YORBA LINDA WATER DISTRICT
PLACENTIA, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY:

Yorba Linda Water District Finance Department

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Maria Trujillo, Accountant
Maggie Powell, Accounting Assistant II
Keri Hollon, Accounting Assistant II

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PLACENTIA, CALIFORNIA

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INTRODUCTORY SECTION

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October 10, 2022

To the Board of Directors and Customers of Yorba Linda Water District,

Introduction

The Yorba Linda Water District ("District") is pleased to present its Annual Comprehensive Financial Report (ACFR) for the fiscal year (FY) ending June 30, 2022. This report was prepared pursuant to the guidelines set forth by the Governmental Accounting Standards Board (GASB).

District staff prepared this financial report in conjunction with an unmodified opinion issued by the independent audit firm Lance, Soll & Lunghard, LLP ("LSL"). The independent auditor's report is located at the front of the financial section of this document. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes responsibility for the completeness and reliability of the information presented in this report. As further described below and to provide a reasonable basis for making these representations, the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal control should not outweigh its benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. Management asserts that to the best of its knowledge and belief, this financial report is complete and reliable in all material aspects.

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 Annual Comprehensive Financial Report (ACFR) for FY21. This was the 12th consecutive year the District has received this recognition. To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District believes that its current ACFR continues to meet the Certificate of Achievement Program requirements and will be submitting it to the GFOA to determine its eligibility for receipt of a certificate again this year. The District has been included in GFOA's recent internet posting and recognized among 317 government entities, on a national level, as a GFOA "Triple Crown Winner." To receive this recognition, governments would have to have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award for a single represented fiscal year.

District Structure and Leadership

The Yorba Linda Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District has provided water and/or sewer services to residents and businesses in of the City of Yorba Linda, and portions of Placentia, Brea, Anaheim, and unincorporated Orange County since 1959, the year it was formed to take over the assets and water service responsibilities of the Yorba Linda Water Company, a mutual water company formed in 1909. The District is governed by a five-member Board of Directors, elected at large from within the District's service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs a full-time staff of 81 employees. The District's Board of Directors meets monthly. Meetings are publicly noticed and citizens are encouraged to attend virtually or in person.

Mission/Vision Statement and Major Initiatives

The activities of the Board and District staff are driven by its Mission Statement: "Yorba Linda Water District will provide reliable water and sewer services to protect public health and the environment with financial integrity and superior customer service," and its Vision Statement: "Yorba Linda Water District will accomplish its mission to improve the quality of life for those we serve by: embracing proven technology; improving customer satisfaction; providing efficient and responsive operations; ensuring reliable infrastructure." The Mission and Vision Statements dictate the following six core values of the District.

1. **Integrity** – We demonstrate integrity every day by practicing the highest ethical standards and by ensuring that our actions follow our words.

2. **Accountability** – We acknowledge that both the Board and the staff of the District are accountable to the public that we serve, as well as to each other.

3. **Responsibility** – We take full responsibility for our actions. We maintain a commitment of courtesy, assessment and resolution with all customer concerns.

4. **Transparency** – We listen to our customers and communicate openly about our policies, processes, and plans for the future.

5. **Teamwork** – We work together by sharing information and resources to achieve common goals.

6. **Respect** – We ensure every voice, of the District, is treated with dignity and civility; differences are valued and individual abilities and contributions are recognized.

District Services
The District's service area is known for having larger than average residential lots and a network of horse trails. The City of Yorba Linda's median household income is approximately 34% greater than the overall median income for Orange County.

The District's service area borders Chino Hills State Park to the north and east and the Santa Ana River to the south, encompassing the city of Yorba Linda, and portions of Placentia, Brea, Anaheim, and unincorporated Orange County. The complex system of pipes, valves, pressure control stations, pump stations, fire suppression hydrants/helicopter-hydrants, and reservoirs are strategically located throughout the service area to provide reliable, high-quality drinking water to customers, provide firefighting resources, and transport wastewater to the Orange County Sanitation District's (OCSD) treatment plants in Fountain Valley, California.

The District provides water, sewer, or a combination of both services to residents and businesses within its service area, which includes approximately 14,475 acres of land, comprising 22.6 square miles. The District serves a population of approximately 83,000 and currently provides water service to approximately 25,446 residential, commercial, and light industrial connections. Residential customers make up approximately 93% of the District's customer base and consume approximately 75% of the water provided annually by the District. The District also provides sewer collection service for approximately 26,000 customer connections.

As a Special District, the Board, as part of the annual budget development process, approves rates and charges to ensure the cost of service and debt service obligations are met and to allow for the effective planning of future capital improvements. To that end, on June 8, 2021, the Board of Directors approved a new 5-year rate structure in accordance with California's Proposition 218 with an effective date of July 1, 2021, that included the following:

- A "commodity" rate, comprised of the actual cost or the water (including energy and other costs directly tied to the commodity), that mostly floats freely from the District's fixed costs, and insulates the District's finances from fluctuating.

- A "fixed meter charge" that is collected monthly on the customer bill and ensures a consistent revenue stream that is mostly unaffected by changes in demand or government mandates.

- A "capital finance charge" that covers a portion of the District's annual debt service obligations, including principal and interest for long-term intergenerational capital projects. This charge is based on the size of the service meter connection and appears on the annual property tax bill for each taxable parcel within the District's service area or invoiced manually for those meter connections that do not have their own affiliated, distinct parcel number.

- A “sewer maintenance charge” collected by way of a monthly fixed charge for residential customers and a combined fixed and volumetric charge for commercial customers.

In FY22, with an effective date of July 1, 2021, the commodity rate was adjusted to $2.64/unit, The monthly meter charges were set as follows: ⅝” and ¾” meters at $27.65, 1” meters at $43.13, 1 ½” meters at $81.80, 2” meters at $128.21, 3” meters at $275.19, 4” meters at $491.77 and 6” meters at $1,242.10. The District temporarily assessed active water customer accounts a Board of Directors approved interim PFAS Impact Fee, which was relative to the account’s meter size. This fee was to offset the increased operating costs of using 100% imported water to meet system demand during the construction of the PFAS water treatment plant, which was completed and operational by December 21, 2021. The PFAS Impact Fee was discontinued on December 31, 2021. At an average of 18 units of water per month (approximately 13,500 gallons), a typical 1” metered YLWD residential customer’s monthly water billing was about $96.31 for July – December 2021 or $90.65 for January – June 2022.

In FY22, the sewer maintenance fee was adjusted to $9.55 per month for traditional single-family residential customers, $9.19 per month per dwelling unit for multi-family residential customers and $9.55 per month plus a $0.37 per unit volumetric charge, based on water consumption above 7 units for commercial customers.
The District's water supplies come from two sources: local groundwater and imported water. For FY22, approximately 35.7% came from groundwater basins managed by Orange County Water District (OCWD). OCWD sets a maximum percentage of water that can be pumped from the ground, the Basin Production Percentage (BPP). The remaining 64.3% was purchased through the Municipal Water District of Orange County (MWDOC). MWDOC, in turn, purchases water from the Metropolitan Water District of Southern California (Metropolitan) who receives its water supply through the Metropolitan-owned Colorado River Aqueduct and the State of California-owned State Water Project (Northern California source). The cost of imported water to the retail agencies, such as the District, is approximately double the cost of pumping groundwater from local groundwater basins. Imported water is treated at Metropolitan’s Robert B. Diemer Treatment Plant, located on Valley View and Diemer Road in Yorba Linda. The District’s current system capacity can store approximately 57 million gallons of water in its reservoirs and produce 45 million gallons per day through its wells and imported water connections.

As discussed below, the District’s new PFAS water treatment plant was completed on July 6, 2022 and allows the District to resume maximum groundwater production through the closing of FY22 and beyond.

Other infrastructure enhancements completed in FY 22 include two (2) 1,000 kw natural gas emergency backup generators to ensure operational reliability of the PFAS treatment plant and district campus during Southern California Edison shutoffs; the PFAS Booster Pump Station; upgrades to the Chlorination Facility; and numerous technology and security improvements to shield the district from risks and losses that could otherwise affect this District’s financial stability.

Economic Condition and Outlook

The District's administrative offices are located in the City of Placentia in Orange County. Though the economic condition within the District's service area had experienced some challenges as a result of the COVID-19 pandemic, the local economy continues to improve. Wages and housing prices remain strong and unemployment remains low.

The COVID-19 virus had a decreasing impact on the local economy during the fiscal year. With the expiration of Governor Newsom's Executive Order (EO) N-42-20 as of December 31, 2021, the District reintroduced the assessment of late fees and the disconnection of customer water service for nonpayment (Health and Safety Code: Section 116902, Subdivision (c)). District staff, while in compliance with SB998, has worked with customers in need of assistance by implementing payment plans and providing information on resources and programs that provide assistance. The overall financial impact on the District as a direct result of the pandemic were minimal due to the continuous open lines of communication and premiere customer service provided to all service area customers.

California's water supply continues to be a concern due to environmental and regulatory restrictions that threaten the State's ability to provide storage, preserve water supply, and maintain a conveyance system through the Sacramento-San Joaquin Delta, all of which lead to increasing supply costs. While Southern California, through Metropolitan, has invested heavily in local storage to shield against drought events, the areas of California outside of the Metropolitan service area have failed to make similar investments in storage that could have some impact on local water supply at some point in the future.

Among the growing portfolio of mandates with which the District must comply are treatment requirements for emerging types of contaminants that, due to advances in technology, can now be detected in minute quantities (i.e., parts per trillion). On August 23, 2019, the State's Division of Drinking Water released new response and notification levels for Per- and Polyfluoroalkyl Substances (PFAS) for all water retailers. As directed by the State, all water retailers are to monitor their water resources for the PFAS chemicals. Through the monitoring process, it was determined that the District's groundwater water supply exceeded the response levels. Based on these results, the District proactively stopped producing groundwater pending the completion of a treatment system to remove the PFAS substances. As such, beginning in early to mid-2020 through the end of December 2021, the District imported one hundred percent (100%) of its water supply from Metropolitan nearly doubling the District's purchase costs. As approved by the Board in FY21, the District was able to budget for the additional expense and even imposed a Board approved interim PFAS Impact Fee on monthly water bills from February 1, 2021 through December 31, 2021 to help offset the additional cost of imported water expense. The use of imported water for the months of July – December of FY21 resulted in water purchasing increasing by approximately $2.6 million.

To permanently address the PFAS problem, on April 28, 2020 the District entered into the PFAS Treatment Facilities and Program Agreement among the Orange County Water

District (OCWD), Yorba Linda Water District, and other Groundwater Producers. Per that agreement, OCWD provided the funding (approximately $22 million) to design and construct a water treatment plant that will allow the District to resume groundwater pumping upon completion. Though the construction of the PFAS water treatment plant was not complete until July 6, 2022, the District gradually phased in groundwater as a supply source over a six (6) month period, with the beneficial use of groundwater starting as of December 21, 2021. Now that the treatment plant is fully operational, the operating plan for FY 2022-23 has budgeted for at least 77% of the District's water supply being pumped from the groundwater basin with the remaining 23% imported through Metropolitan. This change in water supply will have a significant positive effect on the District's fiscal health.

Future Years

The District continues to update its Asset Management Plan and develop a detailed 5-year Capital Improvement Program. Priority projects will include energy/power redundancy as well as capacity and reliability upgrades throughout the water and sewer systems. Due to wildfires and Southern California Edison's Public Safety Power Shutoffs, the District continues to strategically install additional natural gas backup generators at critical facilities.

Rules, regulations and mandates concerning water use efficiency are ever-evolving in California. As such, the District will continue to update its plans/policies/ procedures to address new developments in this arena. With the District's commodity rate floating separately from the rate that mostly covers the District's fixed costs, no significant financial impact to District's financial strength is anticipated due to lower customer demand. The rate structure and financial plan adopted for FY23 thru FY26 provides for the establishment of adequate reserve balances, complies with debt coverage covenants, fully funds annual operation and maintenance costs, and ensures sufficient funding for future capital projects and scheduled refurbishment and replacement needs.

The adopted FY23 budget is predicated upon the assumption that customer water demand will decrease from that of FY22 due to the Governor's request for a state-wide voluntary reduction in water consumption. In addition to permanent landscaping changes, water use efficiency awareness, and a growing culture of drought sensitivity. In addition, the uncertainty as to the potential future economic impacts as a result from the arising variants of COVID-19 , together with, new, existing and future State mandates were all considered in preparation of the FY23 budget.

Long-term Financial Planning and Policies

The District perpetually maintains a five-year Financial Forecast to identify and focus on current and projected economic conditions. The purpose of the forecast is to identify the District's ability over the next five years to continue current services, maintain existing assets and fund new initiatives or acquire new capital assets.

The Board of Directors also annually reviews and adopts a five-year forecast of Capital Improvement Projects. These investments reflect the Board of Directors' commitment to maintain and improve the District's critical infrastructure and facilities in order to seamlessly provide its customers with safe, reliable, and cost-effective water and sewer service.

The District's Debt Management Policy has a significant impact on the District's water rates set by the Board of Directors on an annual basis. The Policy directs that the District's annual rates and charges shall be set to maintain an annual debt coverage ratio of at least 225%, and to retain a AA+ rating or better from bond rating agencies. These policies are measured by the District's reportable net position for each fiscal year end.

In furtherance of the District's desire to prefund Net Pension and Other Post Employment Benefit (OPEB) obligations to the extent possible or reasonable, the District established a Public Agencies Post-Employment Trust made available by PARS. The District employs its Pension Rate Stabilization Program (PRSP) and Other Post-Employment Benefits (OPEB) Funding Policy that addresses the methodology and process for funding current and future contractual obligations to provide pension and retiree medical benefits as set forth in the District's personnel rules and regulations. The policy also establishes procedures that are formulated in compliance with the requirements of Section 115 of the Internal Revenue Code for a prudent and systematic investment in support of the District's goals. As part of the budgeting process, the Board of Directors reviews these policies annually and determines the level of funding into these programs to reduce the District's unfunded legacy obligations. The District has a goal of funding at least 90% of the unfunded pension obligation by FY27 and the OPEB obligations by FY23.

As discussed elsewhere herein, the District's new water and sewer rate structure provides a number of other advantages to incrementally improving the District's financial strength. One of the goals established through the recently approved rate study is to build a reserve account over time with a balance equal to the costs of one year's water purchases from Metropolitan. Should the District be faced with another mandate that results in the cessation of groundwater pumping, this reserve fund will offset the increased cost of purchases from Metropolitan without affecting the District's operating budget.

Water and Sewer Rates

As previously discussed, the Board of Directors approved a 5-year rate structure with an effective starting date of July 1, 2021. This rate structure was approved in compliance with Proposition 218 that requires a lengthy public notice and public hearing process. Of the 29,149 parcels within the District service area that were eligible to protest, only 413 (1.4%) protests were received by the public hearing date of June 8, 2021, far short of the 14,575 protests required to overturn the rate adjustment.

The new rate structure fundamentally changes and fortifies the District's financial outlook into the future. Much needed stability and resilience against fluctuations in demand have been achieved and the District now has a predictable and sustainable path forward.

Technological Advancements in Progress

The District continues to use advancements in technology to improve all aspects of its operations and customer interface on a regular and ongoing basis. Among the many improvements are the implementation of a cloud-based security software platform, updating of wireless infrastructure with a cloud-based wireless solution, reconfiguration of the Network with VLANS, enhancing the connection speed between hosts and storage to alleviate bottlenecks of traffic through the main switch, and--virtualizing the fileserver. Improved telecommunications among offsite facilities and ongoing upgrades to computer hardware round out the District's commitment to keeping its technology current.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Board of Directors adopts an operating and capital budget on an annual basis with a mid-year review. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting processes applied to the District are consistent with the accrual basis of accounting and financial statement presentation.

Cash and Investment Management

The District's Investment Policy is reaffirmed annually by the Board of Directors. The policy sets forth, in order of priority, the District's objectives when investing, reinvesting, purchasing, acquiring, selling and managing public funds as follows:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments made by the District are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.

2. **Liquidity:** The investment portfolio is to remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated.

3. **Yield:** The investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Audit and Financial Reporting

State Law and Bond covenants require the District to obtain an annual audit of its financial statements by an independent Certified Public Accountant. The accounting firm of Lance, Soll & Lunghard, LLP has conducted the audit of the District's financial statements. Their unmodified (clean) Independent Auditor's Report appears in the Financial Section.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished with the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the Yorba Linda Water District's fiscal policies.

Respectfully submitted,

Mark Toy, General Manager

Delia D. Lugo, Finance Manager

Yorba Linda Water District
Board of Directors and Executive Staff


J. Wayne Miller, President

Brooke Jones, Vice-President



Phil Hawkins, Director

Trudi DesRoches, Director

Tom Lindsey, Director


Mark Toy, General Manager

Douglass Davert, Asst. General Manager

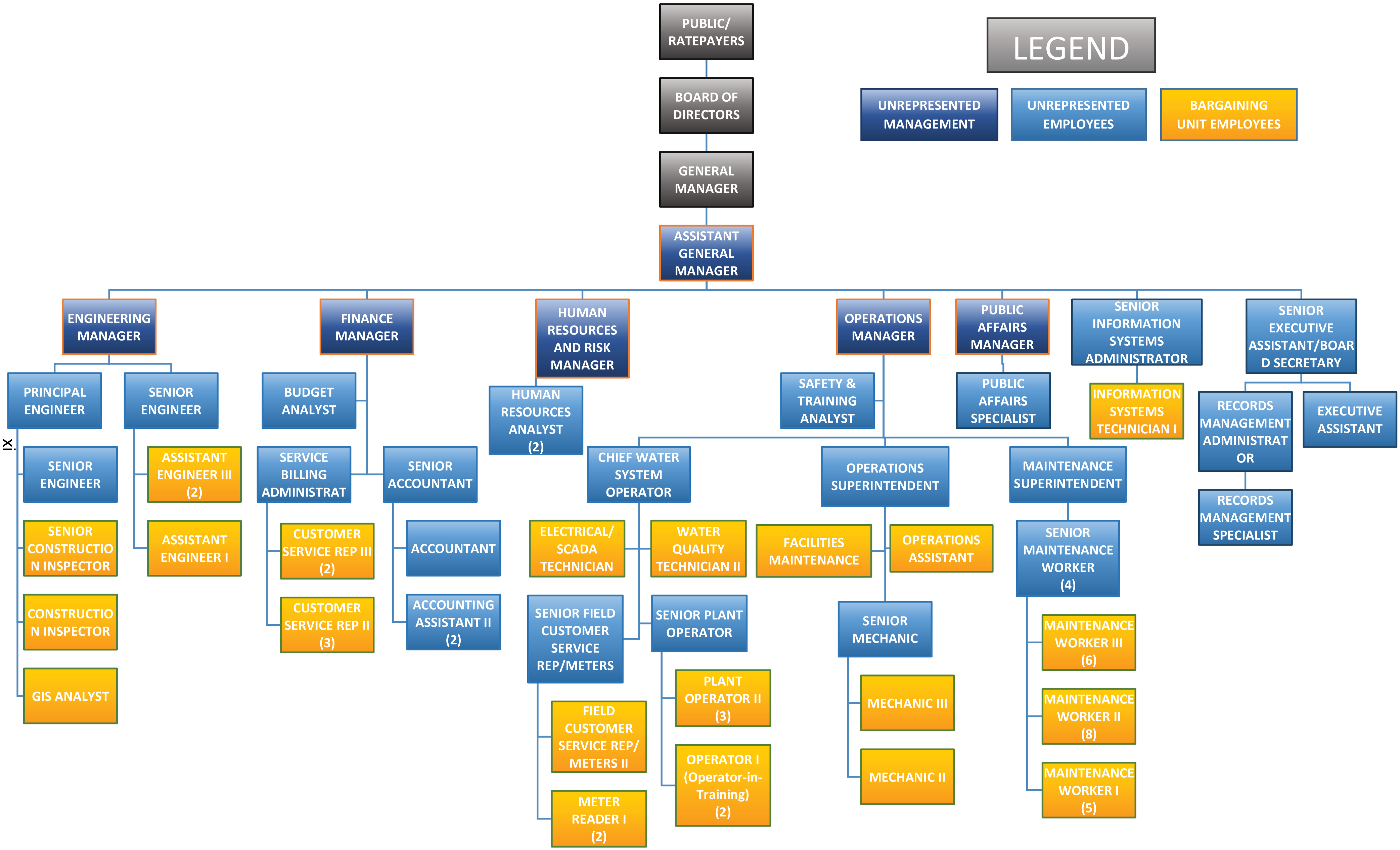


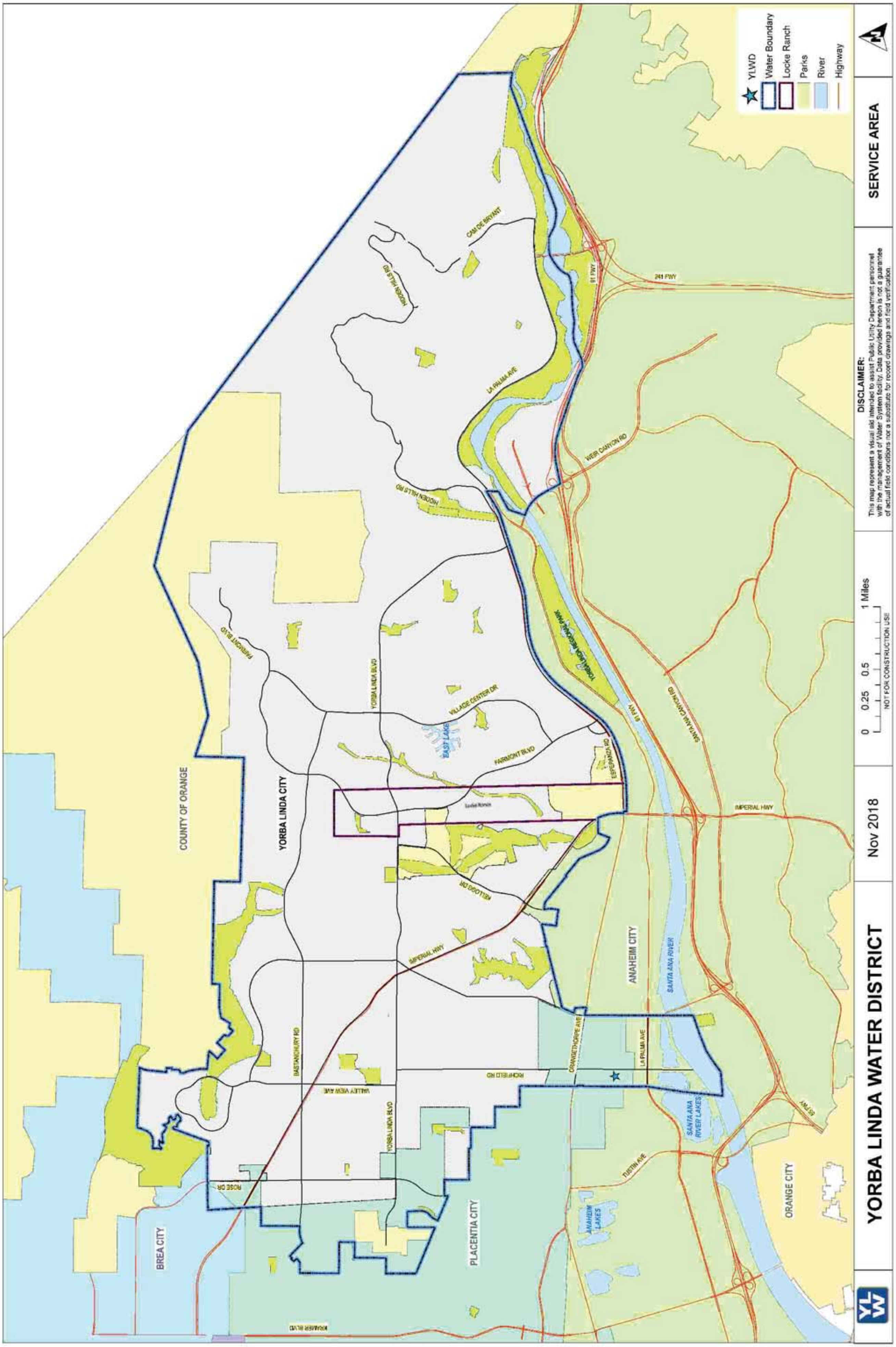

Rosanne Weston
Engineering Manager

John DeCriscio
Operations Manager

Gina Knight
HR/Risk Manager

Delia Lugo
Finance Manager


LEGEND
UNREPRESENTED MANAGEMENT
UNREPRESENTED EMPLOYEES
BARGAINING UNIT EMPLOYEES
PUBLIC/ RATEPAYERS
BOARD OF DIRECTORS
GENERAL MANAGER
ASSISTANT GENERAL MANAGER
ENGINEERING MANAGER
PRINCIPAL ENGINEER
SENIOR ENGINEER
SENIOR ENGINEER
SENIOR CONSTRUCTION INSPECTOR
CONSTRUCTION INSPECTOR
GIS ANALYST
ASSISTANT ENGINEER III (2)
ASSISTANT ENGINEER I
FINANCE MANAGER
BUDGET ANALYST
SERVICE BILLING ADMINISTRAT
CUSTOMER SERVICE REP III (2)
CUSTOMER SERVICE REP II (3)
SENIOR ACCOUNTANT
ACCOUNTANT
ACCOUNTING ASSISTANT II (2)
HUMAN RESOURCES AND RISK MANAGER
HUMAN RESOURCES ANALYST (2)
OPERATIONS MANAGER
SAFETY & TRAINING ANALYST
CHIEF WATER SYSTEM OPERATOR
ELECTRICAL/ SCADA TECHNICIAN
WATER QUALITY TECHNICIAN II
SENIOR FIELD CUSTOMER SERVICE REP/METERS
FIELD CUSTOMER SERVICE REP/ METERS II
METER READER I (2)
SENIOR PLANT OPERATOR
PLANT OPERATOR II (3)
OPERATOR I (Operator-in-Training) (2)
OPERATIONS SUPERINTENDENT
FACILITIES MAINTENANCE
OPERATIONS ASSISTANT
SENIOR MECHANIC
MECHANIC III
MECHANIC II
MAINTENANCE SUPERINTENDENT
SENIOR MAINTENANCE WORKER (4)
MAINTENANCE WORKER III (6)
MAINTENANCE WORKER II (8)
MAINTENANCE WORKER I (5)
PUBLIC AFFAIRS MANAGER
PUBLIC AFFAIRS SPECIALIST
SENIOR INFORMATION SYSTEMS ADMINISTRATOR
INFORMATION SYSTEMS TECHNICIAN I
SENIOR EXECUTIVE ASSISTANT/BOARD SECRETARY
RECORDS MANAGEMENT ADMINISTRATOR
RECORDS MANAGEMENT SPECIALIST
EXECUTIVE ASSISTANT


YORBA LINDA WATER DISTRICT
Nov 2018
0 0.25 0.5 1 Miles
NOT FOR CONSTRUCTION USE
DISCLAIMER:
This map represent a visual aid intended to assist Public Utility Department personnel with the management of Water System facility. Data provided hereon is not a guarantee of actual field conditions nor a substitute for record drawings and field verification.
SERVICE AREA
YLWD
Water Boundary
Locke Ranch
Parks
River
Highway
COUNTY OF ORANGE
YORBA LINDA CITY
BREA CITY
PLACENTIA CITY
ANAHEIM CITY
ORANGE CITY
SANTA ANA RIVER
SANTA ANA RIVER LAKES
ANAHEIM LAKES
EAST LAKE
IMPERIAL HWY
LA PALMA AVE
WEIR CANYON RD
241 FWY
91 FWY

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Yorba Linda Water District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Yorba Linda Water District
Placentia, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Yorba Linda Water District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2022, and the changes in financial position and 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), 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 Standards 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

To the Board of Directors
Yorba Linda Water District
Placentia, California

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the State Controller's Minimum Audit 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, *Government Auditing Standards*, and the State Controller's Minimum Audit 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.

To the Board of Directors
Yorba Linda Water District
Placentia, California

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post-employment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining schedules, the schedules of operating expenses by cost center and nature of expenses for water and sewer, and the schedules of capital assets (supplementary information) as of and for the year ended June 30, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section of the Annual Comprehensive Financial Report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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.

To the Board of Directors
Yorba Linda Water District
Placentia, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea, California
October 10, 2022

MANAGEMENT'S DISCUSSION AND ANLYSIS

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For the Year Ended June 30, 2022

The Yorba Linda Water District ("District") financial statements are prepared in conformity with Generally Accepted Accounting Principles ("GAAP") and include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. Readers should evaluate the financial statements with the accompanying Notes to Financial Statements. The Notes to Financial Statements are an integral part of the financial statements and provide useful explanations and detailed information on the presented financial statements. The Management's Discussion and Analysis ("MD&A") precedes the financial statements, and its purpose is to provide an overall analysis of the District's financial position and results of operations for the fiscal year ended June 30, 2022.

Financial Highlights

FY 2022

- The District's net position decreased by $1.3 million or a 0.80% decrease in net position.
- During the year, the District's revenues were $45.5 million, an increase of 6.3%.
- During the year, the District's expenses were $47.1 million, an increase of 4.6%.
- The District had net increase to capital assets of $995,848.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The District's statements consist of two funds; the Water Fund and the Sewer Fund. The District's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water and sewer to the customer of the District are financed primarily through user charges.

The *Statement of Net Position* states the financial position of the District at June 30, 2022. This statement includes five components: District assets plus deferred outflow of resources, less liabilities and deferred inflows of resources, with the remaining difference between those items being reported as the net position. It provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. *The Statement of Revenues, Expenses and Changes in Net Position* accounts for the annual results of operations. This statement shows the current year's revenues, expenses, capital contributions, and also calculates the overall change in net position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement may be used to evaluate profitability/sustainability/lucrativeness and credit worthiness. These two statements are shown using the accrual basis of accounting. This means revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments.

The final required financial statement is the *Statement of Cash Flows*, which provides information about changes in cash and cash equivalents during the reported fiscal year. This statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

The following condensed schedules contain summary financial information extracted from the basic financial statements and are meant to assist readers in evaluating the District's overall financial position and results of operations. These two statements report the District's net position and changes in them. One can think of the District's net position as a way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to take into consideration other factors such as changes in economic conditions, conservation mandates, population growth, weather patterns, zoning, response to unanticipated events, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 21 through 51.

Statement of Net Position

	2022	2021	Change
Assets:			
Current assets	$ 48,775,883	$ 46,394,074	$ 2,381,809
Restricted assets	2,163,510	1,701,501	462,009
Capital assets, net			
Not depreciable	8,240,603	3,053,018	5,187,585
Depreciable, net of accumulated depreciation	177,151,637	181,343,374	(4,191,737)
Total assets	236,331,633	232,491,967	3,839,666
Deferred Outflows of Resources:	3,255,023	3,059,788	195,235
Liabilities:			
Liabilities payable from unrestricted current assets	18,110,265	9,813,136	8,297,129
Non-current liabilities	52,398,776	61,148,581	(8,749,805)
Total liabilities	70,509,041	70,961,717	(452,676)
Deferred Inflows of Resources:	6,294,475	495,487	5,798,988
Net position:			
Net investment in capital assets	145,238,227	146,951,549	(1,713,322)
Restricted	2,269,372	1,807,363	462,009
Unrestricted	15,275,541	15,335,639	(60,098)
Total net position	$ 162,783,140	$ 164,094,551	$ (1,311,411)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $162.8 million as of June 30, 2022.

By far the largest portion of the District's net position (89.2% as of June 30, 2022) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt (net investment in capital assets) used to acquire those assets that is still outstanding. For the year ended June 30, 2022, net investment in capital assets decreased by $1.7 million. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

For the Year Ended June 30, 2022

Statement of Revenues, Expenses and Changes in Net Position

Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2022 is as follows:

	2022	2021	Change
Revenues:			
Operating revenues:			
Water sales	$ 38,495,864	$ 35,539,146	$ 2,956,718
Sewer revenue	3,204,396	2,743,000	461,396
Other operating revenue	1,275,632	968,455	307,177
Total operating revenues	42,975,892	39,250,601	3,725,291
Non-operating revenues:			
Investment income	179,375	246,942	(67,567)
Property taxes	2,157,211	2,072,582	84,629
Other non-operating income	209,976	1,249,200	(1,039,224)
Total non-operating revenue	2,546,562	3,568,724	(1,022,162)
Total revenues	45,522,454	42,819,325	2,703,129
Expenses:			
Operating expenses:			
Variable costs	20,603,385	18,638,471	1,964,914
Personnel services	11,016,220	10,947,895	68,325
Supplies and services	6,297,722	5,459,423	838,299
Depreciation	7,935,696	7,858,355	77,341
Total operating expenses	45,853,023	42,904,144	2,948,879
Non-operating expenses:			
Interest expense	1,249,313	1,293,830	(44,517)
Other non-operating expense	21,141	859,403	(838,262)
Total non-operating expenses	1,270,454	2,153,233	(882,779)
Total expenses	47,123,477	45,057,377	2,066,100
Net income(loss) before capital contributions and special items	(1,601,023)	(2,238,052)	637,029
Capital contributions	289,612	2,051,988	(1,762,376)
Change in net position	(1,311,411)	(186,064)	(1,125,347)
Net position, beginning of year	164,094,551	164,280,615	(186,064)
Net position, end of year	$ 162,783,140	$ 164,094,551	$ (1,311,411)

The statement of revenues, expenses and changes of net position shows how the District's net position changed during the fiscal years. In the case of the District, net position decreased by approximately $1.3 million for the fiscal year ended June 30, 2022.

A closer examination of the sources of changes in net position reveals that:

In 2022, the District's total revenues increased by $2.7 million, primarily due to a net increase in water sales revenue of approximately $3.0 million resulting from capital finance charges implemented on July 1, 2022, and collected through the annual property tax bill. This charge mostly covers the annual debt service for instruments that paid for large-scale intergenerational projects. Total expenses increased by $2.1 million primarily due to an increase in variable water costs of $2.0 million due to increased reliance on more expensive imported water to meet the demand from July to December and an increase in supplies and services costs of $838,000 which were mostly offset by a decrease in other non-operating expense of $838,000.

Capital Assets

Changes in capital asset amounts for 2022 were as follows:

	Balance 2021	Adjustments/ Additions/Transfer	Deletions	Balance 2022
Capital assets:				
Capital assets, not being depreciated	$ 3,053,018	$ 8,548,883	$ (3,361,298)	$ 8,240,603
Capital assets, being depreciated	303,275,316	3,759,516	(178,878)	306,855,954
Less accumulated depreciation	(121,931,942)	(7,935,696)	163,321	(129,704,317)
Total capital assets, net	$ 184,396,392	$ 4,372,703	$ (3,376,855)	$ 185,392,240

At the end of fiscal year 2022, the District's investment in capital assets amounted to $185.4 million (net of accumulated depreciation). This investment in capital assets includes land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, equipment, vehicles and construction-in-process, etc. Major capital asset projects in fiscal year 2022 included the two (2) 1,000 kw natural gas emergency backup generators, PFAS Booster Pump Station, Upgrades to the Chlorination Facility, and numerous technology and security improvements.

Additional information regarding capital assets is included in Note 4 of the Notes to Basic Financial Statements.

Long-Term Liabilities

Changes in long-term debt amounts for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
2012A Refunding Revenue Bond	$ 5,975,000	$ -	$ (345,000)	$ 5,630,000
2017A Revenue Bonds	25,805,000	-	(945,000)	24,860,000
Subtotal	31,780,000	-	(1,290,000)	30,490,000
Add (Less):				
2012A Premium	576,404	-	(47,701)	528,703
2017A Premium	3,592,722	-	(208,274)	3,384,448
Total Revenue Bonds	35,949,126	-	(1,545,975)	34,403,151
Revolving Line of Credit	1,443,751	4,300,000		5,743,751
Compensated Balances	1,860,139	1,279,145	(1,260,120)	1,879,164
Total Long-Term Debt	$ 39,253,016	$ 5,579,145	$ (2,806,095)	$ 42,026,066

In fiscal year 2022, long-term debt decreased by $1.3 million due to the principal payments on the 2012A and 2017A Revenue Bonds.

Additional information regarding long-term liabilities can be found in note 6 in Notes to Basic Financial Statements.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Finance Department at 1717 E. Miraloma Avenue, Placentia, California 92807 (714) 701-3040.

BASIC FINANCIAL STATEMENTS

YORBA LINDA WATER DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2022

CURRENT ASSETS	
Unrestricted Assets:	
Cash and cash equivalents	$ 42,608,877
Receivables:	
Accounts Receivable - Water and Sewer Services	5,292,990
Accounts Receivable - Property Taxes	61,940
Accrued Interest Receivable	68,358
Prepaid Expenses and Deposits	316,050
Inventory	332,389
Lease Receiveable	95,279
Total Unrestricted Assets	48,775,883
Restricted Assets:	
Cash and investments - Pension Trust	832,430
Cash and investments - OPEB Trust	306,736
Cash and Investments - Deposits	1,024,344
Total Restricted Assets	2,163,510
Total Current Assets	50,939,393
NONCURRENT ASSETS	
Capital Assets:	
Not Depreciable Capital Assets	8,240,603
Capital Assets, net of Depreciation/Amortization	177,151,637
Total Noncurrent Assets	185,392,240
Total Assets	236,331,633
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts from Pension Plans	2,458,386
Deferred Amounts from OPEB	520,402
Deferred Loss on Refunding	276,235
Total Deferred Outflows of Resources	3,255,023

See Notes to Financial Statement.

YORBA LINDA WATER DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2022

CURRENT LIABILITIES	
Payable from Unrestricted Current Assets:	
Accounts payable	$ 7,747,995
Accrued Expenses	391,201
Compensated Absences Payable-Current Portion	469,791
Customer and Construction Deposits	2,039,868
Unearned revenues	15,776
Accrued Interest Payable	351,883
Certificates of Participation - Current Portion	1,350,000
Revolving Credit - Current Portion	5,743,751
Total Payable from Unrestricted Current Assets	18,110,265
Total Current Liabilities	18,110,265
LONG-TERM LIABILITIES (Less Current Portion)	
Unearned Annexation Revenue	11,627,795
Compensated Absences	1,409,373
Certificates of Participation	33,053,151
Leases Payable	200,555
Net Pension Liability	5,595,057
Net OPEB Liability	512,845
Total Long-Term Liabilities (Less Current Portion)	52,398,776
Total Liabilities	70,509,041
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts from Pension Plans	5,355,890
Deferred Amounts from OPEB	749,701
Deferred gain on refunding	82,791
Deferred Amounts from Leases	106,093
Total Deferred Inflows of Resources	6,294,475
NET POSITION	
Net Investment in Capital Assets	145,238,227
Restricted:	
Water Conservation	105,862
Pension Benefits	832,430
Other Postemployment Benefits	306,736
Depository Cash	1,024,344
Unrestricted	15,275,541
Total Net Position	$ 162,783,140

See Notes to Financial Statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

OPERATING REVENUES	
Water Sales	$ 38,495,864
Sewer Revenues	3,204,396
Other Operating Revenues	1,275,632
Total Operating Revenues	42,975,892
OPERATING EXPENSES	
Variable Water Costs	20,603,385
Personnel Services	11,016,220
Supplies and Services	6,297,722
Depreciation and amortization expense	7,935,696
Total Operating Expenses	45,853,023
OPERATING LOSS	(2,877,131)
NONOPERATING REVENUES (EXPENSES)	
Property Taxes	2,157,211
Investment Income	179,375
Interest Expense	(1,249,313)
Other Nonoperating Revenues	209,976
Other Nonoperating Expenses	(21,141)
Total Nonoperating Revenues (Expenses)	1,276,108
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,601,023)
CAPITAL CONTRIBUTIONS	289,612
CHANGES IN NET POSITION	(1,311,411)
Net Position - Beginning of Year	164,094,551
NET POSITION - END OF YEAR	**$ 162,783,140**

See Notes to Financial Statement.

YORBA LINDA WATER DISTRICT

SCHEDULE OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Cash received from customers and users	$ 43,668,605
Cash paid to suppliers for goods and services	(36,501,342)
Cash paid to employees for services	160,456
Net Cash Provided (Used) by Operating Activities	**7,327,719**
Cash Flows from Non-Capital Financing Activities:	
Proceeds from Property Taxes and Assessments	2,346,046
Net Cash Provided (Used) by Non-Capital Financing Activities	**2,346,046**
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(8,430,563)
Proceeds from Revolving Credit	4,300,000
Principal Paid on Long-Term Liabilities	(1,290,000)
Interest and Commitment Fees Paid on Long-Term Liabilities	(1,996,292)
Net Cash Provided (Used) by Capital and Related Financing Activities	**(7,416,855)**
Cash Flows from Investing Activities:	
Sale of Investments	2,743,827
Purchases of Investments	(1,024,344)
Interest and Investment Earnings	142,960
Net Cash Provided (Used) by Investing Activities	**1,862,443**
Net Increase (Decrease) in Cash and Cash Equivalents	**4,119,353**
Cash and Cash Equivalents at Beginning of Year	38,489,524
Cash and Cash Equivalents at End of Year	**$ 42,608,877**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	$ (2,877,131)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (Used) by Operating Activities:	
Depreciation and amortization expense	7,935,696
(Increase) Decrease in Assets and Deferred Outflows of Resources	
Accounts Receivable - Water and Sewer Services	(186,378)
Accounts Receivable - Properyt Taxes	(35,152)
Prepaid Expenses and Deposits	(23,241)
Inventory	(67,483)
Deferred Amounts from Pension Plans	(316,036)
Deferred Amounts from OPEB	73,975
Increase (Decrease) in Liabities and Deferred Inflows of Resources	
Accounts payable	1,564,311
Accrued Expenses	83,364
Compensated Absences	19,025
Customer and Construction Deposits	914,243
Unearned Revenue	(57,602)
Net Pension Liability	(4,728,935)
Net OPEB Liability	(690,922)
Deferred Amounts from Pension Plans	5,275,112
Deferred Amounts from OPEB	444,873
Total Adjustments	**10,204,850**
Net Cash Provided (Used) by Operating Activities	**$ 7,327,719**
Non-Cash Investing, Capital, and Financing Activities:	
Amortization Related to Long-Term Debt	$ 255,975
Capital Contributions	401,026

See Notes to Financial Statement.

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NOTES TO BASIC FINANCIAL STATEMENTS

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Note 1: Summary of Significant Accounting Policies

a. Organization and Description of the Reporting Entity

The Yorba Linda Water District (the District) is an independent special district established in 1959, which operates under the authority of Division 12 of the California Water Code for the purpose of providing water and sewer services to properties within the District. The District is governed by a five member Board of Directors elected by the voters in the area to four-year terms. The District provides two services that include water and sewer. Water is provided to the entire service area. Sewer is provided to most of the service areas. The District's service area includes Yorba Linda, portions of Placentia, Anaheim, and Brea, and areas of unincorporated Orange County. The District provides water and sewer services to approximately 83,000 residents.

The financial statements present the District (the primary government), the Yorba Linda Water District Public Financing Corporation (the Corporation), and the Yorba Linda Water District Financing Authority (the Authority). The Corporation and the Authority meet the definition of a component unit and are presented on a blended basis, as if they are part of the primary government. Although they are legally separate entities, the governing board of the Corporation and the Authority are composed of the same membership as the District's Board of Directors. The District may impose its will on the Corporation and the Authority, including the ability to appoint, hire, reassign, or dismiss management. There is also a financial benefit/burden relationship between the District and the Corporation and the Authority.

The Corporation, a California nonprofit public benefit corporation, was formed in July 2003 for the purpose of providing assistance to the District and other public agencies in the state of California, of which the District is a member or is otherwise engaged in the financing, refinancing, acquiring, constructing, and rehabilitating of facilities, land, and equipment; the sale or leasing of facilities, land, and equipment for the use, benefit, and enjoyment of the public served by such agencies; and any other purpose incidental thereto. There are no separate financial statements for the Corporation.

The Authority, a public agency, was organized pursuant to a Joint Exercise of Powers Agreement (the JPA Agreement) between the District and the California Municipal Finance Authority (CMFA), dated April 11, 2017. The Authority is statutorily authorized by Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code and is empowered under the JPA Agreement to issue its bonds for, among other things, the purposes of the plan of financing described herein. Separate basic financial statements prepared for the Authority may be obtained from the Yorba Linda Water District, 1717 East Miraloma Avenue, Placentia, CA 92870.

b. Basic Financial Statements

The basic financial statements are composed 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.

Note 1: Summary of Significant Accounting Policies (Continued)

c. Basis of Presentation

The accounts of the District are that of an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

d. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the statement of net position. The statement of revenues, expenses, and changes in net position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

e. Cash and Cash Equivalents

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

f. Investments and Investment Policy

The District has adopted an investment policy directing the District's General Manager or Finance Manager to invest, reinvest, sell, or exchange securities.

Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

g. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management evaluates all accounts receivable and, if it is determined that they are uncollectible, they are written off as a bad debt expense. A charge of $18,114 was made to bad debt expense for the year ended June 30, 2022. Management has evaluated the remaining accounts receivable and has determined that they are collectible.

Note 1: Summary of Significant Accounting Policies (Continued)

h. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

i. Inventory

Inventory consists primarily of materials and supplies used in the construction and maintenance of the water and sewer systems and are stated at cost using the average- cost method on a first-in, first-out basis.

j. Capital Assets and Right-to-Use Leased Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $5,000 with an expected useful life of greater than one year. Contributed assets are recorded at acquisition value at the date of acquisition. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Right-to-use leased assets are defined by the District as assets with an estimated useful life in excess of one year and with an initial, individual cost of $5,000 or more. Such assets are recorded at the present value of the lease liability, including expenses to place the asset into service.

Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets as follows:

Source of Supply	30 to 75 Years
Pumping Plant	20 to 40 Years
Water Treatment Plant	12 to 40 Years
Sewer Plant	5 to 60 Years
Transmission and Distribution Plant	10 to 40 Years
General Plant	3 to 40 Years

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflow related to loss on refunding. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflows related to pensions and OPEB for employer contributions made after the measurement date of the net pension liability and the net OPEB liability.

Note 1: Summary of Significant Accounting Policies (Continued)

k. Deferred Outflows/Inflows of Resources (Continued)

- Deferred outflows related to pensions and OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred outflows from OPEB resulting from changes in assumptions and to employer's proportion. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree health benefits through the plan.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- Deferred inflow related to gain on refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows related to OPEB for differences between actual and expected experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pension and retiree health benefits through the respective plans.
- Deferred inflows related to pensions and OPEB for differences between changes of assumptions and changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions for pension. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to leases relates to the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

l. Customer Deposits

Customer deposits may be collected at the time water service is initiated. Deposits may be applied to customer accounts or refunded at the time an account is closed.

Note 1: Summary of Significant Accounting Policies (Continued)

m. Construction Advances, Deposits, and Bonding Deposits

Construction deposits are collected by the District to cover the cost of construction projects within the District. Funds in excess of project costs are refunded to the customer.

The District's policy is to maintain certain bonding requirements for water and sewer construction projects performed within District boundaries to ensure the proper completion of the project. Deposited amounts are refunded upon final approval of the project.

n. Unearned Revenue

Unearned revenue consists of developer payments that are recognized as revenue as water consumption of the area occurs and customer refunds that have not been cashed.

o. Unearned Annexation Revenue

The District collects a fee from newly annexed developments for all residential and commercial properties. This fee is in lieu of the District's share of 40 years of the 1% property tax revenue that the District no longer receives post-Proposition 13. The fee is a present worth value required to generate a 40-year revenue stream equivalent to the lost property tax revenue.

The fee is calculated based on the fair market value estimate of the improved property at the time the fee is collected and is based on the current rate of return on the District's investments. The deposit balance accrues interest and provides a source of operational revenue for the District and is amortized on a straight- line basis over 40 years. This unearned revenue source may be used for capital facilities in the future if approved by the Board of Directors.

p. Net Position

In the statement of net position, net position is classified in the following categories:

<u>Net Investment in Capital Assets</u>
This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt and capital related payables that are attributed to the acquisition, construction, or improvement of the assets.

<u>Restricted Net Position</u>
This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments. Amounts reported in restricted net position for the year ended June 30, 2022, represent the following:

a. Amount of $105,862 which is the balance remaining of administrative penalty fees collected by the District that must be used for costs related to conservation efforts, water use efficiency improvements, water conservation education, and regulatory compliance.

Note 1: Summary of Significant Accounting Policies (Continued)

p. Net Position (Continued)

b. Amount of $832,430 represents funds held in a trust with PARS that is restricted for future contributions to pension plans and $306,736 represents funds held in a trust with PARS that is restricted for future contributions to an OPEB plan.
c. Amount of $1,024,344 represents funds held in a depository cash account that is restricted for the Cielo Vista Development.

Unrestricted Net Position

This amount is all net position that does not meet the definition of net investment in capital assets or restricted net position.

q. Net Position Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's practice to consider restricted – net position to have been depleted before unrestricted - net position is applied.

r. Operating Revenues and Expenses

Operating revenues, such as charges for services (water sales and sewer service charges), result from exchange transactions associated with the principal activity of the District. Nonoperating revenues, such as property taxes, assessments, and investment income, result from nonexchange transactions or ancillary activities in which the District receives value without directly giving equal value in exchange.

Operating expenses include the costs of providing water, sewer, and related services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

s. Property Taxes and Assessments

The Orange County Assessor's Office assesses all real and personal property within Orange County each year. The Orange County Tax Collector's Office bills and collects the District's share of property taxes and assessments. The Orange County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property taxes in California are levied in accordance with Article XIIIA of the State Constitution at 1% of countywide assessed valuations. This levy is allocated pursuant to state law to the appropriate units of local governments.

Property taxes receivable at year-end are related to property taxes collected by the Orange County Tax Collector, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien Date	January 1
Levy Date	July 1
Due Dates	First Installment – November 1 Second Installment – March 1
Collection Dates	First Installment – December 10 Second Installment – April 10

Note 1: Summary of Significant Accounting Policies (Continued)

t. Water and Sewer Sales

The District recognizes water and sewer service charges based on cycle billings rendered to the customers each month.

u. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners or real estate developers desiring services that require capital expenditures or capacity commitment.

v. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's CalPERS plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

w. Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the District's OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

x. Budgetary Policies

The District adopts annual nonappropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

y. Use of Estimates

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and, accordingly, include amounts that are based on management's best estimates and judgments. Accordingly, actual results could differ from the estimates.

Note 1: Summary of Significant Accounting Policies (Continued)

z. Implementation of New Accounting Standards

During the year ended June 30, 2022, the District implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 87 Leases enhances usefulness and comparability of financial statements among governments by requiring lessees and lessors to report leases using a single model. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognizes inflows or outflows of resources based on the payment provisions of the lease contracts. Under GASB Statement No. 87, 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 deferred inflow of resources.

		Impact to Beginning Net Position for Fiscal Year Ending June 30, 2022
Right to Use Leased Assets	$	202,239
Leases Payable		(202,239)
Lease Receivable		171,515
Deferred Inflow Amounts From Leases		(171,515)
	$	-

Note 2: Cash and Investments

Cash and investments as of June 30 are reported in the accompanying statement of net position as follows:

		2022
Unrestricted Current Assets:		
Cash and Cash Equivalents	$	42,608,877
Restricted Assets:		
Cash and Investments - Pension Trust		832,430
Cash and Investments - OPEB Trust		306,736
Cash and Investments - Depository Cash		1,024,344
Total Cash and Investments	$	44,772,387

Cash and Investments as of June 30 consisted of the following:

		2022
Cash on Hand	$	750
Deposits with Financial Instutitions		979,333
Investments		43,792,304
Total Cash and Investments	$	44,772,387

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

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Note 2: Cash and Investments (Continued)

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy. This table does not address investments of the employer contributions to the other post-employment benefit trust that are governed by the trust agreement or the investments of funds within the pension and other postemployment benefit (OPEB) trusts that are governed by the agreement between the District and the trustees, rather than the general provisions of the California Government Code or the District's Investment Policy.

Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Credit Rating
Bank or Savings and Loans	5 Years	None	None	FDIC
Negotiable Certificates of Deposit	5 Years	30%	None	A and FDIC Collateralized
Local Agency Investment Fund	N/A	None	None	None
Orange County Commingled Investment Fund	N/A	None	None	N/A
California Asset Management Program	N/A	(1)	None	N/A
United States Treasury Bills, Notes, and Bonds	5 Years	None	None	N/A
United States Government-Sponsored Agency Securities	5 Years	None	None	N/A
Corporate Bonds	5 Years	30%	None	A
Banker's Acceptance	180 Days	10%	5%	A-1
Commercial Paper	270 Days	25%	5%	A-1
CalTRUST Investment Pool	N/A	None	None	N/A
Money Market Mutual Funds	N/A	20%	10%	N/A

(1) Limited to bond proceeds held by the District. N/A Not Applicable

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by the provisions of debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. Investments authorized for funds held by bond trustees include, U.S. Treasury Bills, Notes and Bonds, U.S. Treasury Obligations, Resolution Funding Corp (REFCORP), Prefunded Municipal Bonds, U.S. Government-Sponsored Agency Securities, Commercial Paper, Money Market Mutual Funds, Certificates of Deposits, Guaranteed Investment Contracts, Banker's Acceptance, Repurchase Agreements, and Local Agency Investment Funds.

Disclosures Relating to Interest Rate Risk

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

Note 2: Cash and Investments (Continued)

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following tables that show the distribution of the District's investments by maturity as of June 30, 2022.

June 30, 2022	Remaining Maturity (in Months)	
Investment Type	12 Months or Less	Total
Local Agency Investment Fund	$ 37,322,715	$ 37,322,715
Money Market Mutual Funds	4,306,079	4,306,079
Restricted:		
Deposits	1,024,344	1,024,344
Pension Trust - PARS Pooled Trust	832,430	832,430
OPEB Trust - PARS Pooled Trust	306,736	306,736
Total	$ 43,792,304	$ 43,792,304

Concentration of Credit Risk

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 with the exception of banker's acceptances, commercial paper, and money market funds, which are limited to an investment in any one issuer of 5%, 5%, and 10%, respectively. The District has no investments that exceed these limits.

Custodial Credit Risk

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

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Local Agency Investment Fund (LAIF).

Custodial Credit Risk (Continued)

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 governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% 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% of the secured public deposits.

As of June 30, 2022, all of the District's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

Note 2: Cash and Investments (Continued)

Investment in State Investment Pool

The District is a voluntary participant in 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 by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

Cash and Investments – Other Postemployment Benefit (OPEB) and Pension Trust

Restricted assets are financial resources generated for a specific purpose, such as OPEB and pension benefits. These assets are for the benefit of a specific purpose and, as such, are legally or contractually restricted by an external third-party agreement. The District's restricted assets consisted of a trust account with the Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the District's OPEB health plan and pension plan. The OPEB and pension trusts funds' specific cash and investments are listed as restricted cash and investments on the schedule of net position and are managed by a third-party portfolio manager under guidelines approved by the District. The District-approved guidelines are as follows:

Risk Tolerance	Moderate
Risk Management	The portfolio is constructed to control through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process help to drive return potential while reducing portfolio risk.

Cash and Investments – Other Postemployment Benefit (OPEB) and Pension Trust (Continued)

Investment Objective	To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.
Strategic Ranges	0% - 20% Cash 40% - 60% Fixed Income 40% - 60% Equity

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

Negotiable certificates of deposit and United States Government - Sponsored Agency securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Note 2: Cash and Investments (Continued)

The District has the following recurring fair value measurements as of June 30:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Total Leveled Investments	$ -	$ -	$ -	$ -
Local Agency Investment Fund*				37,322,715
Money Market Mutual Funds				4,306,079
Restricted:				
Deposits				1,024,344
Pension Trust - PARS Pooled Trust				832,430
OPEB Trust - PARS Pooled Trust				306,736
Total Investments				$ 43,792,304

*Not Subjected to fair value measurement hierarchy

Note 3: Restricted Assets

Restricted assets are provided by and are to be used for the following uses as of June 30:

Source	Use	2022
Cash Deposits	Cielo Vista Development	$ 1,024,344
Pension Trust - PARS Pooled Trust	Payment of Pension Benefits	832,430
OPEB Trust - PARS Pooled Trust	Payment of OPEB Benefits	306,736
Total Restricted Assets		$ 2,163,510

Note 4: Capital Assets

Changes in capital assets for the year ended June 30, 2022 were as follows:

	Balance at June 30, 2021	Adjustments	Transfers of CIP	Additions	Deletions	Balance at June 30, 2022
Capital Assets, Not Depreciated:						
Land, Mineral, and Water Rights	$ 287,419	$ -	$ -	$ -	$ -	$ 287,419
Construction in Progress	2,765,599	-	(3,336,515)	8,548,883	(24,783)	7,953,184
Total Capital Assets, Not Depreciated	3,053,018	-	(3,336,515)	8,548,883	(24,783)	8,240,603
Capital Assets, Being Depreciated/Amortized:						
Source of Supply	5,516,308	-	-	-	-	5,516,308
Pumping Plant	28,461,664	-	31,040	-	(11,395)	28,481,309
Water Treatment Plant	1,383,545	-	-	-	-	1,383,545
Transmission and Distribution Plant	244,028,160	-	2,829,000	220,762	(60,442)	247,017,480
General Plant	23,885,639	-	476,475	-	(105,357)	24,256,757
Right-to-Use - Leased Equipment	-	1,684	-	-	(1,684)	-
Right-to-Use - Leased Well	-	200,555	-	-	-	200,555
Total Capital Assets, Being Depreciated	303,275,316	202,239	3,336,515	220,762	(178,878)	306,855,954
Less Accumulated Depreciation/Amortization for:						
Source of Supply	(2,806,092)	-	-	(128,350)	-	(2,934,442)
Pumping Plant	(11,384,846)	-	-	(1,185,739)	3,792	(12,566,793)
Water Treatment Plant	(1,058,864)	-	-	(41,565)	-	(1,100,429)
Transmission and Distribution Plant	(92,961,912)	-	-	(5,549,812)	52,488	(98,459,236)
General Plant	(13,720,228)	-	-	(1,023,737)	105,357	(14,638,608)
Right-to-Use - Leased Equipment	-	-	-	(1,684)	1,684	-
Right-to-Use - Leased Well	-	-	-	(4,809)	-	(4,809)
Total Accumulated Depreciation	(121,931,942)	-	-	(7,935,696)	163,321	(129,704,317)
Total Capital Assets, Being Depreciated, Net	181,343,374	202,239	3,336,515	(7,714,934)	(15,557)	177,151,637
Total Capital Assets, Net	$ 184,396,392	$ 202,239	$ -	$ 833,949	$ (40,340)	$ 185,392,240

Depreciation expense for the depreciable capital assets was $7,929,203 and amortization expense of $6,493 for the fiscal year ended June 30, 2022.

Note 5: Leases

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Note 5: Leases (Continued)

Leases Payable

Lease liability	Balance as of June 30, 2021	Adjustments	Additions	Deletions	Balance as of June 30, 2022
Copier Lease	$ -	$ 1,684	$ -	$ 1,684	$ -
Well Land Lease	-	200,555	-	-	200,555
Total lease liability	$ -	$ 202,239	$ -	$ 1,684	$ 200,555

In September 2016, the District entered into a noninterest bearing lease agreements with Konica Minolta Premier Finance to obtain three photocopiers/printer. The lease term is five years with base monthly payments of $703 per month. During the fiscal year, this lease completed its term and was renewed on a month-to-month basis.

In December 2021, the District entered into a 50 year lease as Lessee for the use of Well 21. An initial lease liability was recorded in the amount of $199,554. As of June 30, 2022, the value of the lease liability is $201,448. The District is required to make yearly payments based on agreed rent schedule. The lease has an interest rate of 3.00%. The value of the right to use asset as of June 30, 2022 of $199.554 with accumulated amortization of $4,809.

Payment requirements on the leases subsequent of June 30, 2022, are follows:

Fiscal Year	Principal	Interest	Total
2023	$ -	$ 6,023	$ 6,023
2024	-	6,047	6,047
2025	-	6,068	6,068
2026	-	6,085	6,085
2025	-	6,097	6,097
2028 - 2032	1,086	30,486	31,572
2033 - 2037	6,677	29,924	36,601
2038 - 2042	14,034	28,397	42,431
2043 - 2047	23,579	25,609	49,188
2048 - 2052	35,826	21,196	57,022
2053 - 2057	51,397	14,708	66,105
2058 - 2062	67,956	5,593	73,549
Total	$ 200,555	$ 186,233	$ 386,788

Deferred Inflows related to Leases

Deferred Inflows Related to Leases	Balance as of June 30, 2021	Adjustments	Additions	Deletions	Balance as of June 30, 2022
Verizon (SMSA)	$ -	$ 130,812	$ -	$ 38,287	$ 92,525
Crown Castle	-	40,703	-	27,135	13,568
Total	$ -	$ 171,515	$ -	$ 65,422	$ 106,093

Note 5: Leases (Continued)

Leases Receivable

Lease Receivable	Balance as of June 30, 2021	Adjustments	Additions	Deletions	Balance as of June 30, 2022
Verizon (SMSA)	$ -	$ 130,812	$ -	$ 35,533	$ 95,279
Crown Castle	-	40,703	-	40,703	-
Total	$ -	$ 171,515	$ -	$ 76,236	$ 95,279

In November 2013, the District entered into a 5 year lease with the option to renew 4 additional 5 year terms lease as Lessor for the use of a portion of Quarter horse reservoir. An initial lease receivable was recorded in the amount of $130,812. As of June 30, 2022, the value of the lease receivable is $95,279. The lessee is required to make monthly payments of $3,280 increased by 3% annually. The lease has an interest rate of 3.000%. The value of the deferred inflow of resources as of June 30, 2022 was $92,525, and the District recognized lease revenue of $38,287 during the fiscal year.

In January 2018, the District entered into a 5 year lease as Lessor for the tower site with Crown Castle. An initial lease receivable was recorded in the amount of $40,703. As of June 30, 2022, the value of the lease receivable is $0. The lessee is required to make annual payments of $41,318 adjusted yearly based on CPI. The lease has an interest rate of 3.000%. The value of the deferred inflow of resources as of June 30, 2022 was $13,568, and the District recognized lease revenue of $27,135 during the fiscal year.

Total Leases Receivable at June 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	$ 37,799	$ 2,246	$ 40,045
2024	40,170	1,076	41,246
2025	17,310	87	17,397
Total	$ 95,279	$ 3,409	$ 98,688

Note 6: Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2022, were as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Certificates of Participation					
2012A Revenue Refunding					
Certificates of Participation	$ 5,975,000	$ -	$ (345,000)	$ 5,630,000	$ 360,000
2017A Revenue Bonds	25,805,000	-	(945,000)	24,860,000	990,000
Subtotal	31,780,000	-	(1,290,000)	30,490,000	1,350,000
Add (Less):					
2012A Premium	576,404	-	(47,701)	528,703	-
2017A Premium	3,592,722	-	(208,274)	3,384,448	-
Total Certificates Participation	35,949,126	-	(1,545,975)	34,403,151	1,350,000
Revolving Credit - Direct Placement	1,443,751	4,300,000	-	5,743,751	5,743,751
Compensated Balances	1,860,139	1,279,145	(1,260,120)	1,879,164	469,791
Total	$ 39,253,016	$ 5,579,145	$ (2,806,095)	$ 42,026,066	$ 7,563,542

Note 6: Long-Term Liabilities (Continued)

2012A Revenue Refunding Certificates of Participation

In September 2012, the Corporation issued $8,330,000 of Revenue Refunding Certificates of Participation, Series 2012A (the 2012A Certificates). The 2012A Certificates were issued to provide funds (1) to advance refund all of the currently outstanding District Certificates of Participation Series 2003 (the 2003 Certificates) and (2) to pay costs of issuance of the 2012A Bonds.

The 2012A Certificates bear interest ranging from 2% to 5%, payable semiannually on April 1 and October 1. There is no reserve requirement for the 2012A Certificates.

The 2012A Certificates are obligations of the Corporation payable solely from payments received from the District pursuant to the Installment Purchase Agreement by and between the District and the Corporation. The Installment Purchase Agreement requires the District to fix, prescribe, and collect rates and charges for the water service that will be at least sufficient to yield during each fiscal year net revenues equal to 110% of the debt service for such fiscal year. For fiscal year 2022, the net revenues are equal to 276% of the debt service.

The 2012A Certificates are subject to federal arbitrage regulations and have no amounts due.

At June 30, 2022, the 2012A Certificates' outstanding balance was $5,630,000.

2012A Revenue Refunding Certificates of Participation (Continued)

The annual debt service requirements for the 2012A Certificates outstanding at June 30, 2022, are as follows:

	2012A		
Year Ending June 30,	Principal	Interest	Total
2023	$ 360,000	$225,388	$ 585,388
2024	375,000	207,913	582,913
2025	395,000	188,663	583,663
2026	415,000	168,413	583,413
2027	440,000	147,038	587,038
2028-2032	2,510,000	410,463	2,920,463
2033-2034	1,135,000	37,131	1,172,131
Total	$ 5,630,000	$ 1,385,009	$ 7,015,009

Rating Change

On August 27, 2021, Fitch Ratings changed its rating on the Bonds to "AA+" from "AA."

2017A Revenue Bonds

In May 2017, the Authority issued $29,335,000 of Revenue Bonds, Series 2017A (the 2017A Bonds). The 2017A Bonds were issued to provide funds (1) to finance the acquisition and construction of certain improvements to the District's water system, (2) to advance refund all of the currently outstanding District Revenue Certificates of Participation Series 2008, and (3) to pay costs of issuance of the 2017A Bonds.

Note 6: Long-Term Liabilities (Continued)

At June 30, 2022, the 2017A Bonds' outstanding balance was $24,860,000.

The 2017A Bonds bear interest at rates ranging from 3% to 5%, payable semiannually on April 1 and October 1. There is no reserve requirement for the 2017A Bonds.

The 2017A Bonds are obligations of the Authority payable solely from payments received from the District pursuant to the Installment Purchase Agreement by and between the District and the Authority. The Installment Purchase Agreement requires the District to fix, prescribe, and collect rates and charges for the water service that will be at least sufficient to yield during each fiscal year net revenues equal to 125% of the debt service for such fiscal year. For fiscal year 2022, the net revenues are equal to 276% of the debt service.

2017A Revenue Bonds Continued)

The 2017A Bonds are subject to federal arbitrage regulations and have no amounts due.

The annual debt service requirements for the 2017A Bonds outstanding at June 30, 2022, are as follows:

	2017A		
Year Ending June 30,	Principal	Interest	Total
2023	$ 990,000	$ 1,149,294	$ 2,139,294
2024	1,045,000	1,098,419	2,143,419
2025	1,095,000	1,044,919	2,139,919
2026	1,145,000	988,919	2,133,919
2027	1,205,000	930,169	2,135,169
2028-2032	6,875,000	3,766,372	10,641,372
2033-2037	8,490,000	2,097,000	10,587,000
2038-2039	4,015,000	202,025	4,217,025
Total	$ 24,860,000	$ 11,277,117	$ 36,137,117

Rating Change

On August 27, 2021, Fitch Ratings changed its rating on the Bonds to "AA+" from "AA."

Revolving Credit Agreement

On May 12, 2020, the District entered into a Revolving Credit Agreement (Agreement) with Bank of America. Under the Agreement, the District can borrow a maximum aggregate amount of $20,000,000 on any business day from May 12, 2020 to the earlier of (a) May 12, 2023 and (b) the date the Revolving Commitment is reduced to zero (availability period). The proceeds of the Revolving Loans will be utilized to pay for capital projects of the Water System. The District can elect that any Revolving Loan be either a Fixed Rate Revolving Loan or a Floating Rate Revolving Loan. A Fixed Rate Revolving Loan will bear interest at the fixed rate, which is equal to the sum of (i) the product of 80% and the LIBOR rate for the applicable interest period and (ii) the Applicable Margin. A Floating Rate Revolving Loan will bear interest at the floating rate, which is a variable rate of interest equal to the sum of (i) the product of 80% and the LIBOR Rate (Floating) and (ii) the Applicable Margin.

Note 6: Long-Term Liabilities (Continued)

Revolving Credit Agreement (Continued)

The Applicable Margin means a rate per annum associated with the level corresponding to the lowest long-term unenhanced debt rating assigned by any Moody's, Fitch, or S&P to any Senior Indebtedness, as specified below:

Level	Moody's Rating	S & P Rating	Fitch Rating	Applicable Margin
Level 1	Aa3 or above	AA- or above	AA- or above	0.41%
Level 2	A1	A+	A+	0.56%
Level 3	A2	A	A2	0.61%
Level 4	A3	A1	A3	0.66%
Level 5	Baa1	BBB+	BBB+	0.81%
Level 6	Baa2	BBB	BBB	0.96%
Level 7	Baa3 or below	BBB- or below	BBB- or below	Default Rate*

*Default Rate means, for any day, a rate of interest per annum equal to the greater of (i) the Prime Rate in effect on such day plus 5%, (ii) the Federal Funds Rate in effect on such day plus 6%, (iii) 10%, and (iv) LIBOR Rate (Floating) plus 6%; provided that in no event shall the Default Rate exceed the Maximum Interest Rate then in effect (the maximum rate permitted by law).

If one of the rating agencies' rating is at a different level than the rating of another rating agency, the Applicable Margin is based upon the level in which the lowest rating appears.

Commitment Fees accrue during the entire availability period (May 12, 2020 to May 12, 2023) and are calculated monthly, in arrears. Commitment Fees are equal to the product of (i) the Commitment Fee Rate and (ii) the actual daily amount by which the Revolving Commitment exceeds the Outstanding Amount of Revolving Loans.

The Commitment Fee Rate is a rate per annum associated with the Level corresponding to the lowest long-term unenhanced debt rating assigned by any Moody's, Fitch, or S&P to any Senior Indebtedness, as specified below:

Level	Moody's Rating	S & P Rating	Fitch Rating	Commitment Fee Rate if Available Commitment <60% Utilized	Commitment Fee Rate if Available Commitment >60% Utilized
Level 1	Aa3 or above	AA- or above	AA- or above	0.20%	0.00%
Level 2	A1	A+	A+	0.35%	0.00%
Level 3	A2	A	A2	0.40%	0.00%
Level 4	A3	A1	A3	0.45%	0.00%
Level 5	Baa1	BBB+	BBB+	0.60%	0.00%
Level 6	Baa2	BBB	BBB	0.75%	0.00%
Level 7	Baa3 or below	BBB- or below	BBB- or below	Default Rate*	Default Rate*

Note 6: Long-Term Liabilities (Continued)

Revolving Credit Agreement (Continued)

The aggregate principal amount of the Revolving Loans outstanding is due on May 12, 2023. Interest and Commitment Fees on each Revolving Loan are due and payable in arrears on the first business day of each month, commencing on June 1, 2020.

The District must fix and prescribe rates and charges for water service that are sufficient to yield net revenues after payment of debt service of 110%. The District is in compliance with this requirement.

As of June 30, 2022, the District's Outstanding Revolving Loans amount to $5,743,751 and are due on May 12, 2023. These loans were fixed rate loans with an interest rate at June 30, 2022 of 1.267%. At June 30, 2022, interest expense was $22,211, and commitment fees incurred at June 30, 2022 are $34,132.

Estimated future debt service payments, utilizing the fixed rates in effect as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 5,743,751	$ 11,468	$ 5,755,219

Compensated Absences

Compensated absences are composed of unpaid vacation leave, sick leave, and compensating time off, which are accrued as earned.

Note 7: Other Post-Employment Benefits (OPEB) Plan

a. General Information about the OPEB Plan

Plan Description

The District, through an agent multiple-employer defined benefit plan, provides post- employment health-care benefits to retirees managed through California Employers' Retiree Benefit Trust (CERBT). Specifically, the District provides health (medical, dental, and vision) insurance for its retired employees and directors, their dependent spouses (if married and covered on the District's plan at time of retirement), or survivors in accordance with Board of Director resolutions. Medical coverage is provided for retired employees who are age 50 or over and who have a minimum of five years of service with the District. Only employees hired prior to December 8, 2011, qualify for these benefits. The District pays 100% of the premium for the retiree and two-thirds of the premium amount for eligible dependents accrued at a rate of one year for every three years of service. Two-thirds of the premium amount of medical coverage is provided for the surviving spouse of retired employees for the remaining vested period. The plan does not provide a publicly available financial report.

Employees Covered

As of the June 30, 2021 measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries	16
Currently Receiving Benefit Payments	35
Active Employees	51
Total	

Note 7: Other Post-Employment Benefits (OPEB) Plan (Continued)

Contributions

Benefit provisions and contribution requirements are established by District policy and may be amended by the Board of Directors. The annual contribution is based on the actuarially determined contribution. For the measurement period end June 30, 2021, the District made a contribution of $278,000 to the OPEB trust, made payments totaling $192,785 for retiree health-care insurance benefits, and the implied subsidy was $41,111, resulting in payments of $511,896.

b. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-age normal cost method
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.75%
Projected Salary Increase	2.75%
Expected Long-Term Investment Rate of Return	6.50%
Health-care Cost Trend Rates	4.00% per year
Mortality, Preretirement Turnover	Derived from 2017 CalPERS OPEB assumptions model for "public agency miscellaneous"

The actuarial assumptions used in the June 30, 2021, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the District.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages were taken from the current composition of the CERBT trust, and the expected yields were taken form a CalPERS publication for the Pension Fund. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in

Note 7: Other Post-Employment Benefits (OPEB) Plan (Continued)

b. Net OPEB Liability (Continued)

the OPEB plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Strategic Allocation	Long- Term Expected Real Rate of Return
Global Equity	59.00%	5.25%
Fixed Income	25.00%	0.99%
Treasury Securities	5.00%	0.45%
Real Estate Trusts	8.00%	4.50%
Commodities	3.00%	3.90%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the retiree's benefits. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

c. Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	OPEB Liability	Fiduciary Net Position	OPEB Liability
Balance at June 30, 2020			
(Measurement Date)	$ 3,594,092	$ 2,390,325	$ 1,203,767
Changes in the Year:			
Service Cost	71,324	-	71,324
Interest on the Total OPEB Liability	226,014	-	226,014
Difference between actual and			
expected experience	309,789	-	309,789
Assumption changes	(130,001)	-	(130,001)
Contribution - Employer	-	511,896	(511,896)
Net Investment Income	-	657,056	(657,056)
Administrative Expenses	-	(904)	904
Benefit Payments	(233,896)	(233,896)	-
Net Changes	243,230	934,152	(690,922)
Balance at June 30, 2021			
(Measurement Date)	$ 3,837,322	$ 3,324,477	$ 512,845

Change of Benefit Terms

There was no change of benefit terms.

Note 7: Other Post-Employment Benefits (OPEB) Plan (Continued)

c. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
Net OPEB Liability (Asset)	$ 886,198	$ 512,845	$ 187,685

Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using health-care cost trend rates that are one percentage point lower or one percentage point higher than the current health-care cost trend rates:

	1% Decrease 3.00%	Health Care Cost Trend Rates 4.00%	1% Increase 5.00%
Net OPEB Liability (Asset)	$ 168,456	$ 512,845	$ 912,396

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

For the year ended June 30, 2022, the District recognized OPEB expense of $36,995. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	$ 209,069	$ -
Differences Between Actual and Expected Experience	271,543	(273,075)
Changes in Assumptions	39,790	(113,951)
Net Difference Between Projected and Actual Earnings	-	(362,675)
Total	$ 520,402	$ (749,701)

Note 7: Other Post-Employment Benefits (OPEB) Plan (Continued)

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

The amount of $209,069 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2023	$ (94,666)
2024	(92,198)
2025	(90,259)
2026	(105,272)
2027	(4,930)
Thereafter	(51,043)
Total	$ (438,368)

f. Additional Funding of the OPEB Plan

In November 2017, the District approved the creation of an OPEB defined benefit plan trust with PARS (OPEB Trust). The PARS trust is legally restricted to providing benefits for members of the OPEB defined benefit plan. However, in accordance with GASB 75, the asset balance is not included in the calculation of the net OPEB liability above.

The District made no contributions to the OPEB Trust in the fiscal year ended June 30, 2022. Investment earnings/(losses) of ($91,333), administrative expenses of $4,326, and distributions (benefit payments) of $337,937 resulted in an asset balance of $306,736 as of June 30, 2022.

Note 8: Pension Plans

a. General Information about the Pension Plans

<u>Plan Description</u>

All qualified permanent and probationary employees are eligible to participate in the District's separate Miscellaneous Employee Pension Plans (Plans), which are cost - sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under these plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Note 8: Pension Plans (Continued)

a. General Information about the Pension Plans (Continued)

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 to 62 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five (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 Plans' provisions and benefits in effect at the measurement date ended June 30, 2021, are summarized as follows:

	Miscellaneous		
	Tier I	Tier II	Tier III - PEPRA
Hire Date	Prior to December 22, 2011	On or After December 22, 2011	On or After January 1, 2013
Benefit Formula	2% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 63	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	7%	7%	6.25%
Required Employer Contribution Rates:			
Normal Cost Rate	11.031%	9.281%	7.732%
Payment of Unfunded Liability	$ 637,134	$ 5,459	$ 10,525

Contributions

Section 20814(c) of CalPERS law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by pension plan terms as plan member contribution requirements are classified as plan member contributions.

Note 8: Pension Plans (Continued)

b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 5,595,057

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2021, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plans as of the measurement dates June 30, 2020 and 2021, was as follows:

	Miscellaneous
Proportion - June 30, 2020	0.09489%
Proportion - June 30, 2021	0.10345%
Change - Increase (Decrease)	0.00857%

For the year ended June 30, 2022, the District recognized pension expense of $1,645,627. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 1,415,483	$ -
Differences Between Actual and Expected Experience	627,425	-
Difference in proportionate share	-	(471,700)
Adjustments due to differences in proportions	415,478	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(4,884,190)
Total	$ 2,458,386	$ (5,355,890)

Note 8: Pension Plans (Continued)

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

An amount of $1,415,483 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2023	$ (901,351)
2024	(967,256)
2025	(1,094,641)
2026	(1,349,739)
2027	-
Thereafter	-
Total	$ (4,312,987)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement period the total pension liability was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The total pension liability was based on the following assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost	Entry-Age Normal Cost
Method Actuarial	Method
Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	(1)
Mortality Rate Table	(2)
Postretirement Benefit Increase	(3)

(1) Varies by entry age and service.

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

(3) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

Note 8: Pension Plans (Continued)

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

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1-10 (b)	Real Return Years 11+ (c)
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the CalPERS CAFR, fixed income is included in Global Debt Securities; liquidity is included in short-term investments; inflation assets are included in both Global Equity Securities, and Global Debt Securities.
(b) An expected inflation of 2.0% used for this period.
(c) An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 8: Pension Plans (Continued)

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plans, calculated using the discount rate for each plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability (Asset)	$ 11,654,301	$ 5,595,057	$ 585,968

Pension Plans Fiduciary Net Position

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

c. Payable to the Pension Plans

At June 30, 2022, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

d. Additional Funding of the Pension Plan

In November 2017, the District approved the creation of a CalPERS defined benefit pension plan trust with PARS (Pension Trust). The PARS trust is legally restricted to providing benefits for members of the defined benefit pension plan. However, in accordance with GASB 68, the asset balance is not included in the calculation of the net pension liability above.

The District made no contributions to the Pension Trust in the fiscal year ended June 30, 2022. Investment earnings/(losses) of ($123,122), administrative expenses of $5,617, and no distributions (benefit payments) resulted in an asset balance of $832,430 as of June 30, 2022.

Note 9: Deferred Compensation Program

For the benefit of its employees, the District participates in a 457(b) Deferred Compensation Program in accordance with Section 457(b) of the Internal Revenue Code. The purpose of this Program is to provide deferred compensation for public employees that elect to participated in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. The District matches dollar for dollar not to exceed 2% base salary earned per payroll period of an employee's base salary or the employee's actual amount of deferred compensation per pay period, whichever amount is lesser for employees who are regularly scheduled to work in excess of 30 hours per week. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Note 9: Deferred Compensation Program (Continued)

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors and, therefore, are excluded from these financial statements. Fair value of the Program assets held in trust at June 30, 2022 was $5,845,652. For the year ended June 30, 2022, the District contributed $119,352 to the 457(b) program.

Note 10: Net Investment in Capital Assets

The balance of net investment in capital assets consisted of the following as of June 30:

	2022
Capital Assets Net of Accumulated Depreciation	$ 185,392,240
Certificates of Participation - Current	(1,350,000)
Certificates of Participation - Long Term	(33,053,151)
Revolving Credit	(5,743,751)
Deferred Amount on Refunding	193,444
Leases Payable	(200,555)
Net Investment in Capital Assets	$ 145,238,227

Note 11: Risk Management

The District is exposed to various risks of loss related to torts, and theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In an effort to manage its risk exposure, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (the Insurance Authority).

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

At June 30, 2022, as a member of the Insurance Authority, the District participated in the insurance programs as follows:

- General, auto liability, and public officials' and employee's error and omissions: Total risk financing self-insurance limits of $5,000,000, combined single limit at $55,000,000 per occurrence. The Insurance Authority purchases additional excess coverage layers of $55 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.
- Employee dishonesty coverage of up to $100,000 per loss, includes public employee dishonesty, forgery or alteration, and theft, disappearance, and destruction coverages, subject to a $1,000 deductible per occurrence.
- Property loss is paid at the replacement cost for property on file if replaced within two years after the loss, otherwise paid on an actual cash value basis. The Insurance Authority is self-insured for the first $100,000 and purchases excess coverage of up to $500 million limited to insurable value ($59,657,272), subject to a $1,000 deductible, except for a $500 deductible on vehicles.

Note 11: Risk Management (Continued)

- Boiler and machinery coverage for the replacement cost of up to $100 million per occurrence limited to insurable value, subject to various deductibles depending on the type of equipment.
- Crime coverage of up to $100,000 per loss subject to a $1,000 deductible.
- Workers' compensation insurance of up to California statutory limits for all work-related injuries/illnesses covered by California law. The Insurance Authority is self-insured to $2,000,000 and has purchased excess insurance to the statutory limit.
- Cyber security coverage is $5,000,000 per occurrence and $5,000,000 in aggregate with a varying deductible per occurrence limited to the insurable value.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years, and there were no reductions in the District's insurance coverage during the years ended 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported. There were no claims payable as of June 30, 2022, 2021, and 2020.

Note 12: Commitments and Contingencies

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement, or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and advances for construction. The District has committed to $5,796,361 of open construction contracts as of June 30, 2022. Construction contracts include the following:

	Total Approved Contract	Construction Costs to Date	Balance to Complete
Hidden Hills BPS Upgrades	$ 2,443,910	$ -	$ 2,443,910
Stonehaven Watermain	563,920	-	563,920
BNSF Waterline Crossings Relocation	1,160,269	827,390	332,879
BNSF Crossing-Veteran's Village and Highland	399,084	115,432	283,652
Well 22	2,215,000	43,000	2,172,000
Total	$ 6,782,183	$ 985,822	$ 5,796,361

Litigation

The District is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the District's financial statements.

Note 13: Subsequent Events

2022A Revenue Bonds

On July 28, 2022, the District issued $32,310,000 of revenue bonds. The purpose of the bonds being issued is to provide funds to: (i) finance the acquisition and construction of certain improvement's to the District's Water System, (ii) to refund all of the currently outstanding Yorba Linda Water District Refunding Revenue Bonds, Series 2012A, (iii) to pay off amounts outstanding under a Revolving Credit Agreement with Bank of America, and (iv) to pay costs incurred in connection with the issuance of the Bonds. The bonds mature October 1, 2052 and with interest ranging from 4.000% to 5.000%.

Note 13: Subsequent Events (Continued)

Land Purchase

On July 15, 2022, the District completed the purchase of approximately 6.818 acres of undeveloped land adjacent to the District's Timber Ridge Booster Pump Station and Little Canyon Reservoir for a cash price of $575,000. The land was acquired primarily to accommodate the reconstruction and expansion of the Timber Ridge Booster Pump Station, a major capital project that is underway after years of planning. The purchase price also includes a temporary construction easement for 2.5 years over adjacent lands to accommodate active construction. Secondarily, the purchased land will accommodate and expansion of the Little Canyon Reservoir (as necessary), control over the access road to and from the Little Canyon Reservoir and provide for future environmental mitigation that will likely be required by state and/or federal authorities.

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REQUIRED SUPPLEMENTARY INFORMATION

YORBA LINDA WATER DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Proportion of the Net Pension Liability	0.10345%	0.09489%	0.09146%	0.08768%
Proportionate Share of the Net Pension Liability	$ 5,595,057	$ 10,323,992	$ 9,372,305	$ 8,449,114
Covered Payroll	$ 6,932,628	$ 6,605,148	$ 6,673,227	$ 6,561,629
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	80.71%	156.30%	140.45%	128.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.49%	76.33%	75.26%	75.26%

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes of Assumptions: None

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
0.08647%	0.08368%	0.07706%	0.08184%
$ 8,575,054	$ 7,240,999	$ 5,289,322	$ 5,092,626
$ 6,116,587	$ 5,899,338	$ 5,564,327	$ 5,054,265
140.19%	122.74%	95.06%	100.76%
73.31%	74.06%	83.35%	83.03%

SCHEDULE OF PLAN CONTRIBUTIONS - DEFINED BENEFIT PENSION PLANS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarially Determined Contribution	$ 1,415,483	$ 1,281,792	$ 1,110,885	$ 981,952
Contribution in Relation to the Actuarially Determinde Contribution	(1,415,483)	(1,281,792)	(1,110,885)	(981,853)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ 99
Covered Payroll	7,299,071	6,932,628	6,605,148	6,673,227
Contributions as a Percentage of Covered-Employee Payroll	19.39%	18.49%	16.82%	14.71%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore eight years are shown.

Note to Schedule:

Valuation Date:	June 30, 2020
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.15%
Retirement age	50 for all plans with exception of 52 for Miscellaneous 2% @ 62
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
$ 850,393	$ 755,544	$ 674,827	$ 587,176
(850,393)	(755,544)	(674,827)	(587,176)
$ -	$ -	$ -	$ -
6,561,629	6,116,587	5,899,338	5,564,327
12.96%	12.35%	11.44%	10.55%

YORBA LINDA WATER DISTRICT

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 71,324	$ 69,415	$ 75,308	$ 73,292	$ 71,330
Interest on the total OPEB liability	226,014	221,800	235,589	228,072	219,305
Difference between actual and expected experience	309,789	-	(368,334)	-	-
Actual and expected experience difference	-	-	-	-	-
Changes in assumptions	(130,001)	-	-	-	-
Changes in benefit terms	-	-	53,671	-	-
Benefit payments	(233,896)	(218,862)	(197,887)	(173,539)	(137,979)
Net change in total OPEB liability	**243,230**	**72,353**	**(201,653)**	**127,825**	**152,656**
Total OPEB liability - beginning	**3,594,092**	**3,521,739**	**3,723,392**	**3,595,567**	**3,442,911**
Total OPEB liability - ending (a)	**$ 3,837,322**	**$ 3,594,092**	**$ 3,521,739**	**$ 3,723,392**	**$ 3,595,567**
Plan Fiduciary Net Position					
Contribution - employer	$ 511,896	$ 490,937	$ 462,680	$ 431,245	$ 355,672
Net investment income	657,056	58,823	118,711	98,256	121,311
Benefit payments	(233,896)	(218,862)	(197,887)	(173,539)	(137,979)
Administrative expense	(904)	(1,048)	(381)	(762)	(606)
Net change in plan fiduciary net position	**934,152**	**329,850**	**383,123**	**355,200**	**338,398**
Plan fiduciary net position - beginning	**2,390,325**	**2,060,475**	**1,677,352**	**1,322,152**	**983,754**
Plan fiduciary net position - ending (b)	**$ 3,324,477**	**$ 2,390,325**	**$ 2,060,475**	**$ 1,677,352**	**$ 1,322,152**
Net OPEB Liability/(Assets) - ending (a) - (b)	**$ 512,845**	**$ 1,203,767**	**$ 1,461,264**	**$ 2,046,040**	**$ 2,273,415**
Plan fiduciary net position as a percentage of the total OPEB liability	86.64%	66.51%	58.51%	45.05%	36.77%
Covered-employee payroll	$ 3,384,450	$ 3,679,078	$ 4,419,954	$ 4,690,421	$ 4,490,485
Net OPEB liability as a percentage of covered-employee payroll	15.15%	32.72%	33.06%	43.62%	50.63%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: Changes in Assumptions:
From measurement date June 30, 2017 to June 30, 2018: None.
From measurement date June 30, 2018 to June 30, 2019:
The probabilities of retirement, termination and mortality have been changed from the 2014 CalPERS OPEB assumptions model to the 2017 CalPERS OPEB assumptions model.
From measurement date June 30, 2019 to June 30, 2020: None.
From measurement date June 30, 2020 to June 30, 2021: The probabilities of retirement, termination and mortality have been changed from the 2017 CalPERS assumptions to the 2021 CalPERS assumptions. This change had the effect of reducing the APVPBP by $143,121.

SCHEDULE OF CONTRIBUTIONS - OPEB
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2022	2021	2020	2019	2018
Actuarially Determined Contribution	$ 209,069	$ 511,896	$ 490,937	$ 462,680	$ 431,245
Contribution in Relation to the Actuarially Determined Contributions	(209,069)	(511,896)	(490,937)	(462,680)	(431,245)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 3,791,813	$ 3,384,450	$ 3,679,078	$ 4,419,954	$ 4,690,421
Contributions as a percentage of covered-employee payroll	5.51%	15.12%	13.34%	10.47%	9.19%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2022 were from the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll, closed
Asset Valuation Method	Market value
Inflation	2.75%
Payroll Growth	2.75% per annum, in aggregate
Investment Rate of Return	6.50% per annum
Healthcare cost-trend rates	4.00%
Mortality	Mortality rates are taken from the 2021 CalPERS valuation.

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SUPPLEMENTARY INFORMATION SECTION

YORBA LINDA WATER DISTRICT

COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2022

	Water	Sewer	Total
CURRENT ASSETS			
Unrestricted Assets:			
Cash and cash equivalents	$ 34,726,852	$ 7,882,025	$ 42,608,877
Accounts Receivable - Water and Sewer Services	4,891,183	401,807	5,292,990
Accounts Receivable - Property Taxes	58,557	3,383	61,940
Accrued Interest Receivable	58,137	10,221	68,358
Prepaid Expenses and Deposits	316,050	-	316,050
Inventory	332,389	-	332,389
Lease Receiveable	95,279	-	95,279
Total Unrestricted Assets	40,478,447	8,297,436	48,775,883
Restricted Assets:			
Cash and investments - Pension Trust	754,305	78,125	832,430
Cash and investments - OPEB Trust	289,299	17,437	306,736
Cash and Investments - Deposits	1,024,344	-	1,024,344
Total Restricted Assets	2,067,948	95,562	2,163,510
Total Current Assets	42,546,395	8,392,998	50,939,393
NONCURRENT ASSETS			
Capital Assets:			
Not Depreciable Capital Assets	7,783,293	457,310	8,240,603
Capital Assets, net of Depreciation/Amortization	139,944,313	37,207,324	177,151,637
Total Noncurrent Assets	147,727,606	37,664,634	185,392,240
Total Assets	190,274,001	46,057,632	236,331,633
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts from Pension Plans	2,109,295	349,091	2,458,386
Deferred Amounts from OPEB	446,505	73,897	520,402
Deferred Loss on Refunding	276,235	-	276,235
Total Deferred Outflows of Resources	2,832,035	422,988	3,255,023

YORBA LINDA WATER DISTRICT

COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2022

	Water	Sewer	Total
CURRENT LIABILITIES			
Payable from Unrestricted Current Assets:			
Accounts payable	$ 6,249,952	$ 1,498,043	$ 7,747,995
Accrued Expenses	391,201	-	391,201
Compensated Absences Payable-Current Portion	469,791	-	469,791
Customer and Construction Deposits	1,762,066	277,802	2,039,868
Unearned revenues	15,776	-	15,776
Accrued Interest Payable	351,883	-	351,883
Certificates of Participation - Current Portion	1,350,000	-	1,350,000
Revolving Credit - Current Portion	5,743,751	-	5,743,751
Total Payable from Unrestricted Current Assets	16,334,420	1,775,845	18,110,265
Total Current Liabilities	16,334,420	1,775,845	18,110,265
LONG-TERM LIABILITIES (Less Current Portion)			
Unearned Annexation Revenue	11,627,795	-	11,627,795
Compensated Absences	1,409,373	-	1,409,373
Certificates of Participation	33,053,151	-	33,053,151
Leases Payable	200,555	-	200,555
Net Pension Liability	4,800,559	794,498	5,595,057
Net OPEB Liability	440,021	72,824	512,845
Total Long-Term Liabilities (Less Current Portion)	51,531,454	867,322	52,398,776
Total Liabilities	67,865,874	2,643,167	70,509,041
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts from Pension Plans	4,595,311	760,579	5,355,890
Deferred Amounts from OPEB	643,243	106,458	749,701
Deferred gain on refunding	82,791	-	82,791
Total Deferred Inflows of Resources	5,427,438	867,037	6,294,475
NET POSITION			
Net Investment in Capital Assets	107,573,593	37,664,634	145,238,227
Restricted:			
Water Conservation	105,862	-	105,862
Pension Benefits	754,305	78,125	832,430
Other Postemployment Benefits	289,299	17,437	306,736
Depository Cash	1,024,344	-	1,024,344
Unrestricted	10,065,321	5,210,220	15,275,541
Total Net Position	$ 119,812,724	$ 42,970,416	$ 162,783,140

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

	Water	Sewer	Total
OPERATING REVENUES			
Water Sales	$ 38,495,864	$ -	$ 38,495,864
Sewer Revenues	-	3,204,396	3,204,396
Other Operating Revenues	1,123,730	151,902	1,275,632
Total Operating Revenues	39,619,594	3,356,298	42,975,892
OPERATING EXPENSES			
Variable Water Costs	20,603,385	-	20,603,385
Personnel Services	9,230,304	1,785,916	11,016,220
Supplies and Services	5,311,474	986,248	6,297,722
Depreciation and amortization expense	6,442,545	1,493,151	7,935,696
Total Operating Expenses	41,587,708	4,265,315	45,853,023
OPERATING LOSS	(1,968,114)	(909,017)	(2,877,131)
NONOPERATING REVENUES (EXPENSES)			
Property Taxes	2,157,211	-	2,157,211
Investment Income	143,190	36,185	179,375
Interest Expense	(1,249,313)	-	(1,249,313)
Other Nonoperating Revenues	89,363	120,613	209,976
Other Nonoperating Expenses	(2,440)	(18,701)	(21,141)
Total Nonoperating Revenues (Expenses)	1,138,011	138,097	1,276,108
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(830,103)	(770,920)	(1,601,023)
CAPITAL CONTRIBUTIONS	176,963	112,649	289,612
CHANGES IN NET POSITION	(653,140)	(658,271)	(1,311,411)
Net Position - Beginning of Year	120,465,864	43,628,687	164,094,551
NET POSITION - END OF YEAR	**$ 119,812,724**	**$ 42,970,416**	**$ 162,783,140**

COMBINING SCHEDULE OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

	Water	Sewer	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	$ 40,433,270	$ 3,235,335	$ 43,668,605
Cash paid to suppliers for goods and services	(33,923,740)	(2,577,602)	(36,501,342)
Cash paid to employees for services	(97,711)	258,167	160,456
Net Cash Provided (Used) by Operating Activities	**6,411,819**	**915,900**	**7,327,719**
Cash Flows from Non-Capital Financing Activities:			
Proceeds from Property Taxes and Assessments	2,244,134	101,912	2,346,046
Net Cash Provided (Used) by Non-Capital Financing Activities	**2,244,134**	**101,912**	**2,346,046**
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(7,435,774)	(994,789)	(8,430,563)
Proceeds from Revolving Credit	4,300,000	-	4,300,000
Principal Paid on Long-Term Liabilities	(1,290,000)	-	(1,290,000)
Interest and Commitment Fees Paid on Long-Term Liabilities	(1,996,292)	-	(1,996,292)
Net Cash Provided (Used) by Capital and Related Financing Activities	**(6,422,066)**	**(994,789)**	**(7,416,855)**
Cash Flows from Investing Activities:			
Sale of Investments	1,136,411	1,607,416	2,743,827
Purchases of Investments	(1,024,344)	-	(1,024,344)
Interest and Investment Earnings	111,113	31,847	142,960
Net Cash Provided (Used) by Investing Activities	**223,180**	**1,639,263**	**1,862,443**
Net Increase (Decrease) in Cash and Cash Equivalents	**2,457,067**	**1,662,286**	**4,119,353**
Cash and Cash Equivalents at Beginning of Year	32,269,785	6,219,739	38,489,524
Cash and Cash Equivalents at End of Year	**$ 34,726,852**	**$ 7,882,025**	**$ 42,608,877**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ (1,968,114)	$ (909,017)	$ (2,877,131)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation and amortization expense	6,442,545	1,493,151	7,935,696
(Increase) Decrease in Assets and Deferred Outflows of Resources			
Accounts Receivable - Water and Sewer Services	(91,715)	(94,663)	(186,378)
Accounts Receivable - Property Taxes	(33,080)	(2,072)	(35,152)
Prepaid Expenses and Deposits	(23,241)	-	(23,241)
Inventory	(67,483)	-	(67,483)
Deferred Amounts from Pension Plans	(212,820)	(103,216)	(316,036)
Deferred Amounts from OPEB	77,121	(3,146)	73,975
Increase (Decrease) in Liabities and Deferred Inflows of Resources			
Accounts payable	1,369,749	194,562	1,564,311
Accrued Expenses	83,364	-	83,364
Compensated Absences	19,025	-	19,025
Customer and Construction Deposits	938,471	(24,228)	914,243
Unearned Revenue	(57,602)	-	(57,602)
Net Pension Liability	(4,338,544)	(390,391)	(4,728,935)
Net OPEB Liability	(625,589)	(65,333)	(690,922)
Deferred Amounts from Pension Plans	4,523,806	751,306	5,275,112
Deferred Amounts from OPEB	375,926	68,947	444,873
Total Adjustments	**8,379,933**	**1,824,917**	**10,204,850**
Net Cash Provided (Used) by Operating Activities	**$ 6,411,819**	**$ 915,900**	**$ 7,327,719**
Non-Cash Investing, Capital, and Financing Activities:			
Amortization Related to Long-Term Debt	$ 255,975	$ -	$ 255,975
Capital Contributions	401,026	-	401,026

YORBA LINDA WATER DISTRICT

COMBINING SCHEDULE OF OPERATING EXPENSES BY COST AND NATURE OF EXPENSES FOR WATER AND SEWER
YEAR ENDED JUNE 30, 2022

	Water	Sewer	Total
OPERATING EXPENSES			
Variable Water Costs:			
Imported Water	$ 14,114,625	$ -	$ 14,114,625
OCWD Replenishment Assessment	4,165,955	-	4,165,955
MWD Connection Charge	1,023,492	-	1,023,492
Fuel and Power/Pumping	1,299,313	-	1,299,313
Total Variable Water Costs	20,603,385	-	20,603,385
Personnel Services:			
Unit Salaries	6,516,420	1,043,232	7,559,652
Fringe Benefits	2,656,164	733,504	3,389,668
Director's Fees	57,720	9,180	66,900
Total Personnel Services	9,230,304	1,785,916	11,016,220
Supplies and Services:			
Communication	107,981	18,873	126,854
Contratual Services	534,009	67,453	601,462
Data Processing	236,946	38,179	275,125
District Activities	27,340	4,817	32,157
Dues and Memberships	83,144	14,659	97,803
Fees and Permits	361,468	34,806	396,274
Insurance	237,545	41,920	279,465
Maintenance	1,105,701	312,357	1,418,058
Materials	829,497	57,047	886,544
Noncapital Equipment	148,701	57,726	206,427
Office Expense	32,447	5,726	38,173
Professional Services	966,622	204,130	1,170,752
Training	29,151	11,678	40,829
Travel and Conferences	19,310	3,321	22,631
Uncollectible Accounts	14,700	3,414	18,114
Utilities	158,342	27,111	185,453
Vehicle Expense	418,570	83,031	501,601
Total Supplies and Services	5,311,474	986,248	6,297,722
Depreciation and Amortization Expense	6,442,545	1,493,151	7,935,696
Total Operating Expenses	$ 41,587,708	$ 4,265,315	$ 45,853,023

COMBINING SCHEDULE OF CAPITAL ASSETS
JUNE 30, 2022

	Water	Sewer	Total
Land, Mineral, and Water Rights:			
Land	$ 78,558	$ -	$ 78,558
Water Rights	86,300	-	86,300
Mineral Rights	63,650	-	63,650
Land Rights and Easements	385	58,526	58,911
Total Land, Mineral, and Water Rights	228,893	58,526	287,419
Source of Supply:			
Wells	4,951,940	-	4,951,940
MWD Connection	564,368	-	564,368
Total Source of Supply	5,516,308	-	5,516,308
Pumping Plant:			
Structures and Improvements	15,835,477	-	15,835,477
Equipment	12,324,354	321,478	12,645,832
Total Pumping Plant	28,159,831	321,478	28,481,309
Water Treatment Plant:			
Structures and Improvements	807,628	-	807,628
Equipment	575,917	-	575,917
Total Water Treatment Plant	1,383,545	-	1,383,545
Transmission and Distribution Plant:			
Mains	86,824,713	54,297,094	141,121,807
Reservoirs and Tanks	62,237,288	-	62,237,288
Service and Meter Installation	7,891,385	3,437,824	11,329,209
Fire Hydrants	8,083,428	-	8,083,428
Meters	12,835,085	-	12,835,085
Fire Mains	752,880	-	752,880
Structures and Improvements	5,062,409	-	5,062,409
Control System	5,561,889	33,485	5,595,374
Total Transmission and Distribution Plant	189,249,077	57,768,403	247,017,480
General Plant:			
Structures and Improvements	13,650,523	-	13,650,523
Transportation Equipment	2,812,642	1,780,410	4,593,052
Power Operated Equipment	1,113,544	-	1,113,544
Communication Equipment	721,032	-	721,032
Computer Equipment	2,513,041	238,071	2,751,112
Office Furniture	1,126,266	-	1,126,266
Tools, Shop, and Garage Equipment	232,629	-	232,629
Store Equipment	68,599	-	68,599
Total General Plant	22,238,276	2,018,481	24,256,757
Right-to-Use - Leased Land	200,555	-	200,555
Construction in Progress	7,554,400	398,784	7,953,184
Accumulated Depreciation/Amortization	(106,803,279)	(22,901,038)	(129,704,317)
Total Capital Assets	$ 147,727,606	$ 37,664,634	$ 185,392,240

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STATISTICAL SECTION

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YORBA LINDA WATER DISTRICT
DESCRIPTION OF STATISTICAL
SECTION JUNE 30, 2022

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and the note disclosures say about the government's overall financial health.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, water sales.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

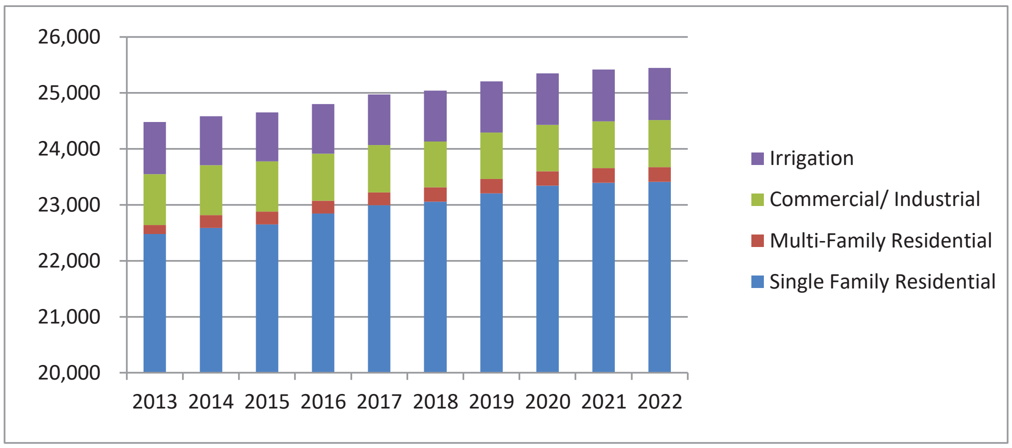
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

YORBA LINDA WATER DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
Changes in Net Position:	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Operating Revenues										
Water Sales	$ 38,495,864	$ 35,539,146	$ 32,192,312	$ 29,819,532	$ 32,082,152	$ 29,326,565	$ 27,820,638	$ 26,446,618	$ 28,376,082	$ 26,369,940
Sewer Revenues	3,204,396	2,743,000	2,731,285	2,528,020	2,330,809	2,099,947	1,849,114	1,775,676	1,762,816	1,762,039
Other Operating Revenues	1,275,632	968,455	896,107	1,014,691	831,733	1,033,608	2,665,835	1,461,106	1,047,625	723,577
Operating Expenses										
Variable Water Costs	20,603,385	18,638,471	16,916,388	13,327,860	15,028,131	12,710,857	10,470,181	12,733,762	14,673,144	13,509,336
Personnel Services	11,016,220	10,947,895	10,890,404	9,538,167	9,874,212	8,913,639	8,096,853	7,778,763	7,529,481	7,225,729
Supplies and Services	6,297,722	5,459,423	4,754,719	4,592,521	4,298,863	4,504,054	4,355,033	3,806,900	3,849,183	4,222,398
Depreciation	7,935,696	7,858,355	7,757,139	7,322,753	7,465,977	7,147,369	7,546,407	7,432,586	7,315,084	6,884,213
Operating Income/(Loss)	(2,877,131)	(3,653,543)	(4,498,945)	(1,419,058)	(1,422,489)	(815,799)	1,867,113	(2,068,611)	(2,180,369)	(2,986,120)
Nonoperating Revenues (Expenses)										
Property Taxes	2,157,211	2,072,582	1,961,002	1,874,688	1,749,957	1,687,384	1,615,454	1,496,489	1,394,722	1,340,916
Investment Income	179,375	246,942	694,705	819,522	518,600	377,205	288,817	187,316	145,048	137,569
Interest Expense	(1,249,313)	(1,293,830)	(1,309,883)	(1,350,616)	(1,106,515)	(1,552,896)	(1,671,539)	(1,683,039)	(1,715,429)	(1,781,416)
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	(192,410)
Other Nonoperating Revenues	209,976	1,249,200	1,104,622	1,014,495	413,465	645,562	872,420	744,572	1,325,685	588,854
Other Nonoperating Expenses	(22,142)	(859,403)	(137,569)	(1,550,378)	(89,021)	(403,597)	(7,273)	(116,528)	(47,948)	(35,954)
Total Nonoperating Revenues (Expenses)	1,275,107	1,415,491	2,312,877	807,711	1,486,486	753,658	1,097,879	628,810	1,102,078	57,559
Net Income (Loss) Before Capital Contributions	(1,602,024)	(2,238,052)	(2,186,068)	(611,347)	63,997	(62,141)	2,964,992	(1,439,801)	(1,078,291)	(2,928,561)
Capital Contributions	289,612	2,051,988	1,030,017	171,144	3,554,123	2,665,462	788,445	705,848	2,128,579	1,174,673
Special Items	-	-	-	-	(2,205,847)	-	-	-	-	-
Extraordinary Items	-	-	-	-	-	-	-	-	5,000,000	-
Changes in Net Position	$ (1,312,412)	$ (186,064)	$ (1,156,051)	$ (440,203)	$ 1,412,273	$ 2,603,321	$ 3,753,437	$ (733,953)	$ 6,050,288	$ (1,753,888)
Net Position by Component:										
Net investment in Capital Assets	$ 145,238,227	$ 146,951,549	$ 148,308,815	$ 152,297,398	$ 154,271,627	$ 154,273,025	$ 153,776,247	$ 157,092,210	$ 161,159,541	$ 161,494,158
Restricted	2,269,372	1,807,363	2,131,773	2,063,965	352,063	1,222,452	1,572,527	189,314	-	-
Unrestricted	15,275,541	15,335,639	13,840,027	11,075,303	11,253,179	8,969,119	9,027,328	3,341,141	6,617,328	232,423
Total Net Assets	$ 162,783,140	$ 164,094,551	$ 164,280,615	$ 165,436,666	$ 165,876,869	$ 164,464,596	$ 164,376,102	$ 160,622,665	$ 167,776,869	$ 161,726,581

YORBA LINDA WATER DISTRICT
NUMBER OF CONNECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Single Family Residential	Multi-Family Residential	Commercial/ Industrial	Irrigation	Direct Rate (Billing Unit)	
2013	22,480	158	908	933	2.52	
2014	22,586	230	892	876	2.64	
2015	22,649	230	898	876	2.70	
2016	22,845	229	842	884	2.70	
2017	22,991	232	845	902	2.70	
2018	23,055	256	821	908	2.70	
2019	23,207	256	829	914	2.80	Total
2020	23,340	258	831	921	2.80	
2021	23,392	263	838	924	2.86	
2022	23,412	264	840	930	2.64	25,446
					SFR %	92.01%



YORBA LINDA WATER DISTRICT
TEN LARGEST CUSTOMERS
CURRENT AND FIVE YEARS AGO

FY22

	Customer Name	Business Type	Annual Revenues #	% of Actual Revenues *
1	City of Yorba Linda	Government	$ 2,354,775	6.12%
2	Placentia-Yorba Linda Unified School District	Government	402,586	1.05%
3	Fairmont Hill Community Association	Homeowners Association	149,314	0.39%
4	The Hills at Yorba Linda	Homeowners Association	146,527	0.38%
5	Yorba Linda Villages	Homeowners Association	146,306	0.38%
6	The Bryant at Yorba Linda, LLF	Homeowners Association	137,765	0.36%
7	Lake Park Yorba Linda EPM	Homeowners Association	110,979	0.29%
9	Amalfi Hills Community Association	Homeowners Association	80,221	0.21%
8	Woodgate Condominium	Homeowners Association	77,354	0.20%
10	Rancho Dominguez	Homeowners Association	77,876	0.20%
	TOTAL		$ 3,683,703	9.58%

FY18

	Customer Name	Business Type	Annual Revenues #	% of Actual Revenues *
1	City of Yorba Linda	Government	$ 2,461,999	7.21%
2	Placentia Yorba Linda USD	Government	379,162	1.11%
3	The Hills at Yorba Linda	Homeowner's Assoc.	165,731	0.49%
4	Yorba Linda Villages	Homeowner's Assoc.	141,227	0.41%
5	Fairmont Hill Community Assoc.	Homeowner's Assoc.	125,092	0.37%
6	Aseptic Technology	Manufacturing	112,692	0.33%
7	RRE Yorba Linda	Homeowner's Assoc.	109,572	0.32%
8	Lake Park Mobile Home Community	Homeowner's Assoc.	101,717	0.30%
9	Placentia Linda Hospital	Hospital	94,510	0.28%
10	Amalfi Hills Community Assoc	Homeowner's Assoc.	93,235	0.27%
	TOTAL		$ 3,784,937	11.10%

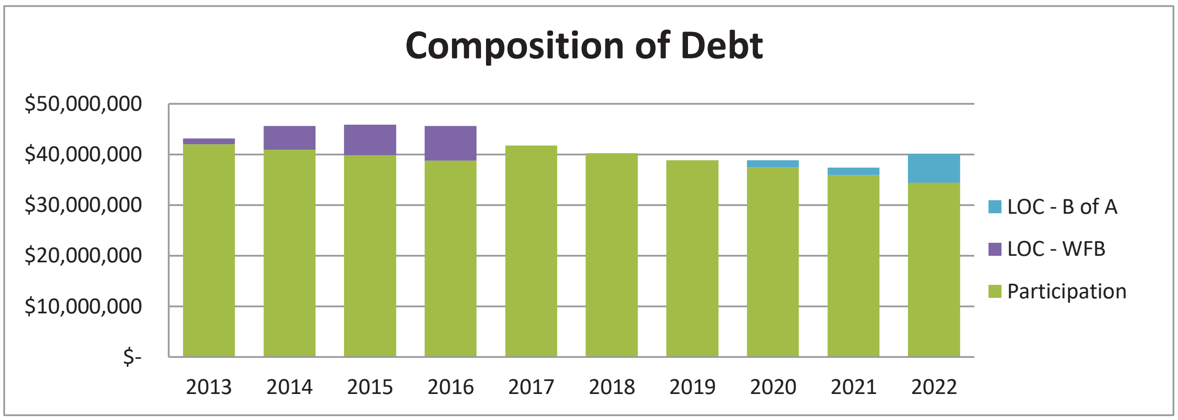
Notes:

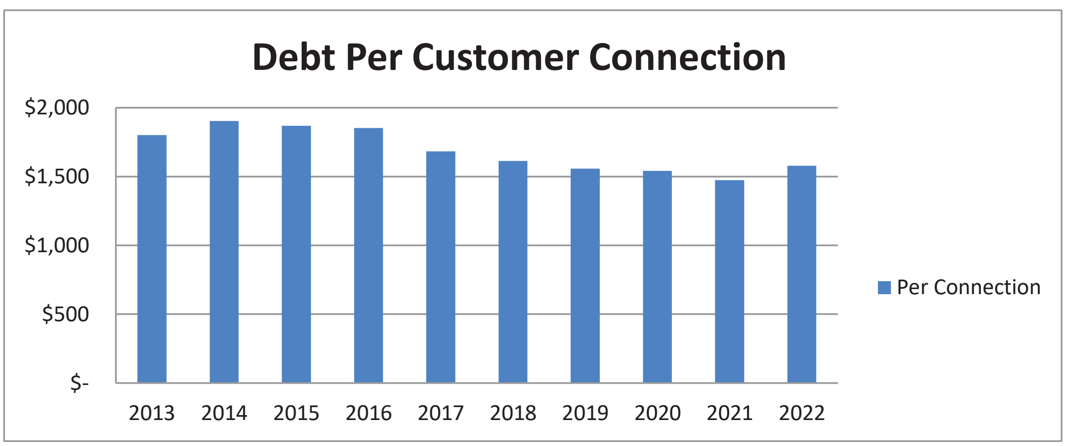
Annual Revenues represents the listed customer's annual total billing for water services (including Base Service and Capital Finance Charges)

* Total "actual revenues" represents revenue generated from customer billings (water and sewer related)

YORBA LINDA WATER DISTRICT
RATIO OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS

Fiscal Year	Bank of America Line of Credit LOC - B of A	Well Fargo Line of Credit LOC - WFB	Certificates of Participation	Total Debt	Total Per Connection	Total Per Capita	Total As a Share of Personal Income
2013	$ -	$ 1,171,131	$ 42,009,722	$ 43,180,853	$ 1,802	$ 588	1.35%
2014	-	4,642,656	40,970,599	45,613,255	1,904	609	1.35%
2015	-	5,994,099	39,886,475	45,880,574	1,868	620	1.33%
2016	-	6,883,720	38,767,354	45,651,074	1,852	610	1.32%
2017	-	-	41,758,033	41,758,033	1,684	532	1.15%
2018	-	-	40,262,056	40,262,056	1,612	509	1.10%
2019	-	-	38,866,080	38,866,080	1,557	488	1.06%
2020	1,443,517	-	37,435,103	38,878,620	1,542	482	1.07%
2021	1,443,751	-	35,949,127	37,392,878	1,475	467	1.04%
2022	5,743,751	-	34,403,151	40,146,902	1,580	501	1.11%





YORBA LINDA WATER DISTRICT
DEBT COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Revenues	Expenses	Net Revenues	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage Ratio
2013	$ 21,092	$ 17,322	$ 3,770	$ 925	$ 1,150	$ 2,075	1.82
2014	31,118	24,901	6,217	965	1,747	2,712	2.29
2015	29,685	23,219	6,466	1,010	1,728	2,738	2.36
2016	32,557	21,603	10,954	1,045	1,679	2,724	4.02
2017	32,734	25,112	7,622	1,080	1,637	2,717	2.81
2018	35,022	27,844	7,178	1,240	1,509	2,749	2.61
2019	34,301	26,037	8,264	1,140	1,598	2,738	3.02
2020	36,605	31,167	5,438	1,175	1,552	2,727	1.99
2021	39,833	33,562	6,271	1,230	1,499	2,729	2.30
2022	42,009	35,331	6,678	1,290	1,439	2,729	2.45

NOTE: Expenses exclude depreciation and debt service expenses.

YORBA LINDA WATER DISTRICT
DEMOGRAPHICS
LAST TEN FISCAL YEARS

YLWD

Year	Population *	City of YL Population	Personal Income	Personal Income per Capita
2013	74,861	65,777	$ 3,374,570,547	$ 45,078
2014	73,990	67,069	3,461,036,956	46,777
2015	74,787	67,826	3,451,134,500	46,146
2016	78,539	67,637	3,624,303,533	46,147
2017	79,170	67,890	3,654,487,200	46,160
2018	79,565	68,229	3,672,735,413	46,160
2019	80,606	69,121	3,633,462,895	45,077
2020	80,122	68,706	3,611,647,715	45,077
2021	80,056	68,650	3,608,703,980	45,077
2022	83,490	67,846	3,631,214,745	43,493

County of Orange

Year	Population	Unemployment Rate	Personal Income	Personal Income per Capita
2013^	3,055,792	8.5%	$ 160,072,905	$ 52,383
2014	3,081,804	6.2%	168,966,068	54,827
2015	3,113,991	5.4%	177,412,900	56,973
2016	3,132,681	4.6%	169,792,810	54,200
2017	3,194,024	3.7%	172,509,495	54,010
2018	3,221,103	3.3%	174,062,080	54,038
2019	3,222,498	2.2%	175,628,639	54,501
2020	3,228,519	3.0%	177,209,297	54,889
2021	3,194,332	12.3%	178,804,181	55,975
2022	3,153,764	6.3%	258,933,000	82,103

NOTE: ^ No personal income data available for County of Orange, used State of California data.

No population data available for County of Orange, used State of California data.

Sources: City of Yorba Linda CAFR
County of Orange CAFR
U.S. Census Bureau
CA State Water Resources Control Board

YORBA LINDA WATER DISTRICT
TEN LARGEST EMPLOYERS
CURRENT AND NINE YEARS AGO

	2022*		2011	
Employer ^	Employees	% of Total Labor Force	Employees	% of Total Labor Force
Nobel Biocare U S A, L L C	329	0.019 %	269	0.014 %
Costco Wholesale Corporation # 445	321	0.018 %	293	0.015 %
Placentia Linda Hospital	257	0.015 %	441	0.023 %
Brookdale Yorba Linda	219	0.012 %	188	0.010 %
Serento Rosa	200	0.011 %	-	0.000 %
Jondo Ltd.	178	0.010 %	-	0.000 %
Cobra Engineering, Inc	145	0.008 %	71	0.004 %
Office Solutions Business	140	0.008 %	98	0.005 %
Euroline Steel Windows	138	0.008 %	-	0.000 %
White House Catering Inc	130	0.007 %	75	0.004 %
City of Yorba Linda	159	0.009 %	138	0.007 %
Total	2,216	0.126 %	1,573	0.081 %

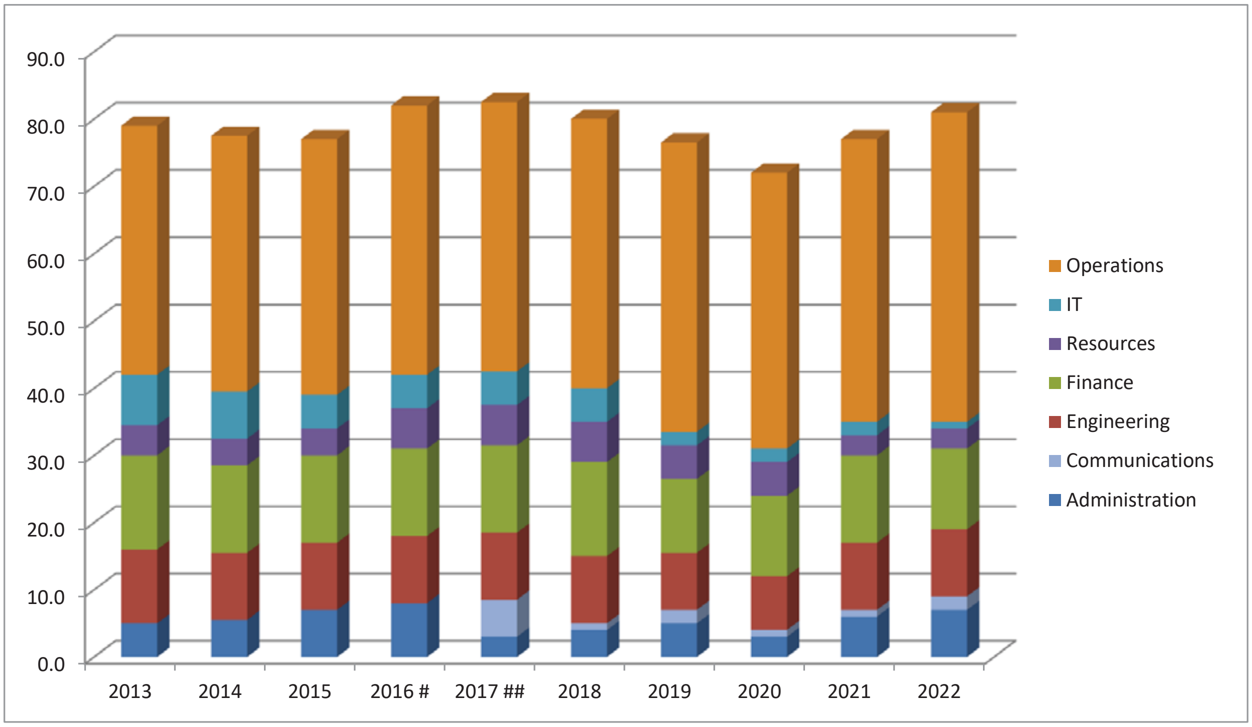
NOTES: * Most current available data

^ The Placentia- Yorba Linda Unified School District has 2,500 employees and serves the entire communities of Yorba Linda and Placentia, and also serves parts of the Cities of Brea, Anaheim and Fullerton. YLUSD cannot provide the number of employees working within the boundaries of Yorba Linda.

YORBA LINDA WATER DISTRICT
NUMBER OF EMPLOYEES
LAST TEN FISCAL YEARS

Full Time Equivalent Employees by Department *

	Department							
Fiscal Year	Administration	Communications	Engineering	Finance	Human Resources	IT	Operations	Total
2013	5.0		11.0	14.0	4.5	7.5	37.0	79.0
2014	5.5		10.0	13.0	4.0	7.0	38.0	77.5
2015	7.0		10.0	13.0	4.0	5.0	38.0	77.0
2016 #	8.0		10.0	13.0	6.0	5.0	40.0	82.0
2017 ##	3.0	5.5	10.0	13.0	6.0	5.0	40.0	82.5
2018	4.0	1.0	10.0	14.0	6.0	5.0	40.0	80.0
2019	5.0	2.0	8.5	11.0	5.0	2.0	43.0	76.5
2020	3.0	1.0	8.0	12.0	5.0	2.0	41.0	72.0
2021	6.0	1.0	10.0	13.0	3.0	2.0	42.0	77.0
2022	7.0	2.0	10.0	12.0	3.0	1.0	46.0	81.0



NOTE: * Number of employees in each department are authorized and funded positions.
\# Includes 3FTE temporary positions in relation to the SWRCB Emergency Mandate
\## Includes 2 Limited-term FT and 1 Limited-term PT positions in relation to the SWRCB Emergency Mandate

YORBA LINDA WATER DISTRICT
OPERATING AND CAPACITY INDICATORS
LAST TEN FISCAL YEARS

Fiscal Year	Miles of Water Mains Installed*	Yearly Water Production (MG)	Average Production (MGD)	Number of Field Service Calls
2013	1.10	7,099	18.6	1,561
2014	0.77	7,329	20.1	1,579
2015	1.53	6,447	17.7	1,247
2016	2.86	4,408	12.1	1,873
2017	1.15	5,827	16.0	1,782
2018	1.50	6,601	18.1	1,681
2019	0.97	5,858	16.0	1,651
2020	0.42	6,281	17.2	1,693
2021	0.29	6,732	18.4	1,764
2022	0.89	6,283	17.2	1,680

Fiscal Year	Number of Booster Pumps	Capacity by Booster Pump (GPM)	Number of Reservoirs	Capacity by Reservoir (MG)
2013	12	46,525	14	57
2014	12	46,525	14	57
2015	12	52,025	14	57
2016	12	52,025	14	57
2017	12	52,025	14	57
2018	12	52,025	14	57
2019	12	56,125	14	57
2020	12	56,125	14	57
2021	12	56,125	14	57
2022	12	63,025	14	57

MG - Millions of Gallons
MGD - Millions of Gallons per Day
GPM - Gallon per Minute

NOTE: * Miles of Water Main estimated