Deferred Inflow of Resources:</u>	July 1, 2022	Additions	Reductions	June 30, 2023
Cell Site Leases	\$ 3,026,665		\$ 519,897	\$ 2,506,768
Canyon Lake Water POA	93,086,480	4,159,476	2,620,268	94,625,688
SBBA -Water Rights	17,466,826	-	944,153	16,522,673
	<hr/>	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	<u>\$ 113,579,971</u>	<u>\$ 4,159,476</u>	<u>\$ 4,084,318</u>	<u>\$ 113,655,129</u>

Lease income for the Year-ended June 30, 2023 are as follows:

<u>Lease Income:</u>	Lease Income	Interest Income	Total June 30, 2023
Operating Revenue:			
Cell Site Leases	\$ 735,149	\$ 114,224	\$ 849,373
Non-operating Revenue:			
Canyon Lake Water POA	1,052,141	630,119	1,682,260
SBBA -Water Rights	819,792	55,490	875,282
	<hr/>	<hr/>	<hr/>
Sub-total Non-Operating Revenue	1,871,933	685,609	2,557,542
	<hr/>	<hr/>	<hr/>
Total Lease Revenue	<u>\$ 2,607,082</u>	<u>\$ 799,833</u>	<u>\$ 3,406,915</u>

17. NET POSITION:

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

	2023	2022
Capital Assets (Net)	\$ 695,517,485	\$ 658,709,640
Add:		
Unamortized Bond Redemption	4,868,955	5,309,600
Less:		
Water Revenue Bonds, net	(95,082,410)	(102,594,502)
Loans Payable	(51,071,806)	(44,403,075)
Advances from U.S. Government	(3,091,783)	(3,478,256)
Lease Payable	(799,494)	(1,221,887)
SBITA Payable	(2,332,176)	(2,909,057)
Retentions Payable	(2,160,028)	(4,240,270)
Accounts Payable		(207)
Debt offsetting capital assets	(149,668,742)	(153,537,654)
Net investment in capital assets	396,180,001	351,634,332
Restricted Net Position	50,441,010	43,353,311
Unrestricted Net Position	206,313,198	204,596,901
Total Net Position	\$ 652,934,209	\$ 599,584,544

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, 2023 and June 30, 2022 unrestricted net position amounts consist of the following:

	2023	2022
Customer Deposits	\$ 9,484,865	\$ 8,704,843
Debt Services Reserves	21,896,338	16,427,561
Reserve For Encumbered Projects	111,809,335	114,131,964
Special Revenue Reserve	11,798,750	12,917,109
Other Unrestricted Net Position	16,359,831	19,716,018
Operational Reserve	23,281,762	22,069,446
Replacement Reserve	11,682,317	10,629,960
Total Unrestricted Net Position	\$ 206,313,198	\$ 204,596,901

Allow for rounding differences

18. CONDENSED COMPONENT UNIT:

Below is the condensed component unit information for the Water Employee Services Authority (WESA) and the Elsinore Valley Water and Sewer Facilities Corporation (Sewer Corp). Both component units are considered blended component units for the fiscal year ended June 30, 2023, and are included in the District's financial statements.

CONDENSED STATEMENT OF NET POSITION

	WESA	SEWER CORP	TOTAL
ASSETS:			
Current Assets	\$ 2,447,207	\$ -	\$ 2,447,207
Noncurrent Assets	25,400,608	-	25,400,608
Total Assets	27,847,815	-	27,847,815
DEFERRED OUTFLOWS OF RESOURCES	13,624,177	-	13,624,177
LIABILITIES:			
Current Liabilities	2,162,499	-	2,162,499
Noncurrent Liabilities	38,925,270	-	38,925,270
Total Liabilities	41,087,769	-	41,087,769
DEFERRED INFLOWS OF RESOURCES	99,514	-	99,514
NET POSITION			
Unrestricted	\$ 284,709	\$ -	\$ 284,709

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

	WESA	SEWER CORP	TOTAL
Operating Revenue	\$ 30,183,812	\$ 2,917	\$ 30,186,729
Operating Expenses	(30,183,812)	(2,917)	(30,186,729)
Net Operating Income	-	-	-
Non-Operating Revenue	-	-	-
Change in Net Position	-	-	-
Net Position, Beginning of Year	284,708	-	284,708
Net Position, End of Year	\$ 284,708	\$ -	\$ 284,708

CONDENSED STATEMENT OF CASH FLOW

	WESA	SEWER CORP	TOTAL
NET CASH PROVIDED (USED) BY:			
Operating activities	\$ (602,524)	\$ -	\$ (602,524)
Investing activities	-	2,917	2,917
Capital and related financing activities	-	(2,917)	(2,917)
Net increase in cash and cash equivalents	(602,524)	-	(602,524)
CASH AND CASH EQUIVALENTS, Beginning of Year	1,090,130	-	1,090,130
CASH AND CASH EQUIVALENTS, End of Year	\$ 487,606	\$ -	\$ 487,606

Allow for rounding differences

19. RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. To help mitigate these risks, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA).

Description of JPIA:

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

Self-Insurance Programs of JPIA:

At June 30, 2023, the District's participation in the self-insurance programs of JPIA is as follows:

Property Loss: Insured up to replacement value with a \$25,000 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 \$10,000,000 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 \$2,000,000 per occurrence and \$5,000,000 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; \$3,000,000 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 ten fiscal years, the District had no settlements exceeding insurance coverage for these categories of risk. At June 30, 2023, in the opinion of legal counsel, the District had no material claims which would require loss provision in the financial statements and therefore no claims liability has been recorded.

20. CONTINGENCIES:**Grant:**

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

Legal:

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

21. JOINT VENTURE - BCGSA:

The Bedford-Coldwater Groundwater Sustainability Authority ("BCGSA") was organized on February 28, 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, 2023 is as follows:

	June 2023	June 2022
Total Assets	\$ 1,263,722	\$ 986,510
Total Liabilities	624,870	780,135
Total Net Position	638,852	206,375
Increase/(Decrease) in Net Position	\$ 432,477	\$ (17,850)

22. PRIOR PERIOD RESTATEMENT:**Change in Accounting Principle**

The District implemented GASB 96, Subscription-Based Information Technology Arrangements during the year. To maintain comparability to the prior year amounts presented for the year ended June 30, 2022, the provisions of GASB 96 were applied retroactively by restating the prior year financial statement amounts. The cumulative effect of the restatement due to the change in accounting principle affected prior year net position as follows:

Ending net position, as previously reported for the year ended June 30, 2022	\$753,142,580
Cumulative effect of restatement due to the change in accounting principle	(20,382)
Ending net position, as restated for the year ended June 30, 2022	\$753,122,198

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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Required Supplementary Information

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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Required Supplementary Information

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

Measurement Period	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:									
Service Cost	\$ 3,080,952	\$ 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	8,410,832	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	4,872,422	-	-	-	(682,360)	5,623,164	-	(1,469,076)	-
Difference Between Expected and Actual Experience	(137,789)	732,020	610,773	1,730,513	(287,200)	(579,128)	(219,718)	(286,905)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,343,837)	(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	10,882,580	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	118,292,919	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)	\$ 129,175,499	\$ 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	\$ 4,332,215	\$ 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	1,170,466	1,134,140	1,079,391	1,016,843	1,041,634	979,078	972,455	967,375	1,026,237
Net Investment Income	(7,709,804)	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	(5,343,837)	(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	(63,151)	(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	(7,614,111)	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⁾	101,375,386	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)	\$ 93,761,275	\$ 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)	\$ 35,414,224	\$ 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	72.58%	85.70%	73.71%	74.28%	74.70%	72.18%	72.92%	76.56%	77.42%
Covered Payroll ⁽³⁾	\$ 14,819,392	\$ 14,179,139	\$ 13,966,669	\$ 12,560,391	\$ 12,085,954	\$ 12,560,469	\$ 12,648,098	\$ 12,307,222	\$ 11,676,322
Plan Net Pension Liability as a Percentage of Covered Payroll	238.97%	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 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022; 2.75 percent payroll growth for fiscal years ended June 30, 2018-21; 3.0% payroll growth assumption for fiscal year 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 Changes in Net Pension Liability and Related Ratios:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that 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 actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15 percent to 6.90 percent. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15 percent for measurement dates 2017 through 2021, 7.65 percent for measurement dates 2015 through 2016, and 7.50 percent for measurement date 2014.

**Schedule of Plan Contributions for the Measurement Periods Ended June 30
Last 10 Years**

Employer Fiscal Year End	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 4,915,440	\$ 4,332,215	\$ 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	(4,915,440)	(4,332,215)	(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	\$ 16,042,668	\$ 14,819,392	\$ 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	30.64%	29.23%	28.33%	26.27%	26.27%	24.06%	21.84%	21.01%	20.32%	19.12%

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, 2019 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	For details, see June 30, 2021 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2021 Funding Valuation Report
Inflation	2.5%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	6.9% Net of Pension Plan Investment and Administrative Expenses; includes inflation.
Retirement Age	The probabilities of Retirement are based on the 2021 CalPERS Experience Study for the period from 2021 to 2019.
Mortality	Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Supplementary Information

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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SCHEDULE OF MATURITIES OF WATER REVENUE BONDS PAYABLE

June 30, 2023 and 2022

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
Elsinore Valley Municipal Water District Financing Authority, 2016A Water Revenue Bonds - Refunding of 2007A and 2008A - Original Issue \$71,660,000					
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 WATER REVENUE BONDS PAYABLE

June 30, 2023 and 2022

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
Elsinore Valley Municipal Water District Financing Authority, 2021A Water Revenue Bonds - Refunding of 2008B and 2011A - Original Issue \$31,625,000					
07/01/21	3.000%	\$ -	\$ -	\$ -	\$ 31,625,000
01/01/22	3.000	-	474,375	474,375	31,625,000
07/01/22	3.000	685,000	474,375	1,159,375	30,940,000
01/01/23	3.000	-	464,100	464,100	30,940,000
07/01/23	3.000	720,000	464,100	1,184,100	30,220,000
01/01/24	3.000	-	453,300	453,300	30,220,000
07/01/24	3.000	760,000	453,300	1,213,300	29,460,000
01/01/25	3.000	-	441,900	441,900	29,460,000
07/01/25	3.000	860,000	441,900	1,301,900	28,600,000
01/01/26	3.000	-	429,000	429,000	28,600,000
07/01/26	3.000	965,000	429,000	1,394,000	27,635,000
01/01/27	3.000	-	414,525	414,525	27,635,000
07/01/27	3.000	1,055,000	414,525	1,469,525	26,580,000
01/01/28	3.000	-	398,700	398,700	26,580,000
07/01/28	3.000	1,115,000	398,700	1,513,700	25,465,000
01/01/29	3.000	-	381,975	381,975	25,465,000
07/01/29	3.000	1,170,000	381,975	1,551,975	24,295,000
01/01/30	3.000	-	364,425	364,425	24,295,000
07/01/30	3.000	3,065,000	364,425	3,429,425	21,230,000
01/01/31	3.000	-	318,450	318,450	21,230,000
07/01/31	3.000	3,815,000	318,450	4,133,450	17,415,000
01/01/32	3.000	-	261,225	261,225	17,415,000
07/01/32	3.000	4,015,000	261,225	4,276,225	13,400,000
01/01/33	3.000	-	201,000	201,000	13,400,000
07/01/33	3.000	4,190,000	201,000	4,391,000	9,210,000
01/01/34	3.000	-	138,150	138,150	9,210,000
07/01/34	3.000	4,375,000	138,150	4,513,150	4,835,000
01/01/35	3.000	-	72,525	72,525	4,835,000
07/01/35	3.000	4,835,000	72,525	4,907,525	-

(1) Rounded to the nearest dollar

SCHEDULE OF MATURITIES OF LOANS PAYABLE

June 30, 2023 and 2022

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Service Fee Payments ⁽¹⁾ (2)	Grant Fee Payments ⁽¹⁾ (2)	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
State of California Water Resources Control Board - Original Loan \$5,000,000							
02/28/22	1.814%	\$ 242,439	\$ 8,877	\$ -	\$ -	\$ 251,316	\$ 246,837
02/28/23	1.814	246,837	4,479	-	-	251,316	-
State of California Water Resources Control Board - Original Loan \$2,347,026							
12/31/21	1.700%	\$ 104,306	\$ -	\$ 20,361	\$ 14,253	\$ 138,920	\$ 1,931,818
12/31/22	1.700	106,079	-	19,318	13,523	138,920	1,825,739
12/31/23	1.700	107,882	-	18,257	12,780	138,920	1,717,857
12/31/24	1.700	109,716	-	17,179	12,025	138,920	1,608,140
12/31/25	1.700	111,581	-	16,081	11,257	138,920	1,496,559
12/31/26	1.700	113,478	-	14,966	10,476	138,920	1,383,081
12/31/27	1.700	115,407	-	13,831	9,682	138,920	1,267,674
12/31/28	1.700	117,369	-	12,677	8,874	138,920	1,150,304
12/31/29	1.700	119,365	-	11,503	8,052	138,920	1,030,940
12/31/30	1.700	121,394	-	10,309	7,217	138,920	909,546
12/31/31	1.700	123,457	-	9,095	6,367	138,920	786,089
12/31/32	1.700	125,556	-	7,861	5,503	138,920	660,533
12/31/33	1.700	127,691	-	6,605	4,624	138,920	532,842
12/31/34	1.700	129,861	-	5,328	3,730	138,920	402,981
12/31/35	1.700	132,069	-	4,030	2,821	138,920	270,912
12/31/36	1.700	134,314	-	2,709	1,896	138,920	136,598
12/31/37	1.700	136,598	-	1,366	956	138,920	-
State of California Water Resources Control Board - Original Loan \$1,930,968							
10/31/21	0.000	\$ 193,097	\$ -	\$ -	\$ -	\$ 193,097	\$ 1,544,774
10/31/22	0.000	193,097	-	-	-	193,097	1,351,678
10/31/23	0.000	193,097	-	-	-	193,097	1,158,581
10/31/24	0.000	193,097	-	-	-	193,097	965,485
10/31/25	0.000	193,097	-	-	-	193,097	772,388
10/31/26	0.000	193,097	-	-	-	193,097	579,291
10/31/27	0.000	193,097	-	-	-	193,097	386,194
10/31/28	0.000	193,097	-	-	-	193,097	193,097
10/31/29	0.000	193,097	-	-	-	193,097	-

(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, 2023 and 2022

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Service Fee Payments ⁽¹⁾	Grant Fee Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
State of California Water Resources Control Board - Original Loan \$4,220,009							
10/31/21	0.000	\$ 422,001	\$ -	\$ -	\$ -	\$ 422,001	\$ 3,798,008
10/31/22	0.000	422,001	-	-	-	422,001	3,376,007
10/31/23	0.000	422,001	-	-	-	422,001	2,954,006
10/31/24	0.000	422,001	-	-	-	422,001	2,532,005
10/31/25	0.000	422,001	-	-	-	422,001	2,110,004
10/31/26	0.000	422,001	-	-	-	422,001	1,688,003
10/31/27	0.000	422,001	-	-	-	422,001	1,266,002
10/31/28	0.000	422,001	-	-	-	422,001	844,001
10/31/29	0.000	422,001	-	-	-	422,001	422,000
10/31/30	0.000	422,001	-	-	-	422,001	-

State of California Water Resources Control Board - Original Loan \$1,521,061

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, 2023 and 2022

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Service Fee Payments ⁽¹⁾	Grant Fee Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
State of California Water Resources Control Board - Estimated Loan \$42,487,100 ⁽³⁾							
06/30/22	1.300%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,446,517
06/30/23	1.300	-	-	-	-	-	43,023,719 ⁽²⁾
09/30/23	1.300	1,587,579	467,387	-	-	2,054,966	41,436,140
09/30/24	1.300	1,936,665	538,670	-	-	2,475,335	39,499,475
09/30/25	1.300	1,961,841	513,493	-	-	2,475,334	37,537,634
09/30/26	1.300	1,987,345	487,989	-	-	2,475,334	35,550,289
09/30/27	1.300	2,013,181	462,154	-	-	2,475,335	33,537,108
09/30/28	1.300	2,039,352	435,982	-	-	2,475,334	31,497,756
09/30/29	1.300	2,065,864	409,471	-	-	2,475,335	29,431,892
09/30/30	1.300	2,092,720	382,615	-	-	2,475,335	27,339,172
09/30/31	1.300	2,119,925	355,409	-	-	2,475,334	25,219,247
09/30/32	1.300	2,147,484	327,850	-	-	2,475,334	23,071,763
09/30/33	1.300	2,175,402	299,933	-	-	2,475,335	20,896,361
09/30/34	1.300	2,203,682	271,653	-	-	2,475,335	18,692,679
09/30/35	1.300	2,232,330	243,005	-	-	2,475,335	16,460,349
09/30/36	1.300	2,261,350	213,985	-	-	2,475,335	14,198,999
09/30/37	1.300	2,290,748	184,587	-	-	2,475,335	11,908,251
09/30/38	1.300	2,320,527	154,807	-	-	2,475,334	9,587,724
09/30/39	1.300	2,350,694	124,640	-	-	2,475,334	7,237,030
09/30/40	1.300	2,381,253	94,081	-	-	2,475,334	4,855,777
09/30/41	1.300	2,412,209	63,125	-	-	2,475,334	2,443,568
09/30/42	1.300	2,443,568	31,766	-	-	2,475,334	-

(1) Rounded to the nearest dollar

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

(3) Loan amount authorized. See Note 15.

SCHEDULE OF MATURITIES OF LOANS PAYABLE (Continued)

June 30, 2023 and 2022

Payment Date	Interest Rate	Principal Payments ⁽¹⁾	Interest Payments ⁽¹⁾	Service Fee Payments ⁽¹⁾	Grant Fee Payments ⁽¹⁾	Total Debt Service ⁽¹⁾	Principal Balance ⁽¹⁾
State of California Water Resources Control Board - Estimated Loan \$129,860,229 ⁽³⁾							
06/30/22	0.900%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,507
06/30/23	0.900	-	-	-	-	-	173,962 ⁽²⁾
08/25/23	0.900	-	-	-	-	-	173,962
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) Balance equal to amount disbursed to date.

(3) Loan amount authorized. See Note 15.

(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, 2023 and 2022

<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					
05/01/22		\$ 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

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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Statistical Section

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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Table of Contents

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. 98

Revenue Capacity 101

 | These schedules contain information to help the reader assess the District’s most significant local revenue source, charges for services, and the property tax. 102

Debt Capacity 110

 | 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. 110

Demographic and Economic Information 114

 | These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place. 114

Operating Information 117

 | 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

	2014	2015	2016	2017	2018
NET POSITION					
Net investment in capital assets	\$ 353,090,158	\$ 356,641,697	\$ 407,432,038	\$ 416,010,569	\$ 427,769,322
Restricted	57,979,711	55,144,571	42,947,105	49,833,001	52,157,863
Unrestricted	159,272,415	164,601,667	140,810,860	147,164,785	161,488,668
TOTAL NET POSITION	<u>\$ 570,342,284</u>	<u>\$ 576,387,935</u>	<u>\$ 591,190,003</u>	<u>\$ 613,008,355</u>	<u>\$ 641,415,853</u>
	2019	2020	2021	2022	2023
NET POSITION					
Net investment in capital assets	\$ 439,789,160	\$ 446,212,414	\$ 462,458,274	\$ 505,171,986	\$ 545,848,743
Restricted	55,240,883	54,818,750	71,967,372	43,353,311	50,441,010
Unrestricted	168,286,791	191,129,738	181,372,092	204,596,901	206,313,198
TOTAL NET POSITION	<u>\$ 663,316,834</u>	<u>\$ 692,160,902</u>	<u>\$ 715,797,738</u>	<u>\$ 753,122,198</u>	<u>\$ 802,602,951</u>

Allow for rounding differences

(1) 2014 - Net position restated to apply GASB 68

(2) 2022 - Net position restated to apply GASB 96

Source: Elsinore Valley Municipal Water District

CHANGES IN NET POSITION

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	(1)	2023
OPERATING REVENUES											
Water Revenues	\$ 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		\$ 57,837,351
Wastewater Revenues	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		27,776,785
Recycled Water Revenues	-	-	939,750	1,036,047	1,146,853	1,043,280	1,353,922	1,547,653	1,681,044		1,514,308
Total Operating Revenues	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		87,128,444
NON-OPERATING REVENUES											
Property Taxes	7,613,764	8,239,146	8,510,208	9,133,430	9,635,769	10,290,446	10,827,679	11,706,694	12,242,788		13,989,031
Standby Charges	964,603	913,699	680,793	595,492	617,948	636,398	758,323	798,439	812,403		469,891
Investment Income	1,626,111	1,610,326	2,453,021	126,852	934,564	8,106,997	8,317,596	310,066	(7,114,904)		3,219,891
Other Non-Operating Revenues	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		4,184,596
Total Non-Operating Revenues	13,118,427	13,622,822	14,031,923	10,152,212	20,649,249	23,156,729	23,056,830	16,348,523	10,568,379		21,863,409
Total Revenues	83,968,382	81,448,312	83,320,535	77,614,089	95,035,270	97,644,041	101,226,158	101,321,678	97,116,559		108,991,853
OPERATING EXPENSES											
Water Purchases	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		17,841,634
Water Operations	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		20,304,841
Wastewater Operations	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		14,626,092
Recycled Water Operations	-	-	1,340,151	976,330	948,191	946,532	1,002,544	963,053	1,095,709		1,180,378
General and Administrative	9,102,775	10,675,786	10,246,633	10,561,347	14,268,344	14,263,892	16,552,478	15,657,193	11,469,867		17,179,582
Depreciation and Amortization	19,483,896	19,520,795	19,626,434	19,894,657	19,982,645	20,751,084	21,530,659	21,738,999	23,043,739		22,877,527
Total Operating Expenses	73,826,073	74,624,425	73,707,309	74,996,510	78,114,920	83,254,859	86,221,616	91,119,759	89,267,934		94,010,055

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	(1)	2023
NON-OPERATING EXPENSES											
Interest Expense	\$ 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		\$ 2,899,019
Other Expenses	2,288,392	1,845,509	2,166,692	1,597,944	2,805,062	1,782,127	1,321,827	2,683,069	2,820,601		1,141,806
Total Non-Operating Expenses	9,975,465	9,224,893	8,727,870	5,149,982	6,429,645	5,316,810	4,527,654	5,065,393	5,494,188		4,040,825
Total Expenses	83,801,538	83,849,318	82,435,179	80,146,492	84,544,565	88,571,669	90,749,270	96,185,152	94,762,122		98,050,880
INCOME (LOSS) BEFORE CONTRIBUTIONS	166,844	(2,401,006)	885,356	(2,532,403)	10,490,705	9,072,372	10,476,888	5,136,526	2,354,437		10,940,973
CAPITAL CONTRIBUTIONS	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		38,539,780
CHANGE IN NET POSITION	\$ 9,379,270	\$ 6,045,650	\$ 14,802,068	\$ 21,818,352	\$ 28,407,498	\$ 21,900,981	\$ 28,844,068	\$ 23,636,837	\$ 37,324,460		\$ 49,480,753

Allow for rounding differences

(1) 2022 - Net position restated to apply GASB 96

Source: Elsinore Valley Municipal Water District

SCHEDULE OF CAPACITY FEE REVENUES

Last Ten Fiscal Years

Fiscal Year	Water Capacity Revenues						Wastewater Capacity Revenues						Percent Change
	Storage	Temescal Valley Project	Pumping Plant	Transmission Facilities	Water Supply Facilities	Admin	Canyon Lake Wastewater Capital	Regional Plant Capacity	Regional Wastewater Capital	Southern Wastewater Capital	Recycled	Total	
2023	\$ 1,399,419	\$ 1,665,013	\$ 795,742	\$ 2,316,944	\$ 1,308,097	\$ -	\$ -	\$ 3,042,894	\$ 2,799,413	\$ -	\$ 444,083	\$ 13,771,606	16.3 %
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) (1)	581,173	512,455	1,156,193	697,766	24,181	70,095	1,416,906	1,477,388	-	508,245	6,433,374	(4.6)
2014	334,674	486,545	474,359	1,166,808	623,930	22,774	57,214	1,166,514	2,044,242	8,051	356,344	6,741,455	(26.4)

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

Source: Elsinore Valley Municipal Water District

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last Ten Fiscal Years

Fiscal Year	Water Produced (AF)	Water Consumed (AF)	Water Unbilled (AF)	Average Percent Unbilled	Wastewater Treated (AF)	Total Direct Rate			
						Water		Sewer ⁽³⁾	
						Base Rate ⁽¹⁾	Usage Rate ⁽²⁾	Base Rate ⁽⁴⁾	Usage Rate ⁽⁴⁾
2023	20,838	20,229	609	2.9 %	9,535	\$ 31.95	\$ 3.57	\$ 21.96	\$ 7.50
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	-

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

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

(3) Single Family Residential, 4 person household

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

Source: Elsinore Valley Municipal Water District

WATER AND SEWER RATES

Last Ten Fiscal Years

WATER RATES

Fixed Meter Charge:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
3/4"	\$ 15.78	\$ 16.58	\$ 21.08	\$ 21.27	\$ 23.77	\$ 26.27	\$ 27.65	\$ 28.70	\$ 30.28	\$ 31.95
1"	26.83	28.18	33.06	33.36	37.16	41.29	46.08	47.83	50.47	53.25
1-1/2"	52.09	54.70	63.01	63.58	70.63	78.85	92.17	95.67	100.94	106.50
2"	83.65	87.85	98.95	99.84	110.79	123.91	147.47	153.07	161.49	170.38
3"	157.83	165.76	212.76	214.67	237.96	266.59	294.93	306.14	322.98	340.75
4"	263.58	276.82	380.48	383.90	425.37	476.87	460.83	478.35	504.66	532.42
6"	525.59	551.98	961.51	970.16	1,074.63	1,205.35	921.67	956.69	1,009.31	1,064.83
8"	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	1,703.71

Variable Service Charge:

Tier 2 User Rate (per ccf)	\$ 2.78	\$ 2.85	\$ 2.75	\$ 2.77	\$ 2.78	\$ 2.84	\$ 3.08	\$ 3.20	\$ 3.38	\$ 3.57
Power Zone 2 (per ccf)	\$ 0.21	\$ 0.21	\$ 0.26	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.31	\$ 0.33

SEWER RATES

Fixed Service Charge	\$ 43.50	\$ 43.50	\$ 43.50	\$ 43.50	\$ 45.87	\$ 20.29	\$ 20.29	\$ 20.29	\$ 21.11	\$ 21.96
Variable (per person)	-	-	-	-	-	6.93	6.93	6.93	7.21	7.50

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - ELSINORE WATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023 and 2014

Fiscal Year Ended June 30, 2023

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LEUSD	School District	582	\$ 1,205,904	2.08 %
2. City Of Lake Elsinore	Government	373	731,097	1.26
3. City Of Murrieta	Government	201	558,542	0.97
4. Tuscany Hills Landscape & Rec Corp	Property Owners Association	195	460,455	0.80
5. Farm Mutual Water Company	Water Company	290	453,083	0.78
6. Canyon Lake POA	Property Owners Association	158	427,626	0.74
7. Greer Ranch Community Association	Property Owners Association	131	316,907	0.55
8. Santa Rosa Apartment Homes	Property Owners Association	71	276,628	0.48
9. Rosetta Canyon Community Assoc	Property Owners Association	95	218,807	0.38
10. The Colony At California Oaks	Property Owners Association	89	217,445	0.38
Total		<u>2,185</u>	<u>\$ 4,866,494</u>	<u>8.42 %</u>

Fiscal Year Ended June 30, 2014

Customer Name	Business Type	Annual Water Sales in Acre Feet	Annual Water Revenues	Percentage of District Water Revenues
1. LEUSD	School District	927	\$ 1,503,498	3.10 %
2. City of Lake Elsinore	Government	434	701,358	1.45
3. City of Murrieta	Government	317	581,566	1.20
Canyon Lake Property Owners Association	Property Owners Association	258	546,847	1.13
4. Ryland Homes	Developer	104	487,254	1.01
6. Tuscany Hills Homeowner's Association	Property Owners Association	294	460,594	0.95
7. The Farm Mutual Water Company	Water Company	334	459,774	0.95
8. Greer Ranch Community Association	Property Owners Association	272	458,095	0.95
9. Rosetta Canyon Community Association	Property Owners Association	219	381,951	0.79
10. Pardee Construction	Developer	159	312,238	0.64
Total		<u>3,318</u>	<u>\$ 5,893,175</u>	<u>12.17 %</u>

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - TEMESCAL WATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023 and 2014

Fiscal Year Ended June 30, 2023

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	21	\$ 59,418	0.10 %
2. Glen Ivy RVPOA	Property Owners Association	32	47,257	0.08
3. Butterfield Estates HOA	Property Owners Association	18	33,291	0.06
4. Bledsoe Construction	Business	6	11,603	0.02
5. Werner Corp	Business	3	11,073	0.02
6. Glen Ivy Village Inc	Property Owners Association	4	7,349	0.01
7. Resident	Residence	3	7,033	0.01
8. Resident	Residence	2	6,723	0.01
9. Resident	Residence	2	4,978	0.01
10. Resident	Residence	2	4,774	0.01
Total		93	\$ 193,500	0.33 %

Fiscal Year Ended June 30, 2014

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	704	\$ 522,364	1.08%
2. Lee Lake Water District/Sycamore Creek Park	Water Utility	254	184,986	0.38
3. Werner Corporation	Sand & Gravel Mfg.	194	145,710	0.30
4. Mayhew Aggregates & Mine Reclamation	Sand & Gravel Mfg.	121	98,018	0.20
5. Waste Management	Landfill	56	46,947	0.10
6. California Meadows Home Owners Association	Property Owners Association	31	41,317	0.09
7. Glen Ivy RVPOA	Property Owners Association	37	39,842	0.08
8. WSR /Butterfield	Property Owners Association	32	38,721	0.08
9. Corona Clay Company	Structural Clay Product Mfg.	44	36,641	0.08
10. Kenneth Holt	Agriculture	46	35,044	0.07
Total		1,519	\$ 1,189,590	2.46%

Source: Elsinore Valley Municipal Water District

TEN LARGEST CUSTOMERS - WASTEWATER DIVISION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023 and 2014

Fiscal Year Ended June 30, 2023

Customer Name	Business Type	Annual Wastewater Revenues	Percentage of District Wastewater Revenues
1. LEUSD	School District	\$ 309,195	1.11 %
2. City Of Lake Elsinore	Government	296,509	1.07
3. Cottonwood Canyon Hills - HOA	Property Owners Association	282,495	1.02
4. Canyon Lake POA	Property Owners Association	231,675	0.83
5. Links At Summerly	Golf Course	193,276	0.70
6. Summerly Community Association	Property Owners Association	172,291	0.62
7. Amanda Park Apts LP	Apartment Complex	122,619	0.44
8. Horsethief Canyon Ranch Maintenance Corp	Apartment Complex	102,603	0.37
9. Lake Elsinore Casino	Casino	98,579	0.35
10. Santa Rosa Apartment Homes	Apartment Complex	80,558	0.29
		<u>Total \$ 1,889,800</u>	<u>6.80 %</u>

Fiscal Year Ended June 30, 2014

Customer Name	Business Type	Annual Wastewater Revenues	Percentage of District Wastewater Revenues
1. Cottonwood Canyon Hills HOA	Property Owner Association	\$ 435,927	1.82 %
2. Lake Elsinore Unified School District	School District	346,125	1.44
3. Amanda Park Partners	Apartment Complex	170,557	0.71
4. Santa Rosa Apartments	Apartment Complex	130,508	0.54
5. Ridgestone Apartments	Apartment Complex	117,288	0.49
6. GLJ West Development	Developer	103,691	0.43
7. Lake Elsinore Casino	Casino	95,182	0.40
8. Wildomar Senior Partners	Apartment Complex	93,917	0.39
9. Pardee Homes	Developer	91,952	0.38
10. P.I. Properties	Developer	78,061	0.33
		<u>Total \$ 1,663,208</u>	<u>6.93 %</u>

Source: Elsinore Valley Municipal Water District

WATER RATE COMPARISON FOR 20 CCF PER MONTH

As of June 30, 2023

	\$40	\$50	\$60	\$70	\$80	\$90	\$100+	\$200+
City of Escondido								223.59
Rainbow Municipal Water District							185.74	
City of San Diego							177.97	
Valley Center Municipal Water District							167.61	
Western Municipal Water District (March East)							155.53	
Farm Mutual Water Company							120.97	
Western Municipal Water District (Murrieta)							118.18	
Western Municipal Water District (Rainbow)							104.29	
Elsinore Valley Municipal Water District							102.82	
Western Municipal Water District (Riverside)						99.77		
Rancho California Water District (Santa Rosa Division)						92.07		
Temescal Valley Water District						90.35		
City of Corona					82.00			
City of Riverside (Outside City Limits)					81.94			
Eastern Municipal Water District				72.97				
Eastern Municipal Water District (San Jacinto)			66.99					
City of Riverside (Inside City Limits)		55.74						
Rancho California Water District (Rancho Division)		53.29						

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, 2023

	\$20	\$30	\$40	\$50	\$60	\$70	\$80
City of Escondido						77.30	
Western Municipal Water District (Riverside, Perris, Cajalco)						75.36	
Valley Center Municipal Water District						61.72	
City of San Diego				59.50			
Rainbow Municipal Water District				55.07			
Elsinore Valley Municipal Water District⁽¹⁾⁽²⁾				51.96			
Western Municipal Water District (treated by EMWD)			46.99				
City of Corona			45.60				
Rancho California Water District			45.00				
Western Municipal Water District (treated by RCWD)			43.14				
Temescal Valley Water District			41.57				
Eastern Municipal Water District (Perris Valley)			41.37				
City of Riverside		39.59					
Farm Mutual Water Company		36.00					
Eastern Municipal Water District (Temecula Valley)		35.59					
Eastern Municipal Water District (Sun City)		31.63					
Eastern Municipal Water District (San Jacinto)		30.42					

(1) Does Not Include Capital Surcharge

(2) Based on a 4 person household

Source: Elsinore Valley Municipal Water District

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Secured				Unsecured			
	Taxes Levied	Taxes Collected	Delinquency		Taxes Levied	Taxes Collected	Delinquency	
			Amount	Percent			Amount	Percent
2023	\$ 7,983,803	\$ 7,660,488	\$ 323,315	4.0%	\$ 406,822	\$ 332,173	\$ 74,649	18.3 %
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	15,973	6.5

Source: County of Riverside
Elsinore Valley Municipal Water District

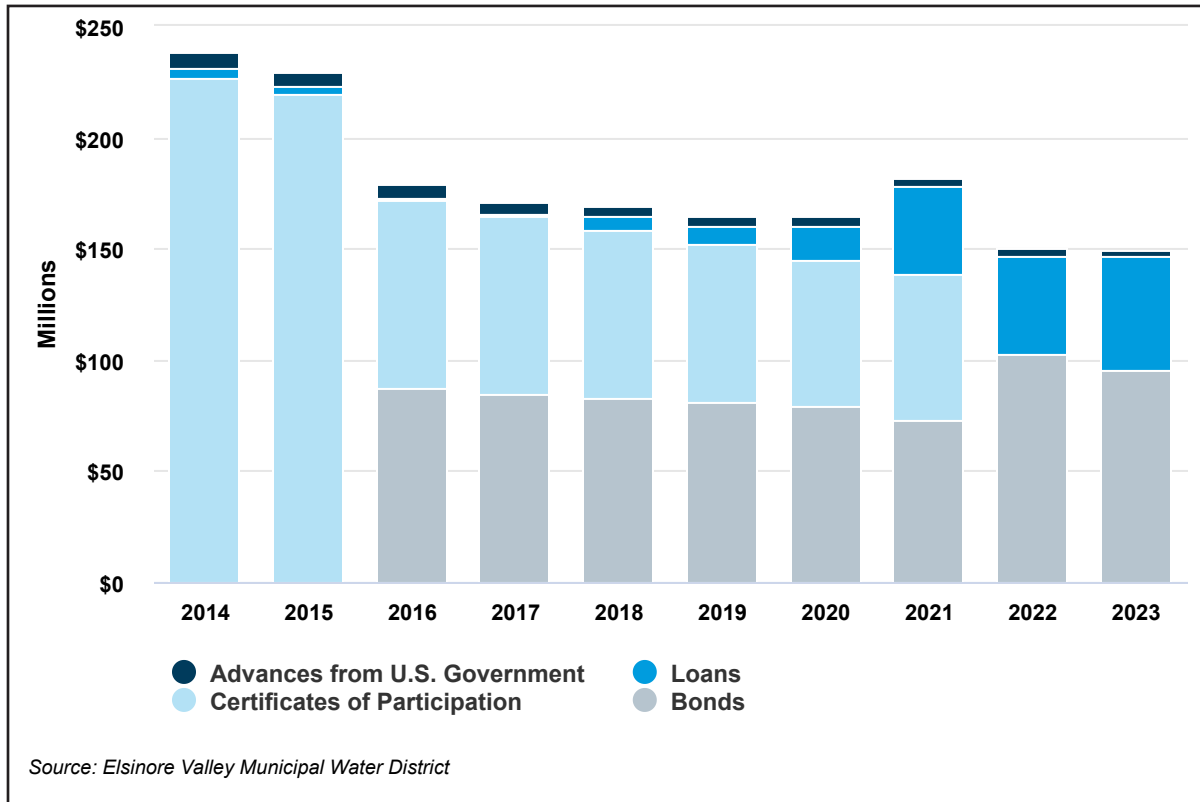
Note: Total taxes collected do not include prior year, supplemental, or EWD taxes collected

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*
2023	\$ 95,082,410	\$ -	\$ 51,071,806	\$ 3,091,783	\$ 149,245,999	\$ 1,764
2022	102,594,502	-	44,403,075	3,478,256	150,475,833	1,790
2021	72,871,187	65,201,070	39,595,789	3,864,729	181,532,775	2,180
2020	78,843,586	66,134,700	15,214,744	4,251,202	164,444,232	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

*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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES:										
Water Revenues	\$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	\$57,837,351
Sewer Revenues	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	27,776,785
Recycled Water Revenues	-	-	939,750	1,036,047	1,146,853	1,043,280	1,353,922	1,547,653	1,681,044	1,514,308
Property Taxes - General Purpose	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	8,517,283
Property Taxes - Redevelopment	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	5,003,709
Property Taxes - Temescal Valley Project	504,533	451,752	433,830	492,364	482,155	508,160	526,009	467,759	530,390	468,039
Standby Charges	964,603	913,699	680,793	595,492	617,948	636,398	758,323	798,439	812,403	469,891
Capacity Fees	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	13,771,606
Investment Income	1,626,111	1,610,326	2,453,021	126,852	934,561	8,106,997	8,317,596	310,066	(7,114,904)	3,219,892
Grants	112,299	286,910	817,868	6,906,333	3,090,355	25,315	5,364,290	169,481	3,980,027	572,925
Lease Income	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	2,557,542
Return of Principal	56,619	58,685	-	-	-	-	-	-	-	-
Transfer From (To) Rate										
Stabilization Fund	(3,306,178)	906,149	(42,352)	4,333,915 (2)	(10,812,292) (4)	4,256,563	(83,018)	(3,482,135)	1,255,324	(525,290)
Other	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	1,473,827
Total Gross Revenues	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	122,657,868
MAINTENANCE AND OPERATION COSTS:										
Water Purchases	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	17,841,634
Water Operations	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	20,304,841
Sewer Operations	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	14,626,092
Recycled Water Operations	-	-	1,340,151	976,330	948,191	946,532	1,002,544	963,053	1,095,709	1,180,378
General and Administrative	9,102,775	10,675,786	10,246,633	10,561,347	14,268,344	14,263,892	16,552,478	15,657,193	11,469,867 (6)	17,179,582
Maintenance & Operation Obligations	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473	386,473
Other	2,341,024	1,904,771	2,136,442	1,536,746	2,733,523	1,754,127	1,263,975	2,638,351	2,820,601 (6)	1,141,806
Total Maintenance and Operations Costs	57,069,674	57,394,874	56,603,790	57,025,072	61,252,271	64,644,375	66,341,405	72,405,584	69,431,269	72,660,806
Net Revenue	30,571,600	31,742,057	37,639,430	46,579,515	36,157,088	44,589,442	48,507,994	37,783,270	44,002,818	49,997,062

COMPUTATION OF DEBT COVERAGE RATIOS (Continued)

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OBLIGATIONS EXPENDITURES:										
Principal	\$7,727,405	\$8,038,324	\$7,768,644	\$6,261,316 (3)	\$7,400,717	\$7,966,348	\$8,759,998	\$8,877,915	\$9,133,526	\$9,632,034
Interest	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	2,899,019
Total Obligation Expenditures	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	12,531,053
NET REVENUE AFTER OBLIGATION EXPENDITURES	<u>\$15,157,122</u>	<u>\$16,324,349</u>	<u>\$23,309,608</u>	<u>\$36,766,161</u>	<u>\$25,131,788</u>	<u>\$33,088,411</u>	<u>\$36,542,169</u>	<u>\$26,563,685</u>	<u>\$32,195,705</u>	<u>\$37,466,009</u>
DEBT SERVICE COVERAGE RATIO	<u>198%</u>	<u>206%</u>	<u>263%</u>	<u>475%</u>	<u>328%</u>	<u>388%</u>	<u>405%</u>	<u>337%</u>	<u>373%</u>	<u>399%</u>
ALTERNATIVE DEBT SERVICE COVERAGE RATIO (1)	<u>154%</u>	<u>162%</u>	<u>187%</u>	<u>255%</u>	<u>209%</u>	<u>324%</u>	<u>290%</u>	<u>226%</u>	<u>239%</u>	<u>285%</u>
ALTERNATIVE DEBT SERVICE COVERAGE RATIO (5)	<u>197%</u>	<u>206%</u>	<u>259%</u>	<u>491%</u>	<u>342%</u>	<u>348%</u>	<u>371%</u>	<u>364%</u>	<u>461%</u>	<u>407%</u>

Allow for rounding differences

(1) Excludes capacity fees, and grants

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

(3) Excludes early prepayment on loans and COPs

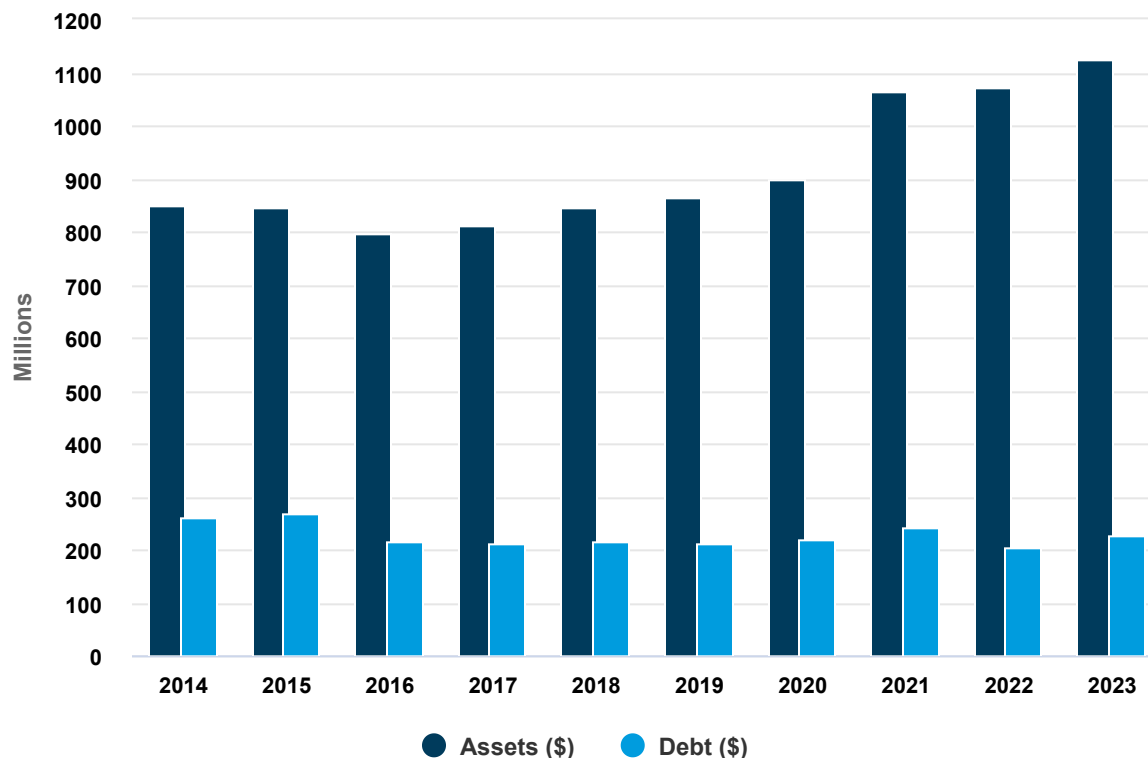
(4) FY 2018 Transfers from (to) Rate stabilization was updated to include the net transfers (in)/from the Sta Rosa (RCWD) Capital

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

(6) Figures adjusted to reflect implementation of GASB 87 and GASB 96

Source: Elsinore Valley Municipal Water District

TOTAL DEBT TO ASSETS RATIO Last Ten Fiscal Years



Total Debt to Assets Ratio Last Ten Fiscal Years

(in Millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2021 ⁽¹⁾	2022	2022 ⁽²⁾	2023
Assets (\$)	\$ 848	\$ 846	\$ 797	\$ 813	\$ 844	\$ 862	\$ 899	\$ 1,064	\$ 1,064	\$ 1,071	\$ 1,071	\$ 1,124
Debt (\$)	\$ 259	\$ 268	\$ 215	\$ 213	\$ 215	\$ 210	\$ 218	\$ 243	\$ 243	\$ 206	\$ 206	\$ 226
Debt as % of Assets	30.6%	31.7%	27.0%	26.2%	25.4%	24.3%	24.3%	22.9%	22.9%	19.2%	19.2%	20.1%

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

(2) FY2022 figures updated to reflect implementation of GASB 87 and GASB 96.

Source: Elsinore Valley Municipal Water District

POPULATION WITHIN DISTRICT BOUNDARIES

Last Ten Calendar Years

Year	City of Lake Elsinore	% of Growth	City of Canyon Lake	% of Growth	City of Murrieta ⁽¹⁾	% of Growth	City of Wildomar ⁽²⁾	% of Growth	Unincorporated Riverside County ⁽¹⁾	% of Growth	Total Population	% of Growth
2023	71,973	0.5 %	10,949	(1.0)%	19,549	0.0 %	36,336	(0.8)%	23,382	5.6 %	162,189	0.8%
2022	71,615	10.6	11,056	0.3	19,546	(0.1)	36,632	(1.0)	22,132	(20.2)	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
2020	63,453	0.8	11,000	(2.5)	19,510	(0.1)	37,183	3.1	26,508	(1.3)	157,654	0.6
2019	62,949	(0.7)	11,285	2.4	19,529	(0.1)	36,066	(0.6)	26,863	5.2	156,692	0.6
2018	63,365	2.1	11,018	1.2	19,546	0.0	36,287	1.4	25,527	1.3	155,743	1.5
2017	62,092	1.8	10,891	2.0	19,543	0.1	35,782	1.7	25,199	3.1	153,507	1.8
2016	61,006	4.4	10,681	(2.0)	19,529	0.1	35,168	3.0	24,452	(6.2)	150,836	1.2
2015	58,426	3.0	10,901	0.7	19,512	0.8	34,148	1.3	26,072	8.9	149,059	3.1
2014	56,718	2.3	10,826	0.5	19,351	0.4	33,718	1.6	23,938	4.4	144,551	2.1

(1) Projected population within District boundary.

(2) City of Wildomar incorporated in 2008

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⁾
2023	\$ 9,432,393	\$ 58,157	4.4%
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

(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, 2023 and 2014

Employer	2014 ⁽¹⁾			2023 ⁽²⁾		
	Rank	Employees	% of Total Labor Force	Rank	Employees	% of Total Labor Force
County of Riverside	1	17,766	1.9%	1	25,366	2.2%
Amazon				2	14,317	1.3
March Air Reserve Base	2	9,000	0.9	3	9,600	0.8
Nestle UA				4	8,874	0.8
University of California, Riverside	5	5,497	0.6	5	8,623	0.8
State of California				6	8,383	0.7
Walmart	4	5,681	0.6	7	7,494	0.7
Moreno Valley Unified School District	9	3,355	0.4	8	6,020	0.5
Kaiser Permanente Riverside Medical Center	8	4,500	0.5	9	5,817	0.5
Corona-Norco Unified School District	7	4,633	0.5	10	5,478	0.5
Stater Bros. Markets	3	6,900	0.7			
Riverside Unified School District	6	5,000	0.5			
Hemet Unified School District	10	3,270	0.3			
Total		65,602	6.9%		99,972	8.8%

Sources:

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

(2) Riverside County Economic Development Agency, Last Updated May 2023

MISCELLANEOUS STATISTICS - ELSINORE WATER DIVISION

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
WATER PRODUCTION SOURCES (AF)										
Wells (Ground Storage)	5,521	6,440	4,384	3,861	2,747	2,593	4,670	5,562	3,341	4,503
Back Basin Water Treatment Plant	2,931	2,060	1,803	413	-	1,086	425	1,347	3,237	3,023
Canyon Lake Water Treatment Plant	948	2,510	435	2,460	1,215	922	1,503	-	-	-
MWD (Purchased Water) ⁽¹⁾	16,821	12,699	13,572	15,218	19,198	16,991	15,703	17,571	17,705	13,312
Total Water Production	26,221	23,709	20,194	21,952	23,160	21,592	22,301	24,480	24,283	20,838
Water Sales & Uses (AF)	25,434	22,891	19,291	20,278	22,500	20,574	20,919	23,503	22,888	20,229
% Of Unaccountable Water	3.0%	3.5%	4.5%	7.6%	2.8%	4.7%	6.2%	4.0%	5.7%	2.9%
Canyon Lake Water Purchases (AF)	-	-	-	-	-	1,800	-	-	-	-
Recycled Water Sales (AF)	595	747	690	864	872	918	1,193	1,301	1,315	1,022
Conjunctive Use Program (AF)	1,990	5,051	1,068	-	(4,370)	(417)	(1,025)	-	-	900
Peak Daily Production (MG)	38.1	41.2	29.4	56.3	47.0	46.8	52.4	37.9	36.7	34.9
Average Daily Production (MG)	23.0	20.8	17.7	19.2	20.3	18.9	19.2	21.0	19.4	21.2
Total Daily Production Capacity (MG)	61.7	63.6	63.6	63.6	63.6	63.6	60.1	60.1	60.1	60.1
Storage Capacity (MG)	91.9	89.6	90.1	90.1	90.1	90.1	90.1	90.0	89.2	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	74	69	70	70	70	70	70	69	68	68
Miles Of Pipe In Service	700	703	703	725	731	735	730	728	728	743
Active Booster Stations	52	50	51	54	53	53	53	54	51	53
Active Water Production Wells	10	10	10	10	10	12	12	11	10	10
Water Meters	41,858	42,393	42,957	43,858	44,558	44,892	45,100	45,680	46,112	46,437
Recycled Water Meters	83	83	114	116	115	115	140	140	142	142
Population Served ⁽²⁾	142,300	146,752	148,533	151,203	153,453	154,402	155,331	160,093	160,981	162,189
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	163	164	164	164	169	169	171	173	173	175

(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

	2014	2015	2016	2017	2018 ⁽³⁾	2019	2020	2021	2022	2023
<u>Water Production Sources (AF)</u>										
Wells (Ground Storage)	2,757	1,956	306	548	500	214	1,352	1,269	676	1,014
Lee Lake (Surface Water)	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Imported - MWD	-	-	46	12	71	350	-	8	27	40
Total Water Production (AF)	2,757	1,956	352	560	571	564	1,352	1,277	703	1,054
Palm Avenue Production (AF)	-	708	1	521	958	883	363	789	1	1
Water Sales & Uses (AF)	2,158	1,936	327	541	542	515	1,401	1,347	682	1,023
% OF UNACCOUNTABLE WATER ⁽¹⁾	21.7%	1.0%	7.1%	3.4%	5.1%	8.7%	-3.6% ⁽⁴⁾	-5.5% ⁽⁴⁾	2.9%	2.9%
Peak Daily Production(MG) ⁽²⁾	3.9	7.4	4.6	14.4	4.7	7.5	4.9	4.9	3.6	3.6
Average Daily Production (MG)	1.9	2.3	0.3	1.0	1.9	0.5	1.7	3.3	2.1	2.1
Total Daily Production Capacity (MGD)	8.6	2.2	2.2	2.2	2.2	2.0	2.2	2.2	2.2	2.2
Storage Capacity (MG)	0.4	0.4	0.3	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	2	2	2	2	2	2	2
Miles Of Pipe In Service	66	50	50	12	12	12	12	12	12	12
Active Booster Stations	4	3	3	2	2	2	2	2	2	2
Active Water Production Wells	13	11	11	2	2	2	2	2	2	2
Active Water Basins	6	6	6	6	6	6	6	6	6	6
Water Meters	751	751	722	760	770	780	770	766	783	738
Population Served	2,251	2,307	2,303	2,303	2,290	2,290	2,323	2,323	2,313	2,313
Non Potable Acreage Served	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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Wastewater Services</u>										
Regional	22,387	22,899	23,548	24,344	24,907	25,146	25,442	25,946	26,211	26,564 ⁽⁴⁾
Railroad Canyon ⁽¹⁾	4,513	4,520	4,528	4,537	4,553	4,561	4,568	4,594	4,619	4,634
Southern ⁽²⁾	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,577	4,713	4,713 ⁽⁴⁾
Horsethief Canyon	2,054	2,054	2,055	2,052	2,052	2,052	2,051	2,051	2,051	2,052
Total	33,531	34,050	34,708	35,510	36,089	36,336	36,638	37,168	37,594	37,963
<u>Equivalent Dwelling Units</u>										
Regional	31,067	31,586	32,241	33,325	34,607	35,025	35,345	35,111	34,616	35,113 ⁽⁴⁾
Railroad Canyon ⁽¹⁾	4,913	4,920	4,928	4,937	4,953	4,961	4,968	4,992	5,014	5,028
Southern ⁽²⁾	5,086	5,086	5,086	5,078	5,079	5,079	5,079	5,079	6,052	6,052 ⁽⁴⁾
Horsethief Canyon	2,097	2,097	2,098	2,052	2,052	2,052	2,051	2,051	2,051	2,051
Total	43,163	43,689	44,353	45,392	46,691	47,117	47,443	47,233	47,733	48,244
<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	5.443	5.757	5.278	6.023	5.641	5.950	6.167	6.010	6.089	6.459
Railroad Canyon	0.754	0.641	0.569	0.705	0.696	0.696	0.651	0.699	0.573	0.489
Southern ⁽²⁾	0.803	0.754	0.795	0.734	0.768	0.824	0.879	0.938	0.872	1.182
Horsethief Canyon	0.357	0.354	0.337	0.342	0.333	0.331	0.386	0.359	0.377	0.383
Total	7.357	7.506	6.979	7.804	7.438	7.801	8.083	8.006	7.911	8.513

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Design Peak Hourly Flows (MG)</u>										
Regional	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60
Railroad Canyon	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Horsethief Canyon	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70	21.70
<u>Average Daily Peak (MG)</u>										
Regional	6.427	6.427	5.880	7.048	6.478	6.863	7.067	6.625	6.800	6.959
Railroad Canyon	0.875	0.875	0.720	0.842	0.841	0.804	0.793	0.805	0.680	0.560
Horsethief Canyon	0.449	0.449	0.440	0.463	0.412	0.428	0.506	0.525	0.481	0.506
Total	7.751	7.751	7.040	8.353	7.731	8.095	8.366	7.955	7.961	8.025
<u>% of Capacity Used</u>										
Regional	68.0	72.0	66.0	75.3	70.5	74.4	77.1	75.1	76.1	80.7
Railroad Canyon	62.8	53.4	47.4	58.8	58.0	58.0	54.2	58.3	47.7	40.8
Horsethief Canyon	71.4	70.8	67.3	68.4	66.6	66.2	77.2	71.8	75.4	76.5
<u>Miles of Pipe in Service</u>										
Regional	296.8	296.8	300.0	313.3	305.4	306.8	308.2	310.5	311.6	314.8
Railroad Canyon	48.9	48.9	48.9	49.2	46.2	46.2	46.3	46.3	46.2	46.3
Horsethief Canyon	18.7	18.7	18.7	18.7	18.7	18.7	18.2	18.2	18.2	18.2
Total	364.4	364.4	367.6	381.2	370.3	371.7	372.7	375.0	376.0	379.3
<u>Number of Lift Stations</u>										
Regional	28	28	28	29	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	37	37	37	37	37	37	37
<u>Recycled Water Production (MG)</u>										
Regional	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	2,357.5
Railroad Canyon	275.1	234.1	207.8	257.4	254.0	254.0	238.2	255.3	209.0	178.6
Horsethief Canyon	130.2	129.3	122.9	124.9	121.5	121.2	141.4	131.2	137.6	139.7
Total	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	2,675.7

Source: Elsinore Valley Municipal Water District

NUMBER OF AUTHORIZED EMPLOYEES BY IDENTIFIABLE ACTIVITY

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Water:</u>										
Administration	6.0	6.0	6.0	6.0	3.0	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	1.0
Water Resources Planning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water Quality	5.0	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	-	-	-	-	-	-	-	-	-
Field Services	11.0	11.0	11.0	11.0	8.0	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	11.0	11.0	11.0	11.0	11.0	11.0
Mechanical Maintenance	9.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0	12.0	14.0
Facilities Maintenance	5.0	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	2.0	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	8.0	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	4.0	4.0	4.0	4.0	3.0	8.0	8.0	8.0	8.0	8.0
Strategic Programs	6.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Capital Design/Construction & Development Services	7.0	7.0	7.0	7.0	7.0	6.0	8.0	9.0	9.0	9.0

Source: Elsinore Valley Municipal Water District

NUMBER OF AUTHORIZED EMPLOYEES BY IDENTIFIABLE ACTIVITY (Continued)

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>General and Administrative:</u>										
Administration	6.0	6.0	6.0	6.0	11.0	5.0	5.0	5.0	5.0	5.0
Legislative & Community Affairs	3.0	5.0	5.0	5.0	-	-	-	-	-	-
Government Relations	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources/Safety	3.0	4.0	4.0	4.0	5.0	5.0	5.0	6.0	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	3.0
Finance & Accounting	11.0	11.0	11.0	11.0	13.0	13.0	13.0	13.0	13.0	13.0
Customer Service	14.0	14.0	14.0	14.0	-	-	-	-	-	-
Community Relations	-	-	-	-	18.0	18.0	18.0	18.0	18.0	18.0
Purchasing/Warehousing	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Information Technology	6.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	163.0	164.0	164.0	164.0	169.0	169.0	171.0	173.0	173.0	175.0

Source: Elsinore Valley Municipal Water District

WATER AND WASTEWATER PREMISES⁽¹⁾
 Last Ten Fiscal Years

Year	Water			Wastewater					% of Wastewater vs. Water
	Elsinore	Temescal	Total Water	Regional	Railroad Canyon	Southern	Horsethief Canyon	Total Wastewater	
2023	45,324	717	46,041	26,336	4,205	4,710	2,051	37,302	81.0 %
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

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

Source: Elsinore Valley Municipal Water District

ACTIVE METERS⁽¹⁾ BY METER SIZE - ENTIRE DISTRICT

Last Ten Fiscal Years

Meter Size	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
3/4"	39,560	40,080	40,650	41,292	42,041	42,293	42,527	43,096	43,443	43,751
1"	1,719	1,727	1,763	2,015	2,035	2,069	2,079	2,079	2,104	2,107
1-1/2"	384	390	399	410	409	426	424	428	445	441
2"	815	816	832	854	837	860	842	844	874	860
3"	48	48	55	58	50	59	51	52	65	62
4"	57	57	73	78	60	78	60	60	78	75
6"	14	14	11	16	15	17	16	16	17	13
8"	10	10	6	9	9	9	9	9	9	6
Other	2	2	2	2	2	2	2	2	2	2
Totals	42,609	43,144	43,791	44,734	45,458	45,813	46,010	46,586	47,037	47,317
Increase (Decrease)	535	535	647	943	724	355	197	576	451	280
% Change	1.4%	1.3%	1.5%	2.2%	1.6%	0.8%	0.4%	1.3%	1.0%	0.6%

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 Rate-Tier 1 ⁽¹⁾	MWD Untreated Rate-Tier 2 ⁽¹⁾	WMWD Admin Surcharge	Total Imported Water Costs Untreated-Tier 1	MWD Treated Surcharge	Total Imported Water Costs Treated-Tier 1	WMWD Pipeline Surcharge ⁽²⁾	EMWD Surcharge ⁽²⁾	% of Rate Increase
2023	\$855.00	\$1,064.00	\$24.78	\$879.78	\$354.00	\$1,233.78	\$16.75	\$11.00	5.7 %
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

(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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**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT



Data Section

Elsinore Valley Municipal Water District | Year ended June 30, 2023

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DISTRICT EMPLOYEES RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLAN)

Last Ten Fiscal Years

	2014 ⁽²⁾	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Covered Payroll	11,676,322	12,307,222	12,648,098	12,560,469	12,085,954	12,560,391	13,966,669	14,179,139	14,819,392	16,042,668 ⁽³⁾
Employer contributions	2,232,962	2,500,495	2,656,957	2,742,846	2,907,458	3,299,273	3,669,646	4,016,728	4,332,215	4,915,440 ⁽³⁾
Employer contribution rate	19.124%	20.323%	21.019%	21.871%	24.057%	26.267%	26.274%	28.328%	29.233%	30.640%
Employer paid										
employee contributions	10,253	10,465	10,320	10,420	9,875	10,320	10,947	9,612	648	9,929
Employer paid										
employee contributions rate	0.09	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.07%	0.00%	0.06%
Total PERS contribution	2,243,215	2,510,960	2,667,277	2,753,266	2,917,333	3,309,593	3,680,593	4,026,340	4,332,863	4,925,369
Total contributions										
expressed as a percentage										
of annual covered payroll	19.21%	20.40%	21.09%	21.92%	24.14%	26.35%	26.35%	25.88%	28.76%	30.70%
Funded Ratio	77.42%	76.56%	72.92%	72.18%	74.70%	74.28%	73.71%	85.70%	72.58	(1)
Actuarial Value of Assets	57,572,891	59,780,252	60,676,954	67,736,143	73,332,813	78,321,358	82,393,535	101,375,386	93,761,275	(1)
Actuarial Accrued Liability										
Entry Age	74,365,247	78,079,621	83,206,291	93,839,849	98,169,288	105,446,251	111,779,977	118,292,919	129,175,499	(1)
Unfunded actuarial accrued liability	16,792,356	18,299,369	22,529,337	26,103,706	24,836,475	27,124,893	29,386,442	16,917,533	35,414,224	(1)
Unfunded actuarial accrued liability as a percent of payroll	143.80%	148.70%	178.10%	207.80%	205.50%	215.96%	210.40%	119.31%	238.97	(1)
Normal cost	12.06%	12.02%	12.42%	12.30%	12.13%	12.20%	12.51%	12.94%	12.29%	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, 2023

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

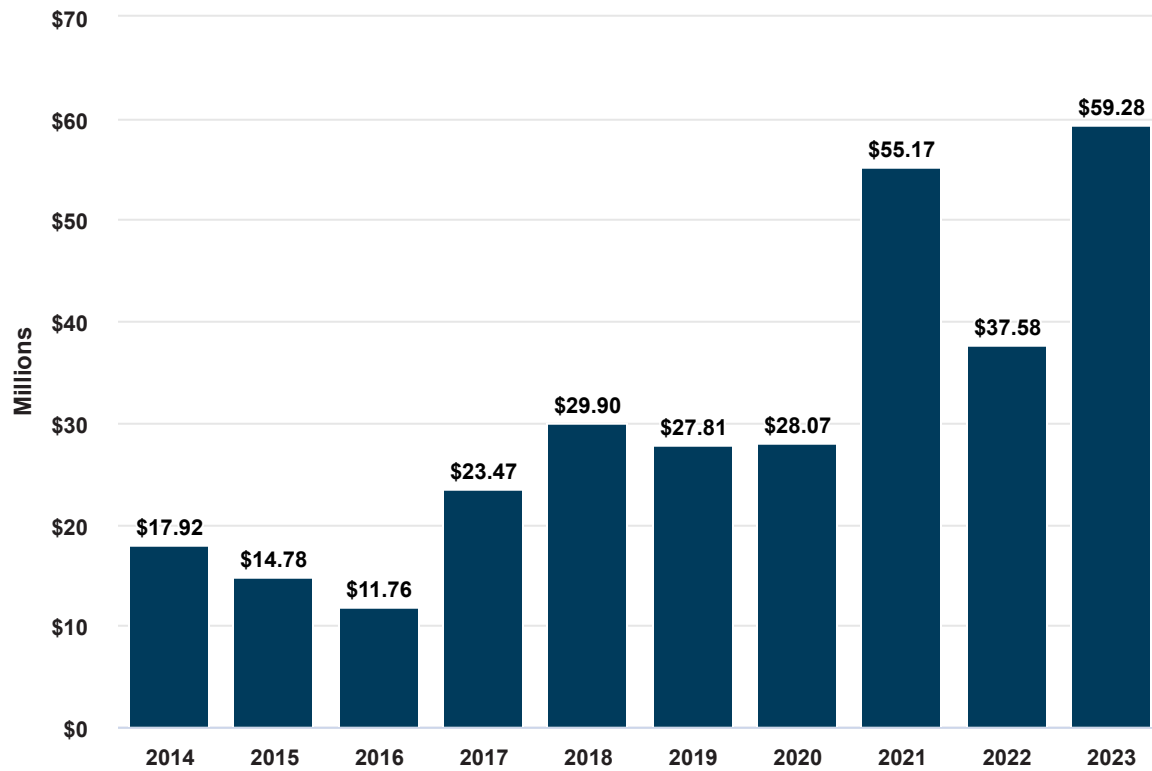
ASSESSED VALUATION OF TAXABLE PROPERTY WITHIN THE DISTRICT

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total	Percent Change
2023	\$ 18,686,608,037	\$ 124,741,020	\$ 18,811,349,057	7.9%
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

Source: County of Riverside

CAPITAL EXPENDITURES Last Ten Fiscal Years



Elsinore Valley Municipal Water District



**ELSINORE
VALLEY**

MUNICIPAL WATER DISTRICT