

LAS VIRGENES MUNICIPAL WATER DISTRICT

Annual Comprehensive
Financial Report
Fiscal Year 2020-2021



Los Angeles County, CA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021 and 2020



Prepared by:
The Finance and Administration Department

Donald Patterson	Director of Finance & Administration
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Las Virgenes Municipal Water District

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Lee Renger	Secretary
Lynda Lo-Hill	Treasurer
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David W. Pedersen	General Manager
John Zhao	Director of Facilities & Operations
Donald Patterson	Director of Finance & Administration
Joe McDermott	Director of Engineering & External Affairs

LEGAL COUNSEL

W. Keith Lemieux	Counsel
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Additional information may be found at www.lvmwd.com

Las Virgenes Municipal Water District

Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION (Unaudited)</u>	
Letter of Transmittal	i
GFOA Certificate of Achievement	v
Organization Chart.....	vi
Maps of Service Area	vii
<u>FINANCIAL SECTION</u>	
Independent Auditors' Reports:	
Report on Financial Statements	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3
Management's Discussion and Analysis (Required Supplementary Information) (Unaudited)	5
Basic Financial Statements:	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	14
Statements of Cash Flows	16
Notes to the Basic Financial Statements	19
Required Supplementary Information (Unaudited):	
Schedule of Changes in Net Pension Liability and Related Ratios – CalPERS Pension Plan	56
Schedule of Contributions – CalPERS Pension Plan	58
Schedule of Changes in Net OPEB Liability and Related Ratios –	60
Schedule of Contributions – Other Post-Employment Benefits Plan.....	61
<u>STATISTICAL SECTION (Unaudited)</u>	
Index to Statistical Section	63
Net Position	64
Changes in Net Position	65
Revenue Base	67
Revenue Rates	68
Principal Revenue Payers.....	70
Ratios of Outstanding Debt by Type	71
Ratios of General Bonded Debt Outstanding	72
Direct and Overlapping District Debt	73
Pledged-Revenue Coverage	74
Demographic and Economic Statistics.....	75
Principal Employers	76
Full-Time Equivalent District Employees by Function.....	77
Operating Indicators by Function.....	78
Capital Assets Statistics by Function	79
Annual Water and Sewer Capacity Fee Deposits Report.....	80





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Lynda Lo-Hill

Director, Division 2

Lee Renger

Director, Division 3

David W. Pedersen, P. E.

General Manager

W. Keith Lemieux

Counsel

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RANCHO LAS VIRGENES

COMPOSTING FACILITY

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MEMBER AGENCY OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Glen D. Peterson

MWD Representative

December 13, 2021

To: Board of Directors

From: David W. Pedersen, General Manager
Donald Patterson, Director of Finance & Administration

Subject: **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2020-2021**

California law requires that every local government publish a complete set of audited financial statements for each fiscal year. This report is published to fulfill that requirement for the fiscal year that ended on June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Pun Group, LLP, Accountants and Advisors, has issued an unmodified ("clean") opinion on the Las Virgenes Municipal Water District's financial statements for the fiscal year that ended on June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent 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.

Profile of the Government

Las Virgenes Municipal Water District (LVMWD or District), incorporated in 1958, is located on the western edge of Los Angeles County, California, and includes the cities of Agoura Hills, Calabasas, Hidden Hills and Westlake Village, and adjacent areas of Los Angeles County. LVMWD occupies 122 square miles and serves a population of approximately 70,000. LVMWD is also the administering agent for the Las Virgenes-Triunfo Joint Powers Authority (JPA), which provides sanitation services to approximately 100,000 people within 172 square miles of western Los Angeles County and southeastern Ventura County.

LVMWD is empowered to levy an assessment on real property located within its boundaries, up to \$10 per parcel, and has a miniscule share of the property tax assessment. The majority of revenue is from user fees for service. LVMWD also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

LVMWD has operated under the board-general manager form of government since its inception. Policy-making and legislative authority are vested in a governing board (Board) consisting of five members elected by division on a non-partisan basis. The Board appoints the general manager, who in turn appoints the heads of the various departments. Board members serve overlapping four-year terms, and every two years -- concurrent with installation of the newly elected board -- select board officers. A District representative to the board of directors of Metropolitan Water District of Southern California is appointed to serve an indefinite term.

LVMWD provides potable water, sanitation and recycled water services to its customers. Sanitation and recycled water services are provided in conjunction with Triunfo Water & Sanitation District through the JPA. The average age of the District's infrastructure is 40 years old.

Although not required by law, the Board adopts a final budget for the next fiscal year by the close of the current fiscal year. This annual budget serves as the foundation for LVMWD's financial planning and control. The budget is prepared by enterprise, function (e.g. system operations) and department (e.g. Facilities and Operations). Department heads may transfer resources within a department or enterprise as they see fit, but transfers between departments or enterprises need special approval from the Board.

Local Economy

The region is highly desirable for both residences and businesses, with exceptional natural attributes. Much of the service area lies within the Santa Monica Mountains with the associated hilly terrain, mountain and ocean views and moderate climate. Open space and recreational opportunities are abound with considerable local acreage dedicated as national and state parkland via the 244.5-square-mile Santa Monica Mountains National Recreation Area. Beaches lie within minutes of any location in the area. Varied academic institutions are proximate and easily accessible, including Pepperdine University's Malibu campus, California Lutheran University in Thousand Oaks, and California State University, Northridge.

More than 80% of local housing is single-family dwellings, in sharp contrast to the countywide average of 56%. Median home prices in the District considerably exceed county averages. The District benefits from its close proximity to Los Angeles and quality commercial and retail spaces. The District has few major industrial customers.

Primarily residential, LVMWD is also a home to notable corporations and commercial activities. Located within the service area are several significant employers including Las Virgenes Unified School District, Bank of America Home Loans, Farmers Insurance, IXIA Communication, The Cheesecake Factory corporate offices and bakery; Four Seasons Hotel; Move, Inc.; Dole Food Company; and Conversant LLC.

During fiscal year 2020-2021, the local economy rebounded from the effects of COVID-19 as restaurants, gyms and other facilities re-opened from Stay at Home Orders. Locally, the unemployment rate rebounded to 5.9%, down from an adjusted high of 16.2% in May 202.

Financial Condition and Outlook

The District completed a new cost of service and rate study in early 2021 with a new five-year rate plan approved by the Board of Directors on February 2, 2021 that ensures continued financial sustainability. District staffing levels continue to be stable and compensation has kept pace with comparable agencies, following a comprehensive compensation study in 2018. The District has continued to predominantly pay for capital projects with available resources (pay-as-you-go funding) with only one outstanding debt issuance of less than \$10 million. This debt is solely the obligation of the Potable Water Enterprise.

The overall financial position of the District is stable, although risk exists with the ongoing COVID-19 pandemic and current drought. The District faces likely water restrictions through reduced water budgets in fiscal year 2021-2022 if current drought conditions do not improve. The effects of drought on the District's finances should be mitigated by its high recovery of fixed cost through fixed fees. Currently approximately 55% of the District's fixed costs are recovered through fixed fees. Additionally, the District's water budgets were designed to provide revenue resiliency through all economic and drought cycles.

Overall, the effects of COVID-19 on the District grew during Fiscal Year 2020-2021. Although the number of delinquent accounts went down slightly to 885 as of June 30, 2021 from 889 on June 30, 2020, the delinquent amount increased 248% to \$444,226.70. This historically high delinquency rate represents only 0.6% of total revenue.

Long Term Financial Planning

The District presented a two-year budget plan on June 16, 2020 for Fiscal Years 2020-22. The document improves long-range and strategic planning, financial management, and program monitoring. The two-year budget represents the concerted efforts of staff to estimate the financial needs of the District for two fiscal years to continue to provide high quality water and sanitation services to the District's customers. The budget is also aligned to meet the District's adopted Strategic Plan Goals and Financial Policies. In addition, the District prepared its Infrastructure Investment Plan for Fiscal Years 2020-21 through 2029-30, reflecting a longer 10-year planning horizon as compared to the prior year's five-year planning horizon. Finally, the District initiated a process to develop a new five-year rate adjustment plan for the period of January 1, 2021 through December 31, 2025, which will ensure the District continues to collect sufficient funds to support its on-going capital and operational needs.

Relevant financial policies

Since 1999, the District has utilized a broad-based set of Board-adopted financial policies to guide it in making important financial decisions. The policies are reviewed annually and updated periodically to address changing conditions and adopted annually as an integral part of the budget.

Major initiatives

During Fiscal Year 2020-2021, the District completed construction of the Las Virgenes-Triunfo Pure Water Demonstration Project and opened the facility to public tours. This project provides a small-scale version of the proposed advanced water treatment facility for the future Pure Water Project Las Virgenes-Triunfo that will treat recycled water to drinking water standards before adding it to the Las Virgenes Reservoir. As the District is fully dependent on imported supplies for its drinking water, this project represents the first source of locally generated potable water to supplement imported supplies.

The demonstration project treats up to 30 gallons per minute (gpm) of recycled water through a fully operational version of the proposed full-scale project. The demonstration project will allow for tours of facility to educate the public about the treatment process, complete with a sample of the resulting potable water. The project also includes a demonstration/sustainability garden that highlights climate-appropriate plants that can easily be utilized by the District's customers.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded LVMWD the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year that ended on June 30, 2020. This was the 22nd consecutive year that LVMWD received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. Staff believes that its current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

In addition, LVMWD also received the GFOA's Distinguished Budget Presentation Award for its annual budget document in Fiscal Year 2019-20. The District posts all of its financial documents on its public website at www.LVMWD.com.

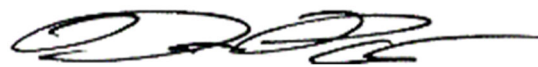
Acknowledgements

The preparation and development of this report would not have been possible without the year-round work of the Finance Division staff and their special efforts, working in conjunction with the District's independent auditors. We would also like to thank the Board for its continued interest and support in managing the District's financial resources in a responsible manner that ensures transparency and proper stewardship of ratepayer's money.

Respectfully submitted,



David W. Pedersen
General Manager



Donald Patterson
Director of Finance & Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Las Virgenes Municipal Water District
California**

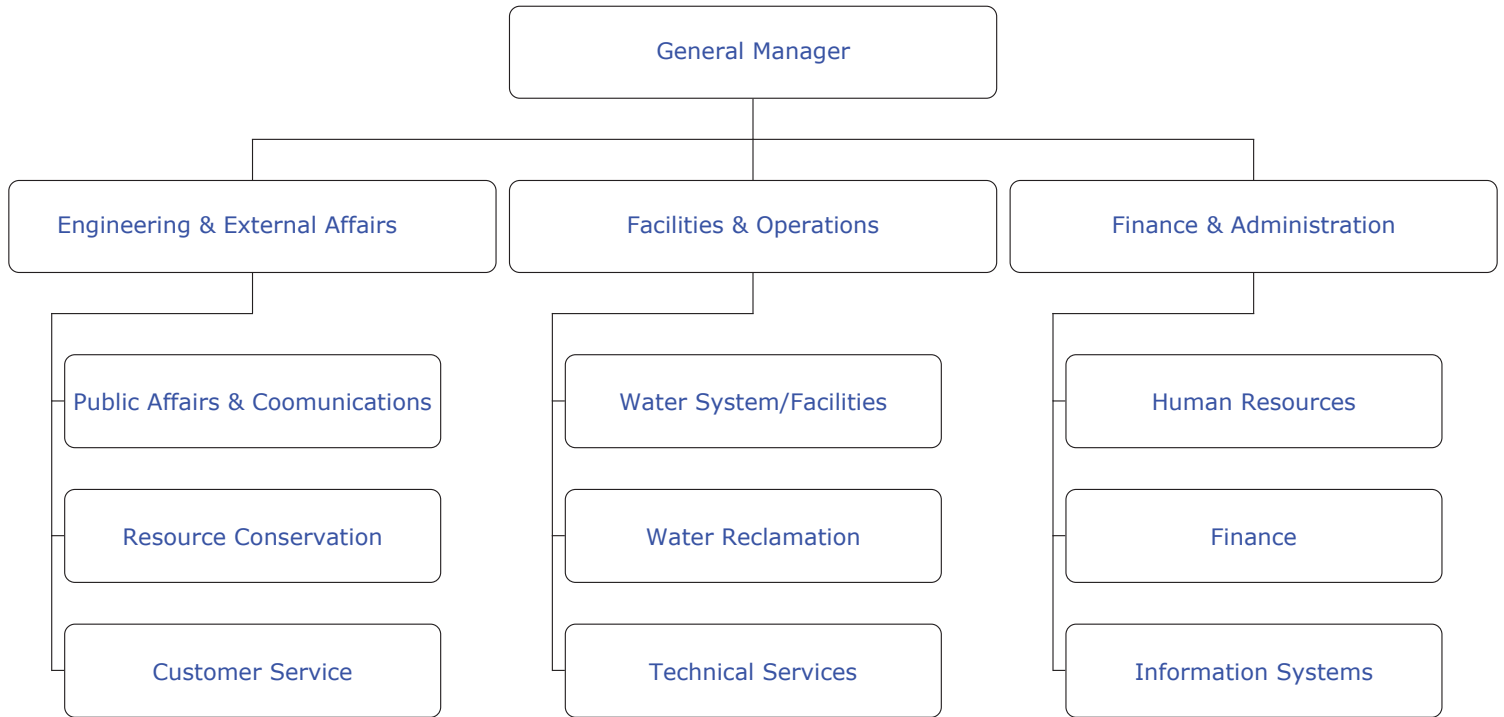
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

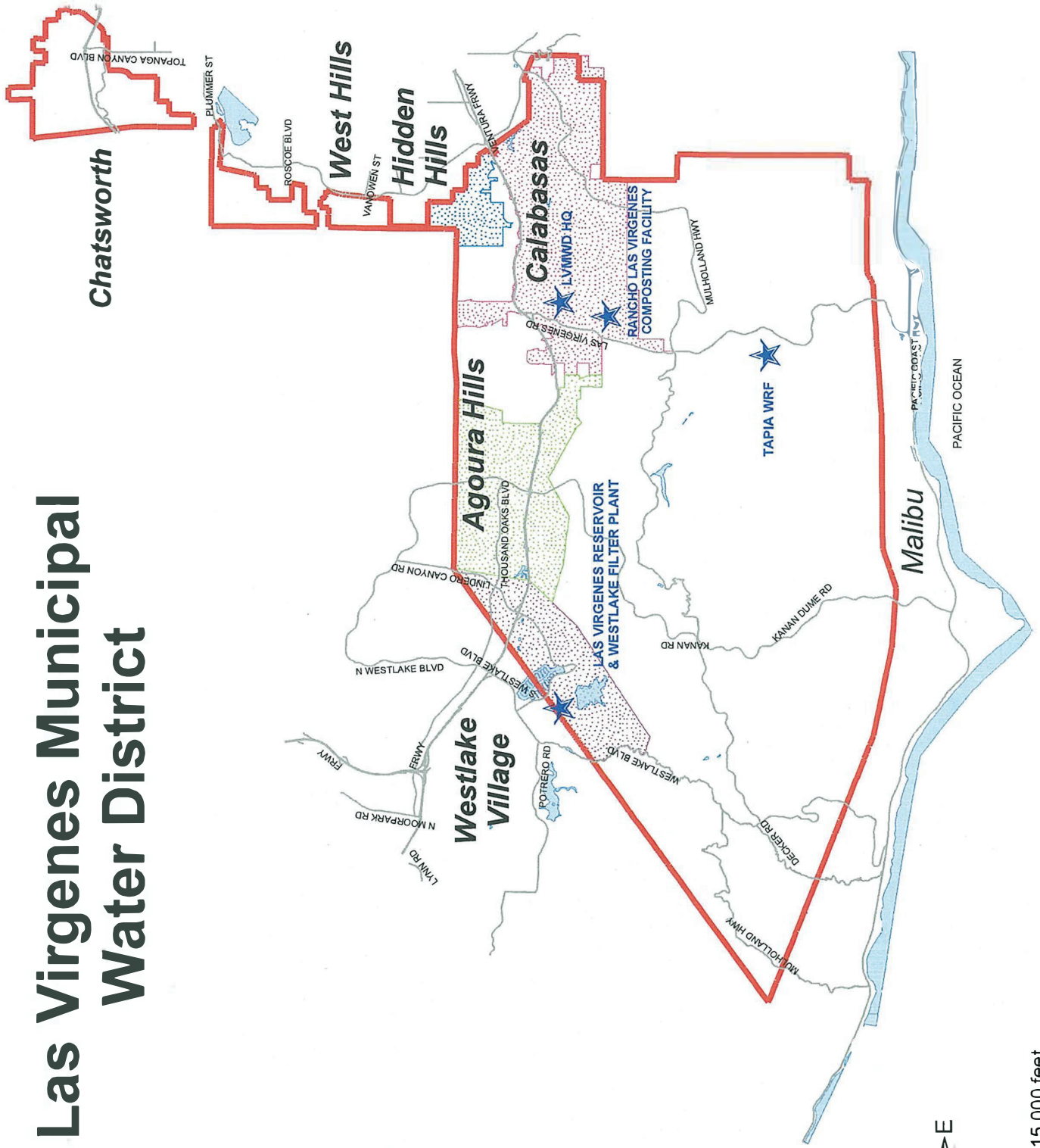
Executive Director/CEO

LVMWD Organizational Chart



Revised June 30, 2019

Las Virgenes Municipal Water District



1 inch equals 15,000 feet





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Las Virgenes Municipal Water District
Calabasas, California

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Las Virgenes Municipal Water District, California (the "District"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the District, as of June 30, 2021 and 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios – CalPERS Pension Plan, the Schedule of Contributions – CalPERS Pension Plan, the Schedule of Changes in OPEB Liability and Related Ratios – Other Post-Employment Benefits Plan, and the Schedule of Contributions – Other Post-Employment Benefits Plan on pages 5 through 10 and 56 through 61, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

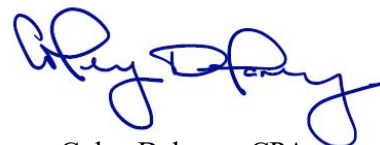
Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.



Santa Ana, California
December 13, 2021



Coley Delaney, CPA
CPA Number: 115598



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

Independent Auditors' Report

To the Board of Directors
of the Las Virgenes Municipal Water District
Calabasas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Las Virgenes Municipal Water District, California (the "District"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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To the Board of Directors
of the Las Virgenes Municipal Water District
Calabasas, California
Page 2

Purpose of this Report

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

Handwritten signature in black ink that reads "The PwC Group, LLP".

Santa Ana, California
December 13, 2021

Handwritten signature in blue ink that reads "Coley Delaney".

Coley Delaney, CPA
CPA Number: 115598

LAS VIRGENES MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

This section of the District's annual financial report presents management's analysis of the District's financial performance during the Fiscal Year that ended on June 30, 2021.

FINANCIAL HIGHLIGHTS

- The District's 2021 net position increased by \$17.0 million to \$269.2 million.
- During FY 2021, the District's revenues increased by 1.8% to \$77.2 million, expenses increased by 11.2% to \$65.7 million.
- In FY 2021, capital contributions to the District increased to \$5.5 million, 287% more than FY 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves as an introduction to Las Virgenes Municipal Water District's basic financial statements. The District's basic financial statements are comprised of two components: Financial Statements and Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CHANGES TO THE FINANCIAL STATEMENTS

Governmental Accounting Standards Board (GASB) Statement 84

GASB 84, dated January 2017, effective for the Year Ended June 30, 2021 was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Implementation of GASB 84 had no impact on the Financial Statements of the District due to the District does not have any fiduciary activities.

Governmental Accounting Standards Board (GASB) Statement 90

GASB 90, dated August 2018, effective for the Year Ended June 30, 2021 was issued to the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Implementation of GASB 90 had no impact on the Financial Statements of the District due to the District did not have any major equity interests.

BASIC FINANCIAL STATEMENTS

Because the District is comprised of three business type enterprises, potable water, recycled water, and sanitation, the Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets, deferred outflow of resources, liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities).

It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. This statement measures the stability of the District's operations over the past year and can be used to determine the District's credit worthiness and whether the District has successfully recovered all its costs through its user fees and other charges.

The final required financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also 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 Financial Statements provide information on whether the District, as a whole, is in a stronger or weaker financial position compared to the last year. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide a means to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, weather, and new or changed government legislation. It is important to note that the District's goal is to have sufficient revenue to cover operating and capital expenses while maintaining affordable rates for its customers.

During Fiscal Year 2020-21 the District saw increased water sales despite the District's targeted outreach program to increase conservation from inefficient and wasteful water users, this was due to the COVID-19 pandemic and more customers following stay at home orders and utilizing more water. The District's potable water-budget based rate structure supports a conservation philosophy through increasing tier structure and an annual incremental increase in the percentage of fixed cost recovered through fixed fees, which over time will reduce dependence on fluctuating water sales to meet revenue needs. The sanitation and recycled water enterprises continued to build additional reserves as the District prepares to construct its Pure Water Las Virgenes – Triunfo project that will take surplus recycled water and process it through an advanced treatment facility; then store it at Las Virgenes Reservoir for later use as drinking water. The District is well positioned to meet demands of a changing climate to meet its customer's water and sanitation needs.

Las Virgenes Municipal Water District operates a Joint Powers Authority (JPA) with Triunfo Sanitation District for the transmission and treatment of sanitation. In conformance with GASB 61, the JPA is presented in the District's Financial Statements as a Discretely Presented Component Unit. The JPA annually issues an Independent Auditors' Report and Financial Statements that includes a Management Discussion and Analysis. It is recommended to review this document for additional information on the financial condition of the JPA.

NET POSITION

Table 1 shows a comparative analysis of the District's Net Position. As shown below, net position increased by \$17.0 million to \$268.7 million in FY 2021.

TABLE 1
Condensed Statements of Net Position
(in thousands of dollars)

	<u>FY 2021</u>	<u>FY 2020</u>
Current and Other Assets	\$ 125,692	\$ 122,170
Capital Assets	129,166	121,812
Investment in JPA	67,140	66,420
Total Assets	\$ 321,998	\$ 310,402
 Deferred Outflow of Resources	 \$ 8,765	 \$ 7,846
Long-Term Debt Outstanding	8,305	10,115
Net Pension Liability	21,706	18,224
Net OPEB Liability	13,706	18,004
Other Liabilities	14,931	17,551
Total Liabilities	\$ 58,648	\$ 63,894
 Deferred Inflows of Resources	 2,891	 2,143
Net Position:		
Net Investment in Capital Assets,	\$ 119,866	\$ 111,697
Restricted	0	19
Unrestricted	149,358	140,495
Total Net Position	\$ 269,224	\$ 252,211

REVENUES, EXPENSES AND CHANGES IN NET POSITION

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position provides information concerning the nature and source of these changes. As shown in Table 2 below, the income before capital contributions was \$11.5 million. The income plus capital contributions lead to the overall increase in net position of \$17.0 million, when compared to last year's CAFR.

Water sales, the District's primary revenue source, were higher as result of increased usage due to stay at home orders from COVID-19 pandemic despite the District's targeted outreach efforts. Wasteful water use penalties impose increasing fines on customers who exceed their water budgets by 200%.

Operating expenses were higher by 6.1% year-over-year primarily due to increased costs associated with increased water sales, salary and benefits increase, and increased maintenance costs.

Capital contributions are irregular, as the District does not experience many large-scale projects. In July 2019, the District adopted a new capacity fee structure that focuses contributions on maintenance and upgrading of existing infrastructure.

TABLE 2
**Condensed Statements of Revenues,
Expenses and Changes in Net Position**

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>
Operating Revenues:			
Water Sales	\$ 54,648	\$ 47,672	\$ 45,437
Sanitation and Other	19,910	19,746	19,536
Non-operating Revenues:			
Taxes and Penalties	929	915	984
Interest Income and Other	1,736	7,507	4,195
Total Revenues	\$ 77,223	\$ 75,840	\$ 70,152
Depreciation Expense	3,831	4,012	4,016
Other Operating Expenses	43,714	41,192	39,870
Share of JPA Net Expenses	17,969	13,634	13,958
Non-Operating Expenses	194	231	530
Total Expenses	\$ 65,708	\$ 59,069	\$ 58,374
Income (Loss) Before Capital Contributions	11,515	16,771	11,778
Capital Contributions	5,498	1,419	3,900
Change in Net Position	<u>17,013</u>	<u>18,190</u>	<u>15,678</u>
Net Position - Beginning of Year	<u>252,211</u>	<u>234,021</u>	<u>218,343</u>
Net Position - End of Year	<u>\$ 269,224</u>	<u>\$ 252,211</u>	<u>\$ 234,021</u>

CAPITAL ASSETS

At the end of FY 2021, the District had invested \$252.8million in a broad range of infrastructure including water and sewer lines, wastewater facilities, reservoirs, tanks, distribution facilities, compost facility, maintenance and administration facilities, vehicles and equipment and an investment in Joint Venture of \$67.1 million as shown in Table 3. This amount represents a net increase (including additions, deletions, and depreciation) of \$8.4 million from last year. The decrease is predominantly due depreciation.

More information about the District's Capital Assets Depreciation policy is presented in Note 2 of the Basic Financial Statements. A more detailed summary of Capital Assets is presented in Note 7 to the Basic Financial Statements.

TABLE 3
Capital Assets
(In thousands of dollars)

	FY 2021	FY 2020	Dollar Change	Total Percent Change
Land	\$ 6,915	\$ 6,915	\$ 0	0.00%
Buildings and Improvements	22,095	22,095	0	0.00%
Machinery and Equipment	11,838	11,487	351	2.97%
Infrastructure	200,316	197,724	2,592	1.29%
Construction in Progress	11,593	3,592	8,001	69.02%
Subtotal	252,757	241,813	10,944	4.33%
Less Accumulated Depreciation	123,591	120,001	3,590	2.90%
Net Property, Plant and Equipment	129,166	121,812	7,354	5.69%
Investment in Joint Venture	67,140	66,420	720	1.07%
Total Capital Assets	\$ 196,306	\$ 188,232	\$ 8,074	4.11%

The following is a summary of some of the major improvements to the system during FY 2021.

TABLE 4
Major Capital Improvement Projects
(In thousands of dollars)

	<u>FY 2021</u>
Interconnection with CMWD	\$ 4,131
AMI Implementation	3,633
Saddle Peak Tank Rehabilitation	1,124
Total	<u>\$ 8,888</u>
	<u>FY 2020</u>
Process Air Improvements	\$ 3,640
Pure Water Demonstration Project	3,428
Total	<u>\$ 7,068</u>

LONG TERM DEBT

At year-end, the District had total long-term debt of \$9.2 million, down from \$10.1 million in FY 2020. This debt is solely the obligation of the Potable Water Enterprise and is for the Advanced Meter Infrastructure project. More detailed information about the District's long-term liabilities is presented in Note 9 to the Basic Financial Statements.

TABLE 5
Debt Coverage Ratio
(In thousands of dollars)

	<u>FY 2021</u>
Total Operating Revenues	\$ 52,249
Total Operating Expenses (less depreciation)	41,018
Net Earnings	<u>11,231</u>
Maximum Annual Debt Service	971
Debt Coverage Ratio	<u>11.57</u>

The District has outstanding private placement debt issued in March 2020. The District's current average cost of capital was 2.47% at June 30, 2021, as shown on Table 6.

TABLE 6
Cost of Capital
(In thousands of dollars)

	<u>Debt Balance</u>	<u>Average Coupon Rate</u>
Private Placement Bonds at June 30 ,2021	10,100	2.47%

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

This financial report is designed to provide our residents, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Las Virgenes Municipal Water District, Department of Finance and Administration, 4232 Las Virgenes Road, Calabasas, California, 91302; or visit our website at www.lvmwd.com.

BASIC FINANCIAL STATEMENTS

Las Virgenes Municipal Water District
Statements of Net Position
June 30, 2021 and 2020

ASSETS	Primary Government		Discretely Presented Component Unit - JPA	
	2021	2020	2021	2020
Current assets:				
Cash and cash equivalents (Note 3)	\$ 31,825,095	\$ 40,559,658	\$ 4,159,622	\$ 10,746,445
Investments (Note 3)	70,302,347	53,843,756	762,147	805,296
Receivables:				
Sales and services, net of allowance for uncollectible (Note 4)	8,901,721	8,228,249	2,289,417	2,216,387
Due from Joint Powers Authority (Note 6)	2,963,776	7,515,405	-	-
Interest	226,463	377,160	31,505	33,722
Interest receivable - designated for capital projects	-	1,354	-	-
Taxes	62,529	132,006	-	-
Other	483,277	680,380	-	-
Inventories (Note 5)	9,451,015	9,616,894	-	-
Prepaid items	1,475,537	1,196,103	196,065	188,328
Total current assets	125,691,760	122,150,965	7,438,756	13,990,178
Noncurrent assets:				
Restricted cash and cash equivalents (Note 3)	-	19,414	-	-
Investments in Joint Powers Authority (Note 6)	67,140,428	66,419,847	-	-
Capital assets (Note 7):				
Nondepreciable	18,508,524	10,507,477	22,106,730	23,670,352
Depreciable, net of accumulated depreciation	110,657,565	111,304,877	76,255,754	73,456,585
Capital assets, net	129,166,089	121,812,354	98,362,484	97,126,937
Total noncurrent assets	196,306,517	188,251,615	98,362,484	97,126,937
Total assets	321,998,277	310,402,580	105,801,240	111,117,115
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows of resources (Note 10)	5,345,419	4,191,083	-	-
OPEB-related deferred outflows of resources (Note 11)	3,419,461	3,654,776	-	-
Total deferred outflows of resources	8,764,880	7,845,859	-	-

Las Virgenes Municipal Water District
Statements of Net Position (Continued)
June 30, 2021 and 2020

LIABILITIES	Primary Government		Discretely Presented Component Unit - JPA	
	2021	2020	2021	2020
Current liabilities:				
Accounts and contracts payable and accrued expenses	7,751,347	5,885,794	2,021,757	1,462,038
Interest payable	30,225	15,975	-	-
Unearned capacity and developer fees	3,135,041	9,024,424	-	-
Due to primary government	-	-	2,963,776	7,515,405
Due to other government	-	-	2,453,223	5,016,554
Deposits and other	552,916	265,753	-	-
Compensated absences - due within one year (Note 8)	766,666	873,343	-	-
Long-term debt - due within one year (Note 9)	995,000	455,488	-	-
Total current liabilities	13,231,195	16,520,777	7,438,756	13,993,997
Noncurrent liabilities:				
Compensated absences (Note 8)	1,699,633	1,484,790	-	-
Long-term debt - due in more than one year (Note 9)	8,305,000	9,660,000	-	-
Net pension liabilities (Note 10)	21,705,685	18,224,826	-	-
Net OPEB liabilities (Note 11)	13,706,306	18,003,904	-	-
Total noncurrent liabilities	45,416,624	47,373,520	-	-
Total liabilities	58,647,819	63,894,297	7,438,756	13,993,997
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows of resources (Note 10)	-	1,850,292	-	-
OPEB-related deferred inflows of resources (Note 11)	2,891,181	292,526	-	-
Total deferred inflows of resources	2,891,181	2,142,818	-	-
NET POSITION (Note 12)				
Primary government's net investment in capital assets	119,866,089	111,696,866	65,742,118	64,831,080
Other government's net investment in capital assets	-	-	32,620,366	32,295,857
Restricted for:				
Debt service	-	19,414	-	-
Unrestricted (deficit)	149,358,068	140,495,044	-	(3,819)
Total net position	\$ 269,224,157	\$ 252,211,324	\$ 98,362,484	\$ 97,123,118

Las Virgenes Municipal Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2021 and 2020

	Primary Government		Discretely Presented Component Unit - JPA	
	2021	2020	2021	2020
Operating Revenues:				
Water sales and service fees	\$ 52,305,916	\$ 45,431,192	\$ -	\$ -
Sanitation service fees	18,695,027	18,835,630	-	-
Wholesale recycle water sales	-	-	2,638,344	2,396,775
Rental income	82,517	80,211	-	-
Other income	3,474,874	3,071,015	52,229	47,367
Total operating revenues	74,558,334	67,418,048	2,690,573	2,444,142
Operating Expenses:				
Water expenses:				
Source of supply	28,127,836	24,762,261	-	-
Pumping	1,979,392	1,737,640	-	-
Transmission and distribution	2,867,892	3,298,835	-	-
Meter	1,018,174	831,909	-	-
Water conservation	166,425	635,230	-	-
Rental	31,304	14,145	-	-
General and administrative	6,831,602	7,356,760	-	-
Total water expenses	41,022,625	38,636,780	-	-
Sanitation expenses:				
Other sewage treatment	513,514	383,887	-	-
Lifting	264,218	255,393	-	-
General and administrative	1,913,891	1,915,960	-	-
Total sanitation expenses	2,691,623	2,555,240	-	-
JPA expenses:				
Operating expenses	-	-	10,314,764	8,900,521
General and administrative	-	-	11,600,875	9,658,613
Total JPA expenses	-	-	21,915,639	18,559,134
Depreciation	3,831,467	4,011,992	5,799,831	5,624,458
Total operating expenses	47,545,715	45,204,012	27,715,470	24,183,592
Billings to primary government	-	-	13,005,183	8,920,047
Billings to other government	-	-	5,995,455	4,120,930
Total JPA billings	-	-	19,000,638	13,040,977
Net Operating Income (Loss)	27,012,619	22,214,036	(6,024,259)	(8,698,473)

Las Virgenes Municipal Water District
Statements of Revenues, Expenses, and Changes in Net Position (Continued)
For the Years Ended June 30, 2021 and 2020

	Primary Government		Discretely Presented Component Unit - JPA	
	2021	2020	2021	2020
Nonoperating Revenues (Expenses):				
Taxes and penalties	928,980	914,603	-	-
Interest income	222,879	3,158,010	50,601	131,787
Facilities charge	358,409	355,452	-	-
Interest expense and fiscal charges	(193,592)	(231,742)	-	-
Share of Joint Powers Authority (expense)	(17,969,146)	(13,633,579)	-	-
Gain on disposal of capital assets	51,794	8,231	-	-
Other revenues/(expenses)	1,102,894	3,986,317	177,647	2,938,410
Total nonoperating revenues (expenses)	(15,497,782)	(5,442,708)	228,248	3,070,197
Capital Contributions:				
Capital contributions from others	5,497,996	1,418,889	-	-
Capital contributions from primary government	-	-	4,966,976	6,404,693
Capital contributions from other government	-	-	2,068,401	2,667,110
Total capital contributions	5,497,996	1,418,889	7,035,377	9,071,803
Changes in Net Position	17,012,833	18,190,217	1,239,366	3,443,527
Net Position:				
Beginning of year	252,211,324	234,021,107	97,123,118	93,679,591
End of year	<u>\$ 269,224,157</u>	<u>\$ 252,211,324</u>	<u>\$ 98,362,484</u>	<u>\$ 97,123,118</u>

Las Virgenes Municipal Water District
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	Primary Government	
	2021	2020
Cash Flows From Operating Activities:		
Cash received from customers	\$ 70,697,150	\$ 63,170,556
Cash payments to suppliers for operations	(34,600,495)	(35,491,536)
Cash received from (paid to) Joint Powers Authority	4,551,629	(1,506,471)
Cash payments for general and administrative expenses	(8,237,263)	(7,329,708)
Cash received from others	3,672,077	2,822,430
Net cash provided by operating activities	36,083,098	21,665,271
Cash Flows From Noncapital Financing Activities:		
Receipt from facilities charges	358,409	355,452
Receipt from other revenues	1,102,896	2,539,662
Property taxes and fee collected	998,457	985,711
Net cash provided by noncapital financing activities	2,459,762	3,880,825
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets	(11,185,202)	(2,110,757)
Proceeds from sale of assets	51,794	22,565
Capital contribution	5,497,996	1,418,889
Repayment of bonds payable and capital leases	(815,488)	(2,384,815)
Interest payment	(179,342)	(299,127)
Capital facilities and developer fees received	864,945	2,346,414
Capital facilities and developer fees refunded and developer fees used	(6,754,328)	(1,518,215)
Net cash (used in) capital and related financing activities	(12,519,625)	(2,525,046)
Cash Flows From Investing Activities:		
Interest received	371,112	1,845,335
Contributions to Joint Power Authority	(18,689,727)	(15,915,690)
Investments matured	6,840,131	30,108,818
Purchase of investments	(23,298,728)	(25,957,145)
Net cash (used in) investing activities	(34,777,212)	(9,918,682)
Net Change in Cash and Cash Equivalents	(8,753,977)	13,102,368
Cash and Cash Equivalents:		
Beginning of year	40,579,072	27,476,704
End of year	\$ 31,825,095	\$ 40,579,072
Financial Statement Presentation:		
Cash and cash equivalents	\$ 31,825,095	\$ 40,559,658
Restricted cash and cash equivalents	-	19,414
Total cash and cash equivalents	\$ 31,825,095	\$ 40,579,072
Noncash investing activities:		
Change in fair value of investments	\$ 859,677	\$ 1,684,868

Las Virgenes Municipal Water District
Statement of Cash Flows (Continued)
For the Years Ended June 30, 2021 and 2020

	Primary Government	
	2021	2020
Reconciliation of Net Operating Income to Net Cash Provided By Operating Activities:		
Net operating income	\$ 27,012,619	\$ 22,214,036
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	3,831,467	4,011,992
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	(476,369)	(1,434,321)
(Increase) decrease in due from Joint Powers Authority	4,551,629	(1,506,471)
(Increase) decrease in inventories	165,879	(1,582,540)
(Increase) decrease in prepaid items	(279,434)	(908,025)
(Increase) decrease in deferred outflows or resources - pension	(1,154,336)	363,865
(Increase) decrease in deferred outflows or resources - OPEB	235,315	(196,754)
Increase (decrease) in accounts and contracts payable and accrued expenses	1,869,375	1,083,330
Increase (decrease) in compensated absences	108,166	232,328
Increase (decrease) in deposits and other	287,163	9,259
Increase (decrease) in net pension liability	3,480,859	2,169,003
Increase (decrease) in net OPEB liability	(4,297,598)	(1,297,142)
Increase (decrease) in deferred inflows or resources - pension	(1,850,292)	(1,529,793)
Increase (decrease) in deferred inflows or resources - OPEB	2,598,655	36,504
Net cash provided by Operating Activities	\$ 36,083,098	\$ 21,665,271

Disclosure of Noncash Transactions:

¹ Projects funded by water and sewer capacity fees/connection fees and meter installation fees were completed during the fiscal year. As a result, capital contributions in the amount of \$1,367,969 from capacity fees and \$50,921 from meters installed were reclassified from deferred capacity and developer fees to contributed capital for the year ended June 30, 2020.



Las Virgenes Municipal Water District
Notes to the Basic Financial Statements
For the Years Ended June 30, 2021 and 2020

Note 1 – Reporting Entity

Las Virgenes Municipal Water District (the “District”) is organized under the Municipal Water District Act of 1911 (California Water Code 71000). A five-member board of directors, who are elected by geographic divisions, provide governance. The District was formed to secure a high quality, reliable source of water for areas which include the cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village, plus surrounding unincorporated portions of western Los Angeles County.

Discretely Presented Component Unit

The *Las Virgenes-Triunfo Joint Powers Authority* (“JPA”) was created on October 12, 1964 between the District and Triunfo Sanitation District (“TSD”) for the purpose of constructing, operating, maintaining, and providing for the replacement of a joint sewage system to serve the Malibu Canyon drainage area. The JPA consists of ten board members where five of them are the board members of the District and the other five are the board members of TSD. The JPA is fiscally dependent in that the JPA could not issue bonded debt without approval from the District. There is a financial benefit and burden relationship between the District and the JPA. The JPA issues a separate financial report that is available upon request from the District. The financial statements of the JPA are included as a discretely presented component of the District’s financial statements.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the District.

The financial statements are reported using the “*economic resources*” measurement focus and 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. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

The Statement of Net Position reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net assets from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, settlement receivable allowance, and other infrequently occurring transaction of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund ("LAIF"), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and assets-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the fair value of the pool shares.

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk

Restricted Cash and Investments

Cash and investments with fiscal agents are restricted due to limitations on their use by bond covenants or donor limitations. Fiscal agents acting on behalf of the District hold investment funds arising from the proceeds of long-term debt issuances. The funds may be used for specific capital outlays or for the payment of certain bonds, and have been invested only as permitted by specific State statutes or applicable District ordinance, resolution or bond indenture.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 — Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
- Level 2 — Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3 — Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Receivables and Unbilled Revenues

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts, if any. The District also accrues an estimated amount for services that have been provided, but not yet billed as of June 30. Federal and State grants accrued as revenue when all eligibility requirements have been met. Amount earned but outstanding at year end are reported as due from other governments.

Inventories

Inventories consist of expendable materials, supplies, and water in storage and are stated at average cost.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

Capital Assets

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at their acquisition value on the date donated. The District policy has set the capitalization threshold for reporting capital assets at \$5,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Primary Government

Water Plant	Source of supply (primarily water tanks)	10 - 100 Years
	Plant	10 - 75 Years
	Structures	25 - 35 Years
Sanitation Plant	Plant	10 - 100 Years
	Machinery and equipment	3 - 25 Years
General Utility Plant	Building and improvements	10 - 50 Years
	Machinery and equipment	3 - 25 Years

Discretely Presented Component Unit - JPA

Recycle Water Plants	Plant	10 - 100 Years
	Machinery and equipment	3 - 25 Years

Major outlays for capital assets are capitalized as projects, once constructed, and repairs and maintenance costs are expensed. Interest accrued during capital assets construction, if any, is capitalized as part of the asset cost, net of interest income on construction bond proceeds.

Capital Contributions

Prepayments of water and sewer capacity fees/connection fees assessed by the District are reported as unearned revenues until construction of the related projects has commenced and the District is reasonably certain they will be completed. Upon completion, the applicable amounts are recognized as capital contributions.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Compensated Absences

District's policy permits its employees to accumulate not more than 288 hours of their current annual vacation for the miscellaneous general and office units and not more than 311 hours for the supervisor, professional, confidential, and management units. General Managers are compensated five days into accrued sick leave bank at onset of employment and eight hours per month thereafter up to 96 hours per year with a maximum of 311 hours accrual. Non-represented employees are compensated eight hours per month. The annual accrual of sick leave has no maximum accrual. The combined unused vacation and sick pay will be paid to the employee or his/her beneficiary upon leaving the District's employment. The amount due will be determined using the salary/wage rate in effect at the time of separation and vesting period.

All vested vacation and compensatory leave time is recognized as an expense and as a liability at the time the benefit vests. The liability for compensated absences is included as part of compensated absences payable from unrestricted current assets.

Long-Term Debt

Debt premiums and discounts are amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable unamortized bond premium or discount. Debt issuance costs are expensed when incurred.

Arbitrage Rebate Requirement

The District is subject to the Internal Revenue Code ("IRC") Section 148(f), related to its tax-exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The District had no rebate liability for arbitrage as of June 30, 2021 and 2020.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

For the Year Ended	June 30, 2021
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
For the Year Ended	June 30, 2020
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Pension (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Other Postemployment Benefits (“OPEB”)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Retiree Benefits Plan (“OPEB Plan”) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

For the Year Ended	June 30, 2021
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
For the Year Ended	June 30, 2020
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Net Position

Net position represents the difference between all other elements in the statement of net position and is displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets and related deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes are levied on March 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Los Angeles, California (“County”) bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

The County is permitted by State law to levy on properties at 1% of full market value (at time of purchase) and can increase the property tax rate at no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978.

Property taxes are recognized in the fiscal year for which the taxes have been levied.

No allowance for doubtful accounts was considered necessary.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Accounting Changes

During the fiscal year ended June 30, 2021, the District implemented the following accounting standards:

- In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Implementation of this Statement did not have a material effect on the District’s financial statements for the fiscal year ending June 30, 2021.
- In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* (GASB Statement No. 90), to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Implementation of this Statement did not have a material effect on the District’s financial statements for the fiscal year ending June 30, 2021.
- In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Application of this statement did not have a material effect on the District’s financial statements for the fiscal year ending June 30, 2021.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Upcoming New GASB Pronouncements

The District is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB Statement No. 87 originally effective for the District's fiscal year ending June 30, 2021, has been postponed to fiscal year ending June 30, 2022.
- In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB Statement No. 89), to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB Statement No. 89 originally effective for the District's fiscal year ending June 30, 2021, has been postponed to fiscal year ending June 30, 2022.
- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 91 originally effective for the District's fiscal year ending June 30, 2022, has been postponed to fiscal year ending June 30, 2023.
- In January 2020, GASB issued Statement No. 92, *Omnibus 2020* (GASB Statement No. 92), to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. GASB Statement No. 92 originally effective for the District's fiscal year ending June 30, 2021, has been postponed to fiscal year ending June 30, 2022.
- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* (GASB Statement No. 93), to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR) which is expected to cease to exist in its current form at the end of 2021. GASB Statement No. 93 originally effective for the District's fiscal year ending June 30, 2022, has been postponed to fiscal year ending June 30, 2023.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Upcoming New GASB Pronouncements (Continued)

- In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB Statement No. 94) to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). GASB Statement No. 94 is effective for the District’s fiscal year ending June 30, 2023.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96), to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB Statement No. 96 is effective for the District’s fiscal year ending June 30, 2023.
- In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* (GASB Statement No. 97), to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 is effective for the District’s fiscal year ending June 30, 2022.

Note 3 – Cash and Investments

At June 30, 2021 and 2020, cash and investments are classified in the accompanying statements of net position as follows:

	2021			2020		
	Primary Government	Discretely Presented Component Unit - JPA	Total	Primary Government	Discretely Presented Component Unit - JPA	Total
Unrestricted Assets:						
Cash and cash equivalents	\$ 31,825,095	\$ 4,159,622	\$ 35,984,717	\$ 40,559,658	\$ 10,746,445	\$ 51,306,103
Investments	70,302,347	762,147	71,064,494	53,843,756	805,296	54,649,052
Restricted Assets:						
Cash and cash equivalents	-	-	-	19,414	-	19,414
Total cash and investments	\$ 102,127,442	\$ 4,921,769	\$ 107,049,211	\$ 94,422,828	\$ 11,551,741	\$ 105,974,569

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 3 – Cash and Investments (Continued)

At June 30, 2021 and 2020, cash and investments consisted of the following:

	2021			2020		
	Discretely Presented		Total	Discretely Presented		Total
	Primary Government	Component Unit - JPA		Primary Government	Component Unit - JPA	
Deposits:						
Demand Deposits	\$ 675,786	\$ 404,635	\$ 1,080,421	\$ 79,412	\$ 1,832,760	\$ 1,912,172
Petty Cash	2,200	-	2,200	2,200	-	2,200
Total deposits	677,986	404,635	1,082,621	81,612	1,832,760	1,914,372
Investments:						
Money market mutual funds	39,270	-	39,270	34,638	-	34,638
Municipal Bonds	14,823,480	-	14,823,480	15,420,139	-	15,420,139
U.S. Government Sponsored Agency Security	35,051,609	762,147	35,813,756	30,492,590	805,296	31,297,886
Certificate of Deposit	9,314,449	-	9,314,449	7,931,027	-	7,931,027
California Asset Management Program	11,112,809	-	11,112,809	-	-	-
California Local Agency Investment Fund	31,107,839	3,754,987	34,862,826	40,452,579	8,913,685	49,366,264
Total investments	101,449,456	4,517,134	105,966,590	94,330,973	9,718,981	104,049,954
Investments with Fiscal Agents:						
California Local Agency Investment Fund	-	-	-	10,243	-	10,243
Total investments with fiscal agents	-	-	-	10,243	-	10,243
Total cash and investments	\$ 102,127,442	\$ 4,921,769	\$ 107,049,211	\$ 94,422,828	\$ 11,551,741	\$ 105,974,569

The statements of cash flows for the year ended June 30, 2021 and 2020 have been prepared by considering the following deposits and investment instruments to be cash and cash equivalents:

	2021			2020		
	Discretely Presented		Total	Discretely Presented		Total
	Primary Government	Component Unit - JPA		Primary Government	Component Unit - JPA	
Demand Deposits	\$ 675,786	\$ 404,635	\$ 1,080,421	\$ 79,412	\$ 1,832,760	\$ 1,912,172
Petty Cash	2,200	-	2,200	2,200	-	2,200
Money market mutual funds	39,270	-	39,270	34,638	-	34,638
California Local Agency Investment Fund	31,107,839	3,754,987	34,862,826	40,462,822	8,913,685	49,376,507
Total cash and cash equivalents	\$ 31,825,095	\$ 4,159,622	\$ 35,984,717	\$ 40,579,072	\$ 10,746,445	\$ 51,325,517

Fair Value Measurement

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.

Investments classified in Level 2 are valued using the following inputs:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; or
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 3 – Cash and Investments (Continued)

Fair Value Measurement (Continued)

The District has no investments categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

At June 30, 2021 and 2020, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2021 and 2020:

	2021			2020		
	Significant Other Observable Input (Level 2)	Uncategorized	Total	Significant Other Observable Input (Level 2)	Uncategorized	Total
	Money market mutual funds	\$ -	\$ 39,270	\$ 39,270	\$ -	\$ 34,638
Municipal Bonds	14,823,480	-	14,823,480	15,420,139	-	15,420,139
Federal Agricultural Mortgage Corporation	9,604,933	-	9,604,933	5,721,486	-	5,721,486
Federal Farm Credit Bank	11,108,810	-	11,108,810	7,260,280	-	7,260,280
Federal Home Loan Bank	4,103,100	-	4,103,100	7,203,110	-	7,203,110
Federal Home Loan Mortgage Corporation	7,013,123	-	7,013,123	9,098,870	-	9,098,870
Federal Nation Mortgage Association	2,977,810	-	2,977,810	1,001,050	-	1,001,050
Tennessee Valley Authority	1,005,980	-	1,005,980	1,013,090	-	1,013,090
Certificate of Deposit	9,314,449	-	9,314,449	7,931,027	-	7,931,027
California Asset Management Program	-	11,112,809	11,112,809	-	-	-
California Local Agency Investment Fund	-	34,862,826	34,862,826	-	49,366,264	49,366,264
Investment with fiscal agents:						
California Local Agency Investment Fund	-	-	-	-	10,243	10,243
Total investments	\$ 59,951,685	\$ 46,014,905	\$ 105,966,590	\$ 54,649,052	\$ 49,411,145	\$ 104,060,197

Demand Deposits

Demand deposits are held in pool by the District. The carrying amounts of cash deposits were \$1,080,421 and \$1,912,172 at June 30, 2021 and 2020, respectively. Bank balances at June 30, 2021 and 2020 were \$3,068,836 and \$2,166,692, respectively, which were fully insured and/or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The fair value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 3 – Cash and Investments (Continued)

California Local Agency Investment Funds

The District is a voluntary participant in the California Local Agency Investment Fund (“LAIF”) that is regulated by California Government Code Section 18429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The District’s investments with LAIF include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

These investments include the following:

- **Structured Notes** – debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- **Asset-Backed Securities** – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO’s) or credit card receivables.

JPA’s investment in LAIF was pooled with the District. As of June 30, 2021, and 2020, the District had \$34,862,826 and \$49,376,507, respectively, invested in LAIF, which had invested 1.10% and 3.37% of the pool investment funds in Structured Notes and Asset-Backed Securities, respectively. The value of the 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 portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are reported at net asset value.

Investments Authorized by the California 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.

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Bills, Bonds and Notes	5 years	None	None
United States Government Sponsored Agency Securities	5 years	None	None
Time Deposits	1 year	25%	None
Repurchase Agreements/Reverse Repurchase Agreement	30 days	25%/10%	None
California Asset Management Program	None	25%	\$65,000,000
California Local Agency Investment Fund (LAIF)	None	25%	\$65,000,000
Bonds Issue by Local Agencies or States	5 years	None	None
Certificates of Deposits	5 years	25%	\$250,000

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 3 – Cash and Investments (Continued)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees.

The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of risk.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Obligations	None	None	None
United States Government Sponsored Agency Securities	3 years	None	None
Time Deposits	360 days	None	None
Banker's Acceptances	360 days	None	None
Money Market Mutual Fund	None	None	None
California Asset Management Program	None	None	None
California Local Agency Investment Fund	None	None	None
Commercial Paper	270 days	None	None
Investment Agreement	None	None	None
Other investments approved by bond insurer	None	None	None

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.

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 shows the distribution of the District’s investments by maturity as of June 30, 2021 and 2020.

Investment Type	2021					Fair Value Total
	Remaining Maturity (in Years)					
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
Money market mutual funds	\$ 39,270	\$ -	\$ -	\$ -	\$ -	\$ 39,270
Municipal Bonds	2,882,116	4,487,221	3,911,658	2,583,328	959,157	14,823,480
Federal Agricultural Mortgage Corporation	473,593	1,030,040	1,053,910	3,068,620	3,978,770	9,604,933
Federal Farm Credit Bank	-	2,063,580	4,099,530	1,002,590	3,943,110	11,108,810
Federal Home Loan Bank	-	1,057,920	1,065,890	989,830	989,460	4,103,100
Federal Home Loan Mortgage Corporation	2,031,900	-	996,990	1,008,760	2,975,473	7,013,123
Federal Nation Mortgage Association	-	-	-	-	2,977,810	2,977,810
Tennessee Valley Authority	-	-	-	1,005,980	-	1,005,980
Certificate of Deposit	1,731,856	1,759,892	1,562,339	2,543,277	1,717,085	9,314,449
California Asset Management Program	11,112,809	-	-	-	-	11,112,809
California Local Agency Investment Fund	34,862,826	-	-	-	-	34,862,826
	<u>\$ 53,134,370</u>	<u>\$ 10,398,653</u>	<u>\$ 12,690,317</u>	<u>\$ 12,202,385</u>	<u>\$ 17,540,865</u>	<u>\$ 105,966,590</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	2020					Fair Value Total
	Remaining Maturity (in Years)					
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
Money market mutual funds	\$ 34,638	\$ -	\$ -	\$ -	\$ -	\$ 34,638
Municipal Bonds	4,776,959	2,661,710	3,633,535	3,423,244	924,691	15,420,139
Federal Agricultural Mortgage Corporation	-	481,126	1,046,550	1,077,770	3,116,040	5,721,486
Federal Farm Credit Bank	-	-	2,098,790	2,142,220	3,019,270	7,260,280
Federal Home Loan Bank	-	-	2,086,800	2,112,250	3,004,060	7,203,110
Federal Home Loan Mortgage Corporation	-	2,066,190	-	1,007,420	6,025,260	9,098,870
Federal Nation Mortgage Association	-	-	-	-	1,001,050	1,001,050
Tennessee Valley Authority	-	-	-	-	1,013,090	1,013,090
Certificate of Deposit	741,914	1,755,700	1,295,087	1,590,856	2,547,470	7,931,027
California Asset Management Program						
California Local Agency Investment Fund	49,366,264	-	-	-	-	49,366,264
Investment with fiscal agents:						
California Local Agency Investment Fund	10,243	-	-	-	-	10,243
	<u>\$ 54,930,018</u>	<u>\$ 6,964,726</u>	<u>\$ 10,160,762</u>	<u>\$ 11,353,760</u>	<u>\$ 20,650,931</u>	<u>\$ 104,060,197</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the District's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard and Poor's, and Moody's Investors Service. Presented in the following tables are the Standard and Poor's credit ratings for the District's investments as of June 30, 2021 and 2020.

Investment	2021					
	Total As of June 30, 2021	Minimum Legal Requirement	AAA	AA+/-	A+	Unrated
Money market mutual funds	\$ 39,270	None	\$ 39,270	\$ -	\$ -	\$ -
Municipal Bonds	14,823,480	AA-	750,862	14,072,618	-	-
Federal Agricultural Mortgage Corporation	9,604,933	None	-	-	-	9,604,933
Federal Farm Credit Bank	11,108,810	None	-	2,982,430	-	8,126,380
Federal Home Loan Bank	4,103,100	None	-	-	-	4,103,100
Federal Home Loan Mortgage Corporation	7,013,123	None	-	-	-	7,013,123
Federal Nation Mortgage Association	2,977,810	None	-	-	-	2,977,810
Tennessee Valley Authority	1,005,980	None	-	-	-	1,005,980
Certificate of Deposit	9,314,449	None	-	-	-	9,341,449
California Asset Management Program	11,112,809	None	-	-	-	1,112,809
California Local Agency Investment Fund	34,862,826	None	-	-	-	34,862,826
	<u>\$ 105,966,590</u>		<u>\$ 790,132</u>	<u>\$ 17,055,048</u>	<u>\$ -</u>	<u>\$ 78,148,410</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

Investment	2020					
	Total As of June 30, 2020	Minimum Legal Requirement	AAA	AA+/-	A+	Unrated
Money market mutual funds	\$ 34,638	AA-	\$ 34,638	\$ -	\$ -	\$ -
Municipal Bonds	15,420,139	AA-	2,306,023	13,114,116	-	-
Federal Agricultural Mortgage Corporation	5,721,486	None	-	-	-	5,721,486
Federal Farm Credit Bank	7,260,280	None	-	5,178,320	-	2,081,960
Federal Home Loan Bank	7,203,110	None	-	4,199,050	-	3,004,060
Federal Home Loan Mortgage Corporation	9,098,870	None	-	4,074,610	-	5,024,260
Federal Nation Mortgage Association	1,001,050	None	-	-	-	1,001,050
Tennessee Valley Authority	1,013,090	-	-	1,013,090	-	-
Certificate of Deposit	7,931,027	None	-	-	-	7,931,027
California Local Agency Investment Fund	49,366,264	None	-	-	-	49,366,264
Investment with fiscal agents:						
California Local Agency Investment Fund	10,243	None	-	-	-	10,243
	<u>\$ 104,060,197</u>		<u>\$ 2,340,661</u>	<u>\$ 27,579,186</u>	<u>\$ -</u>	<u>\$ 74,140,350</u>

Disclosures Relating to Concentration of Credit Risk

Investments in any one issuer that represents 5% or more of total District's investments (excluding cash with fiscal agents) are as follows:

Issuer	Investment Type	2021		2020	
		Reported Amount	Percentage of Investments	Reported Amount	Percentage of Investments
Municipal Bonds	Other investments approved by bond issuer	\$ 14,823,480	13.99%	\$ 15,420,139	14.82%
Federal Agricultural Mortgage Corporation	United States Government Sponsored Agency Securities	9,604,933	9.06%	5,721,486	5.50%
Federal Farm Credit Bank	United States Government Sponsored Agency Securities	11,108,810	10.48%	7,260,280	6.98%
Federal Home Loan Mortgage Corporation	United States Government Sponsored Agency Securities	7,013,123	6.62%	9,098,870	8.74%
Certificate of Deposit	Certificate of Deposit	9,314,449	8.79%	7,931,027	7.62%
California Asset Management Program	California Asset Management Program	11,112,809	10.49%	-	0.00%
California Local Agency Investment Fund	California Local Agency Investment Fund	34,862,826	32.90%	49,366,264	47.44%

Disclosures Relating to Custodial Credit Risk

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, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. 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 investments. 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 LAIF).

Note 4 – Accounts Receivable

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Accounts receivable primarily consist of sales and services fees as well as the District’s allocation of property taxes collected but not remitted by Los Angeles County. As of June 30, 2021, and 2020, sales and services receivable, net of allowance for uncollectible accounts, were in the amount of \$8,820,715 and \$8,228,249 for the District and \$2,289,417 and \$2,216,387 for the JPA, respectively. As of June 30, 2021, and 2020, allowance for uncollectible accounts were in the amount of \$126,000 and \$55,000 for the District. The JPA does not have any allowance for uncollectible accounts as of As of June 30, 2021, and 2020.

Note 5 – Inventories

Inventories consisted of the following as of June 30, 2021 and 2020:

	2021	2020
<u>Primary Government</u>		
Material and supplies	\$ 881,651	\$ 1,007,824
Water in storage	8,569,364	8,609,070
Total	\$ 9,451,015	\$ 9,616,894

Water in storage was calculated by taking the volume of the reservoir and tanks times the average cost per acre foot.

Note 6 – Investment in Joint Powers Authority

The District was the designated administering agent for the Las Virgenes-Triunfo Joint Powers Authority (“JPA”). Costs and capital contributions are generally shared by the two districts in accordance with capacity rights reserved in each component of the joint system. Maintenance and operating costs are pro-rated to the districts in accordance with the average monthly flows contributed by each to the system. The allocation of construction costs related to projects in process is based upon engineering estimates of the capacity rights and is subject to increase or decrease when final costs are determined.

A summary of changes in investment in Joint Powers Authority is as follows:

	2021	2020
Beginning of year	\$ 66,419,847	\$ 64,137,736
Contributions	18,689,727	15,915,691
Share in income (loss):		
Sanitation expenses	(13,722,750)	(9,510,998)
Depreciation expenses	(4,246,396)	(4,122,582)
End of year	\$ 67,140,428	\$ 66,419,847

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 6 – Investment in Joint Powers Authority (Continued)

Investment in Joint Powers Authority includes capitalized interest for the debt issued for the JPA’s facilities held under the District’s name as follows:

	2021	2020
Primary government's net investment in JPA's capital assets	\$ 65,742,118	\$ 64,831,080
Capitalized interest, net	1,398,310	1,588,767
Investment in JPA	\$ 67,140,428	\$ 66,419,847

Condensed financial statement of the JPA as of and for the year ended June 30, 2021 and 2020 including the participants’ approximate percentage shares as follows:

	2021			2020		
	Amount	Las Virgenes Municipal Water District	Triunfo Sanitation District	Amount	Las Virgenes Municipal Water District	Triunfo Sanitation District
			67%		33%	
Total assets	\$ 105,801,240	67%	33%	\$ 111,117,115	67%	33%
Total liabilities	7,438,756	67%	33%	13,993,997	67%	33%
Total equity	98,362,484	70%	30%	97,123,118	70%	30%
Billings to participants	19,000,638	67%	33%	13,040,977	67%	33%
Depreciation	5,799,831	70%	30%	5,624,458	70%	30%
Construction cost	7,035,377	71%	29%	9,071,803	71%	29%

The amount due from the JPA at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Beginning of year	\$ 7,515,405	\$ 4,498,461
Additions	415,347	11,425,014
(Deletions)	(4,966,976)	(8,408,070)
End of year	\$ 2,963,776	\$ 7,515,405

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 7 – Capital Assets

Primary Government

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Reclassification	Balance June 30, 2021
Capital assets, not depreciated					
Land and land rights:					
Water plant	\$ 6,804,123	\$ -	\$ -	\$ -	\$ 6,804,123
Sanitation plant	111,235	-	-	-	111,235
Construction in progress	3,592,119	10,829,393	-	(2,828,346)	11,593,166
Total capital assets, not depreciated	10,507,477	10,829,393	-	(2,828,346)	18,508,524
Capital assets, being depreciated					
Water plant:					
Source of supply	41,737,630	-	-	1,210,218	42,947,848
Plant	127,400,320	-	-	1,096,345	128,496,665
Structure	21,113,695	283,927	-	-	21,397,622
Sanitation plant:					
Plant	7,472,620	-	-	-	7,472,620
Machinery and equipment	17,318	-	-	-	17,318
General utility plant					
Building and improvements	22,094,928	-	-	-	22,094,928
Machinery and equipment	11,469,407	71,882	(241,398)	521,783	11,821,674
Total capital assets, being depreciated	231,305,918	355,809	(241,398)	2,828,346	234,248,675
Less accumulated depreciation					
Water plant:					
Source of supply	(13,160,750)	(918,153)	-	-	(14,078,903)
Plant	(60,298,660)	(1,852,749)	-	-	(62,151,409)
Structure	(18,261,164)	(79,408)	-	-	(18,340,572)
Sanitation plant:					
Plant	(4,197,006)	(137,944)	-	-	(4,334,950)
Machinery and equipment	(17,318)	-	-	-	(17,318)
General utility plant					
Building and improvements	(13,882,168)	(478,626)	-	-	(14,360,794)
Machinery and equipment	(10,183,975)	(364,587)	241,398	-	(10,307,164)
Total accumulated depreciation	(120,001,041)	(3,831,467)	241,398	-	(123,591,110)
Total capital assets, being depreciated, net	111,304,877	(3,475,658)	-	2,828,346	110,657,565
Total capital assets, net	\$ 121,812,354	\$ 7,353,735	\$ -	\$ -	\$ 129,166,089

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 7 – Capital Assets (Continued)

Primary Government (Continued)

A summary of changes in capital assets for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Reclassification	Balance June 30, 2020
Capital assets, not depreciated					
Land and land rights:					
Water plant	\$ 6,804,117	\$ 6	\$ -	\$ -	\$ 6,804,123
Sanitation plant	111,235	-	-	-	111,235
Construction in progress	1,855,349	2,110,752	(14,334)	(359,648)	3,592,119
Total capital assets, not depreciated	8,770,701	2,110,758	(14,334)	(359,648)	10,507,477
Capital assets, being depreciated					
Water plant:					
Source of supply	41,737,630	-	-	-	41,737,630
Plant	127,400,320	-	-	-	127,400,320
Structure	21,061,975	-	-	51,720	21,113,695
Sanitation plant:					
Plant	7,472,620	-	-	-	7,472,620
Machinery and equipment	17,318	-	-	-	17,318
General utility plant					
Building and improvements	22,094,928	-	-	-	22,094,928
Machinery and equipment	11,678,599	-	(517,120)	307,928	11,469,407
Total capital assets, being depreciated	231,463,390	-	(517,120)	359,648	231,305,918
Less accumulated depreciation					
Water plant:					
Source of supply	(12,254,699)	(906,051)	-	-	(13,160,750)
Plant	(58,455,838)	(1,842,822)	-	-	(60,298,660)
Structure	(18,028,775)	(232,389)	-	-	(18,261,164)
Sanitation plant:					
Plant	(4,059,062)	(137,944)	-	-	(4,197,006)
Machinery and equipment	(17,318)	-	-	-	(17,318)
General utility plant					
Building and improvements	(13,381,101)	(501,067)	-	-	(13,882,168)
Machinery and equipment	(10,309,376)	(391,719)	517,120	-	(10,183,975)
Total accumulated depreciation	(116,506,169)	(4,011,992)	517,120	-	(120,001,041)
Total capital assets, being depreciated, net	114,957,221	(4,011,992)	-	359,648	111,304,877
Total capital assets, net	\$ 123,727,922	\$ (1,901,234)	\$ (14,334)	\$ -	\$ 121,812,354

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 7 – Capital Assets (Continued)

Discretely Presented Component Unit – JPA

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Reclassification	Balance June 30, 2021
Capital assets, not depreciated					
Land and land rights	\$ 14,368,150	\$ -	\$ -	\$ -	\$ 14,368,150
Construction in progress	9,302,202	7,035,378	-	(8,599,000)	7,738,580
Total capital assets, not depreciated	23,670,352	7,035,378	-	(8,599,000)	22,106,730
Capital assets, being depreciated					
Sewer and treatment plant	129,569,257	-	-	1,054,660	130,623,917
Compost plant and farm	76,218,777	-	-	2,488,521	78,707,298
Recycled water system	34,819,404	-	-	689,679	35,509,083
Advanced water system	-	-	-	4,366,140	4,366,140
Total capital assets, being depreciated	240,607,438	-	-	8,599,000	249,206,438
Less accumulated depreciation					
Sewer and treatment plant	(90,632,349)	(3,209,517)	-	-	(93,841,866)
Compost plant and farm	(53,478,695)	(1,584,112)	-	-	(55,062,807)
Recycled water system	(23,039,809)	(962,541)	-	-	(24,002,350)
Advanced water system	-	(43,661)	-	-	(43,661)
Total accumulated depreciation	(167,150,853)	(5,799,831)	-	-	(172,950,684)
Total capital assets, being depreciated, net	73,456,585	(5,799,831)	-	8,599,000	76,255,754
Total capital assets, net	\$ 97,126,937	\$ 1,235,547	\$ -	\$ -	\$ 98,362,484

A summary of changes in capital assets for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Reclassification	Balance June 30, 2020
Capital assets, not depreciated					
Land and land rights	\$ 14,368,150	\$ -	\$ -	\$ -	\$ 14,368,150
Construction in progress	6,110,992	3,191,210	-	-	9,302,202
Total capital assets, not depreciated	20,479,142	3,191,210	-	-	23,670,352
Capital assets, being depreciated					
Sewer and treatment plant	123,688,663	5,880,594	-	-	129,569,257
Compost plant and farm	76,218,777	-	-	-	76,218,777
Recycled water system	34,819,404	-	-	-	34,819,404
Total capital assets, being depreciated	234,726,844	5,880,594	-	-	240,607,438
Less accumulated depreciation					
Sewer and treatment plant	(87,513,966)	(3,118,383)	-	-	(90,632,349)
Compost plant and farm	(51,931,306)	(1,547,389)	-	-	(53,478,695)
Recycled water system	(22,081,123)	(958,686)	-	-	(23,039,809)
Total accumulated depreciation	(161,526,395)	(5,624,458)	-	-	(167,150,853)
Total capital assets, being depreciated, net	73,200,449	256,136	-	-	73,456,585
Total capital assets, net	\$ 93,679,591	\$ 3,447,346	\$ -	\$ -	\$ 97,126,937

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 8 – Compensated Absences

A summary of changes in compensated absences for the year ended June 30, 2021 is as follows:

Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in More than One Year
\$ 2,358,133	\$ 736,000	\$ (627,834)	\$ 2,466,299	\$ 766,666	\$ 1,699,633

A summary of changes in compensated absences for the year ended June 30, 2020 is as follows:

Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More than One Year
\$ 2,125,805	\$ 1,137,777	\$ (905,449)	\$ 2,358,133	\$ 873,343	\$ 1,484,790

Note 9 – Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in More Than One Year
Direct borrowing:						
2020 Installment purchase agreement	\$ 10,100,000	\$ -	\$ (800,000)	\$ 9,300,000	\$ 995,000	\$ 8,305,000
Capital lease	15,488	-	(15,488)	-	-	-
Total long-term debt	\$ 10,115,488	\$ -	\$ (815,488)	\$ 9,300,000	\$ 995,000	\$ 8,305,000

A summary of changes in long-term debt for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More Than One Year
Direct borrowing:						
2020 Installment purchase agreement	\$ -	\$ 10,100,000	\$ -	\$ 10,100,000	\$ 440,000	\$ 9,660,000
Public offering:						
2009 Sanitation refunding revenue bonds	12,460,000	-	(12,460,000)	-	-	-
Add: unamortized premium	703,551	-	(703,551)	-	-	-
Capital lease	40,304	-	(24,816)	15,488	15,488	-
Total long-term debt	\$ 13,203,855	\$ 10,100,000	\$ (13,188,367)	\$ 10,115,488	\$ 455,488	\$ 9,660,000

2020 Installment Purchase Agreement

The District entered into an installment purchase agreement as of June 1, 2020 with the Key Government Finance, Inc. totaling \$10,100,00. The purpose of the installment purchase agreement was to finance the acquisition and installation of smart meters and other water system improvements.

The installment purchase agreement has an interest rate of 1.95% and is scheduled to be paid in full on November 1, 2029 and Interest is payable semiannually on May 1 and November 1, beginning November 1, 2020. The installment purchase agreement is subject to prepayment provisions set forth in the installment agreement.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 9 – Long-Term Debt (Continued)

2020 Installment Purchase Agreement (Continued)

Total balance outstanding as of June 30, 2021 and 2020 was as follows:

	2021	2020
Principal outstanding	\$ 9,300,000	\$ 10,100,000
Net amount outstanding	\$ 9,300,000	\$ 10,100,000

The annual debt service requirements at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 995,000	\$ 172,039	\$ 1,167,039
2023	975,000	885,222	1,860,222
2024	995,000	133,984	1,128,984
2025	1,010,000	113,465	1,123,465
2026	1,030,000	94,575	1,124,575
2027-2030	4,295,000	171,159	4,466,159
Total	\$ 9,300,000	\$ 1,570,444	\$ 10,870,444

2009 Sanitation Refunding Revenue Bonds

The District issued Sanitation Refunding Revenue Bonds (“2009 Bonds”) dated December 1, 2009, totaling \$29,415,000. The purpose of the 2009 Bonds was to advance refund 1998 Installment Purchase Refunding Revenue Bonds. All sanitation system revenues and all amounts on deposit in the sanitation system revenue fund are irrevocably pledged to the payment of the installment payments as provided in the installment purchase contract; and the sanitation systems revenues will not be used for any other purpose while any of the installment payments remain unpaid.

The 2009 Bonds bear interest at rates ranging from 1.00% to 5.00%. Interest is payable semiannually on May 1 and November 1, beginning May 1, 2010. The 2009 Bonds are subject to optional early redemption provisions.

The District completed the refunding to reduce its debt service by approximately \$7,604,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$4,796,000.

Upon the occurrence of an event of default, which shall constitute a default under the indenture, and in each and every such case during the continuance of such event of default, the trustee or the owners of not less than a majority in aggregate principal amount of 2009 Bonds at the time outstanding shall be entitled, upon notice in writing to the District, to exercise the remedies provided to the Calleguas-Las Virgenes Public Financing Authority in the installment purchase contract, including the right to declare the entire principal amount of the unpaid installment payments and the accrued interest thereon to be due and payable immediately, pursuant to the terms of the installment agreement. Upon declaration of the entire principal amount of the unpaid installment payments and the accrued interest thereon to be due and payable immediately and provided such declarations is not rescinded or annulled, all in accordance with the installment purchase contract, the trustee shall apply all revenues to the payment of the entire principal amount of the 2009 Bonds and the accrued interest with respect thereto, with interest on the overdue 2009 Bonds at the rate or rates of interest or yields-to-maturity applicable to the 2009 Bonds if paid in accordance with their terms.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 9 – Long-Term Debt (Continued)

2009 Sanitation Refunding Revenue Bonds (Continued)

The 2009 Bonds were defeased and paid in full on December 16, 2019.

Capital Leases

The District entered into various leases agreement for the copiers at interest rates range from 2% to 6.72%. These leases are classified as capital leases and have been recorded at the present value of the future minimum lease payments at the inception date of the leases. The assets acquired through capital leases are included in the District’s capital assets in the amount of \$128,377, net of accumulated depreciation in the amount of \$128,337. The District’s obligation was paid in full during the year ended June 30, 2021.

Note 10 – Pension Plan – Defined Benefit Plan

The net pension liabilities and the related deferred outflows of resources and deferred inflows of resources at June 30, 2021 and 2020 are as follows:

	2021	2020
Deferred outflows of resources:		
Pension contributions after measurement date	\$ 2,784,221	\$ 2,588,931
Difference between expected and actual experience	1,879,954	1,276,238
Changes of assumptions	681,244	325,914
Total deferred outflows of resources	\$ 5,345,419	\$ 4,191,083
Net pension liabilities:		
Net pension liabilities	\$ 21,705,685	\$ 18,224,826
Total net pension liabilities	\$ 21,705,685	\$ 18,224,826
Deferred inflows of resources:		
Difference between expected and actual experience	\$ -	\$ 491,965
Changes of assumptions	-	902,898
Actual earnings on pension plan investments in excess of projected earnings on pension plan investments	-	455,429
Total deferred inflows of resources	\$ -	\$ 1,850,292

General Information about the Pension Plan

Plan Description

The District contributes to the California Public Employees’ Retirement System (“CalPERS”), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2019 Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 10 – Pension Plan – Defined Benefit Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least five years of credited service. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 62 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% of the average final 12 months compensation. Retirement benefits for PEPRAs miscellaneous employees are calculated as 2% of the average final 36 months compensation.

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by years of service. Industrial disability benefits are not offered. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3 percent.

Employees Covered by Benefit Terms

At the June 30, 2019 and 2018 actuarial valuation dates, the members covered by the benefit terms were as follows:

	2019	2018
<u><i>Employees covered by benefit terms</i></u>		
Active employees	104	114
Transferred and terminated employees	72	73
Retired employees and beneficiaries	159	150
Total	335	337

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") 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' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement periods ended June 30, 2020 and 2019, the employees' contribution rates were 6.881% and 6.935% of annual pay, and the employer's contribution rates were 10.307% and 9.459% of employee annual payroll, respectively.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 10 – Pension Plan – Defined Benefit Plan (Continued)

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.625%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.25%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP 2016
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 10 – Pension Plan – Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the June 30, 2020 and 2019 total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund ("PERF"). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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 (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 PERF fund. The expected rate of return was set by calculating the 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 rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2018.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global 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 Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

¹ In the CalPERS's 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.

² An expected inflation of 2.0% used

³ An expected inflation of 2.92% used

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 10 – Pension Plan – Defined Benefit Plan (Continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2019 to June 30, 2020.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019 (Valuation Date)	\$ 101,936,504	\$ 83,711,678	\$ 18,224,826
Changes Recognized for the Measurement Period:			
Service cost	1,744,616	-	1,744,616
Interest on the total pension liability	7,306,938	-	7,306,938
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,884,476	-	1,884,476
Changes of assumptions	-	-	-
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	2,588,930	(2,588,930)
Contributions from employees	-	849,386	(849,386)
Net investment income, net of administrative expense	-	4,134,868	(4,134,868)
Benefit payments, including refunds of employee contributions	(4,996,713)	(4,996,713)	-
Administrative expense	-	(118,013)	118,013
Other miscellaneous income (expense)	-	-	-
Net Changes during July 1, 2019 to June 30, 2020	<u>5,939,317</u>	<u>2,458,458</u>	<u>3,480,859</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 107,875,821</u>	<u>\$ 86,170,136</u>	<u>\$ 21,705,685</u>

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2018 to June 30, 2019.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2018 (Valuation Date)	\$ 95,934,534	\$ 79,878,711	\$ 16,055,823
Changes Recognized for the Measurement Period:			
Service cost	1,783,579	-	1,783,579
Interest on the total pension liability	6,894,754	-	6,894,754
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,883,971	-	1,883,971
Changes of assumptions	-	-	-
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	2,414,889	(2,414,889)
Contributions from employees	-	766,262	(766,262)
Net investment income, net of administrative expense	-	5,268,968	(5,268,968)
Benefit payments, including refunds of employee contributions	(4,560,334)	(4,560,334)	-
Administrative expense	-	(57,003)	57,003
Other miscellaneous income (expense)	-	185	(185)
Net Changes during July 1, 2017 to June 30, 2018	<u>6,001,970</u>	<u>3,832,967</u>	<u>2,169,003</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 101,936,504</u>	<u>\$ 83,711,678</u>	<u>\$ 18,224,826</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 10 – Pension Plan – Defined Benefit Plan (Continued)

Changes in the Net Pension Liability (Continued)

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

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

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
June 30, 2020 Measurement Date	\$ 35,112,882	\$ 21,705,685	\$ 10,503,841

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
June 30, 2019 Measurement Date	\$ 31,051,615	\$ 18,224,826	\$ 7,515,795

Pension Plan Fiduciary Net Position

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

For the measurement periods ended June 30, 2020 and 2019, the District incurred a pension expense of \$3,260,452 and \$3,592,006, respectively.

As of June 30, 2021 and 2020, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	2021		2020	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution made after the measurement period	\$ 2,784,221	\$ -	\$ 2,588,931	\$ -
Difference between expected and actual experience	1,879,954	-	1,276,238	(491,965)
Changes of assumptions	681,244	-	325,914	(902,898)
Net difference between projected and actual earning on pension plan investments	-	-	-	(455,429)
Total	\$ 5,345,419	\$ -	\$ 4,191,083	\$ (1,850,292)

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 10 – Pension Plan – Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

\$2,784,221 and \$2,588,931 were reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date during the years ended June 30, 2021 and 2020, respectively, was recognized as a reduction of the net pension liability in the years ended June 30, 2021 and 2020 respectively. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

2021	
Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 941,361
2023	829,912
2024	433,185
2025	356,740
Total	\$ 2,561,198

2020	
Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ (170,932)
2022	(88,405)
2023	(65,249)
2024	76,446
Total	\$ (248,140)

Note 11 – Other Postemployment Benefits

Aggregate net OPEB liabilities and deferred outflows of resources and deferred inflows of resources are reported in the accompanying Statement of Net Position as follows:

	2021	2020
Deferred outflows of resources:		
OPEB contribution after measurement date	\$ 2,950,042	\$ 3,038,663
Changes of assumptions	469,419	616,113
Total deferred outflows of resources	\$ 3,419,461	\$ 3,654,776
Net OPEB liabilities:		
Net OPEB liabilities	\$ 13,706,306	\$ 18,003,904
Total net OPEB liabilities	\$ 13,706,306	\$ 18,003,904
Deferred inflows of resources:		
Difference between expected and actual experience	\$ 1,334,522	\$ 121,261
Changes of assumptions	1,394,720	-
Difference between projected and actual earnings	161,939	171,265
Total deferred inflows of resources	\$ 2,891,181	\$ 292,526

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 11 – Other Postemployment Benefits (Continued)

General Information about the OPEB Plan

Plan Description

The District contributes to a multiple employer defined benefit plan to provide post-employment medical benefits. Specifically, the District provides postretirement medical benefits to all employees who retire from the District. The level of benefit and vesting time varies based on the entry date and employee bargaining unit. Benefits range from 100% coverage for employee plus one dependent after five years of service to 75% of the lowest cost plan for employee only after ten years of service. The plan does not provide a publicly available financial report.

The District has elected to join the *California Employers' Retiree Benefit Trust* (the "Trust") in accordance with GASB Statement No. 75, which provides a means to fund the annual OPEB costs, referred to as the *Actuarially Determined Contribution* (ADC). The ADC includes the normal cost (current accrual for benefits being earned) plus an amortization of the unfunded accrued liability or net OPEB liability over 15 years on level-percentage of pay basis. The ADC for fiscal year ended 2021 and 2020 was \$2,950,042 and \$3,038,663, respectively.

Eligibility

Employees of the District are eligible for retiree health benefits if they retire from the District and commence pension benefits under PERS (typically on or after age 50 with at least five years of PERS eligible service). Membership in the plan consisted of the following at June 30, 2020 and 2019, the dates of the latest actuarial valuations, respectively.

	2020	2019
Active employees	108	109
Retired employees and beneficiaries	94	87
Total	202	196

Net OPEB Liability

Actuarial Assumptions

The net OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	3.00%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.00%
Mortality Rate Table	CalPERS Pre-retirement Mortality Miscellaneous and Schools (1997-2015)
Retirement Rates	Hired before 2013: 2014 CalPERS 2.0% @ 55 Rates for Miscellaneous Employees. Hired after 2013: 2014 CalPERS Retirement Rates for Miscellaneous Employees 2% @ 60 adjusted to minimum retirement age of 52

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 11 – Other Postemployment Benefits (Continued)

Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2019.

The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	3.00%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.00%
Mortality Rate Table	2014 CalPERS Active Mortality for Miscellaneous Employees
Retirement Rates	Hired before 2013: 2014 CalPERS 2.0%@55 Rates for Miscellaneous Employees. Hired after 2013: 2014 CalPERS Retirement Rates for Miscellaneous Employees 2%@60 adjusted to minimum retirement age of 52

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2018.

Discount Rate

The discount rate used to measure the net OPEB liability was 6.0%. This discount rate assumes the District continues to fully fund for its retiree health benefits through the California Employers' Retiree Benefit Trust (CERBT) under its investment allocation strategy 1. The rate reflects the CERBT published median interest rate for strategy 1 of 7.28% with an additional margin for adverse deviation.

The tables below reflect long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Measurement date June 30, 2020:

Asset Class	Percentage of Portfolio	Real Return ¹
Global ex-U.S. Equity	22.00%	5.500%
U.S. Fixed	49.00%	1.500%
Treasury Inflation Protected Securities (TIPS)	16.00%	1.200%
Real Estate	8.00%	3.700%
Commodities	5.00%	0.600%
	100.00%	

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 11 – Other Postemployment Benefits (Continued)

Net OPEB Liability (Continued)

Discount Rate (Continued)

Measurement date June 30, 2019:

Asset Class	Percentage of Portfolio	Real Return ¹
Global ex-U.S. Equity	24.00%	5.500%
U.S. Fixed	39.00%	1.500%
Treasury Inflation Protected Securities (TIPS)	26.00%	1.200%
Real Estate	8.00%	3.700%
Commodities	3.00%	0.600%
	<u>100.00%</u>	

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019 (Valuation Date)	\$ 26,284,898	\$ 8,280,994	\$ 18,003,904
Changes Recognized for the Measurement Period:			
Service cost	560,131	-	560,131
Interest on the total OPEB liability	1,572,177	-	1,572,177
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,485,687)	-	(1,485,687)
Changes of assumptions	(1,668,195)	-	(1,668,195)
Contributions from the employer	-	2,696,541	(2,696,541)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	587,187	(587,187)
Benefit payments, including refunds of employee contributions	(1,303,141)	(1,303,141)	-
Administrative expense	-	(7,704)	7,704
Net Changes during July 1, 2019 to June 30, 2020	<u>(2,324,715)</u>	<u>1,972,883</u>	<u>(4,297,598)</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 23,960,183</u>	<u>\$ 10,253,877</u>	<u>\$ 13,706,306</u>

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 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current discount rate:

	Plan's OPEB Liability/(Asset)		
	Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
June 30, 2020 Measurement Date	<u>\$ 16,198,364</u>	<u>\$ 13,706,306</u>	<u>\$ 11,573,972</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 11 – Other Postemployment Benefits (Continued)

Change in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate (Continued)

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 healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	Plan's OPEB Liability/(Asset)		
	Healthcare Trend - 1% (2.50%)	Healthcare Cost Trend rate Rate (3.50%)	Healthcare Trend + 1% (4.50%)
	\$	\$	\$
June 30, 2020 Measurement Date	11,326,623	13,706,306	16,524,791
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2018 (Valuation Date)	\$ 25,713,197	\$ 6,412,151	\$ 19,301,046
Changes Recognized for the Measurement Period:			
Service cost	722,811	-	722,811
Interest on the total OPEB liability	1,494,153	-	1,494,153
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	2,975,568	(2,975,568)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	544,469	(544,469)
Benefit payments, including refunds of employee contributions	(1,645,263)	(1,645,263)	-
Administrative expense	-	(5,931)	5,931
Net Changes during July 1, 2017 to June 30, 2018	571,701	1,868,843	(1,297,142)
Balance at June 30, 2018 (Measurement Date)	\$ 26,284,898	\$ 8,280,994	\$ 18,003,904

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 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current discount rate:

	Plan's OPEB Liability/(Asset)		
	Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
	\$	\$	\$
June 30, 2019 Measurement Date	20,925,835	18,003,904	15,517,318

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 11 – Other Postemployment Benefits (Continued)

Change in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate (Continued)

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 healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	Plan's OPEB Liability/(Asset)		
	Healthcare Trend - 1% (5.00%)	Healthcare Cost Trend rate Rate (6.00%)	Healthcare Trend + 1% (7.00%)
June 30, 2019 Measurement Date	\$ 1,500,810	\$ 18,003,904	\$ 21,595,796

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB

Under GASB 74 and 75, OPEB expense includes service cost, interest cost, change in Total OPEB Liability (“TOL”) due to plan changes; all adjusted for deferred inflows and outflows. The District determined that it was not reasonable to rerun prior valuations under GASB 75. Therefore, we used the transition approach provided in GASB 75, Paragraph 244 where in circumstances in which OPEB is provided through OPEB plans that are not administered through trusts, no other beginning balances for deferred outflows of resources and deferred inflows of resources related to OPEB should be reported. If restatement of all prior periods presented is not practical, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. That means that there are no deferred inflows/outflows in the first year (with the possible exception of contributions after the measurement date). The OPEB expense shown below is considered to be preliminary because there can be employer specific deferred items (e.g., contributions made after the measurement date, and active employee contributions toward the OPEB plan).

Certain types of TOL changes are subject to deferral, as are investment gains/losses. To qualify for deferral, gains and losses must be based on GASB 74/75 compliant valuations. Since the District’s prior valuation was performed in accordance with GASB 43/45, it is not practical to calculate compliant deferred outflows and inflows as stated in GASB 75 Appendix E, Paragraph 244. Therefore, valuation-based deferred items will not begin until the next valuation. However, there could be employer-specific deferred items that need to be reflected, as mentioned earlier.

For the years ended June 30, 2021 and 2020, the District recognized OPEB expense of \$1,144,294 and \$867,823, respectively, for the District Plan. At June 30, 2021 and 2020 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contribution made after the measurement period	\$ 2,950,042	\$ -	\$ 3,038,663	\$ -
Difference between expected and actual experience	-	(1,334,522)	-	(121,261)
Changes of assumptions	469,419	(1,394,720)	616,113	-
Net difference between projected and actual earnings on OPEB plan investments	-	(161,939)	-	(171,265)
Total	\$ 3,419,461	\$ (2,891,181)	\$ 3,654,776	\$ (292,526)

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 11 – Other Postemployment Benefits (Continued)

Change in the Net OPEB Liability (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB(Continued)

The \$2,950,042 and \$3,038,663 reported as deferred outflows of resources related to OPEB resulting from the District’s contributions subsequent to the measurement date during the years ended June 30, 2021 and 2020, respectively will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2022 and 2021, respectively. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future expenses as follows:

2021		2020	
Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (458,668)	2021	\$ 68,389
2023	(458,668)	2022	68,389
2024	(432,197)	2023	68,389
2025	(503,497)	2024	94,860
2026	(517,032)	2025	23,560
Thereafter	(51,700)	Thereafter	-
Total	<u>\$ (2,421,762)</u>	Total	<u>\$ 323,587</u>

Note 12 – Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Designations of unrestricted net position represent the District management’s intentions for the use of resources. The net position amounts at June 30 were as follows:

Restricted Net Position:

	2021	2020
	Debt Service	Debt Service
Restricted assets:		
Restricted cash and investments	\$ -	\$ 19,414
Restricted receivables		
Interest	-	-
Total restricted assets	<u>-</u>	<u>19,414</u>
Current liabilities payable from restricted assets:		
Interest payable	-	-
Total current liabilities payable from restricted assets	<u>-</u>	<u>-</u>
Total restricted net position	<u>\$ -</u>	<u>\$ 19,414</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 12 – Net Position (Continued)

As of June 30, 2021, and 2020, the net position for the District consisted of the following:

	2021		2020	
	Primary Government	Discretely Presented Component Unit - JPA	Primary Government	Discretely Presented Component Unit - JPA
Net investment in capital assets:				
Capital assets,				
net of accumulated depreciation	\$ 129,166,089	\$ 98,362,484	\$ 121,812,354	\$ 97,126,937
Less:				
Capital lease obligations	-	-	(15,488)	-
2009 Sanitation refunding revenue bond, net	-	-	-	-
2020 Installment purchase agreement	(9,300,000)	-	(10,100,000)	-
Total net investment in capital assets	119,866,089	98,362,484	111,696,866	97,126,937
Restricted for:				
Debt service	-	-	19,414	-
Total restricted	-	-	19,414	-
Unrestricted:				
Designated for:				
Investment in JPA	67,140,428	-	66,419,847	-
Rate stabilization	8,000,000	-	8,000,000	-
Insurance	8,045,943	-	7,953,180	-
Operating emergencies	14,388,564	-	14,388,563	-
Pure water	15,000,000	-	15,000,000	-
Undesignated	36,783,133	-	28,733,454	(3,819)
Total unrestricted	149,358,068	-	140,495,044	(3,819)
Total net position	\$ 269,224,157	\$ 98,362,484	\$ 252,211,324	\$ 97,123,118

Note 13 – Risk Management

The District retained Tolman & Wiker Insurance Services, LLC, for general liability, property, inverse condemnation, auto and physical damage. In addition, reinsurance support for the program is provided by Swiss Reinsurance of America and Travelers Reinsurance. The coverage for the general liability provides \$11 million per occurrence and \$61 million in the aggregate with a \$50,000 self-insured retention limit per occurrence. The coverage for the property provides \$61 million of coverage with a deductible of \$50,000 per occurrence. The District paid premiums of \$1,790,022 and \$987,146 for the years ended June 30, 2021 and 2020, respectively.

Effective August 1, 2012, the District retained the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/APIA) for its workers' compensation insurance coverage. The District paid premiums of \$218,944 and \$216,049 for the years ended June 30, 2021 and 2020, respectively.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2021 and 2020

Note 14 – Construction and Other Significant Commitments

Lawsuits

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the option of the District’s legal counsel and the District’s management that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Contractual Commitments

As of June 30, 2021, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of \$8,432,620.

Project Name	Contractual Commitment
AMR / AMI	\$ 5,034,248
LV - Calleguas Interconnection	1,887,076
Various Construction Projects	1,511,296
	\$ 8,432,620

As of June 30, 2021, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$6,731,430.

Project Name	Contractual Commitment
Pure Water Project Demonstration	\$ 5,290,303
SCADA Upgrade for Tapia	754,482
Various Construction Projects	686,645
	\$ 6,731,430

As of June 30, 2020, the District had material construction commitments evidenced by contractual commitments with contractors in the amount of \$15,849,333.

Project Name	Contractual Commitment
AMR / AMI	\$ 9,578,581
LV - Calleguas Interconnection	4,683,271
Various Construction Projects	1,587,481
	\$ 15,849,333

As of June 30, 2020, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$12,565,438.

Project Name	Contractual Commitment
Pure Water Project Demonstration	\$ 6,867,000
SCADA Upgrade for Tapia	2,003,277
Rancho Digester Rehabilitation	1,344,000
Various Construction Projects	2,351,161
	\$ 12,565,438

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Las Virgenes Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Measurement period	2019-20 ¹	2018-19 ¹	2017-18 ¹
Total pension liability			
Service cost	\$1,744,616	\$1,783,579	\$1,744,796
Interest	7,306,938	6,894,754	6,486,599
Differences between expected and actual experience	1,884,476	1,883,971	(1,061,287)
Changes of assumptions	-	-	(2,708,692)
Benefit payments, including refunds of employee contributions	(4,996,713)	(4,560,334)	(4,292,253)
Net change in total pension liability	5,939,317	6,001,970	169,163
Total pension liability - beginning	101,936,504	95,934,534	95,765,371
Total pension liability - ending (a)	<u>\$ 107,875,821</u>	<u>\$ 101,936,504</u>	<u>\$ 95,934,534</u>
Pension fiduciary net position			
Contributions - employer	\$ 2,588,930	\$ 2,414,889	\$ 2,100,676
Contributions - employee	849,386	766,262	815,450
Net investment income ²	4,134,868	5,268,968	6,323,046
Benefit payments, including refunds of employee contributions	(4,996,713)	(4,560,334)	(4,292,253)
Other	(118,013)	(56,818)	(340,224)
Net change in plan fiduciary net position	2,458,458	3,832,967	4,606,695
Plan fiduciary net position - beginning	83,711,678	79,878,711	75,272,016
Plan fiduciary net position - ending (b)	<u>\$ 86,170,136</u>	<u>\$ 83,711,678</u>	<u>\$ 79,878,711</u>
District's net pension liability - ending (a) - (b)	<u>\$ 21,705,685</u>	<u>\$ 18,224,826</u>	<u>\$ 16,055,823</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>79.88%</u>	<u>82.12%</u>	<u>83.26%</u>
Covered payroll	<u>\$ 10,459,327</u>	<u>\$ 10,718,623</u>	<u>\$ 10,448,503</u>
District's net pension liability as a percentage of covered payroll	<u>207.52%</u>	<u>170.03%</u>	<u>153.67%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Net of administrative expenses in 2013-14.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, amounts reported reflect an adjustment of the discount rate from 7.65 percent (net of administrative expense) to 7.15 percent (without a reduction for pension plan administrative expense). In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Las Virgenes Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Measurement period	2016-17	2015-16	2014-15	2013-14
Total pension liability				
Service cost	\$1,813,978	\$ 1,511,819	\$ 1,593,701	\$ 1,694,463
Interest	6,456,858	6,362,749	6,129,355	6,040,285
Differences between expected and actual experience	(2,211,229)	(600,876)	(2,996,239)	-
Changes of assumptions	5,214,612	-	(1,492,369)	-
Benefit payments, including refunds of employee contributions	(3,808,359)	(3,984,639)	(4,076,072)	(3,145,116)
Net change in total pension liability	7,465,860	3,289,053	(841,624)	4,589,632
Total pension liability - beginning	88,299,511	85,010,458	85,852,082	81,262,450
Total pension liability - ending (a)	\$ 95,765,371	\$ 88,299,511	\$ 85,010,458	\$ 85,852,082
Pension fiduciary net position				
Contributions - employer	\$ 1,992,743	\$ 1,888,232	\$ 1,701,878	\$ 1,780,006
Contributions - employee	741,264	694,766	700,118	919,090
Net investment income ²	7,711,377	341,006	1,610,606	10,570,584
Benefit payments, including refunds of employee contributions	(3,808,359)	(3,984,639)	(4,076,072)	(3,145,116)
Other	(101,485)	(42,564)	(78,615)	-
Net change in plan fiduciary net position	6,535,540	(1,103,199)	(142,085)	10,124,564
Plan fiduciary net position - beginning	68,736,476	69,839,675	69,981,760	59,857,196
Plan fiduciary net position - ending (b)	\$ 75,272,016	\$ 68,736,476	\$ 69,839,675	\$ 69,981,760
District's net pension liability - ending (a) - (b)	\$ 20,493,355	\$ 19,563,035	\$ 15,170,783	\$ 15,870,322
Plan fiduciary net position as a percentage of the total pension liability	78.60%	77.84%	82.15%	81.51%
Covered payroll	\$ 10,538,421	\$ 9,882,462	\$ 10,333,277	\$ 10,635,596
District's net pension liability as a percentage of covered payroll	194.46%	197.96%	146.81%	149.22%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Net of administrative expenses in 2013-14.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, amounts reported reflect an adjustment of the discount rate from 7.65 percent (net of administrative expense) to 7.15 percent (without a reduction for pension plan administrative expense). In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

**Las Virgenes Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of Contributions**

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

	2020-21 ¹	2019-20 ¹	2018-19 ¹	2017-18 ¹
Actuarially determined contribution	\$ 2,784,221	\$ 2,588,931	\$ 2,414,889	\$ 2,100,676
Contributions in relation to the actuarially determined contribution	<u>(2,784,221)</u>	<u>(2,588,931)</u>	<u>(2,414,889)</u>	<u>(2,100,676)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll ²	\$ 10,760,033	\$ 10,459,327	\$ 10,718,623	\$ 10,448,503
Contributions as a percentage of covered-employee payroll ²	25.88%	24.75%	22.53%	20.11%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Payroll from 2019-20 in the amount of \$10,459,327 was assumed to increase by the 2.875 percent payroll growth assumption.

Notes to Schedule:

Valuation date:	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	For details, see June 30, 2017 Funding Valuation Report
Remaining amortization period	20 years
Asset valuation method	Fair value of assets. For details see June 30, 2017 Funding Valuation Report
Inflation	2.625%
Salary increases	Varies by Entry Age and Service
Payroll Growth	2.875%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	The probabilities of retirement are based on a CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

**Las Virgenes Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of Contributions (Continued)**

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

	<u>2016-17¹</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Actuarially determined contribution	\$ 1,992,743	\$ 1,888,232	\$ 1,701,878	\$ 1,780,006
Contributions in relation to the actuarially determined contribution	<u>(1,992,743)</u>	<u>(1,888,232)</u>	<u>(1,701,878)</u>	<u>(1,780,006)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll ²	\$ 10,538,421	\$ 9,882,462	\$ 10,333,277	\$ 10,635,596
Contributions as a percentage of covered-employee payroll ²	18.91%	19.11%	16.47%	16.74%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Payroll from 2019-20 in the amount of \$10,459,327 was assumed to increase by the 2.875 percent payroll growth assumption.

Notes to Schedule:

Valuation date:	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Las Virgenes Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement period	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹
Total OPEB liability				
Service cost	\$ 560,131	\$ 722,811	\$ 650,429	\$ 174,032
Interest	1,572,177	1,494,153	1,424,176	1,412,981
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,485,687)	-	(179,003)	-
Changes of assumptions	(1,668,195)	-	909,501	-
Benefit payments, including refunds of employee contributions	(1,303,141)	(1,645,263)	(1,632,555)	(1,022,844)
Net change in total OPEB liability	(2,324,715)	571,701	1,172,548	564,169
Total OPEB liability - beginning	26,284,898	25,713,197	24,540,649	23,976,480
Total OPEB liability - ending (a)	<u>\$ 23,960,183</u>	<u>\$ 26,284,898</u>	<u>\$ 25,713,197</u>	<u>\$ 24,540,649</u>
OPEB fiduciary net position				
Contributions - employer	\$ 2,696,541	\$ 2,975,568	\$ 2,216,227	\$ 1,657,742
Contributions - employee	-	-	-	-
Net investment income ²	587,187	544,469	470,926	472,252
Benefit payments, including refunds of employee contributions	(1,303,141)	(1,645,263)	(1,632,555)	(1,022,844)
Other	(7,704)	(5,931)	-	(3,938)
Net change in plan fiduciary net position	1,972,883	1,868,843	1,054,598	1,103,212
Plan fiduciary net position - beginning	8,280,994	6,412,151	5,357,553	4,254,341
Plan fiduciary net position - ending (b)	<u>\$ 10,253,877</u>	<u>\$ 8,280,994</u>	<u>\$ 6,412,151</u>	<u>\$ 5,357,553</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 13,706,306</u>	<u>\$ 18,003,904</u>	<u>\$ 19,301,046</u>	<u>\$ 19,183,096</u>
Plan fiduciary net position as a percentage of the total OPEB liability	42.80%	31.50%	24.94%	21.83%
Covered payroll	<u>\$ 12,198,990</u>	<u>\$ 11,460,768</u>	<u>\$ 10,687,095</u>	<u>\$ 10,031,195</u>
District's net OPEB liability as a percentage of covered payroll	<u>112.36%</u>	<u>157.09%</u>	<u>180.60%</u>	<u>191.23%</u>

¹ Ten year historical information is not available.

Las Virgenes Municipal Water District
Required Supplementary Information (Unaudited)
Schedule of Contributions - OPEB

	2021	2020	2019	2018
Actuarially determined employer contribution	\$ 2,950,042	\$ 3,038,663	\$ 2,216,227	\$ 1,657,743
Actual employer contribution	(2,950,042)	(3,038,663)	(2,216,227)	(1,657,743)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 12,198,990	\$ 11,460,768	\$ 10,687,095	\$ 10,031,195
Contributions as a percentage of covered-employee payroll	24.18%	26.51%	20.74%	16.53%



Las Virgenes Municipal Water District
Index to Statistical Section
June 30, 2021

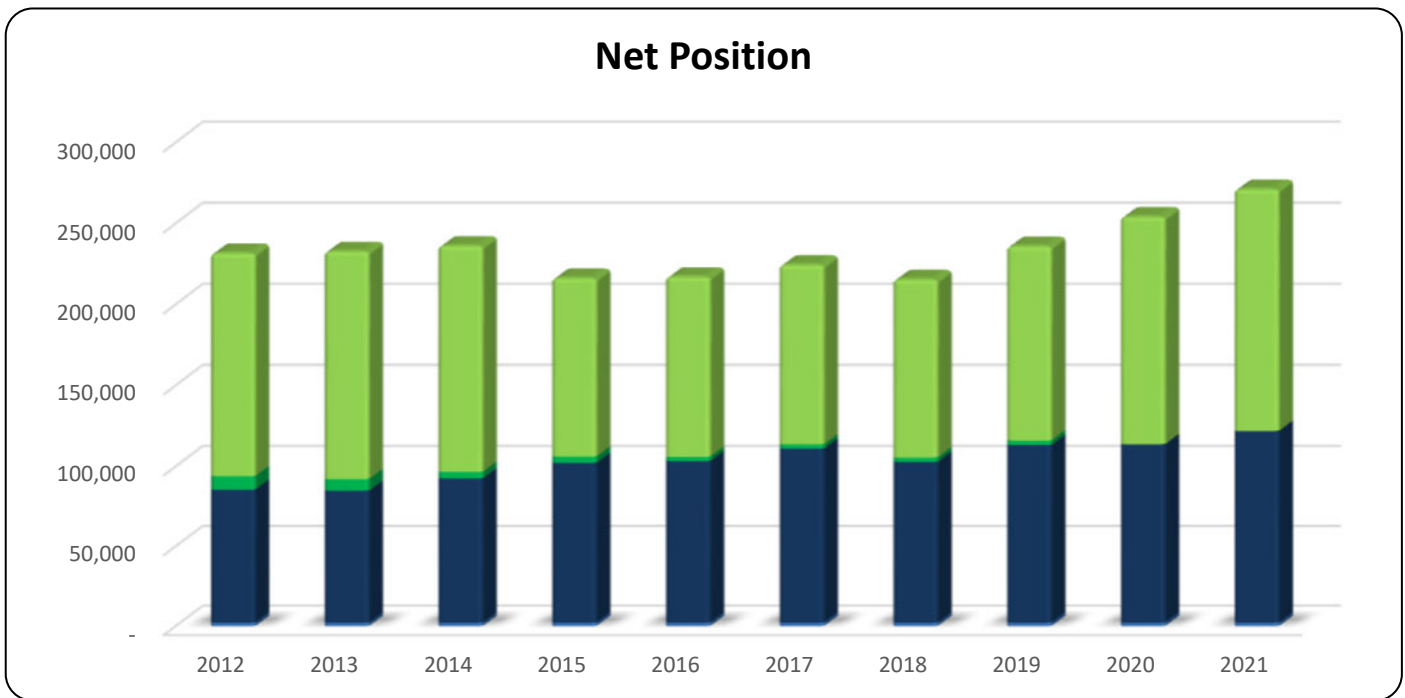
This part of the Las Virgenes Municipal Water District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial states, note disclosures, and required supplementary information say about the District's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.	
1. Net Position	64
2. Changes in Net Position	65
<u>Revenue Capacity</u> - These schedule contain information to help the reader assess the District's most significant revenue source.	
3. Revenue Base	67
4. Revenue Rates	68
5. Principal Revenue Payers	70
<u>Debt Capacity</u> - These schedule 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.	
7. Ratios of Outstanding Debt by Type	71
8. Ratios of General Bonded Debt Outstanding	72
9. Direct and Overlapping District Debt	73
10. Pledged-Revenue Coverage	74
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
11. Demographic and Economic Statistics	75
12. Principal Employers	76
<u>Operating Information</u> - 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.	
13. Full-Time Equivalent District Employees by Function	77
14. Operating Indicators by Function	78
15. Capital Assets Statistics by Function	79
16. Annual Water and Sewer Capacity Fee Deposits Reports	80

Note: The District has no governmental funds; therefore, does not present information about changes in fund balances. Also, the District has no legal debt limitations.

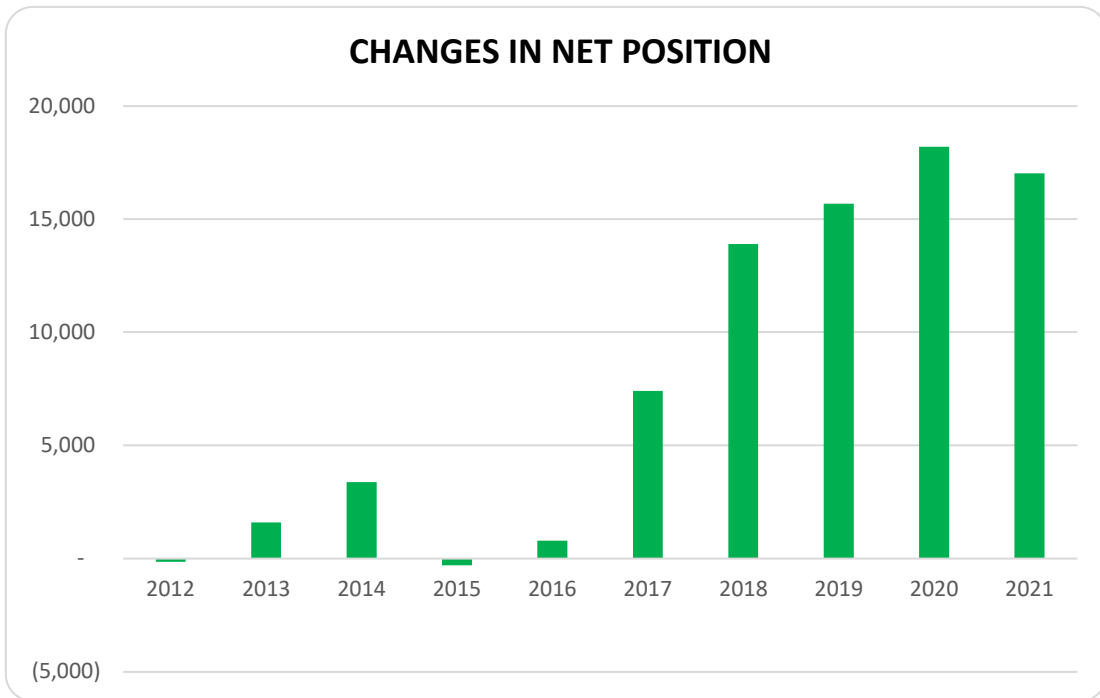
Las Virgenes Municipal Water District
Net Position
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Net Investment in Capital Assets	Restricted Net Position	Unrestricted Net Position (deficit)	Total Net Position
2012	83,425	8,523	137,785	229,733
2013	82,870	7,208	140,793	230,871
2014	90,476	4,106	139,671	234,253
2015	100,170	3,881	110,269	214,320
2016	101,272	2,634	111,195	215,101
2017	108,930	2,654	110,928	222,512
2018	100,815	2,683	110,014	213,512
2019	111,254	2,734	120,033	234,021
2020	111,697	19	140,495	252,211
2021	119,866	-	149,358	269,224



Las Virgenes Municipal Water District
Changes in Net Position
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Total Operating Revenue	Total Operating Expense	Net Revenue / (Expense)	Total Non Operating Income (Expense)	Changes in Net Position
2012	49,917	50,866	(949)	804	(145)
2013	55,235	53,490	1,745	(157)	1,587
2014	60,220	57,691	2,529	852	3,381
2015	57,174	57,909	(735)	428	(307)
2016	53,406	54,055	(649)	1,430	781
2017	60,415	53,716	6,699	712	7,411
2018	69,283	52,888	16,395	(2,501)	13,894
2019	68,874	53,829	15,045	633	15,678
2020	67,418	45,204	22,214	(4,027)	18,187
2021	75,058	47,542	27,516	(10,503)	17,013



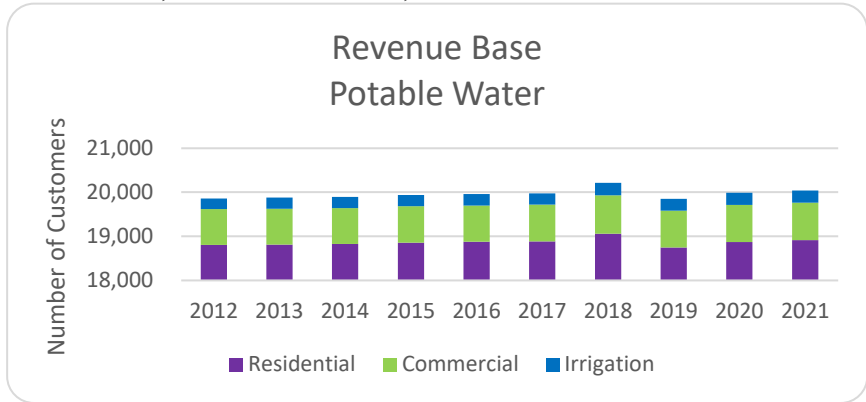


Las Virgenes Municipal Water District

Revenue Base Last Ten Fiscal Years

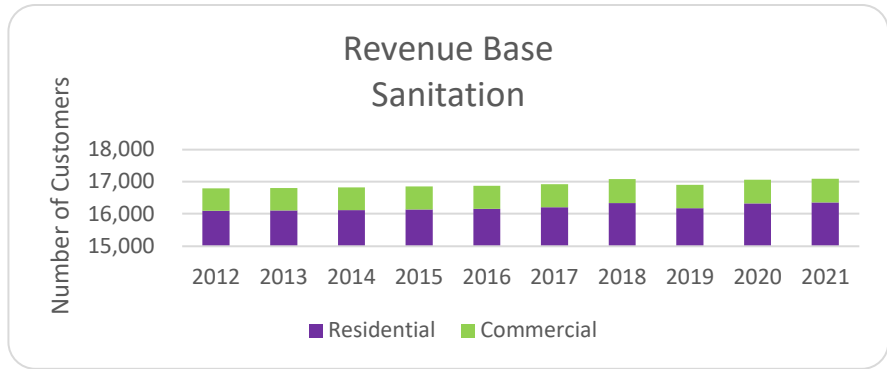
Potable Water

Fiscal Year	Operating Revenue in thousand \$	Number of Customers			Total
		Residential	Commercial	Irrigation	
2012	31,205	18,799	814	241	19,854
2013	35,639	18,806	818	255	19,879
2014	41,177	18,820	820	253	19,893
2015	37,547	18,853	825	257	19,935
2016	34,019	18,873	825	255	19,953
2017	39,962	18,881	832	257	19,970
2018	46,250	19,053	874	287	20,214
2019	44,316	18,745	836	266	19,847
2020	45,511	18,863	845	279	19,987
2021	54,731	18,908	850	279	20,037



Sanitation

Fiscal Year	Operating Revenue in thousand \$	Number of Customers		Total
		Residential	Commercial	
2012	16,394	16,093	699	16,792
2013	16,588	16,100	702	16,802
2014	16,552	16,113	704	16,817
2015	16,726	16,133	712	16,845
2016	17,050	16,157	711	16,868
2017	18,614	16,202	715	16,917
2018	18,818	16,328	749	17,077
2019	18,923	16,171	724	16,895
2020	18,836	16,323	734	17,057
2021	18,695	16,350	740	17,090



Las Virgenes Municipal Water District

Revenue Rates

Last Ten Fiscal Years

NOTE: Effective January 1, 2016, the District implemented a new water budget based rate structure. "-" indicates no rate established

Potable Water Rates for Residential and Commercial Customers:

Readiness to Serve Charge

Meter Size	7/1/2011	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Monthly 1/1/2020	Monthly 3/1/2021
3/4"	\$ 27.40	\$ 28.77	\$ 30.21	\$ 31.73	\$ 18.30	\$ 21.73	\$ 25.43	\$ 29.42	\$ 33.72	\$ 35.86
1"	40.35	42.37	44.49	46.72	29.47	35.14	41.25	47.87	54.97	58.14
1-1/2"	72.71	76.35	80.17	84.18	57.39	68.65	80.80	90.95	108.07	113.82
2"	112.00	117.60	123.48	129.66	90.89	108.86	128.26	149.25	171.80	180.66
3"	215.00	225.75	237.04	248.90	196.97	236.20	278.55	324.37	373.61	392.27
4"	332.00	348.60	366.03	384.34	353.30	423.85	500.02	582.48	671.00	704.12
6"	655.00	675.75	722.14	758.25	894.89	1,073.94	1,267.29	1,476.47	1,701.28	1,784.47
8"	1,044.00	1,096.20	1,151.01	1,208.57	1,564.89	1,878.17	2,216.48	2,582.49	2,975.84	3,120.98
10"	1,497.00	1,571.85	1,650.45	1,732.98	2,346.55	2,816.44	3,323.86	3,872.84	4,462.83	4,680.25

Volume Charges (per 100 cubic feet of water use)

	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021
Tier 1	\$ 1.78	\$ 1.98	\$ 2.19	\$ 2.31	\$ 2.36	\$ 2.46	\$ 2.59	\$ 2.71	\$ 2.85	\$ 3.14
Tier 2	2.15	2.37	2.60	2.80	3.18	3.24	3.32	3.41	3.50	3.50
Tier 3	3.02	3.29	3.56	3.81	3.96	4.00	4.06	4.16	4.20	4.20
Tier 4	4.35	4.68	5.02	5.34	4.98	5.02	5.08	5.14	5.22	5.22
Tier 1 End(Hcf)	16.00	16.00	16.00	16.00	varies	varies	varies	varies	varies	varies
Tier 2 End(Hcf)	67.00	67.00	67.00	67.00	by water	by water	by water	by water	by water	by water
Tier 3 End(Hcf)	200.00	200.00	200.00	200.00	budget	budget	budget	budget	budget	budget

Elevation Surcharges (per 100 cubic feet of water use)

	2011-2012	01/01/2013	01/01/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021
Zone 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Zone 2	0.36	0.38	0.40	0.42	0.42	0.44	0.46	0.52	0.52	0.47
Zone 3	0.62	0.66	0.70	0.74	0.98	1.03	1.08	1.19	1.19	1.10
Zone 4	1.09	1.15	1.21	1.28	1.56	1.64	1.72	1.82	1.82	1.88
Zone 5	2.19	2.30	2.42	2.55	-	-	-	-	-	-

Monthly Recycled Water Charges:

Readiness to Serve Charge

Meter Size	7/1/2011	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021
3/4"	-	-	-	-	\$ 9.15	\$ 13.04	\$ 19.08	\$ 25.01	\$ 33.72	\$ 28.79
1"	-	-	-	-	14.74	21.09	30.94	40.69	54.97	46.31
1-1/2"	-	-	-	-	28.70	41.19	60.60	79.86	108.07	90.09
2"	-	-	-	-	45.45	65.32	96.20	126.87	171.80	142.64
3"	-	-	-	-	98.49	141.72	208.92	275.72	373.61	309.03
4"	-	-	-	-	176.65	254.31	375.02	495.07	671.00	554.24
6"	-	-	-	-	447.45	644.37	950.47	1,255.00	1,701.28	1,403.71
8"	-	-	-	-	782.45	1,126.91	1,662.36	2,195.12	2,975.84	2,454.60
10"	-	-	-	-	1,173.28	1,689.87	2,492.90	3,291.92	4,462.83	3,680.64

**Las Virgenes Municipal Water District
Revenue Rates (Continued)
Last Ten Fiscal Years**

Volume Charges (per 100 cubic feet of water use)

	1/1/2011	1/1/2013	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021
Tier 1	\$ 1.04	\$ 1.07	\$ 1.09	\$ 1.18	\$ 1.19	\$ 1.19	\$ 1.18	\$ 1.16	\$ 1.24
Tier 2	1.36	1.40	1.42	2.91	2.83	2.67	2.52	2.27	2.61
Tier 3	2.16	2.23	2.26	3.73	3.67	3.52	3.37	3.13	4.97
Tier 4	3.36	3.46	3.51	-	-	-	-	-	-

Elevation Surcharges (per 100 cubic feet of water use)

	1/1/2011	1/1/2013	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021
L.V. Valley	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
East/West	0.23	0.24	0.24	0.33	0.34	0.35	0.36	0.37	0.30

Bi-Monthly Sewer Service Charges:

	2011-2012	7/1/2013	7/1/2014	7/1/2013	7/1/2014
Residential					
Single-family	\$ 108.00	\$74.31-\$108.56	\$75.80-\$110.	\$74.31-\$108.56	\$75.80-\$110.74
Multi-family	68.03	68.59	69.97	68.59	69.97
Commercial					
ERU-based Charge	\$ 90.79	\$ 91.35	\$ 91.35	\$ 91.35	\$ 91.35
Account Service	17.21	17.21	17.21	17.21	17.21
Base Water Use:					
Class 1 (Hcf)	29.50	29.50	29.50	29.50	29.50
Per hcf of water	3.08	3.10	3.10	3.10	3.10
Class 2 (Hcf)	17.30	17.30	17.30	17.30	17.30
Per hcf of water	5.25	5.29	5.29	5.29	5.29
Class 3 (Hcf)	11.40	11.40	11.40	11.40	11.40
Per hcf of water	7.96	8.02	8.02	8.02	8.02

Monthly Sewer Charge

	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	3/1/2021
Residential						
Household Size:						
1	\$ 21.37	\$ 21.37	\$ 21.82	\$ 22.27	\$ 22.73	\$ 23.59
2	35.75	35.75	36.51	37.27	38.04	39.47
3	50.13	50.13	51.20	52.27	53.35	55.36
4	64.51	64.51	65.89	67.27	68.66	71.24
5	78.90	78.90	80.58	82.27	83.97	87.12
6 or more	93.28	93.28	95.27	97.27	99.28	103.01
Commercial						
Account Charge	\$ 6.98	\$ 6.98	\$ 7.12	\$ 7.27	\$ 7.42	\$ 7.70
Base Charge, inclusive of 6.6 hcf/ERU						
Class 1	\$ 41.94	\$ 41.94	\$ 42.78	\$ 43.64	\$ 44.52	\$ 46.19
Class 2	57.82	57.82	58.98	60.16	61.37	63.68
Class 3	76.56	76.56	78.10	79.67	81.27	84.32
Class 4	96.36	96.36	98.29	100.26	102.27	106.11
Per Excess ERU						
Class 1	\$ 6.35	\$ 6.35	\$ 6.48	\$ 6.61	\$ 6.75	\$ 7.01
Class 2	8.75	8.75	8.93	9.11	9.30	9.65
Class 3	11.58	11.58	11.82	12.06	12.31	12.78
Class 4	14.58	14.58	14.88	15.18	15.49	16.08

Las Virgenes Municipal Water District
Principal Revenue Payers
Current Fiscal Year and Nine Years Ago

Potable Water Customer Name	2021			2012		
	Potable Water Revenue	Rank	Percentage of Total Operating Revenue	Potable Water Revenue	Rank	Percentage of Total Operating Revenue
Westlake Wellbeing Properties	299,576	1	0.57%	151,352	2	0.32%
Calabasas Crest LTD	\$ 286,527	2	0.55%	\$ 90,035	9	0.19%
The Cheesecake Factory	214,219	3	0.41%	122,458	3	0.26%
Summit Mobile Park	212,374	4	0.41%			
Woodland Park Mobile Estates	199,656	5	0.38%			
Westpark Condominiums	190,155	6	0.36%			
Town & Country HOA	187,007	7	0.36%			
Mountain View-Venture II LLC	166,572	8	0.32%	97,471	7	0.21%
Seminole Springs Mobile Home Pk	142,026	9	0.27%			
City of Calabasas	118,524	10	0.23%			
Malibu Golf Club, LLC				337,398	1	0.72%
ERP-Operating LTD Partnership				122,422	4	0.26%
LACO Internal Service Department				112,912	5	0.24%
Malibu Conference Center				107,731	6	0.23%
Malibu Canyon Apartments				92,063	8	0.20%
Oakview Garden Homes				74,770	10	0.16%
Total	\$ 2,016,636		3.86%	\$ 1,308,612		2.77%

Sanitation Customer Name	2021			2012		
	Sanitation Revenue	Rank	Percentage of Total Operating Revenue	Sanitation Revenue	Rank	Percentage of Total Operating Revenue
Knight Calabasas LLC (1)	278,077	1	1.49%			
Pepperdine University	\$ 263,513	2	1.41%	\$ 99,246	10	0.21%
Calabasas Crest LTD	259,996	3	1.39%			
City of Calabasas	137,721	4	0.74%			
Knight Calabasas LLC (2)	99,279	5	0.53%			
LA County Sanitation District	88,595	6	0.47%			
Pierce Brothers Valley Oaks	86,286	7	0.46%			
Westlake Wellbeing Properties	68,897	8	0.37%			
City of Westlake Village	59,979	9	0.32%	260,917	1	0.55%
Knight Calabasas (3)	58,755	10	0.31%			
Malibu Canyon Apartments	-		-	258,180	2	0.55%
Archstone Communities Calabasas	-		-	224,137	3	0.48%
LVUSD	-		-	173,754	4	0.37%
The Cheesecake Factory	-		-	163,407	5	0.35%
Archstone -Smith	-		-	124,790	6	0.26%
Annandale II HOA	-		-	112,726	7	0.24%
ERP-Operating LTD Partnership	-		-	112,403	8	0.24%
Oak Park Calabasas HOA	-		-	107,025	9	0.23%
Total	\$ 1,401,098		7.50%	\$ 1,636,585		3.48%

Las Virgenes Municipal Water District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities		Total	Percentage of Personal Income (2)	Per Capita (1)
	Refunding Revenue Bonds	Capital Lease Payable			
2012	25,944	94	26,038	0.74%	1,551
2013	24,230	71	24,301	0.66%	1,446
2014	22,585	61	22,646	0.64%	1,347
2015	20,745	36	20,781	0.56%	1,234
2016	18,820	105	18,925	0.53%	1,122
2017	16,795	84	16,879	0.46%	998
2018	14,670	63	14,733	0.38%	863
2019	12,460	40	12,500	0.33%	740
2020	- (2)	16	16	0.00%	1
2021	-	-	-	0.00%	-

Note:

(1) Per Capita is based on number of customers for the District.

(2) Refunding Revenue Bonds Paid in Full in FY 2020.

Las Virgenes Municipal Water District
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities Refunding Revenue Bonds	Total	Percentage of Gross Revenue for Bond Coverage	Per Capita (1)
2012	25,944	25,944	145.39%	1,545
2013	24,230	24,230	132.82%	1,442
2014	22,585	22,585	124.44%	1,343
2015	20,745	20,745	119.95%	1,232
2016	18,820	18,820	108.17%	1,116
2017	16,795	16,795	90.23%	993
2018	14,670	14,670	77.96%	859
2019	12,460	12,460	65.85%	737
2020	-	-	0.00%	-
2021	-	-	0.00%	-

Note:

- (1) Per Capita is based on number of customers for the District.
- (2) Refunding Revenue Bonds Paid in Full in FY 2020.

**Las Virgenes Municipal Water District
Direct and Overlapping District Debt
June 30, 2021**

2020-21 Assessed Valuation: \$ 26,320,116,704

	Total Debt 6/30/2021	% Applicable (1)	District's Share of Debt 6/30/21
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 26,830,000	0.807	\$ 216,518
Los Angeles Community College District	\$ 4,409,250,000	2.613	\$ 115,213,703
Santa Monica Community College District	\$ 602,706,799	1.813	\$ 10,927,074
Las Virgenes Joint Unified School District	\$ 112,682,938	95.272	\$ 107,355,289
Los Angeles Unified School District	\$ 10,864,555,000	0.124	\$ 13,472,048
Santa Monica-Malibu Unified School District	\$ 556,386,656	1.810	\$ 10,070,598
Santa Monica-Malibu Unified School District School Facilities Improvement District No. 2	\$ 29,990,000	5.494	\$ 1,647,651
City of Los Angeles	\$ 627,460,000	0.023	\$ 144,316
Las Virgenes Municipal Water District	\$ -	100.000	\$ - (2)
City of Calabasas Community Facilities District No. 1998-1	\$ 2,490,520	100.000	\$ 2,490,520
City of Calabasas Community Facilities District No. 2001-1	\$ 14,437,880	100.000	\$ 14,437,880
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 275,975,597
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005 Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Aside for Repayment			<u>\$ 109,442</u>
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 275,866,155
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$ 2,618,507,256	1.540	\$ 40,325,012
Los Angeles County Superintendent of Schools Certificates of Participation	\$ 4,565,373	1.540	\$ 70,307
Santa Monica Community College District General Fund Obligations	\$ 10,254,607	1.813	\$ 185,916
Las Virgenes Joint Unified School District Certificates of Participation	\$ 9,517,975	95.272	\$ 9,067,965
Los Angeles Unified School District Certificates of Participation	\$ 130,970,000	0.124	\$ 162,403
Santa Monica-Malibu Unified School District Certificates of Participation	\$ 27,911,162	1.810	\$ 505,192
City of Agoura Hills General Fund Obligations	\$ 12,055,000	100.000	\$ 12,055,000
City of Calabasas Certificates of Participation	\$ 37,645,000	99.201	\$ 37,344,216
City of Los Angeles General Fund Obligations	\$ 1,436,964,460	0.023	\$ 330,502
City of Westlake Village Certificates of Participation	\$ 14,475,000	100.000	<u>\$ 14,475,000</u>
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 114,521,513
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	\$ 5,895,000	100.000	\$ 5,895,000
TOTAL DIRECT DEBT			\$ -
TOTAL GROSS OVERLAPPING DEBT			\$ 396,392,110
TOTAL NET OVERLAPPING DEBT			\$ 396,282,668
GROSS COMBINED TOTAL DEBT			\$ 396,392,110 (3)
NET COMBINED TOTAL DEBT			\$ 396,282,668

(1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the district divided by the overlapping district's total taxable assessed value.

(2) Excludes revenue issues.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Direct Debt	0.00%
Total Gross Direct and Overlapping Tax and Assessment Debt	1.05%
Total Net Direct and Overlapping Tax and Assessment Debt	1.05%
Gross Combined Total Debt	1.51%
Net Combined Total Debt	1.51%

Ratios to Redevelopment Successor Agency Incremental Valuation

	\$838,989,685
Total Overlapping Tax Increment Debt	0.70%

Source: California Municipal Statistics, Inc.

Las Virgenes Municipal Water District
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands except coverage)

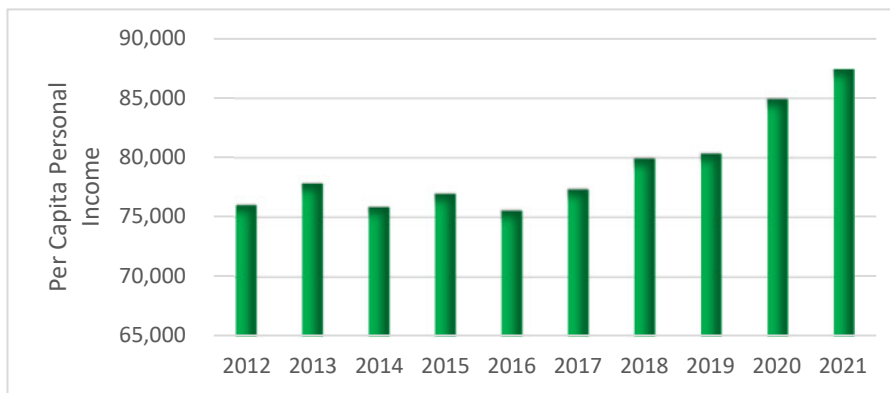
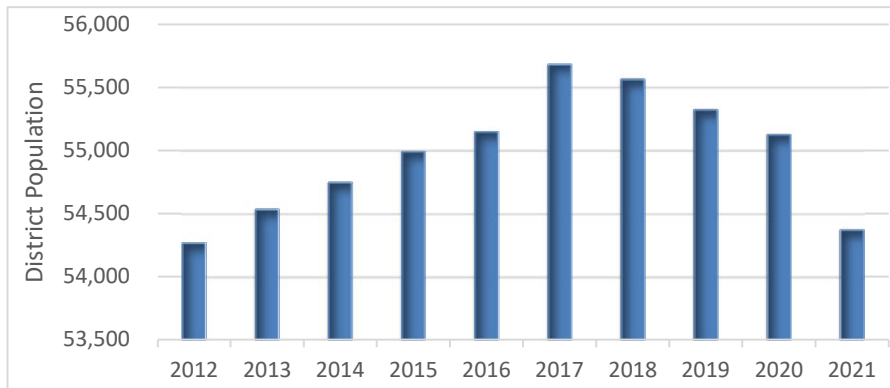
Fiscal Year	Refunding Revenue Bonds					Coverage
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		
				Principal	Interest	
2012	17,845	10,077	7,768	1,690	1,065	2.82
2013	18,243	10,209	8,034	1,725	1,031	2.92
2014	18,149	10,692	7,457	1,765	987	2.71
2015	17,429	10,653	6,776	1,840	903	2.47
2016	17,398	10,260	7,138	1,925	814	2.61
2017	18,613	10,584	8,029	2,025	731	2.91
2018	18,818	11,449	7,369	2,125	610	2.69
2019	18,923	11,803	7,120	2,210	531	2.60
2020	- (3)	-	-	-	-	-
2021	-	-	-	-	-	-

Note:

- (1) Gross revenues include operating, non-operating, and capacity fee revenues.
- (2) Operating expenses exclude depreciation and amortization.
- (3) On December 1, 2009, the District issued 2009 Sanitation Refunding Revenue Bonds to advance refund 1998 Bonds. From fiscal year 2010 and going forward, gross revenue and operating expenses are for sanitation operations only, and the debt service expense shown is maximum debt service for the Bond. This was paid in full in FY2020.

Las Virgenes Municipal Water District Demographic and Economic Statistics Last Ten Years

Year	Population within District	Total Personal Income (dollars in thousands)	Per Capita Personal Income	Unemployment Rate
2012	54,266	3,531,517	76,001	4.8%
2013	54,532	3,657,713	77,814	4.0%
2014	54,747	3,549,122	75,837	3.7%
2015	54,989	3,689,946	76,963	5.2%
2016	55,148	3,541,560	75,538	4.3%
2017	55,683	3,683,941	77,343	3.6%
2018	55,564	3,874,981	79,931	3.1%
2019	55,321	3,821,856	80,325	3.1%
2020	55,123	4,154,791	84,912	3.5%
2021	54,370	5,279,435	87,459	4.4%



Note:

- (1) Data is for the District's service area and includes City of Calabasas, City of Hidden Hills, City of Agoura Hills, City of Westlake Village.
- (2) Amounts for prior years are restated with the most recent available information.

Sources:

Cities of Calabasas, Hidden Hills, Agoura Hills, Westlake Village Annual Financial Reports
 California Department of Finance, Bureau of Economic Analysis
 Bureau of Labor Statistics

Las Virgenes Municipal Water District
Principal Employers
Current Fiscal Year and Nine Years Ago

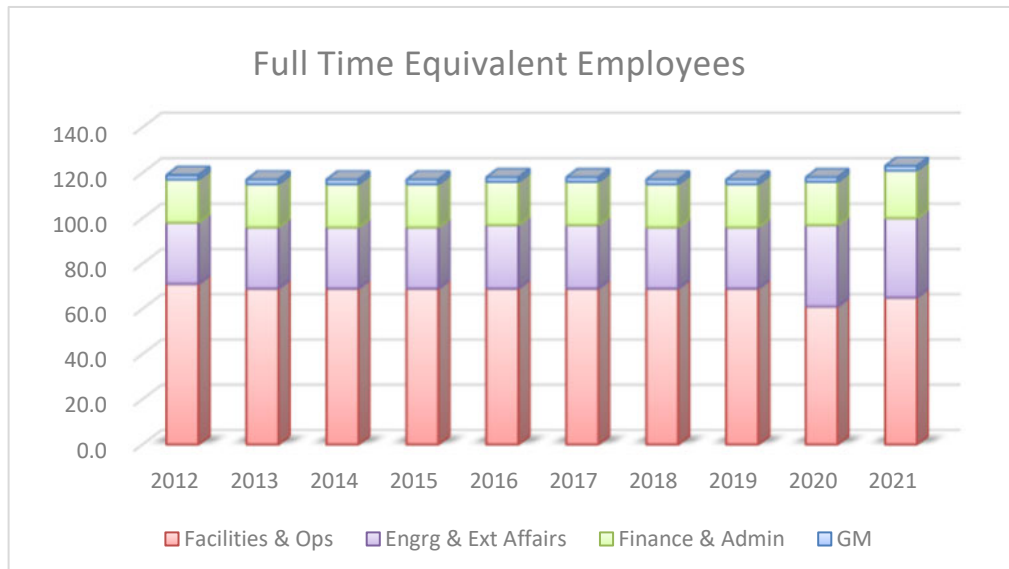
Employer by Industry	2021			2012		
	Number of Employees	Rank	Percentage of Total Area Employment	Number of Employees	Rank	Percentage of Total Area Employment
Finance and Insurance	2,352	1	6.82%	2,905	1	10.88%
Government & Education	1,716	2	4.98%	2,698	2	10.11%
Retail Trade	1,654	3	4.80%	1,150	3	4.31%
Professional and Technical Services	1,448	4	4.20%	965	4	3.61%
Hotel & Tourism	787	5	2.28%	720	6	2.70%
Restaurants	776	6	2.25%	855	5	3.20%
Technology	338	7	0.98%	420	10	1.57%
Information	456	8	1.32%	585	7	2.19%
Manufacturing	198	9	0.57%	-		0.00%
Publishing	110	10	0.32%	425	9	1.59%
Wholesale				537	8	2.01%
Total	9,835		28.52%	11,260		31.30%

Notes:

Includes City of Calabasas, City of Hidden Hills, City of Agoura Hills, City of Westlake Village
Source for Cities of Calabasas, Agoura Hills and Westlake Village based on city's published ACFR.
City of Hidden Hills Source California EDD

Las Virgenes Municipal Water District
Full-Time Equivalent District Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Manager Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Facilities and Operations:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Facilities Maintenance	17.2	16.2	16.2	16.2	16.2	16.2	16.7	16.7	16.7	18.0
Water Treatment and Production	11.8	11.8	11.8	11.8	11.8	11.8	11.3	11.3	11.3	13.0
Reclamation	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	25.0
Construction	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0
Technical Service	9.0	8.0	8.0	8.0	8.0	8.0	9.0	9.0	-	-
<i>Subtotal</i>	<i>71.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>69.0</i>	<i>61.0</i>	<i>65.0</i>
Finance and Administration:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance and Accounting	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Human Resources	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information System	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	8.0
<i>Subtotal</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>19.0</i>	<i>21.0</i>
Engineering & External Affairs										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Customer Service	19.0	19.0	19.0	19.0	20.0	20.0	19.0	19.0	19.0	18.0
Water Conservation	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Information	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Planning/New Customer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Services	-	-	-	-	-	-	-	-	9.0	9.0
<i>Subtotal</i>	<i>27.0</i>	<i>27.0</i>	<i>27.0</i>	<i>27.0</i>	<i>28.0</i>	<i>28.0</i>	<i>27.0</i>	<i>27.0</i>	<i>36.0</i>	<i>35.0</i>
Total	119.0	117.0	117.0	117.0	118.0	118.0	117.0	117.0	118.0	123.0



Las Virgenes Municipal Water District
Operating Indicators by Function
Last Ten Fiscal Years

Water		New	Water Main	Avg Daily
		<u>Connections</u>	<u>Leak Repairs</u>	Consumption (thousands of gallons)
2011		15	28	16,954
2012		14	56	18,577
2013		51	39	19,879
2014		18	47	21,310
2015		15	83	18,132
2016		15	67	15,316
2017		11	48	16,202
2018		32	49	17,227
2019		19	51	16,566
2020		11	58	19,294
2021		12	58	22,173

Potable Water		<u>Connections</u>	Deliveries	Realized
			<u>(acre-feet)</u>	Capacity Fee Revenues
2011		20,240	18,988	\$ 283,662
2012		19,854	20,806	282,454
2013		19,879	22,264	513,062
2014		19,893	23,867	359,934
2015		19,935	20,307	342,868
2016		19,953	17,153	143,068
2017		19,970	18,146	138,833
2018		20,214	19,294	386,226
2019		19,847	18,553	641,334
2020		19,858	18,280	329,748
2021		20,037	20,478	\$ 2,230,498

179

Average Daily Sewage Flow
Dry Weather Flow
(thousands of gallons)

0.009013999

Wastewater	<u>Connections</u>	<u>Tapia Plant</u>	<u>LVMWD</u>	Triunfo	Realized
				<u>Sanitation District</u>	Capacity Fee Revenues
2011	16,740	8,053	5,400	2,653	\$ 448,350.0
2012	16,792	7,610	5,983	2,627	918,600
2013	16,802	7,579	5,031	2,548	1,085,000
2014	16,817	7,281	4,880	2,401	1,124,550
2015	16,845	6,397	3,956	2,441	462,000
2016	16,868	6,109	3,667	2,442	224,000
2017	16,917	6,029	3,688	2,341	458,590
2018	17,077	6,246	3,941	2,305	790,921
2019	16,895	6,118	3,815	2,303	553,000
2020	17,057	6,340	3,890	2,450	1,089,141
2021	17,090	6,352	3,898	2,455	\$ 3,082,896

Las Virgenes Municipal Water District
Capital Asset Statistics by Function
Last Ten Fiscal Years

Potable Water	Water Main (miles)	Fire Hydrants (#)	Valves (#)	Storage Capacity (millions of gallons)	
				Reservoirs	Tanks
2011	383.6	3,138	4,419	3,100	33.3
2012	384.5	3,147	4,434	3,100	33.3
2013	387.1	3,154	4,452	3,100	33.3
2014	389.1	3,167	4,477	3,100	33.3
2015	389.3	3,172	4,485	3,100	33.3
2016	388.8	3,171	4,472	3,100	38.8
2017	389.2	3,175	4,447	3,100	38.8
2018	390.3	3,181	4,461	3,100	38.8
2019	391.5	3,192	4,489	3,100	38.8
2020	392.8	3,212	4,503	3,100	38.8
2021	383.0	3,215	4,497	3,100	38.8

Recycled Water	Water Main (miles)	Valves (#)	Storage Capacity (millions of gallons)	
			Reservoirs	Tanks
2011	65.5	344	19.3	5.6
2012	65.9	341	19.3	5.6
2013	65.9	342	19.3	5.6
2014	66.2	342	19.3	5.6
2015	66.2	342	19.3	5.6
2016	67.1	359	19.3	5.6
2017	68.1	365	19.3	5.6
2018	68.1	366	19.3	5.6
2019	68.1	367	19.3	5.6
2020	68.1	367	19.3	5.6
2021	68.3	371	19.3	5.6

Wastewater	Sanitary Sewers (miles)	Treatment Capacity (millions of gallons)
2011	56.2	16
2012	56.2	16
2013	56.1	16
2014	56.9	16
2015	56.9	16
2016	56.9	16
2017	56.9	16
2018	56.8	16
2019	57.4	16
2020	57.4	16
2021	58.0	16

Las Virgenes Municipal Water District
Annual Water & Sewer Capacity Fee Deposits Report
Per Government Code Section 66013 (d) and (e)
Fiscal Year Ended June 30, 2021

Beginning Balance:			
Capacity Fees	\$	8,180,999	
Developer Fees		841,902	
Interest		<u>1,874,279</u>	
Total Beginning Balance			\$ 10,897,180
Fees Collected:			
Capacity Fees	\$	829,838	
Developer Fees		<u>35,107</u>	
Total Fees Collected	\$	864,945	
Interest Earned			
Fees Available	\$	<u>38,269</u>	
Fees Available	\$	903,214	
Applied to:			
Capital Costs Funded by:			
Capacity Fees	\$	5,891,176	
Meter Installation		568,616	
Developer Fees		487,095	
Interest Earned		<u>988,550</u>	
Total Capital Costs	\$	7,935,437	
Refunds		<u>110,661</u>	
Total Funds Applied	\$	8,046,098	
Net Changes for the Year			(7,142,884)
Ending Balance:			
Capacity Fees	\$	3,118,134	
Developer Fees		329,738	
Interest (1)		<u>306,424</u>	
Total Ending Balance			<u><u>\$ 3,754,296</u></u>

(1): Interest earned is not reflected as a liability on the Statement of Net Position.

California Government Code (CGC) Section 66013(c) requires the District to place capital facilities connection fees received and any interest income earned from the investment of these monies in a separate capital facilities fund. These monies are to be used solely for the purposes for which they were collected and not commingled with other District funds.

CGC Section 66013(d) requires the District to make certain information available to the public within 180 days after the close of each fiscal year. CGC Section 66013(e) allows the required information to be included in the District's annual financial report. The Annual Connection Fee Report shown above meets this requirement.

Capacity fees are imposed for initiating water and sewer connection service by the District at the request of the customer. No fees are imposed upon real property or upon persons as an incident of property ownership, but rather as a condition of service.

Developer fees are imposed for other services such as plan check, right-of-way, inspection and coring fees.