

**TEMESCAL VALLEY WATER DISTRICT**

**ANNUAL FINANCIAL REPORT**

For the Fiscal Years Ended  
June 30, 2016 and 2015

**Temescal Valley Water District**  
**Table of Contents**  
June 30, 2016 and 2015

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Temescal Valley Water District  
Corona, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Temescal Valley Water District (the "District"), as of and for the years ended June 30, 2016 and 2015, and the related notes to the 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.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit 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 opinion.

### ***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 aggregate remaining fund information of the Temescal Valley Water District, as of June 30, 2016 and 2015, and the 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.

### ***Change in Accounting Principle***

As described in Note 2 to the financial statements, in 2016, the District adopted new accounting guidance, *GASB Statement No. 72, Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule listed in the Supplementary Information section of the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule listed in the Supplementary Information section of the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used

to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule listed in the Supplementary Information section of the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated \_\_\_\_\_, 2016 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 the 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.

\_\_\_\_\_, 2016

## **BASIC FINANCIAL STATEMENTS**

**Temescal Valley Water District**  
**Statement of Net Position**  
June 30, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 17,428,054	\$ 19,586,023
Accounts Receivable:		
Utility	870,741	839,185
Other	273,253	229,330
Accrued Interest Receivable	12,917	10,094
Prepaid Expenses	-	5,085
Inventory	79,778	160,521
Total Current Assets	18,664,743	20,830,238
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	4,896,607	1,004,906
Capital Assets Not Being Depreciated:		
Land	902,118	902,118
Water Capacity Rights	13,503,639	13,503,639
Construction in Progress	2,454,558	2,324,411
Capital Assets, Net of Accumulated Depreciation	45,871,760	42,237,857
Total Noncurrent Assets	67,628,682	59,972,931
Total Assets	86,293,425	80,803,169
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Related Items	158,570	113,747
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	238,272	278,843
Payable to Other Governmental Agencies	267,636	244,197
Due to Agency Fund	3,954,091	-
Accrued Salaries and Refunds	54,289	57,255
Related Party Payable	26,587	17,570
Excess Sewer Capacity Deposits	98,330	98,330
Other Deposits	844,186	906,576
Total Current Liabilities	5,483,391	1,602,771
Noncurrent Liabilities:		
Net Pension Liability	10,501	30,099
Loan Payable	2,245,321	2,478,515
Total Noncurrent Liabilities	2,255,822	2,508,614
Total Liabilities	7,739,213	4,111,385
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Related Items	46,602	54,060
<b>NET POSITION</b>		
Net Investment in Capital Assets	60,486,754	56,489,694
Unrestricted	18,179,426	20,261,777
Total Net Position	\$ 78,666,180	\$ 76,751,471

The accompanying notes are an integral part of this statement.

**Temescal Valley Water District**  
**Statement of Revenues, Expenses and Changes in Net Position**  
For the Years Ended June 30, 2016 and 2015

	2016	2015
<b>OPERATING REVENUES</b>		
Standby Charges	\$ 186,926	\$ 157,347
Sewer Service Fees	2,469,186	2,441,241
Water Service Fees	5,387,057	5,594,465
Connection Fees	28,038	101,688
Service Meter Income	27,400	23,800
Other	796,715	563,710
Total Operating Revenues	8,895,322	8,882,251
<b>OPERATING EXPENSES</b>		
Annual Assessment Processing	11,542	11,390
Bank Charges	21,198	19,893
Computer System	39,696	27,282
Community Outreach	11,981	
Contract Work - Management and Administrative	226,485	221,000
Contract Work - Operations and Engineering	130,302	88,870
Depreciation and Amortization	1,819,131	1,846,854
Director Fees	12,543	10,899
Insurance	66,092	63,033
Legal and Accounting	26,758	40,295
Map Updating		11,548
Miscellaneous	18,611	4,085
Office Equipment Rental	13,860	12,040
Office Supplies and Expenses	84,299	98,275
Operating Study	12,293	23,432
Permits	33,547	35,877
Plan Check/Inspection Fees and Studies	47,848	10,773
Pumping and Testing	92,670	102,346
Repairs, Maintenance, and Supplies	716,898	962,982
Telephone and Utilities	518,223	480,963
Wages, Employee Benefits, and Payroll Taxes	762,684	829,571
Water - Purchased	2,588,104	3,044,597
Total Operating Expenses	7,254,765	7,946,005
Operating Income (Loss)	1,640,557	936,246
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Property Taxes	141,315	131,679
Interest Income	65,635	33,185
Loss on Disposal of Capital Asset	-	-
Other	67,202	25,713
Total Non-Operating Revenues (Expenses)	274,152	190,577
Change in Net Position	1,914,709	1,126,823
Net Position - Beginning of Year	76,751,471	75,597,788
Restatement of Net Position	-	26,860
Net Position - End of Year	\$ 78,666,180	\$ 76,751,471

The accompanying notes are an integral part of this statement.



**Temescal Valley Water District**  
**Statement of Cash Flows**  
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 8,819,843	\$ 8,886,485
Payments to Employees	(837,529)	(819,607)
Payments to Suppliers	(4,625,220)	(5,518,443)
Other Revenue	67,202	25,713
	<u>3,424,296</u>	<u>2,574,148</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property Taxes	<u>141,315</u>	<u>131,679</u>
	<u>141,315</u>	<u>131,679</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from Loans	-	2,644,000
Principal Payments on Loans	(233,194)	(165,485)
Purchases of Capital Assets	<u>(5,553,198)</u>	<u>(4,639,425)</u>
	<u>(5,786,392)</u>	<u>(2,160,910)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Cash and Cash Equivalents	<u>62,812</u>	<u>30,947</u>
	<u>62,812</u>	<u>30,947</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(2,157,969)	575,864
Cash and Cash Equivalents - Beginning of Year	<u>19,586,023</u>	<u>19,010,159</u>
Cash and Cash Equivalents - End of Year	<u>\$ 17,428,054</u>	<u>\$ 19,586,023</u>

The accompanying notes are an integral part of this statement.

**Temescal Valley Water District**  
**Statement of Cash Flows - Continued**  
For the Years Ended June 30, 2016 and 2015

	2016	2015
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 1,640,557	\$ 936,246
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,819,131	1,846,854
Other Revenue	67,202	25,713
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable:		
Utility	(31,556)	8,940
Other	(43,923)	(4,706)
(Increase) Decrease in Prepaids	5,085	52,621
(Increase) Decrease in Inventory	80,743	(95,261)
(Increase) Decrease in Deferred Outflows Related to Pensions	(44,823)	(30,453)
Increase (Decrease) in Accounts Payable	(70,554)	(26,203)
Increase (Decrease) in Payable to Other Governmental Agencies	23,439	(151,587)
Increase (Decrease) in Accrued Salaries and Refunds	(2,966)	12,692
Increase (Decrease) in Net Pension Liability	(19,598)	(26,335)
Increase (Decrease) in Deferred Inflows Related to Pensions	(7,458)	54,060
Increase (Decrease) in Related Party Payable	9,017	(28,433)
	<u>\$ 3,424,296</u>	<u>\$ 2,574,148</u>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets on account	\$ 144,334	\$ 114,351

The accompanying notes are an integral part of this statement.

**Temescal Valley Water District**  
**Statements of Fiduciary Assets and Liabilities**  
**Agency Fund**  
June 30, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
Cash and Investments with Fiscal Agent	\$ 10,065,186	\$ 12,773,195
Due from Water District	3,954,091	
Total Assets	\$ 14,019,277	\$ 12,773,195
<b>LIABILITIES</b>		
Due to Bondholders	\$ 14,019,277	\$ 12,773,195
Total Liabilities	\$ 14,019,277	\$ 12,773,195

The accompanying notes are an integral part of this statement.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The reporting entity includes the accounts of the general District and the related improvement districts located within the service area of the general District. The District is a special district created for the purpose of providing water, water treatment, and sewage disposal services to customers within its service area. The District has a contract to purchase a majority of their water from Western Municipal Water District. In a past year, the District's board of directors ratified the formation of the Lee Lake Water District Financing Corporation to facilitate the issuance of certificates of participation. The certificates may be issued to assist in the financing of costs of design and engineering of certain sewer system and water system improvements. Although the Financing Corporation qualifies as a component unit for inclusion within these financial statements, the certificates have not been issued and there has been no other activity to record in these financial statements to date. As of July 1, 2015, the District, formerly named the Lee Lake Water District, officially changed the name to Temescal Valley Water District.

**Basis of Accounting and Measurement Focus**

As a governmental agency, the District is subject to accounting and reporting standards established by the Governmental Accounting Standards Board (GASB). As the majority of revenues consist of water sales and related services, the District as a whole, for financial statements purposes, is classified as a proprietary fund. Separate financial statements are provided for the proprietary fund and the agency fund. The District uses the accrual basis of accounting. The financial activities of the District are accounted for using the economic resources measurement focus. Under this method, all assets and liabilities associated with its operations are included on the statement of net position; revenues are recorded when earned and become measurable; and expenses are recorded when liabilities are incurred.

The District reports its water and sewer operations as a single enterprise fund. Additionally, the District reports an agency fund to account for money received by the District as an agent for individuals, other governments and other entities. Specifically, the District accounts for activities of the Community Facilities Districts in the agency fund. The agency fund is reported using the accrual basis of accounting.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents. The District invests funds with the State of California Pooled Local Agency Investment Fund (LAIF). Due to the high liquidity of this investment, the funds are classified as a cash equivalent. Fair value in external investments pools such as LAIF are determined based on the District's pro rate share of the fair value of the Pool's underlying portfolio. Some of the cash and cash equivalents have been classified as restricted in accordance with applicable standards, and are not included in the statement of cash flows.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Inventory**

Inventory consists of supplies and excess Equivalent Dwelling Units (EDUs) and is recorded at the lower of cost (first-in, first-out) or market.

**Capital Assets**

The District records the acquisition of capital assets and additions, improvements, and other capital outlays that significantly extend the life of an asset. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. Capital assets purchased by the District are carried at cost. Assets are depreciated using the straight-line method of depreciation over their estimated useful lives ranging from five to fifty years.

**Revenue and Expenses**

Revenues and expenses are distinguished between operating and nonoperating items. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are fees in connection with providing water and sewer services to customers.

Operating expenses include the costs of providing water and sewer services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**Property Taxes**

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	March	
Levy Date	July 1 to June 30	
Due Date	November 1	1st Installment
	March 1	2nd Installment
Collection Date	December 10	1st Installment
	April 10	2nd Installment

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

The District assesses its property taxes through the County tax rolls. Property taxes are recognized as revenue in the period for which the taxes are levied.

**Reclassification**

Certain reclassifications have been made to prior fiscal year amounts to conform with the current fiscal year financial statement presentations.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District reports deferred outflows as a result of the District's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows as a result of the District's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

**Net Position**

The difference between assets and liabilities is reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net investment in capital assets, consist of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position reflects the carrying value of assets less related liabilities that have external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position represents the remaining fund equity balance.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Net Position Flow Assumption**

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

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position.

**Pension Plan**

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

**2) CASH AND INVESTMENTS**

Cash and investments as of June 30, 2016 and June 30, 2015 are classified in the accompanying financial statements as follows:

	2016	2015
Statement of Net Position:		
Cash and Cash Equivalents	\$ 17,428,054	\$ 19,586,023
Restricted Cash and Cash Equivalents	4,896,607	1,004,906
Total Cash and Investments - Statement of Net Position	\$ 22,324,661	\$ 20,590,929
Statement of Fiduciary Assets and Liabilities:		
Cash and Investments with Fiscal Agent	\$ 10,065,186	\$ 12,773,195

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**2) CASH AND INVESTMENTS - Continued**

Cash and investments as of June 30, 2016 and June 30, 2015 consist of the following:

	2016	2015
Cash on Hand	\$ 400	\$ 400
Deposit with Financial Institutions	7,982,044	6,311,123
Investments in LAIF	14,342,217	14,279,406
Total Cash and Investments	\$22,324,661	\$ 20,590,929
Cash and Investments with Fiscal Agent:		
Money Market Funds	\$ 10,065,186	\$ 12,773,195
Total Cash and Investments with Fiscal Agent	\$ 10,065,186	\$ 12,773,195

**Investments Authorized by the District's Investment Policy**

The table below identifies the investment types that are authorized by the District's investment policy, which is in accordance with the California Government Code. 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 provision of the California Government Code or the District's investment policy:

Authorized Investment Type	Maximum Maturity	Maximum Allowable Investment Percentage	Maximum in one Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	75%	None
U.S. Agency Securities	5 years	60%	\$6,000,000
Banker's Acceptances	180 days	20%	\$2,000,000
Commercial Paper	270 days	20%	10%
Negotiable Certificates of Deposits	5 years	30%	\$7,500,000
Medium-Term Notes	5 years	30%	\$1,000,000
Mutual Funds	None	20%	\$1,000,000
Money Market Mutual Funds	None	20%	\$1,000,000
County Pooled Investments	None	None	None
Local Agency Investment Fund (LAIF)	None	100%	100%
Community Facility District	None	40%	None
Assessment District	None	40%	None



**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**2) CASH AND INVESTMENTS - Continued**

**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 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 maturing evenly over time 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 trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2016:

		Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
LAIF	\$ 4,330,765	\$ 4,330,765	\$ -	\$ -	\$ -
U.S. Treasury Obligations	1,002,932	400,229	401,625	201,078	-
U.S. Agency Securities	3,478,955	248,536	803,230	2,427,189	-
Commercial Paper	448,627	448,627	-	-	-
Money Market Funds	2,959,205	2,959,205	-	-	-
Negotiable CD	249,967	249,967	-	-	-
Medium-Term Notes	1,871,766	626,104	351,828	893,834	-
Cash and Investments with Fiscal Agent:					
Money Market Funds	10,065,186	10,065,186	-	-	-
<b>Total</b>	<b>\$ 24,407,403</b>	<b>\$ 19,328,619</b>	<b>\$ 1,556,683</b>	<b>\$ 3,522,101</b>	<b>\$ -</b>

**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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**2) CASH AND INVESTMENTS - Continued**

Investment Type		Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A	Not Rated
LAIF	\$ 4,330,765	N/A	\$ -	\$ -	\$ -	\$4,330,765
U.S. Treasury Obligations	1,002,932	N/A	1,002,932	-	-	-
U.S. Agency Securities	3,478,955	N/A	-	3,478,955	-	-
Commercial Paper	448,627	A	-	-	448,627	-
Money Market Funds	2,959,205	AAA	2,959,205	-	-	-
Negotiable CD	249,967	N/A	-	-	249,967	-
Medium-Term Notes	1,871,766	A	-	758,958	1,112,808	-
Cash and Investments with Fiscal Agent:						
Money Market Funds	10,065,186	AAA	-	10,065,186	-	-
<b>Total</b>	<b>\$24,407,403</b>		<b>\$3,962,137-</b>	<b>\$14,303,099</b>	<b>\$1,811,402</b>	<b>\$4,330,765</b>

**Concentration of Credit Risk**

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments (other than U.S. Treasury securities, mutual funds and external investment pools).

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2016 and June 30, 2015, the District had deposits with financial institutions in excess of federal depository insurance limits of \$7,732,044 and \$6,440,108, respectively, which were collateralized by securities held by the pledging Financial Institution's Agent but not in the District's name.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**2) CASH AND INVESTMENTS - Continued**

**Fair Value of Investments**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury Obligations of \$1,002,932 are valued using quoted marked prices (Level 1 inputs)
- U.S. Agency Securities of \$3,478,955 are valued using institutional bond quotes (Level 2 inputs)
- Commercial Paper of \$448,627 is valued using a matrix pricing model (Level 2 inputs)
- Negotiable CD's of \$249,967 are valued using market prices (Level 2 inputs)
- Medium-Term Notes of \$1,871,766 are valued using institutional bond quotes (Level 2 inputs)

**Investment in State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

All temporary investments are with the Local Agency Investment Fund (LAIF) administered by the State Treasurer's Office. The yield of LAIF for the quarter ended June 30, 2016 was 0.552%. The estimated amortized cost and fair value of the LAIF Pool at June 30, 2016 was \$75,395,751,047 and \$75,442,588,513, respectively. The District's share of the Pool at June 30, 2016 was approximately .006 percent. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each local government may invest up to \$65,000,000 in the Fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments in LAIF are secured by the full faith and credit of the State of California. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of asset-backed securities totaling \$1,718,918,000. LAIF's (and the District's) exposure to risk (credit, market or legal) is not currently available.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**3) CAPITAL ASSETS**

Capital assets are presented as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 902,118	\$ -	\$ -	\$ 902,118
Water Capacity Rights	13,503,639	-	-	13,503,639
Construction in Progress	2,324,411	130,147	-	2,454,558
<b>Total Capital Assets, Not Being Depreciated</b>	<b>16,730,168</b>	<b>130,147</b>	<b>-</b>	<b>16,860,315</b>
<b>Capital Assets, Being Depreciated:</b>				
Water Reclamation Facility	22,063,942	160,818	-	22,224,760
Reservoirs	10,544,570	1,865,258	-	12,409,828
Water and Sewer Mains	30,118,239	2,920,893	-	33,039,132
Office Building Improvements	191,354	-	-	191,354
Sewage Systems (Improvement Districts)	2,381,665	397,747	-	2,779,412
Equipment - Water and Sewer	1,989,950	-	-	1,989,950
Administration Building	529,200	-	-	529,200
Well Systems	46,014	106,249	-	152,263
<b>Total Capital Assets, Being Depreciated</b>	<b>67,864,934</b>	<b>5,450,965</b>	<b>-</b>	<b>73,315,899</b>
<b>Less Accumulated Depreciation:</b>				
Water Reclamation Facility	(12,275,134)	(729,880)	-	(13,005,014)
Reservoirs	(2,665,104)	(261,541)	-	(2,926,645)
Water and Sewer Mains	(6,808,107)	(618,580)	-	(7,426,687)
Office Building Improvements	(76,860)	(15,904)	-	(92,764)
Sewage Systems (Improvement Districts)	(2,119,831)	(54,630)	-	(2,174,461)
Equipment - Water and Sewer	(1,461,532)	(115,620)	-	(1,577,152)
Administration Building	(203,488)	(20,900)	-	(224,388)
Well Systems	(17,021)	(2,076)	-	(19,097)
<b>Total Accumulated Depreciation</b>	<b>(25,627,077)</b>	<b>(1,819,131)</b>	<b>-</b>	<b>(27,446,208)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>42,237,857</b>	<b>3,631,834</b>	<b>-</b>	<b>45,869,691</b>
<b>Capital Assets, Net</b>	<b>\$ 58,968,025</b>	<b>\$ 3,761,981</b>	<b>\$ -</b>	<b>\$ 62,730,006</b>

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**4) EXCESS SEWER CAPACITY DEPOSITS**

In connection with the District's construction of its water reclamation plant, the District can offer "excess" sewer capacity to individuals outside Community Facilities Districts (CFD) 87-5 and 89-1. According to the agreement, the District shall pay to the CFDs, without interest, the reimbursement amount for the oversized sewer capacity utilized by the connection of those parties outside the CFDs. As of June 30, 2016 and 2015, the District held deposits of \$98,330 and \$98,330, respectively, from individuals interested in hooking up to the District's plant. Payment to the CFDs shall be due upon receipt of the full connection fee or commencement of service, whichever is earlier.

**5) DESIGNATIONS OF DISTRICT UNRESTRICTED NET POSITION**

For the amounts reported as unrestricted net position in these financial statements, the District's Board of Directors has designated \$14,394,965 to be set aside for the future major refurbishing or replacement of the wastewater utility plant as of June 30, 2016.

**6) DEFINED BENEFIT PENSION PLAN**

**General Information about the Defined Benefit Pension Plans**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors 2 rate plans (both are miscellaneous.) Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2014 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2014 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**6) DEFINED BENEFIT PENSION PLAN – Continued**

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensation	2%	2%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	8.597% + \$1,050	6.25%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The District's required contribution for the unfunded liability was \$1,050 in fiscal year 2016.

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District pays the required employee contribution on behalf of the employees.

The District's contributions to the Plan for the year ended June 30, 2016 were \$49,928

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

As of June 30, 2016, the District reported \$10,501 net pension liability for its proportionate share of the net pension liability.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**6) DEFINED BENEFIT PENSION PLAN – Continued**

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.00048%
Proportion - June 30, 2015	0.00015%
Change - Increase (Decrease)	-0.00033%

For the year ended June 30, 2016, the District recognized pension expense of \$29,413. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 49,928	\$ -
Differences between actual and expected experience	3,281	-
Changes in assumptions	-	31,041
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	105,361	-
Net differences between projected and actual earnings on plan investments	-	15,561
Total	<u>\$ 158,570</u>	<u>\$ 46,602</u>

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**6) DEFINED BENEFIT PENSION PLAN – Continued**

\$49,928 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,		
2017	\$	22,245
2018		22,349
2019		17,157
2020		289
2021		-
Thereafter		-

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.65%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

**Changes of Assumptions:**

GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.



**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**6) DEFINED BENEFIT PENSION PLAN – Continued**

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a 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. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**6) DEFINED BENEFIT PENSION PLAN – Continued**

The table below reflects the 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 rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.65%
Net Pension Liability	\$ 17,610
Current Discount Rate	7.65%
Net Pension Liability	\$ 10,501
1% Increase	8.65%
Net Pension Liability	\$ 4,631

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan**

At June 30, 2016, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**7) RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Premiums are paid annually by the District.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2016 and June 30, 2015, there were no such liabilities to be reported.

**8) DEBT WITHOUT DISTRICT COMMITMENT**

The District has issued \$79,145,000 in Community Facilities District Special Tax Bonds to finance the acquisition and construction of public improvements within the Community Facilities Districts No. 1, 2, and 3. In July of 2014, the bonds were refinanced and combined into Series A and Series B bonds of \$51,695,000 and \$18,045,000. The refinanced bonds have the same maturity dates with a lower interest rate. The Bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982, and are special obligations of the District payable solely from revenues derived from special taxes levied on taxable land within the Community Facilities Districts. The Bonds are not general obligations of the District. Neither the faith and credit of the District, nor of either County, nor the State or any related political subdivision, is pledged to the payment of the Bonds. Therefore, these Bonds are not reflected as debt in the District's financial statements. As of June 30, 2016, the remaining balance on the bonds was \$69,740,000.

**9) COMMITMENTS AND CONTINGENCIES**

**Construction Commitments**

The District has active construction projects as of June 30, 2016. At year-end the District's commitments are as follows:

	<u>Costs Incurred</u>	<u>Remaining Commitment</u>
Recycled Pipeline	\$ 1,852,401	\$ 3,240,256
Dawson Canyon Reservoir - Design	11,505	133,495
Dawson Canyon Reservoir - Build	18,994	2,197,006
	<u>\$ 1,882,900</u>	<u>\$ 5,570,757</u>

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**10) RELATED PARTY TRANSACTIONS**

The District contracts with Dudek & Associates for management and engineering services. The services of the general manager for the District are hired under this contract. The general manager has an ownership interest in Dudek & Associates. The District owed Dudek & Associates \$26,587 and \$17,570 at June 30, 2016 and 2015, respectively, for services received. In addition, the District incurred the following costs to Dudek & Associates for the years ended June 30, 2016 and 2015 as follows:

	June 30,	
	2016	2015
General Management	\$ <del>235,326</del>	\$ 235,326
Engineering and Special Projects	<del>146,752</del>	146,752
Total	<del>\$ 382,078</del>	\$ 382,078

**11) LOAN PAYABLE**

In the 2014-15 Fiscal year, the District entered into a loan agreement with the Elsinore Valley Municipal Water District (EVMWD) to purchase a pipeline owned by EVMWD for \$2,644,000. Under the terms of the agreement, in exchange for the pipeline, EVMWD received the right to use the District's excess capacity water rights from Western Municipal Water District (WMWD). The loan balance is reduced based on EVMWD's purchases of the District's excess water capacity. EVMWD's purchases from year to year are expected to fluctuate and, therefore, the final maturity of the loan is unknown because there is not an established repayment schedule. During the 2015-16 fiscal year, EVMWD purchased \$233,194 of the District's excess capacity rights from WMWD. The remaining loan balance as of June 30, 2016 and June 30, 2015 was \$2,245,321 and \$2,478,515, respectively.

**12) JOINT VENTURE**

The District is a member of the California Finance Authority for Delinquent Special Taxes and Assessments (Authority), along with the Cities of Norco and Riverside. The Authority was established to implement and finance a program for the purchase from the member agencies of delinquent special taxes, assessments and property-related fees and charges that are collected on the secured property tax roll. The District has determined to assign to the Authority certain delinquent special taxes (levied under the Mello-Roos Community Facilities Act of 1982) in consideration of the agreement by the Authority to pay the purchase price to the District for such liens and to assume all responsibility and pay all costs in connection with the enforcement and collection of such liens. Separate financial statements for the Authority are currently not available.

**Temescal Valley Water District**  
**Notes to Financial Statements**  
June 30, 2016 and 2015

**13) DUE TO AGENCY FUND**

The District, as a pass-through agency, held property tax assessments for the Community Facilities Districts as of June 30, 2016 of \$3,954,091. This amount represents the amounts received by the District prior to June 30, 2016 for the benefit of the Community Facilities District (Agency Fund) because it was not deemed practical as described in the GASB 68 pronouncement.

**14) SUBSEQUENT EVENTS**



**Temescal Valley Water District**  
**Required Supplementary Information**  
June 30, 2016 and 2015

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**Last 10 Years\***

	Measurement Period	
	2015	2014
Proportion of the Net Pension Liability	0.00015%	0.00048%
Proportionate Share of Net Pension Liability	\$ 10,501	\$ 30,099
Covered - Employee Payroll	\$ 603,039	\$ 572,273
Proportionate Share of the Net Pension Liability as a percentage of Payroll	1.74%	5.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.84%	91.51%

**Notes to the Schedule of the District's Proportionate Share of the Net Pension Liability**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 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 in Assumptions:** The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

\*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

**Temescal Valley Water District**  
**Required Supplementary Information**  
June 30, 2016 and 2015

**SCHEDULE OF PLAN CONTRIBUTIONS**  
**Last 10 Years\***

	2016	2015
Contractually Required Contributions (actuarially determined)	\$ 49,928	\$ 48,665
Contributions in Relation to the Actuarially Determined Contributions	(49,928)	(48,665)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 592,447	\$ 603,039
Contributions as a Percentage of Covered Employee Payroll	8.43%	8.07%

**Notes to the Schedule of Plan Contributions**

Valuation Date: 6/30/2014

\*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

**SUPPLEMENTARY INFORMATION**



**Temescal Valley Water District  
Grouping Schedule Report  
Financial Statements**

Adjusted Balance  
Jun 30, 2016

<b>100</b>	<b>Cash</b>		
	<b>100, No Subcodes</b>		
	130000.4 - PETTY CASH - UTILITY BILLS	400.00	
	131000.0 - CASH - CHECKING ACCOUNT	(128.07)	
	131001 - CASH - CHASE BANK	0.00	
	131001.0 - CASH - CHASE BANK	7,982,171.76	
	131202.0 - CASH - INVESTMENT U.S. BANK	10,000,000.00	
	131203.0 - CASH-INVESTMENT MKT VALUE	11,452.81	
	132000 - CASH - LAIF	0.00	
	132000.0 - CASH - LAIF	4,330,764.87	
	132001 - CASH-LAIF ADJ TO MKT VALUE	0.00	
	132001.0 - CASH-LAIF ADJ TO MKT VALUE	0.00	
	<b>Total no subcodes</b>	<u>22,324,661.37</u>	
<b>100</b>	<b>Cash Total</b>	<u>22,324,661.37</u>	
<b>102</b>	<b>Restricted Cash</b>		
<b>102</b>	<b>Restricted Cash Total</b>	<u>0.00</u>	
<b>103</b>	<b>Utility Receivable</b>		
	<b>103, No Subcodes</b>		
	141000 - ACCOUNTS RECEIVABLE-SERVICES	0.00	
	141000.0 - ACCOUNTS RECEIVABLE-SERVICES	870,740.76	
	141100 - ACCOUNTS RECEIVABLE-DEV.SVCS	0.00	
	<b>Total no subcodes</b>	<u>870,740.76</u>	
<b>103</b>	<b>Utility Receivable Total</b>	<u>870,740.76</u>	
<b>104</b>	<b>Other Receivables</b>		
	<b>104, No Subcodes</b>		
	141100.0 - ACCOUNTS RECEIVABLE-DEV.SVCS.	73,593.76	
	142001.1 - ASSESSMENTS RECEIVABLE	6,084.62	
	142001.2 - ASSESSMENTS RECEIVABLE	1,905.05	
	142001.3 - ASSESSMENTS RECEIVABLE	44,969.54	
	142001.4 - ASSESSMENTS RECEIVABLE	(2,883.19)	
	150000 - TRANSFER/REIMBURSEMENT ACCT	0.00	
	150000.0 - TRANSFER/REIMBURSEMENT ACCT	(153.98)	
	151519.0 - PLAN CHECK & INSPECTION W.I.P.	149,553.51	
	151520.0 - W.I.P.-SYCAMORE CREEK	183.71	
	<b>Total no subcodes</b>	<u>273,253.02</u>	
<b>104</b>	<b>Other Receivables Total</b>	<u>273,253.02</u>	
<b>105</b>	<b>Interest Receivables</b>		
	<b>105, No Subcodes</b>		
	143000.1 - ACCRUED INTEREST RECEIVABLE	129.17	
	143000.2 - ACCRUED INTEREST RECEIVABLE	258.43	
	143000.3 - ACCRUED INTEREST RECEIVABLE	4,908.61	
	143000.4 - ACCRUED INTEREST RECEIVABLE	6,200.35	
	143000.5 - ACCRUED INTEREST RECEIVABLE	1,420.84	
	<b>Total no subcodes</b>	<u>12,917.40</u>	
<b>105</b>	<b>Interest Receivables Total</b>	<u>12,917.40</u>	
<b>106</b>	<b>Inventory</b>		
	<b>106, No Subcodes</b>		
	1100.4 - INVENTORY-WATER METERS	39,690.00	
	1200.3 - SEWER EDU INVENTORY	40,087.54	
	<b>Total no subcodes</b>	<u>79,777.54</u>	
<b>106</b>	<b>Inventory Total</b>	<u>79,777.54</u>	
<b>107</b>	<b>Land</b>		

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<b>107, No Subcodes</b>		
100.1 - LAND - BUTTERFIELD		73,505.00
100.2 - LAND - CALIF. MEADOWS		25,000.00
100.3 - LAND - WASTEWATER		155,407.01
100.4 - LAND - WATER		648,205.71
		<u>902,117.72</u>
<b>Total no subcodes</b>		902,117.72
<b>107 Land Total</b>		<u>902,117.72</u>
<b>108 Water Capacity Rights</b>		
<b>108, No Subcodes</b>		
500.4 - CAPACITY RIGHTS - WATER		13,503,639.04
		<u>13,503,639.04</u>
<b>Total no subcodes</b>		13,503,639.04
<b>108 Water Capacity Rights Total</b>		<u>13,503,639.04</u>
<b>109 Construction in Progress</b>		
<b>109, No Subcodes</b>		
151000.4 - W.I.P. - MISC. PROJECTS		48,963.00
151003.4 - WILDROSE RESERVOIR II		0.00
151517 - CFD 89-1 PROJECTS		0.00
151517.0 - CFD 89-1 PROJECTS		0.00
151519 - PLAN CHECK & INSPECTION W.I.P.		0.00
151520 - W.I.P.-SYCAMORE CREEK		0.00
151553 - WIP-OUTFALL/STORAGE		0.00
151554 - RECYCLED PIPE LINE-WIP		0.00
151554.0 - RECYCLED PIPE LINE-WIP		0.00
151555 - WIP-DAWSON CYN RESIVOIR		0.00
151555.0 - WIP-DAWSON CYN RESIVOIR		70,477.10
151556.0 - NON/RECYCLED PIPE LINE		2,335,117.64
151570 - WIP-EQ HEAD WORKS		0.00
151570.0 - WIP-EQ HEAD WORKS		0.00
		<u>2,454,557.74</u>
<b>Total no subcodes</b>		2,454,557.74
<b>109 Construction in Progress Total</b>		<u>2,454,557.74</u>
<b>110 Capital Assets</b>		
<b>110, No Subcodes</b>		
200.3 - WASTEWATER RECLAMATION PLANT		22,224,759.52
300.4 - RESERVOIRS		6,962,033.28
300.5 - RECYCLED SYC CRK RESERVOIR		5,447,794.29
350.4 - WATER SYSTEM IMPROVEMENT-WELL		152,263.20
400.3 - MAIN LINES - SEWER		8,665,154.35
400.4 - MAIN LINES - WATER		15,066,699.69
400.5 - RECLAIMED WATER LINES		9,307,278.90
600.1 - ID#1 SEWER SYSTEM		1,111,486.59
600.2 - ID#2 SEWER SYSTEM		1,667,925.01
700 - GENERAL EQUIPMENT		0.00
700.0 - GENERAL EQUIPMENT		208,480.65
700.3 - EQUIPMENT - SEWER		650,550.08
700.4 - EQUIPMENT - WATER		841,161.19
702.3 - DISTRICT MAPS		77,278.21
702.4 - DISTRICT MAPS		56,336.68
750.3 - VEHICLES		71,420.70
750.4 - VEHICLES		84,722.70
800 - STRUCTURES		0.00
800.0 - STRUCTURES		481,137.79
800.3 - STRUCTURES		48,062.64
900 - OFFICE BUILDING IMPROVEMENTS		0.00
900.0 - OFFICE BUILDING IMPROVEMENTS		65,507.26
900.3 - ENTRANCE IMPROVEMENTS		37,277.21
900.4 - ENTRANCE IMPROVEMENTS		11,466.62
902.3 - SECURITY SYSTEMS		77,102.17
		<u>73,315,898.73</u>
<b>Total no subcodes</b>		73,315,898.73

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		<u>Adjusted Balance</u> <u>Jun 30, 2016</u>
<b>110</b>	<b>Capital Assets Total</b>	<u>73,315,898.73</u>
<b>111</b>	<b>Accumulated Depreciation</b>	
	<b>111, No Subcodes</b>	
	201.3 - ACC.DEPR.-WASTEWATER REC PLANT	(13,005,024.04)
	301.4 - ACC. DEPR. - RESERVOIRS	(2,607,517.40)
	301.5 - ACCUM DEPRECIATION RECYC RESV	(319,000.16)
	351.4 - ACC.DEPR.-WATER SYSTEM	(18,061.85)
	401.3 - ACC DEPR. - MAIN LINES SEWER	(2,572,238.91)
	401.4 - ACC.DEPR. - MAIN LINES WATER	(4,308,292.06)
	401.5 - ACC DEPR-RECLAIMED WATER LINES	(580,058.73)
	601.1 - ACC.DEPR. -ID#1 SEWER SYSTEM	(1,028,675.12)
	601.2 - ACC.DEPR. -ID#2 SEWER SYSTEM	(1,145,785.44)
	701.3 - ACC.DEPR. - EQUIPMENT SEWER	(549,919.92)
	701.4 - ACC.DEPR. - EQUIPMENT WATER	(717,999.36)
	703.3 - ACCUMULATED DEPR DIST MAPS	(69,887.96)
	703.4 - ACCUMULATED DEPR DIST MAPS	(63,726.88)
	751.3 - ACC. DEPR.-VEHICLES	(64,406.29)
	751.4 - ACC. DEPR.-VEHICLES	(75,865.92)
	801.3 - ACC.DEPR.- STRUCTURES	(112,684.95)
	801.4 - ACC.DEPR.- STRUCTURES	(113,481.58)
	901.3 - ACC.DEPR.-ENTRANCE IMPR	(29,106.24)
	901.4 - ACC.DEPR.-ENTRANCE IMPR	<u>(62,406.20)</u>
	<b>Total no subcodes</b>	(27,444,139.01)
<b>111</b>	<b>Accumulated Depreciation Total</b>	<u>(27,444,139.01)</u>
<b>112</b>	<b>Prepays</b>	
	<b>112, No Subcodes</b>	
	145000.3 - PREPAID EXPENSES	0.00
	145000.4 - PREPAID EXPENSES	0.00
	145000.5 - PREPAID INSURANCE NON POTABLE	0.00
	145001.5 - PREPAID SLUDGE BAG EXP	0.00
	<b>Total no subcodes</b>	0.00
<b>112</b>	<b>Prepays Total</b>	<u>0.00</u>
<b>135</b>	<b>Deferred Outflows Contrib</b>	
	<b>135, No Subcodes</b>	
	141500 - Deferred Outflows - Employer	0.00
	141500.0 - DEFERRED OUTFLOW-EMPLOYER	0.00
	141510 - Deferred Outflows - EPMC	0.00
	141510.0 - DEFERRED OUTFLOW-EPMC	158,570.00
	141520.0 - DEFERRED OUTFLOW-ADD'L DEFERR	<u>0.00</u>
	<b>Total no subcodes</b>	158,570.00
<b>135</b>	<b>Deferred Outflows Contrib Total</b>	<u>158,570.00</u>
<b>136</b>	<b>Deferred Outflows Add'l</b>	
	<b>136, No Subcodes</b>	
	141520 - Deferred Outflows - Add'l Deferral	0.00
	<b>Total no subcodes</b>	0.00
<b>136</b>	<b>Deferred Outflows Add'l Total</b>	<u>0.00</u>
<b>200</b>	<b>Accounts Payable</b>	
	<b>200, No Subcodes</b>	
	222000 - ACCOUNTS PAYABLE	0.00
	222000.0 - ACCOUNTS PAYABLE	(517,190.81)
	238005 - Refund Clearing Acct	0.00
	238005.0 - REFUND CLEARING ACCT.	12,064.93
	238006 - RETURNED CHECK CLEARING	0.00
	238006.0 - RETURNED CHECK CLEARING	(14,292.15)
	238007 - CUSTOMER REFUND LIABILITY	0.00

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	<b>Adjusted Balance Jun 30, 2016</b>
238007.0 - CUSTOMER REFUND LIABILITY	(13,077.42)
<b>Total no subcodes</b>	(532,495.45)
<b>200</b> <b>Accounts Payable Total</b>	(532,495.45)
<b>201</b> <b>Payable to Other Govt</b>	
<b>201, No Subcodes</b>	
232000 - DUE TO BNY TRUST-CFD2	0.00
233000 - DUE TO BNY TRUST-CFD3	0.00
<b>Total no subcodes</b>	0.00
<b>201</b> <b>Payable to Other Govt Total</b>	0.00
<b>202</b> <b>Accrued Salaries</b>	
<b>202, No Subcodes</b>	
222100 - WAGES/VACATION ACCURAL	0.00
222100.0 - WAGES/VACATION ACCURAL	(50,515.01)
222101.0 - FICA PAYABLE	0.00
222102 - FIT PAYABLE	0.00
222102.0 - FIT PAYABLE	127.58
222103 - SIT PAYABLE	0.00
222103.0 - SIT PAYABLE	27.51
222104.0 - SDI PAYABLE	0.00
222106 - FUTA PAYABLE	0.00
222107 - SUI PAYABLE	0.00
222109 - CALPERS RETIREMENT	0.00
222109.0 - CALPERS-RETIREMENT	(2,929.80)
230001.1 - AD89-1 REFUNDS PAYABLE	(999.46)
231000 - DUE TO BNY TRUST-CFD1	0.00
<b>Total no subcodes</b>	(54,289.18)
<b>202</b> <b>Accrued Salaries Total</b>	(54,289.18)
<b>203</b> <b>Settlements Payable</b>	
<b>203</b> <b>Settlements Payable Total</b>	0.00
<b>204</b> <b>Related Party Payable</b>	
<b>204</b> <b>Related Party Payable Total</b>	0.00
<b>205</b> <b>Excess Sewer Cap Dep</b>	
<b>205, No Subcodes</b>	
237000 - SEWER CAPACITY DEPOSITS	0.00
237000.0 - SEWER CAPACITY DEPOSITS	(98,329.63)
<b>Total no subcodes</b>	(98,329.63)
<b>205</b> <b>Excess Sewer Cap Dep Total</b>	(98,329.63)
<b>206</b> <b>Other Deposits</b>	
<b>206, No Subcodes</b>	
231000.0 - DUE TO BNY TRUST-CFD1	(2,797,770.64)
232000.0 - DUE TO BNY TRUST-CFD2	(201,932.03)
233000.0 - DUE TO BNY TRUST-CFD3	(954,388.16)
234001 - CFD #1 DEPOSIT- ADMIN EXP	0.00
234001.0 - CFD #1 DEPOSIT- ADMIN EXP	(44,321.29)
234002 - CFD#2 DEPOSIT-ADMIN EXP	0.00
234002.0 - CFD#2 DEPOSIT-ADMIN EXP	(14,584.97)
234003 - CFD #3 DEPOSIT-ADMIN EXP	0.00
234003.0 - CFD #3 DEPOSIT-ADMIN EXP	(103,861.57)
235000 - DEVELOPER INSP/PLCK DEPOSITS	0.00
235000.0 - DEVELOPER INSP/PLCK DEPOSITS	(284,350.94)
238000 - WATER CAPACITY DEPOSITS	0.00
238000.0 - WATER CAPACITY DEPOSITS	(25,000.00)
238001 - WATER METER DEPOSITS	0.00
238001.0 - WATER METER DEPOSITS	(13,400.00)

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	<b>Adjusted Balance Jun 30, 2016</b>
238002 - CUSTOMER SECURITY DEPOSITS	0.00
238002.0 - CUSTOMER SECURITY DEPOSITS	(311,057.87)
238003 - CONSTRUCTION METER DEPOSIT	0.00
238003.0 - CONSTRUCTION METER DEPOSIT	(17,800.00)
238004 - OTHER DEPOSITS	0.00
238004.0 - OTHER DEPOSITS	(29,809.86)
<b>Total no subcodes</b>	(4,798,277.33)
<b>206 Other Deposits Total</b>	(4,798,277.33)
<b>210 Loan Payable</b>	
<b>210, No Subcodes</b>	
238008.0 - TVRP - PAYABLE	(2,245,320.78)
<b>Total no subcodes</b>	(2,245,320.78)
<b>210 Loan Payable Total</b>	(2,245,320.78)
<b>235 Net Pension Liability</b>	
<b>235, No Subcodes</b>	
239000 - Net Pension Liability	0.00
239000.0 - NET PENSION LIABILITY	(10,501.00)
<b>Total no subcodes</b>	(10,501.00)
<b>235 Net Pension Liability Total</b>	(10,501.00)
<b>236 Deferred Inflows Actuarial</b>	
<b>236, No Subcodes</b>	
239100 - Deferred Inflows - Actuarial	0.00
239100.0 - DEFERRED INFLOWS-ACTUARIAL	(46,602.00)
<b>Total no subcodes</b>	(46,602.00)
<b>236 Deferred Inflows Actuarial Total</b>	(46,602.00)
<b>300 Net Position</b>	
<b>300, No Subcodes</b>	
250100.1 - CONTR CAPITAL - LAND	(73,505.00)
250100.2 - CONTR.CAPITAL - LAND	(25,000.00)
250100.3 - CONTR.CAPITAL - LAND	(189,994.38)
250100.4 - CONTR.CAPITAL - LAND	(534,749.71)
250200.3 - CONTR.CAPITAL - WWRF	(12,192,531.85)
250300.4 - CONTR.CAPITAL - RESERVOIRS	(5,726,384.19)
250300.5 - CONT CAP-RECYCLED RESERVIOR	(2,046,695.00)
250400.3 - CONTR.CAPITAL - SEWER MAINS	(7,606,217.70)
250400.4 - CONTR.CAPITAL - WATER MAINS	(13,013,370.97)
250400.5 - CONTRIBUTED CAPITAL RECLAIMED	(3,639,106.16)
250500.4 - CONTR.CAPITAL - CAPACITY RIGHT	(3,432,461.46)
250600.1 - CONTR.CAPITAL - ID#1 SEWER SYS	(267,236.87)
250600.2 - CONTR.CAPITAL - ID#2 SEWER SYS	(311,847.51)
250700.4 - CONTRIB CAP-EQUIP WATER	(48,121.50)
261000.1 - FUND BALANCE - RESERVED ID #1	(288,858.93)
261000.2 - FUND BALANCE - RESERVED ID #2	(329,930.90)
261000.3 - FUND BALANCE RESERVED-SEWER	(6,040,512.01)
261000.4 - FUND BALANCE RESERVED- WATER	(18,729,051.50)
261000.5 - FUND BALANCE RESERVED- NONPOT	(1,992,779.04)
261001.4 - FUND BAL RESERVED-REACH A-E	(93,444.63)
261002.4 - FUND BAL RESERVED-REACH F	(20,558.86)
261003.4 - FUND BAL RESERVED-REACH 1A	(12,340.02)
261004.4 - FUND BAL RESERVED-REACH 1B	(18,172.46)
261005.4 - FUND BAL RESERVED-RESERVOIR WR	(101,830.00)
261007.3 - FUND BAL RESERVE-SOUTH ZONE 3	(3,967.50)
261008.3 - FUND BAL RESERVE-MASTER PLAN	(3,088.42)
261008.4 - FUND BAL RESERVE-MASTER PLAN	(3,193.29)
261009.3 - FUND BAL RESERVE-SCADA SYS.	(708.57)

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		Adjusted Balance <u>Jun 30, 2016</u>
261009.4 - FUND BAL RESERVE-SCADA SYSTEM		(732.63)
	<b>Total no subcodes</b>	(76,746,391.06)
<b>300</b>	<b>Net Position Total</b>	<u>(76,746,391.06)</u>
<b>401</b>	<b>Standby Charges</b>	
	<b>401, No Subcodes</b>	
	421300.3 - STANDBY CHARGES	(149,382.12)
	421300.4 - STANDBY CHARGES	<u>(37,543.81)</u>
	<b>Total no subcodes</b>	(186,925.93)
<b>401</b>	<b>Standby Charges Total</b>	<u>(186,925.93)</u>
<b>402</b>	<b>Sewer Service Fees</b>	
	<b>402, No Subcodes</b>	
	401100.1 - ANNUAL SEWER SERVICE CHARGE	(157,095.57)
	401100.2 - ANNUAL SEWER SERVICE CHARGE	(182,485.98)
	401100.3 - MONTHLY SEWER SERVICE CHARGE	(2,017,975.22)
	401103.3 - MONTHLY SEWER CHG-R COM	(114,804.54)
	590000.3 - BAD DEBT EXPENSES	1,587.60
	590000.4 - BAD DEBT EXPENSES	<u>1,587.60</u>
	<b>Total no subcodes</b>	(2,469,186.11)
<b>402</b>	<b>Sewer Service Fees Total</b>	<u>(2,469,186.11)</u>
<b>403</b>	<b>Water Service Fees</b>	
	<b>403, No Subcodes</b>	
	411100.4 - WATER SERVICE CHARGE	(1,345,188.01)
	411100.5 - RECYCLED WATER FIXED CHARGE	(144,121.95)
	411101.4 - WATER USAGE CHARGES	(2,353,817.79)
	411101.5 - NON-POTABLE USAGE CHARGE	(730,336.16)
	411103.4 - WATER PUMPING CHARGE	(78,238.91)
	411103.5 - NON-POT PUMPING CHARGE	(30,165.46)
	411104.4 - FIRE PROTECTION CHARGES	(27,545.38)
	411105.5 - RECYCLED WATER SALES	(677,303.58)
	411106.3 - MISC UTILITY CHARGES SEWER	0.00
	411106.4 - MISC. UTILITY CHARGES WATER	<u>(340.00)</u>
	<b>Total no subcodes</b>	(5,387,057.24)
<b>403</b>	<b>Water Service Fees Total</b>	<u>(5,387,057.24)</u>
<b>404</b>	<b>Connection Fees</b>	
	<b>404, No Subcodes</b>	
	440000.3 - CONNECTION FEES	(515.72)
	440000.4 - CONNECTION FEES	(19,930.65)
	440000.5 - CONNECTION FEES - NONPOTABLE	<u>(7,591.40)</u>
	<b>Total no subcodes</b>	(28,037.77)
<b>404</b>	<b>Connection Fees Total</b>	<u>(28,037.77)</u>
<b>405</b>	<b>Service Meter Income</b>	
	<b>405, No Subcodes</b>	
	411108.4 - SERVICE METER INCOME	<u>(27,400.00)</u>
	<b>Total no subcodes</b>	(27,400.00)
<b>405</b>	<b>Service Meter Income Total</b>	<u>(27,400.00)</u>
<b>406</b>	<b>Other Operating Inc</b>	
	<b>406, No Subcodes</b>	
	411107.3 - MISCELLANEOUS INCOME	(60,951.39)
	411107.4 - MISCELLANEOUS INCOME	<u>(54,575.43)</u>

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411107.5 - MISCELLANEOUS INCOME	(186,320.16)
411109.4 - CELLULAR SITE INCOME	(32,391.92)
411110.4 - MWD READINESS TO SERVE CHG	(229,281.48)
450000.4 - CAPACITY INCOME	(233,194.61)
<b>Total no subcodes</b>	(796,714.99)
<b>406 Other Operating Inc Total</b>	(796,714.99)
<b>407 Prop Taxes</b>	
<b>407, No Subcodes</b>	
440002.3 - PROPERTY TAXES	(94,682.04)
440002.4 - PROPERTY TAXES	(46,633.42)
<b>Total no subcodes</b>	(141,315.46)
<b>407 Prop Taxes Total</b>	(141,315.46)
<b>408 Interest Income</b>	
<b>408, No Subcodes</b>	
440001.1 - INTEREST INCOME	(542.26)
440001.2 - INTEREST INCOME	(1,083.71)
440001.3 - INTEREST INCOME	(20,589.17)
440001.4 - INTEREST INCOME	(26,007.38)
440001.5 - INTEREST INCOME	(5,959.55)
499900.1 - UNREALIZED GAIN/LOSS RES FUNDS	(114.52)
499900.2 - UNREALIZED GAIN/LOSS REST FUND	(229.05)
499900.3 - UNREALIZED GAIN/LOSS RES FUNDS	(4,352.06)
499900.4 - UNREALIZED GAIN/LOSS RES FUNDS	(5,497.34)
499900.5 - UNREALIZED GAIN/LOSS-RES FUNDS	(1,259.84)
<b>Total no subcodes</b>	(65,634.88)
<b>408 Interest Income Total</b>	(65,634.88)
<b>409 Other Non-op Inc</b>	
<b>409, No Subcodes</b>	
493200.3 - INSPECTION REVENUE	(39,845.88)
498517.3 - CFD REIMBURSEMENT	(13,677.89)
498517.4 - CFD REIMBURSEMENT	(13,677.89)
<b>Total no subcodes</b>	(67,201.66)
<b>409 Other Non-op Inc Total</b>	(67,201.66)
<b>501 Contract Work-Mgmt</b>	
<b>501, No Subcodes</b>	
561000.3 - CONTRACT MANAGEMENT	90,593.92
561000.4 - CONTRACT MANAGEMENT	79,269.67
561000.5 - CONTRACT MANAGEMENT	56,621.21
561001.2 - GENERAL ENGINEERING	0.00
<b>Total no subcodes</b>	226,484.80
<b>501 Contract Work-Mgmt Total</b>	226,484.80
<b>502 Contract Work-Operations</b>	
<b>502, No Subcodes</b>	
561001.3 - GENERAL ENGINEERING	9,008.55
561001.4 - GENERAL ENGINEERING	9,660.81
561001.5 - GENERAL ENGINEERING	20,815.03
561002.3 - PLAN CHECK AND INSP EXP.	1,820.50
561002.4 - PLAN CHECK AND INSP EXP.	12,053.50
561002.5 - PLAN CHECK AND INSP EXP	19,954.00
561230.3 - CONTRACT STAFFING EXPENSE	0.00
561230.4 - CONTRACT STAFFING EXPENSE	56,989.55
<b>Total no subcodes</b>	130,301.94

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		<u>Adjusted Balance</u> <u>Jun 30, 2016</u>
502	<b>Contract Work-Operations Total</b>	<u>130,301.94</u>
503	<b>Depreciation</b>	
	<b>503, No Subcodes</b>	
	570000.1 - DEPRECIATION EXPENSE	20,737.84
	570000.2 - DEPRECIATION EXPENSE	33,892.38
	570000.3 - DEPRECIATION EXPENSE	980,689.56
	570000.4 - DEPRECIATION EXPENSE	548,667.66
	570000.5 - DEPRECIATION EXPENSE	<u>233,073.62</u>
	<b>Total no subcodes</b>	1,817,061.06
503	<b>Depreciation Total</b>	<u>1,817,061.06</u>
504	<b>Director Fees</b>	
	<b>504, No Subcodes</b>	
	561500.3 - DIRECTORS FEES	5,146.28
	561500.4 - DIRECTORS FEES	4,390.26
	561500.5 - DIRECTORS FEES	<u>3,006.46</u>
	<b>Total no subcodes</b>	12,543.00
504	<b>Director Fees Total</b>	<u>12,543.00</u>
505	<b>Insurance</b>	
	<b>505, No Subcodes</b>	
	563000.3 - INSURANCE EXPENSES	26,435.13
	563000.4 - INSURANCE EXPENSES	23,242.38
	563000.5 - INSURANCE EXPENSE	<u>16,414.10</u>
	<b>Total no subcodes</b>	66,091.61
505	<b>Insurance Total</b>	<u>66,091.61</u>
506	<b>Legal and Accounting</b>	
	<b>506, No Subcodes</b>	
	561300.3 - LEGAL EXPENSES	4,661.01
	561300.4 - LEGAL EXPENSES	6,620.80
	561300.5 - LEGAL EXPENSES	2,076.25
	561400.3 - AUDIT EXPENSES	4,650.00
	561400.4 - AUDIT EXPENSES	4,650.00
	561400.5 - AUDIT EXPENSES	<u>4,100.00</u>
	<b>Total no subcodes</b>	26,758.06
506	<b>Legal and Accounting Total</b>	<u>26,758.06</u>
507	<b>Miscellaneous</b>	
	<b>507, No Subcodes</b>	
	561600.3 - ELECTION & PUBLIC HEARING EXP	552.30
	561600.4 - ELECTION & PUBLIC HEARING EXP	552.30
	562000.3 - MISC & EDUCATION EXP	17.26
	562000.4 - MISC & EDUCATION EXP	0.00
	562000.5 - MISC & EDUCATION EXP	0.00
	569900.3 - MISC. OPERATING COSTS	1,083.32
	569900.4 - MISC. OPERATING COSTS	406.91
	569900.5 - MISC. OPERATING COSTS	189.41
	599000.4 - WATER CONSERVATION REBATE EXP	15,809.20
	599000.5 - NONPOT CONVERSATION REBATE EXI	<u>0.00</u>
	<b>Total no subcodes</b>	18,610.70
507	<b>Miscellaneous Total</b>	<u>18,610.70</u>
508	<b>Office Equipment Rent</b>	
	<b>508, No Subcodes</b>	



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562006.0 - EQUIPMENT LEASE EXPENSES	0.00
562006.3 - EQUIPMENT LEASE EXPENSES	5,811.19
562006.4 - EQUIPMENT LEASE EXPENSES	5,221.25
562006.5 - EQUIPMENT LEASE EXPENSES	2,827.50
567260.3 - EQUIPMENT RENTAL COSTS	0.00
<b>Total no subcodes</b>	<b>13,859.94</b>
<b>508 Office Equipment Rent Total</b>	<b><u>13,859.94</u></b>
<b>509 Office Supplies</b>	
<b>509, No Subcodes</b>	
562002.3 - OFFICE SUPPLIES EXP	16,491.89
562002.4 - OFFICE SUPPLIES EXP	14,244.58
562002.5 - OFFICE SUPPLIES EXP	5,518.26
562003.3 - PRINTING EXPENSES	5,479.27
562003.4 - PRINTING EXPENSES	3,831.87
562003.5 - PRINTING EXPENSES	1,203.91
562004.3 - POSTAGE & DELIVERY EXPENSE	10,441.65
562004.4 - POSTAGE & DELIVERY EXPENSE	10,222.65
562004.5 - POSTAGE & DELIVERY EXPENSE	6,715.66
562005.3 - PUBLICATIONS, NOTICES & DUES	4,147.94
562005.4 - PUBLICATIONS, NOTICES & DUES	3,877.78
562005.5 - PUBLICATIONS, NOTICES & DUES	2,123.83
<b>Total no subcodes</b>	<b>84,299.29</b>
<b>509 Office Supplies Total</b>	<b><u>84,299.29</u></b>
<b>510 Penalties</b>	
<b>510 Penalties Total</b>	<b><u>0.00</u></b>
<b>511 Permits</b>	
<b>511, No Subcodes</b>	
569700.3 - PERMITS, FEES & TAXES	17,485.53
569700.4 - PERMITS, FEES & TAXES	9,963.87
569700.5 - PERMITS, FEES & TAXES	6,097.12
<b>Total no subcodes</b>	<b>33,546.52</b>
<b>511 Permits Total</b>	<b><u>33,546.52</u></b>
<b>512 Plan Check/Inspection Fee</b>	
<b>512, No Subcodes</b>	
567540.3 - EMERGENCY SERVICE COSTS	0.00
568500.3 - ENGINEERING/ADMIN. STUDIES	0.00
568500.4 - ENGINEERING/ADMIN. STUDIES	28,173.57
568500.5 - ENGINEERING/ADMIN. STUDIES	19,674.15
<b>Total no subcodes</b>	<b>47,847.72</b>
<b>512 Plan Check/Inspection Fee Total</b>	<b><u>47,847.72</u></b>
<b>513 Pumping and Testing</b>	
<b>513, No Subcodes</b>	
567200.3 - LABORATORY TESTING COSTS	24,650.00
567200.4 - LABORATORY TESTING COSTS	10,844.17
567200.5 - LABORATORY TESTING COSTS	0.00
567201.3 - SPECIAL TESTING & INSPECTION	3,365.17
567201.4 - SPECIAL TESTING & INSPECTION	0.00
567201.5 - SPECIAL TESTING & INSPECTION	0.00
567202.4 - COMPLIANCE TESTING	0.00
567203.4 - LEAK DETECTION EXP	5,376.00
567250.3 - SLUDGE DISPOSAL/PUMPING COSTS	48,434.28
567255.3 - SLUDGE CHEMICAL EXP	0.00
<b>Total no subcodes</b>	<b>92,669.62</b>

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		<u>Adjusted Balance</u> <u>Jun 30, 2016</u>
<b>513</b>	<b>Pumping and Testing Total</b>	<u>92,669.62</u>
<b>514</b>	<b>Repairs, Maint, Supplies</b>	
	<b>514, No Subcodes</b>	
	567010.3 - ELECTRICIAL LABOR EXP	6,348.00
	567010.4 - ELECTRICIAL LABOR EXP	0.00
	567010.5 - ELECTRICIAL LABOR EXP	0.00
	567100.3 - SCADA SYSTEM ADMIN/MAINT	9,548.41
	567100.4 - SCADA SYSTEM ADMIN/MAINT	7,105.83
	567100.5 - SCADA SYSTEM ADMIN/MAINT	3,753.11
	567500.3 - EQUIPMENT REPAIRS & MAINT.	204,581.61
	567500.4 - EQUIPMENT REPAIRS & MAINT.	51,388.06
	567500.5 - EQUIPMENT REPAIRS & MAINT	61,918.44
	567501.0 - MAIN LINE REPAIRS	621.00
	567501.3 - SEWER LINES REPAIR	5,077.00
	567501.4 - WATER LINES REPAIR	27,960.50
	567501.5 - RECYCLED WATER LINE REPAIRS	0.00
	567510.1 - SEWER CLEANING COSTS	0.00
	567510.3 - SEWER CLEANING COSTS	27,984.75
	567525.3 - ALARM MONITORING COSTS	2,480.00
	567525.4 - ALARM MONITORING COSTS	560.00
	567525.5 - ALARM MONITORING COSTS	402.00
	567530.3 - PROPERTY MAINTENANCE	29,378.22
	567530.4 - PROPERTY MAINTENANCE	3,272.54
	569520.3 - CONSUMABLE SUPPLIES & CLEANING	6,835.46
	569520.4 - CONSUMABLE SUPPLIES & CLEANING	5,407.73
	569520.5 - CONSUMABLE SUPPLIES & CLEANING	113.65
	569530.3 - CHEMICALS, LUBRICANTS & FUELS	101,131.62
	569530.4 - CHEMICALS, LUBRICANTS & FUELS	4,633.80
	569530.5 - CHEMICALS, LUBRICANTS & FUELS	9,011.87
	569531.3 - CHEMICALS-SLUDGE	13,413.60
	569540.3 - SMALL EQUIPMENT & TOOLS COST	1,924.76
	569540.4 - SMALL EQUIPMENT & TOOLS COST	4,954.68
	569540.5 - SMALL EQUIPMENT & TOOLS COST	2,993.76
	569901.4 - SERVICE METERS & PARTS COSTS	114,248.65
	569901.5 - SERVICE METERS AND PARTS COSTS	6,843.52
	<b>Total no subcodes</b>	<b>713,892.57</b>
<b>514</b>	<b>Repairs, Maint, Supplies Total</b>	<u>713,892.57</u>
<b>515</b>	<b>Telephone and Utilities</b>	
	<b>515, No Subcodes</b>	
	562001.3 - TELEPHONE EXP	7,527.00
	562001.4 - TELEPHONE EXP	6,649.90
	562001.5 - TELEPHONE EXP	4,401.44
	569500.3 - ENERGY COSTS	168,384.14
	569500.4 - ENERGY COSTS	105,851.61
	569500.5 - ENERGY COSTS	225,408.53
	<b>Total no subcodes</b>	<b>518,222.62</b>
<b>515</b>	<b>Telephone and Utilities Total</b>	<u>518,222.62</u>
<b>516</b>	<b>Wages, Benefits, Taxes</b>	
	<b>516, No Subcodes</b>	
	561100.3 - EMPLOYEE BENEFITS-ADMIN	(33,146.34)
	561100.4 - EMPLOYEE BENEFITS-ADMIN	34,979.76
	561100.5 - EMPLOYEE BENEFITS-ADMIN	21,144.53
	561200.3 - WAGES EXPENSE-ADMIN	126,022.94
	561200.4 - WAGES EXPENSE-ADMIN	109,078.88
	561200.5 - WAGES EXPENSE-ADMIN	80,556.64
	561201.3 - EMPLOYEE VACATION PAY	11,361.70
	561201.4 - EMPLOYEE VACATION PAY	11,958.00
	561201.5 - EMPLOYEE VACATION PAY	2,396.40
	561202.3 - OVERTIME EXP-ADMIN	253.80
	561202.4 - OVERTIME EXP-ADMIN	68.71

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561203.3 - MILEAGE EXP-ADMIN	760.74
561203.4 - MILEAGE EXP-ADMIN	827.81
561203.5 - MILEAGE EXP-ADMIN	88.41
561210.3 - PAYROLL TAX EXPENSES	2,071.47
561210.4 - PAYROLL TAX EXPENSES	1,746.61
561210.5 - PAYROLL TAX EXPENSES	1,042.93
567000.3 - WAGES EXP-OPERATIONS	110,715.37
567000.4 - WAGES EXP-OPERATIONS	95,728.25
567000.5 - WAGES EXP-OPERATIONS	70,344.90
567001.3 - PAYROLL TAXES - OPERATIONS	2,843.21
567001.4 - PAYROLL TAXES - OPERATIONS	2,487.79
567001.5 - PAYROLL TAXES - OPERATIONS	1,781.15
567002.3 - EMPLOYEE BENEFITS-OPERATIONS	27,390.81
567002.4 - EMPLOYEE BENEFITS-OPERATIONS	25,425.96
567002.5 - EMPLOYEE BENEFIS-OPERATIONS	15,650.31
567003.3 - OVERTIME-OPERATIONS	18,771.02
567004.3 - OPERATION MILEAGE EXP	778.28
567004.4 - OPERATION MILEAGE EXP	722.87
567004.5 - OPERATION MILEAGE EXP	103.50
567005.3 - VACATION EXP OPER	7,490.04
567005.4 - VACATION EXP OPER	9,362.52
567005.5 - VACATION EXP OPER	1,874.64
567900 - Pension Expense - GASB 68	0.00
<b>Total no subcodes</b>	<b>762,683.61</b>
<b>516 Wages, Benefits, Taxes Total</b>	<b>762,683.61</b>
<b>517 Purchased Water</b>	
<b>517, No Subcodes</b>	
580000.4 - WHOLESALE WATER PURCHASES	2,366,088.63
580000.5 - NON-POTABLE WATER EXP	0.00
580001.4 - WATER-MWD CAPACITY CHARGE	83,920.29
580002.5 - POTABLE WATER PURCHASE	0.00
580003.4 - RESDINESS TO SERVE EXPENSE	138,094.65
<b>Total no subcodes</b>	<b>2,588,103.57</b>
<b>517 Purchased Water Total</b>	<b>2,588,103.57</b>
<b>518 Capital Contributions</b>	
<b>518 Capital Contributions Total</b>	<b>0.00</b>
<b>519 Annual Assessment</b>	
<b>519, No Subcodes</b>	
561101.1 - ANNUAL ASSESSMENT PROCESSING	4,337.38
561101.2 - ANNUAL ASSESSMENT PROCESSING	4,337.36
561101.3 - ANNUAL ASSESSMENT PROCESSING	1,433.60
561101.4 - ANNUAL ASSESSMENT PROCESSING	1,433.60
<b>Total no subcodes</b>	<b>11,541.94</b>
<b>519 Annual Assessment Total</b>	<b>11,541.94</b>
<b>520 Computer System</b>	
<b>520, No Subcodes</b>	
561900.3 - COMPUTER SYSTEM EXP	19,236.06
561900.4 - COMPUTER SYSTEM EXP	12,616.15
561900.5 - COMPUTER SYSTEM EXP	7,843.34
<b>Total no subcodes</b>	<b>39,695.55</b>
<b>520 Computer System Total</b>	<b>39,695.55</b>
<b>521 Bank Charges</b>	
<b>521, No Subcodes</b>	
561901.3 - BANK CHARGES EXP	7,979.08

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	<b>Adjusted Balance Jun 30, 2016</b>
561901.4 - BANK CHARGES EXP	6,989.35
561901.5 - BANK CHARGES	4,977.78
564000.3 - INVESTMENT EXP	450.80
564000.4 - INVESTMENT EXPENSE	438.20
564000.5 - INVESTMENT EXPENSE	363.00
<b>Total no subcodes</b>	21,198.21
<b>521 Bank Charges Total</b>	21,198.21
<b>522 Community Outreach</b>	
<b>522, No Subcodes</b>	
563002.3 - COMMUNITY OUTREACH EXP	5,990.41
563002.4 - COMMUNITY OUTREACH EXP	5,990.42
<b>Total no subcodes</b>	11,980.83
<b>522 Community Outreach Total</b>	11,980.83
<b>523 Operating Study</b>	
<b>523, No Subcodes</b>	
569800.3 - OPERATING STUDY-SAWPA	12,293.00
<b>Total no subcodes</b>	12,293.00
<b>523 Operating Study Total</b>	12,293.00
<b>524 Map Updating</b>	
<b>524, No Subcodes</b>	
569801.3 - MAP UPDATING EXP	0.00
569801.4 - MAP UPDATING EXP	0.00
<b>Total no subcodes</b>	0.00
<b>524 Map Updating Total</b>	0.00
<b>600 Contra Account</b>	
<b>600, No Subcodes</b>	
401101.3 - MONTHLY SERVICE CHARGE-ID#1	(129,198.00)
401102.3 - MONTHLY SERVICE CHARE-ID#2	(146,142.00)
566000.1 - OPERATING CHARGE ID #1	129,198.00
566000.2 - OPERATING CHARGE ID #2	146,142.00
<b>Total no subcodes</b>	0.00
<b>600 Contra Account Total</b>	0.00
<b>Financial Statements Total</b>	0.00
<b>Profit/(Loss)</b>	1,919,787.88