WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Achievements in Water Independence

Annual Comprehensive Financial Report For the Years Ended June 30, 2021 and 2020

Annual Comprehensive Financial Report
Water Replenishment District of Southern California
For the Years Ended June 30, 2021 and 2020
With Independent Auditor's Report

Prepared by: Finance Department

Our Mission Statement

“To provide, protect and preserve safe and reliable high quality groundwater”

Water Replenishment District of Southern California
Board of Directors as of June 30, 2021

Name	Division	Title	Elected/ Appointed	Current Term
John D. S. Allen	3	President	Elected	01/19 – 01/23
Sergio Calderon	4	Vice President	Elected	01/19 – 01/23
Willard H. Murray, Jr.	1	Secretary	Elected	01/19 – 01/23
Robert Katherman	2	Treasurer	Elected	01/21 – 01/25
Vera Robles-DeWitt	5	Director	Elected	01/21 – 01/25

Water Replenishment District of Southern California
Stephan D. Tucker, General Manager
4040 Paramount Boulevard
Lakewood, California 90712
(562) 921-5521
www.wrd.org

(This page intentionally left blank)

(This page intentionally left blank)

INTRODUCTORY SECTION
(Unaudited)

(This page intentionally left blank)

December 2, 2021

The Honorable Board of Directors of the
Water Replenishment District (WRD) of Southern California

State law requires that every general-purpose government agency publish within six months of the close of each fiscal year a complete set of audited financial statements. This report satisfies that requirement for the fiscal year ending on June 30, 2021.

Management assumes sole responsibility for the completeness, reliability and integrity of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. The primary objective is to provide WRD governance and stakeholders a reasonable, rather than absolute, assurance the financial statements are not subject to or affected by any material misstatements.

The Vasquez & Company LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Water Replenishment District of Southern California (WRD)'s financial statements for the fiscal year ending on June 30, 2021. The Independent Auditor's report precedes the Management Discussion and Analysis (MD&A) section of this report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements and should be read in conjunction with this letter of transmittal.

The District has one blended component unit (see Notes to the Financial Statement, note 1) with a fiscal year ending on June 30. Accordingly, the Southern California Water Replenishment Financing Corporation is presented as a blended component unit of the District.

Profile of the District

The District is a special water district that was established in 1959 by popular vote to counteract the effects of over pumping of groundwater from two major groundwater basins in Los Angeles County. It is the only replenishment district in California operating under the provisions of the California Water Code, Section 60000 et seq., which specifically governs water replenishment district. The District was formed in response to a history of over pumping of the Basins which caused wells to go dry and seawater to intrude into the potable water aquifers.

The District manages the Central and West Coast groundwater basin (collectively, the "Basins") which provide groundwater for approximately four million residents in 43 cities of southern Los Angeles County (County). The District protects the Basins by replenishing the groundwater, deterring sea water intrusion and removing contaminants from the groundwater. The District serves as the groundwater manager for the Basins, in accordance with the adjudications of the Basins and is bound by the Baldwin, Whittier, and Merced Hills to the north, the Orange County line to the east, and the Pacific Ocean to the south and west. It lies entirely within Los Angeles County and serves 43 cities, including Los Angeles, Long Beach, Downey, and Torrance. The approximately 420 square mile service area uses about 220,000 acre-feet of groundwater per year.

The District's mission is "to provide, protect and preserve safe and sustainable high quality groundwater". Although the District does not directly serve customers, it ensures the health of the groundwater basins, so groundwater supplies are available to those with water rights to those basins, such as the cities that supply water to their residents. According to District estimates, in the past nearly 40 percent of the water consumed by the area served by the District comes from groundwater sources. Due to the drought and conservation, the percentage is now closer to 50 percent. The remaining amount comes from water imported from the Colorado River and Northern California.

The District was originally established to oversee the replenishment of groundwater levels in the Central and West Coast groundwater basins of Los Angeles County. The need for an entity to perform this function had become clear by the 1950s. The increasing population of the Los Angeles area during the early part of this century had overwhelmed the area's limited sources of surface water, so communities, private water companies, and businesses began pumping water out of the groundwater basins. Since the natural inflow to the groundwater basins relies primarily on rainfall that averages only 14 inches per year, it was not long before the pumping outstripped the basins' ability to recharge themselves through natural means. As the groundwater levels continued to go down, some wells went dry and saltwater intruded into the basins' coastal areas, causing wells to be abandoned.

The West Basin Water Association was formed in 1947, and the Central Basin Water Association was formed in 1952. These associations developed a plan to provide supplemental water to their members, limit groundwater extraction from the basins, and create a means to provide groundwater pumping rights to users who lacked access to other supplemental water supplies. At about the same time, the entities went to court seeking specific assignments for groundwater rights. In 1956 and 1961, the court awarded varying amounts of groundwater rights to several of the entities. During fiscal year 1997/98, 150 parties to these judgments held a total of 217,367 acre-feet of water rights in the Central Basin, and 68 parties held a total of 64,468 acre-feet of water rights in the West Coast Basin. Since water rights are property rights, they can be bought and sold.

By law, the District has broad authority to carry out its responsibilities, which include the purchase of water to replenish the basins, administering clean water programs and investing in projects intended to improve the reliable supply of clean water at a reasonable cost. In addition, the District operates several clean water programs under the authority of 1991 legislation that broadened its mission to include the detection, prevention, and removal of contaminants in the groundwater. In response to this legislation, the District has established programs to monitor water quality, remove containments, and mitigate saltwater intrusion.

Local Economy

The District office, located in Los Angeles County, California's most populous county, with over 10 million residents in 88 cities spread across 4,100 square miles; Los Angeles (LA) County's population exceeds that of 43 states. LA boasts a workforce of more than 5.1 million people and is the nation's largest manufacturing center. LA County's economy is supported by a diverse group of industries, including entertainment, health services, education, high-tech research and development, professional fields such as architecture and engineering, and construction. At the onset of 2020, LA County was enjoying a long and unprecedented expansionary period where the economy was strong. In March 2020, the COVID-19 pandemic brought business and life to a grinding halt. In a typical economic recession, the contraction may take place over several quarters, but the COVID-19 disruption hit in just a matter of weeks. On March 19, 2020, California Governor Gavin Newsom issued a "Stay-at-Home Order", which required all individuals statewide to remain at their place of residence and social distancing measures were enacted across the state. All non-essential businesses were mandated to close. The shutdown of restaurants, retail stores and other non-essential businesses left many workers unemployed.

LA County experienced a significant downturn in economic activities. As the number of COVID-19 cases surged in March and April of 2020, LA County lost 716,000 jobs. The summer of 2020 yielded marginal relief; with COVID-19 case numbers declining, and a corresponding relaxation on restrictions. Nearly 30% of the 716,000 jobs lost in LA County were recovered by September 2020.

According to Beacon Economics, the Leisure and Hospitality sector in LA County is struggling the most, with a drop in open businesses of around 50% compared to January 2020. Professional and Business Services is the best performing sector, with a drop of 24.8% in open small businesses compared to a year ago.

The California seasonally adjusted unemployment rate was 7.7% in June 2021 and 14.1% a year ago in June 2020. The comparable estimates for the nation were 5.9% in June 2021 and 11.1% a year ago. The seasonally adjusted unemployment rate in LA County declined to 10.6% in June 2021 and was below the rate of 17.9% one year ago. Civilian employment increased by 10,000 to 4,569,000 in June 2021, while unemployment declined by 5,000 to 542,000. The civilian labor force increased by 5,000 over the month to 5,111,000 in June 2021.

In California, the leisure and hospitality sector will be the last to recover because of the depth of decline during recession and its reliance on tourism. Recovery will be faster in residential construction, as California's shortage of housing drives new developments. The COVID-19 pandemic devastated every business sector in 2020. However, Government action through the Paycheck Protection Program, extended unemployment insurance and stimulus checks helped bolstered the economy, setting the stage for a rebound as vaccinations continue and the pandemic subsides. With the reopening of the U.S. economy, the UCLA Anderson Forecast anticipates annual 6.3% real GDP growth in 2021, 4.6% growth in 2022 and 2.7% growth in 2023.

While the anticipated economic recovery is good news, there are still some challenging factors that could impact the local economy. New waves of COVID-19 infection, variants, or a failure of vaccines to reduce the spread could curtail the progress made so far and delay the recovery to pre-pandemic levels. As LA County transitions from the pandemic to community and economic recovery, a healthy economy prior to the pandemic offers an optimistic post-pandemic economic recovery outlook in 2022. It will take time to determine how the LA region recovers, and which industries will be at the forefront of the rebuilding process.

Relevant Financial Policies

Internal Control Structure

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

Investment Policy

The Board of Directors annually adopts an investment policy that conforms to California State law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The Investment Policy's objectives are safety, liquidity, and yield. District funds are normally invested in the State Treasurer's Local Agency Investment Fund, Certificates of Deposit, Government Agency Obligations or other specifically authorized investments.

Replenishment Assessment

Following several public budget workshops, the WRD Board of Directors voted to increase the Fiscal Year 2021 Replenishment Assessment to $382.00 per acre-foot. Despite rising operating costs, the District managed to stay the course through general belt-tightening and a conscious decision to reduce purchases for increasingly expensive imported water in favor of more cost-effective local supply.

Fitch Ratings and Standard & Poor's affirms WRD's AA+ Debt Rating
Reflecting confidence in WRD's financial stability and management, both major rating agencies assigned AA+ long-term rating to the 2018 Replenishment Assessment Revenue Bonds, which is at or near the top rating for water agencies in the state.

District Achievements
This was an exceptionally productive year for the Water Replenishment District of Southern California. The Albert Robles Center for Water Recycling and Environmental Learning (ARC) has been awarded the Leadership and Environmental Design (LEED) Platinum certification, the highest rating offered to environmentally sustainable buildings.

ARC achieved the certification through a planned effort to obtain the highest score possible from the outset. The site has 995 solar panels that reduce carbon dioxide emissions and power the learning center. Outdoor landscaping reduces water costs by 60 percent through an efficient low flow irrigation system using recycled water. At least 20 percent of the building's construction is derived from recycled content and over 20 percent of those materials are locally sourced. Thoughtfully designed windows minimize the need for electric lighting and create energy savings. In addition, the biggest achievement of ARC is that it produces 14 million gallons a day of advanced treated water to replenish groundwater resources in the region.

With respect to the brackish water, the District and seven stakeholder partners including the West Basin Municipal Water District have completed a study that outlines the technical challenges and solutions to the saline plume. Environmental documentation for a proposed Regional Brackish Water Reclamation project is underway and a plausible location for a major desalter has been identified. As is the case with the Robert W. Goldsworthy Desalter, treated water will be a potable water supply that can offset imported supply.

Water taken out and treated will need to be replaced and effectively put into storage. There are two options. The District and the Los Angeles Department of Water and Power are developing a Joint Los Angeles Basin Master Plan. A key provision of that plan is to figure out how to store up to 200,000 acre-feet of water from the Hyperion Water Reclamation Plant, conceivably in both basins. Plans to advance treat Hyperion water are well underway. A second option will be to take and store up to 150,000 acre-feet of advanced treated water from the Joint Water Pollution Control Plant in Carson. The Metropolitan Water District (MWD) and the Los Angeles County Sanitation Districts have completed a demonstration project documenting the feasibility of treating the water. The District is providing groundwater modeling to MWD to assess storage opportunities in both basins from a technical standpoint.

Additionally, the District has an unused annual allocation from the County Sanitation Districts of 10,000 acre-feet of tertiary water from the Los Coyotes Water Reclamation Plant. The idea is to deliver that water to the Leo J. Vander Lans Advanced Water Treatment Facility for treatment to advanced standards. The treated water would then be injected into inland injection wells in the Central Basin. The District does not need this water for replenishment, so the objective would be to develop a storage and water rights augmentation program for participating pumpers.

While all these projects carry significant capital price tags, once built, the water produced will be less costly than water imported from distant places. More importantly, they will provide a reliable, sustainable local supply to drought-proof the region and protect against the vulnerabilities of imported supply.

Awards and Acknowledgements
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the sixteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

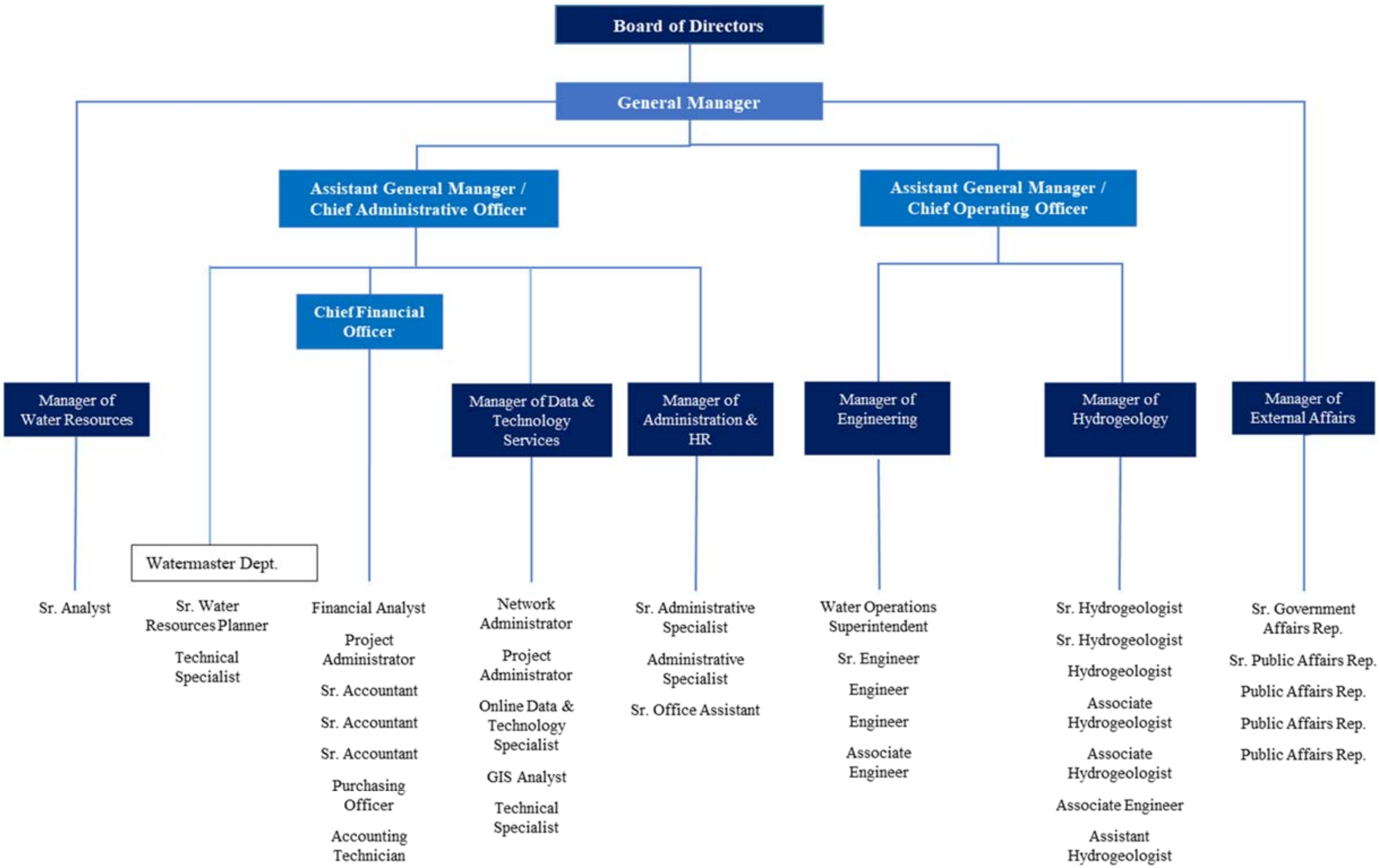
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Water Replenishment District of Southern California's fiscal policies.

Respectfully submitted,

Gregory J. Black
Interim Chief Financial Officer
Water Replenishment District of Southern California

Organizational Chart
(2021)



45 Total Full Time Equivalent (FTE) positions
(41 funded by WRD Replenishment Assessment + 4 funded by Watermaster)


NEWPORT INGLEWOOD UPLIFT
DIVISION 1
DIVISION 2
DIVISION 3
DIVISION 4
DIVISION 5
WEST COAST GROUNDWATER BASIN
CENTRAL GROUNDWATER BASIN
GOLDSWORTHY DESALTER
ALBERT ROBLES CENTER
LEO J. VANDER LANS ADVANCED WATER TREATMENT FACILITY
West Coast Barrier
Dominguez Gap Barrier
Alamitos Barrier
Montebello Forebay Spreading Grounds
Los Angeles
Culver City
El Segundo
Manhattan Beach
Hermosa Beach
Redondo Beach
Inglewood
Hawthorne
Lawndale
Gardena
Torrance
Lomita
Palos Verdes Estates
Rolling Hills Estates
Rolling Hills
Rancho Palos Verdes
Carson
Compton
Vernon
Maywood
Huntington Park
Bell
Cudahy
Bell Gardens
South Gate
Lynwood
Downey
Paramount
Bellflower
Lakewood
Signal Hill
Long Beach
Monterey Park
Montebello
Commerce
Pico Rivera
Whittier
La Habra Heights
Sante Fe Springs
Norwalk
La Mirada
Cerritos
Artesia
Hawaiian Gardens

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Water Replenishment District of Southern California

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

(This page intentionally left blank)

Vasquez & Company LLP
Certified Public Accountants and Business Consultants

655 N Central Avenue, Suite 1550
Glendale, CA 91203
Ph. (213) 873-1700
Fax (213) 873-1777
www.vasquezcpa.com

OFFICE LOCATIONS:
Los Angeles
Sacramento
San Diego
Manila

Independent Auditor's Report

The Honorable Members of the Board
Water Replenishment District of Southern California

Report on the Financial Statements

We have audited the accompanying financial statements of the Water Replenishment District of Southern California (the District), which comprise the statements of net position as of June 30, 2021 and 2020, the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements (collectively, the basic financial statements).

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 an opinion 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, the State Controller's Minimum Audit Requirements for California Special Districts 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021 and 2020, and the changes in its financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, and the required supplementary information on pages 73 through 78, 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 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 2, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vasquez & Company LLP

Glendale, California
December 2, 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Water Replenishment District of Southern California (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased by 12.5% or $17,798,415 from $142,705,922 in fiscal year 2020 to $160,504,337 in fiscal year 2021. Net position increased by 5.0% or $6,761,558 from $135,944,364 in fiscal year 2019 to $142,705,922 in fiscal year 2020.

- The District's total operating revenues increased by 11.4% or $8,380,741 from $73,228,665 in fiscal year 2020 to $81,609,406 in fiscal year 2021.

- The District's total expenses increased by 1.0% or $804,823 from fiscal year 2020 to 2021. This was primarily due to the following:

  - Operating expenses including cost of water injection, water in-lieu, connection fees, and depreciation expense decreased by $1.5 million; but was offset by $2.3 million increase in non-operating expenses.

- From fiscal year 2019 to 2020, the District's total expenses increased by 12.7% or $9,206,171 primarily due to the following:

  - Operating expenses including cost of water injection, water in-lieu, connection fees, administrative cost and depreciation expense increased by $9.3 million; but was offset by $118 thousand decrease in non-operating expenses on the Replenishment Assessment Revenue Bonds, Series 2015 and 2018.

Required Financial Statements

This annual report includes the basic financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District.

The Statement of Net Position includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate fiscal stability and creditworthiness.

The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, noncapital financing, and capital and related financing activities.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. One can think of the District's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - as a way 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, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation, such as changes in Federal and State water quality standards.

Statements of Net Position

Condensed Statements of Net Position

	June 30, 2021	June 30, 2020	Change Amount	Change %	June 30, 2019	Change Amount	Change %
Current assets	$ 109,375,918	$ 105,996,252	$ 3,379,666	3.2	$ 89,002,717	$ 16,993,535	19.1
Restricted assets	53,214,216	60,086,871	(6,872,655)	-11.4	79,024,759	(18,937,888)	-24.0
Other noncurrent assets	1,291,836	1,498,922	(207,086)	-13.8	118,083	1,380,839	1169.4
Capital assets, net	334,366,959	326,784,477	7,582,482	2.3	301,184,433	25,600,044	8.5
Total assets	498,248,929	494,366,522	3,882,407	0.8	469,329,992	25,036,530	5.3
Deferred outflows of resources	5,766,180	7,345,834	(1,579,654)	-21.5	8,645,711	(1,299,877)	-15.0
Current liabilities	26,249,247	33,603,826	(7,354,579)	-21.9	32,448,501	1,155,325	3.6
Noncurrent liabilities	317,074,759	325,037,968	(7,963,209)	-2.4	309,305,277	15,732,691	5.1
Total liabilities	343,324,006	358,641,794	(15,317,788)	-4.3	341,753,778	16,888,016	4.9
Deferred inflows of resources	186,766	364,640	(177,874)	-48.8	277,561	87,079	31.4
Net position							
Net investment in capital assets	80,503,245	69,050,712	11,452,533	16.6	67,639,056	1,411,656	2.1
Restricted for debt service	-	-	-	0.0	1,675,642	(1,675,642)	100.0
Unrestricted	80,001,092	73,655,210	6,345,882	8.6	66,629,666	7,025,544	10.5
Total net position	$ 160,504,337	$ 142,705,922	$ 17,798,415	12.5	$ 135,944,364	$ 6,761,558	5.0

As noted earlier, over time, changes in net position may serve as a useful indicator of a government's financial condition. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $160.5 million and $142.7 million as of June 30, 2021 and 2020, respectively.

Total assets increased $3.9 million or 0.8% in the current year primarily due to increase in replenishment assessment rate and increase in capital expenses for various projects during the year.

Total liabilities decreased by $15.3 million or -4.3% due to the payments made to loans during the year and the amortization of bond premium.

At the end of fiscal years 2021 and 2020, the District shows a positive balance in unrestricted net position of $80.0 million and $73.7 million, respectively.

Statements of Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Years Ended June 30,		Change		Year ended	Change	
	2021	2020	Amount	%	2019	Amount	%
Revenues:							
Operating revenues	$ 81,609,406	$ 73,228,665	$ 8,380,741	11.4	$ 69,700,370	$ 3,528,295	5.1
Nonoperating revenues							
Property taxes	808,891	744,972	63,919	8.6	717,812	27,160	3.8
Interest and investment earnings	53,882	862,544	(808,662)	(93.8)	940,725	(78,181)	(8.3)
Other, net	4,457,355	7,286,361	(2,829,006)	(38.8)	2,841,726	4,444,635	156.4
Total revenues	86,929,534	82,122,542	4,806,992	5.9	74,200,633	7,921,909	10.7
Expenses							
Operating expenses	67,985,088	69,522,721	(1,537,633)	(2.2)	60,198,870	9,323,851	15.5
Nonoperating expenses	14,299,510	11,957,054	2,342,456	19.6	12,074,734	(117,680)	(1.0)
Total expenses	82,284,598	81,479,775	804,823	1.0	72,273,604	9,206,171	12.7
Income before capital contributions	4,644,936	642,767	4,002,169	622.6	1,927,029	(1,284,262)	(66.6)
Capital contributions - capital grants	13,153,479	6,118,791	7,034,688	115.0	9,740,625	(3,621,834)	(37.2)
Change in net position	17,798,415	6,761,558	11,036,857	163.2	11,667,654	(4,906,096)	(42.0)
Net position - beginning of year	142,705,922	135,944,364	6,761,558	5.0	124,276,710	11,667,654	9.4
Net position - end of year	$ 160,504,337	$ 142,705,922	$ 17,798,415	12.5	$ 135,944,364	$ 6,761,558	5.0

The Statement of Revenues, Expenses and Changes in Net Position shows how the District's net position changed during the fiscal year. The net position increased $17.8 million and $6.8 million during the fiscal years ended June 30, 2021 and 2020, respectively. In fiscal year 2021, the increase in net position is due to total revenues of $86.9 million exceeding total expenses of $82.3 million with capital contributions of $13.1 million. In fiscal year 2020, the increase in net position is due to total revenues of $82.1 million exceeding total expenses of $81.5 million with capital contributions of $6.1 million.

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

In fiscal year 2021, total revenues increased $4.8 million and total expenses increased $805 thousand for a net increase in income before capital contributions of $4.0 million. The District also saw an increase in capital contributions of $7.0 million for a net increase in change in net position for 2021 of $11.0 million.

In fiscal year 2020, total revenues increased $7.9 million and total expenses increased $9.2 million for a net decrease in income before capital contributions of $1.3 million. The District also saw a decrease in capital contributions of $3.6 million for a net decrease in change in net position for 2020 of $4.9 million.

Operating Revenues

	2021	2020	Change	2019	Change
Operating Revenues:					
Water replenishment assessment	$ 76,161,044	$ 70,948,823	$ 5,212,221	$ 68,007,111	$ 2,941,712
Desalter assessments	1,925,675	1,114,275	811,400	1,138,025	(23,750)
Water treatment subsidies	2,047,303	758,496	1,288,807	497,799	260,697
Other operating income	1,475,384	407,071	1,068,313	57,435	349,636
Total operating revenues	$ 81,609,406	$ 73,228,665	$ 8,380,741	$ 69,700,370	$ 3,528,295

Total operating revenues increased by $8.4 million from $73.2 million in fiscal year 2020 to $81.6 million in fiscal year 2021 primarily due to increased pumping activities and the rate increase during the year.

Total operating revenues increased by $3.5 million from $69.7 million in fiscal year 2019 to $73.2 million in fiscal year 2020 primarily due to increased pumping activities in Central Basin and West Coast Basin.

Operating Expenses - Water Supply Management Expenses

	2021	2020	Change	2019	Change
Water supply management:					
Water purchases - injecting	$ 27,176,259	$ 28,475,096	$ (1,298,837)	$ 24,286,777	$ 4,188,319
Water purchases - spreading	4,662,502	4,591,197	71,305	7,688,844	(3,097,647)
Water in-lieu	-	2,532,344	(2,532,344)	-	2,532,344
Connection fees	2,299,044	2,213,180	85,864	2,036,791	176,389
Total water supply management expenses	$ 34,137,805	$ 37,811,817	$ (3,674,012)	$ 34,012,412	$ 3,799,405

Water purchases make up the majority of the District's total operating expenses which saw a decrease of $3.7 million over the prior fiscal year. The main reason for the change was due to lesser imported water purchased at West Coast and Dominguez Gap barriers during the year.

Capital Assets

At June 30, 2021 and 2020, the District's investment in capital assets amounted to \$334.4 million and \$326.8 million (net of accumulated depreciation), respectively. This investment in capital assets includes land, utility plant, monitoring and injection equipment, service connections, office furniture and equipment, and construction-in-progress. Major capital asset additions during fiscal year 2021 and 2020 include expenditures related to the Albert Robles Center for Water Recycling and Environmental Learning, Leo J. Vander Lans Advanced Water Treatment Facility Expansion Project, Goldsworthy Desalter and the Regional Groundwater Monitoring Program.

The capital assets of the District are summarized below and more fully analyzed in Note 5 – Capital Assets to the Basic Financial Statements.

	Balance July 1, 2020	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2021
Non-depreciable assets	$ 233,301,165	$ 12,234,906	$ (174,559,838)	$ 70,976,233
Depreciable assets	142,710,351	174,665,678	-	317,376,029
Accumulated depreciation	(49,227,039)	(4,758,264)	-	(53,985,303)
Capital assets, net	$ 326,784,477	$ 182,142,320	$ (174,559,838)	$ 334,366,959

	Balance July 1, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Non-depreciable assets	$ 202,877,455	$ 30,423,710	$ -	$ 233,301,165
Depreciable assets	142,711,780	-	(1,429)	142,710,351
Accumulated depreciation	(44,404,802)	(4,822,237)	-	(49,227,039)
Capital assets, net	$ 301,184,433	$ 25,601,473	$ (1,429)	$ 326,784,477

Long-Term Debt

At June 30, 2021 and 2020, the District had long-term debt of $301.5 million and $308.5 million respectively. See Note 8 – Long-Term Debt to the Basic Financial Statements for further details.

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Replenishment Assessment Revenue Bonds				
Series 2015	$ 139,335,000	$ -	$ (2,690,000)	$ 136,645,000
Add: Unamortized premium	20,074,752	-	(800,322)	19,274,430
Series 2018	65,785,000	-	(1,035,000)	64,750,000
Add: Unamortized premium	9,374,593	-	(333,813)	9,040,780
Clean Water State Revolving Fund Loan	73,960,352	-	(2,212,332)	71,748,020
Total long-term debt	$ 308,529,697	$ -	$ (7,071,467)	$ 301,458,230

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Replenishment Assessment Revenue Bonds				
Series 2015	$ 141,895,000	$ -	$ (2,560,000)	$ 139,335,000
Add: Unamortized premium	20,875,074	-	(800,322)	20,074,752
Series 2018	65,785,000	-	-	65,785,000
Add: Unamortized premium	9,708,406	-	(333,813)	9,374,593
Clean Water State Revolving Fund Loan	65,782,463	10,473,561	(2,295,672)	73,960,352
Total long-term debt	$ 304,045,943	$ 10,473,561	$ (5,989,807)	$ 308,529,697

Requests for Information

This Annual Comprehensive Financial Report is designed to provide customers, stakeholders and other interested parties with an overview of the District's financial operations and overall financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Chief Financial Officer at 4040 Paramount Boulevard, Lakewood, California 90712.

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

	June 30	
	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	**$ 77,306,235**	$ 81,391,632
Receivables:		
Water replenishment assessments	**31,914,791**	24,459,952
Grants receivable	**9,277**	5,133
Note receivable - due within one year	**139,535**	139,535
Prepaid items and deposits	**6,080**	-
Total current assets	**109,375,918**	105,996,252
Noncurrent assets		
Restricted cash and cash equivalents	**53,214,216**	60,086,871
Note receivable - due within one year	**1,220,930**	1,360,465
Net pension asset	**70,906**	138,457
Capital assets:		
Nondepreciable	**70,976,233**	233,301,165
Depreciable, net of accumulated depreciation	**263,390,726**	93,483,312
Capital assets, net	**334,366,959**	326,784,477
Total noncurrent assets	**388,873,011**	388,370,270
Total assets	**498,248,929**	494,366,522
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on debt refunding	**173,871**	2,260,317
Deferred outflows related to pensions	**2,535,303**	2,293,718
Deferred outflows related to OPEB	**3,057,006**	2,791,799
Total deferred outflows of resources	**5,766,180**	7,345,834

See notes to the financial statements.

LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	**$ 7,152,986**	$ 10,102,939
Accrued wages and related payables	**150,811**	115,146
Retention payable	**235,983**	5,994,778
Deposits payable	**1,372,996**	479,879
Interest payable	**4,412,032**	4,497,425
Unearned revenue	**5,046,262**	5,055,861
Compensated absences - due within one year	**595,925**	286,331
Long-term debt - due within one year	**7,282,252**	7,071,467
Total current liabilities	**26,249,247**	33,603,826
Noncurrent liabilities		
Accounts payable and accrued expenses - due in more than one year	**10,160,189**	11,479,535
Compensated absences, due in more than one year	**674,470**	511,778
Long-term debt, due in more than one year	**294,175,978**	301,458,230
Net pension liability	**5,992,089**	5,414,574
Net OPEB liability	**6,072,033**	6,173,851
Total noncurrent liabilities	**317,074,759**	325,037,968
Total liabilities	**343,324,006**	358,641,794
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	**115,091**	308,551
Deferred inflows related to OPEB	**71,675**	56,089
Total deferred inflows of resources	**186,766**	364,640
NET POSITION		
Net position		
Net investment in capital assets	**80,503,245**	69,050,712
Unrestricted	**80,001,092**	73,655,210
Total net position	**$ 160,504,337**	$ 142,705,922

See notes to the financial statements.

	Years ended June 30, 2021	2020
Operating revenues		
Water replenishment assessments	**$ 76,161,044**	$ 70,948,823
Desalter assessments	**1,925,675**	1,114,275
Water treatment subsidies	**2,047,303**	758,496
Other operating income	**1,475,384**	407,071
Total operating revenues	**81,609,406**	73,228,665
Operating expenses		
Water supply management:		
Water purchases - injecting	**27,176,259**	28,475,096
Water purchases - spreading	**4,662,502**	4,591,197
Water in-lieu	**-**	2,532,344
Connection fees	**2,299,044**	2,213,180
General and administrative	**29,089,019**	26,888,667
Depreciation and amortization	**4,758,264**	4,822,237
Total operating expenses	**67,985,088**	69,522,721
Net Operating Income	**13,624,318**	3,705,944
Nonoperating Revenues (Expenses)		
Property taxes	**808,891**	744,972
Interest and investment earnings	**53,882**	862,544
Interest expense and fiscal charges	**(11,730,855)**	(11,957,054)
Election costs	**(2,568,655)**	-
Loss on disposal of capital assets	**-**	-
Other revenues	**4,457,355**	7,286,361
Total nonoperating revenues (expenses)	**(8,979,382)**	(3,063,177)
Capital Contributions		
Capital contributions from other government	**13,153,479**	6,118,791
Total capital contributions	**13,153,479**	6,118,791
Changes in Net Position	**17,798,415**	6,761,558
Net Position		
Beginning of year	**142,705,922**	135,944,364
End of year	**$ 160,504,337**	$ 142,705,922

See notes to the financial statements.

		Years ended June 30,		
		2021		2020
Cash Flows From Operating Activities:				
Cash received from water assessments and subsidies	**$**	**74,154,567**	$	72,126,951
Cash paid to vendors and suppliers for materials and services		**(62,519,740)**		(43,420,736)
Cash paid to employees for salaries and wages		**(7,395,162)**		(7,757,649)
Net cash provided by operating activities		**4,239,665**		20,948,566
Cash Flows From Noncapital Financing Activities:				
Cash paid for election expenses		**(2,568,655)**		-
Proceeds from other nonoperating revenue (expense), net		**4,457,355**		7,286,361
Proceeds from property taxes		**808,891**		744,972
Net cash provided by noncapital financing activities		**2,697,591**		8,031,333
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets		**(12,340,746)**		(30,422,281)
Proceeds from issuance of debt, net		**-**		10,473,561
Repayment of bonds payable		**(5,937,332)**		(4,855,672)
Interest payment		**(12,950,384)**		(12,777,994)
Proceeds from capital contributions - capital grants		**13,139,737**		6,094,012
Net cash used in capital and related financing activities		**(18,088,725)**		(31,488,374)
Cash Flows From Investing Activities:				
Interest received		**53,882**		862,544
Issuance of notes receivable		**-**		(1,500,000)
Collection of notes receivable		**139,535**		308,420
Net cash provided by (used in) investing activities		**193,417**		(329,036)
Net Change in Cash and Cash Equivalents		**(10,958,052)**		(2,837,511)
Cash and Cash Equivalents:				
Beginning of year		**141,478,503**		144,316,014
End of year	**$**	**130,520,451**	$	141,478,503
Financial Statement Presentation:				
Cash and cash equivalents	**$**	**77,306,235**	$	81,391,632
Restricted assets - cash and cash equivalents		**53,214,216**		60,086,871
Total cash and cash equivalents	**$**	**130,520,451**	$	141,478,503
Noncash Activities from Capital and Related Financing Activities				
Increase in loans payable attributed to accrued interest	**$**	**-**	$	-
Loss on disposal of capital assets	**$**	**-**	$	**-**

See notes to the financial statements.

		Years ended June 30,		
		2021		2020
Reconciliation of operating income to net cash Provided By Operating Activities:				
Net operating income	**$**	**13,624,318**	$	3,705,944
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation		**4,758,264**		4,822,237
Changes in operating assets, liabilities, and deferred outflows/inflows of resources				
(Increase) decrease in:				
Water replenishment assessments receivable, net		**(7,454,839)**		(1,101,714)
Prepaid items and deposits		**(6,080)**		39,120
Increase (decrease) in:				
Accounts payable and accrued expenses		**(4,269,299)**		10,194,876
Retention payable		**(5,758,795)**		351,893
Deposits payable		**893,117**		479,879
Pensions and other postemployment benefits related deferred outflows of resources		**1,579,654**		1,299,877
Pensions and other postemployment benefits related deferred inflows of resources		**(177,874)**		87,079
Accrued wages and related payables		**35,665**		(229,492)
Net pension liabilities		**645,066**		521,545
Net other postemployment benefits liability		**(101,818)**		525,012
Compensated absences		**472,286**		252,310
Net cash provided by operating activities	**$**	**4,239,665**	$	20,948,566

See notes to the financial statements.

Note 1 Reporting Entity

The Water Replenishment District of Southern California (the "District") was formed by a vote of the people in 1959 for the purpose of protecting the groundwater resources of the Central and West Coast groundwater basins in Southern Los Angeles County. The District provides groundwater management for four million residents in 43 cities of Southern Los Angeles County (the "County"). The District was formed in response to a history of over pumping of the basins, which caused wells to go dry and seawater to intrude into the potable water aquifers. The District's principal funding mechanisms include a water replenishment assessment on all the pumping from the groundwater basins and a general tax assessment in the form of a tax levy upon the real property and improvements within the County. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

Blended Component Unit

As required by U.S. GAAP, these financial statements present the District and its blended component units. The component units, although legally separate entities are, in substance, part of the District's operations and so data from these units are combined with data of the District.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Management determined that the following component unit should be blended based on the criteria above:

Note 1 Reporting Entity (Continued)

Southern California Water Replenishment Financing Corporation

The Southern California Water Replenishment Financing Corporation ("Corporation") was incorporated on March 11, 1999. The Corporation is a California nonprofit public benefit corporation formed to assist the District by acquiring, constructing, operating and maintaining facilities, equipment, or other property needed by the District and leasing or selling such property to the District and as such has no employees or other operations. Although the Corporation is a legally separate entity, it is included as a blended component unit of the District, as it is in substance a part of the District's operations. No separate financial statements are prepared for the Corporation.

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.

Note 2 Summary of Significant Accounting Policies (Continued)

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

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of managing the groundwater basins on a continuing basis are financed or recovered primarily through user charges (water replenishment assessments), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues from water replenishment assessments are recognized in the accounting period in which related costs or charges associated with the rates assessed are incurred. Expenses are recognized in the period incurred.

Operating revenues, such as water replenishment assessments, result from exchange transactions associated with the District's principal activity. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as grant funding and investment income, result from non-exchange transactions, in which, the District gives or receives value without directly receiving or giving value in exchange. Operating expenses, such as water purchases, are the result of the District's exchange transactions along with associated expenses for running the District's day-to-day operations. Nonoperating expenses, such as interest paid on debt service or election costs every other year, are the result of expenses that do not relate to the District's day-to-day operations.

Cash, Cash Equivalents, and Investments

Whenever possible, the District's cash is invested in interest bearing accounts. However, the safety and liquidity of the District's cash always takes priority over yield. The District considers all highly liquid investments with a maturity of 3 months or less to be cash equivalents.

Restricted Cash and Cash Equivalents

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.

Note 2 Summary of Significant Accounting Policies (Continued)

Water Replenishment Assessments Receivable

The District extends credit to customers in the normal course of operations. Management closely monitors outstanding balances and, based on collection experience, has determined all water replenishment assessment receivables are collectible. Allowances for doubtful accounts at June 30, 2021 and 2020 was estimated at $0.

Grants Receivable

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a grant receivable on the statement of net position and as an intergovernmental revenue or a capital contribution on the statement of revenues, expenses and changes in net position.

Prepaid Items and Deposits

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

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $5,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. A provision for depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Service connections	50 years
Monitoring and injection equipment	3 - 20 years
Building and improvements	40 years
Improvements other than building	10 - 40 years
Machinery and equipment	10 - 20 years
Autos and trucks	3 - 7 years
Office furniture and equipment	5 - 10 years
Utility plant and equipment	30 years
Capacity rights	30 years

The District has evaluated prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management asserted that there were no impairments of capital assets as of June 30, 2021 and 2020.

Note 2 Summary of Significant Accounting Policies (Continued)

Unearned Revenue

Unearned revenue are reported for resources received before the eligibility requirements are met (excluding time requirements).

Deferred Outflows of Resources and Deferred Inflows of Resources

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; 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; therefore, are not recognized as a revenue until that time.

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by the Federal and State granting agencies.

Compensated Absences

The District's policy is to permit employees to accumulate a limited amount of earned vacation and sick leave. Sick leave is payable when an employee is unable to work because of illness. Upon termination, an employee will be paid for any unused sick leave. Accumulated vacation time is accrued at year-end to account for the District's obligation to the employees for the amount owed.

It is management's belief that the majority of the obligation will be utilized during the course of the next fiscal year. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses include amounts payable to vendors including the wastewater connection fees payable to the County of Los Angeles Sanitation Districts with outstanding balance at June 30, 2021 and 2020 of $11.5 million and $12.8 million, respectively.

Note 2 Summary of Significant Accounting Policies (Continued)

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.

Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pension, 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. 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.

The following timeframes are used for pension reporting:

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

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

Note 2 Summary of Significant Accounting Policies (Continued)

Pensions (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's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the 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 and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

The following timeframes are used for OPEB reporting:

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

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB 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.

Note 2 Summary of Significant Accounting Policies (Continued)

Net Position

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

Net Investment in Capital Assets – This component of net position consists of capital assets, unexpended proceeds of debt restricted to the financing of capital assets, and related deferred charges on refunding, net of accumulated depreciation and reduced by any related debt outstanding against the acquisition, construction or improvement of those capital assets.

Restricted – This component of net position consists of constraints placed on net position use through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.

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.

Property Taxes and Assessments

The County Assessor's Office assesses all real and personal property within the County each year. The County Tax Collector's Office bills and collects the District's share of property taxes and assessments.

The County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

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

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

Note 2 Summary of Significant Accounting Policies (Continued)

Water Replenishment Assessments

Water replenishment assessments are billed on a monthly basis and are recognized in the accounting period in which related costs or charges associated with the rates assessed are incurred.

Overhead Absorption

Certain operating expenses are allocated to capital assets using management's allocation of manpower and service estimates that are directly related to the construction of capital assets.

Use of Estimates

The preparation of the basic financial statements in accordance 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.

Implementation of New GASB Pronouncements

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance.* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

GASB Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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
Cash and cash equivalents	$	77,306,235	$	81,391,632
Restricted cash and cash equivalents		53,214,216		60,086,871
Total cash and cash equivalents	$	130,520,451	$	141,478,503

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

		2021		2020
Deposits with financial institutions	$	82,863,823	$	84,979,680
Investment		-		1,968,542
Investment with fiscal agent		47,656,628		54,530,281
Total cash and cash equivalents	$	130,520,451	$	141,478,503

Demand Deposits

Demand deposits are held in pool by the District. The carrying amounts of cash deposits were $82,863,823 and $84,979,680 at June 30, 2021 and 2020, respectively. Bank balance at June 30, 2021 and 2020 were $84,154,469 and $84,876,558, 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.

Note 3 Cash and Investments (Continued)

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

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury bills, bonds and notes	5 years	None	None
Bonds issued by Local Agencies or States	5 years	None	None
U.S. government sponsored agency securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% off base value	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	5 years	20%	10%
Mortgage Pass-Through Securities	5 years	None	None
Los Angels County Pooled Surplus Investment Fund	5 years	None	None
Local Agency Investment Fund (LAIF)	5 years	None	None

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.

Note 3 Cash and Investments (Continued)

Investments Authorized by Debt Agreements (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury bills, bonds and notes	None	None	None
U.S. government sponsored agency securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Investment Contracts	30 years	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 table that shows the distribution of the District's investments by maturity as of June 30, 2021 and 2020.

Investment Type	**2021** Remaining Maturity (in Years) Less Than 1 Year	2020 Remaining Maturity (in Years) Less Than 1 Year
Money market mutual funds	$ -	$ 1,968,542
Investments with fiscal agent:		
Money market mutual funds	**47,656,628**	54,530,281
Total	**$ 47,656,628**	$ 56,498,823

Note 3 Cash and Investments (Continued)

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 table are the Standard and Poor's credit ratings for the Districts investments as of June 30, 2021 and 2020.

Investment Type		**2021** **Total As of June 30, 2021**	**Minimum Legal Requirement**		**AAA**
Money market mutual funds	$	-	**None**	$	-
Investments with fiscal agent:					
Money market mutual funds		**47,656,628**	**None**		**47,656,628**
Total	$	**47,656,628**		$	**47,656,628**

Investment Type		2020 Total As of June 30, 2020	Minimum Legal Requirement		AAA
Money market mutual funds	$	1,968,542	None	$	1,968,542
Investments with fiscal agent:					
Money market mutual funds		54,530,281	None		54,530,281
Total	$	56,498,823		$	56,498,823

Concentration of Credit Risk

The District's investment policy contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2021 and 2020, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total District investments.

Note 3 Cash and Investments (Continued)

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 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 deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2021, and 2020, none of the District’s deposits or investments were exposed to custodial credit risk.

Note 4 Note Receivable

At June 30, 2021 and 2020, note receivable consisted of the followings:

	2021	2020
City of Vernon	**$ 1,360,465**	$ 1,500,000
Due within one year	**$ 139,535**	$ 139,535
Due in more than one year	**$ 1,220,930**	$ 1,360,465

City of Vernon

On May 16, 2019, the District entered into a loan agreement with the City of Vernon for a maximum loan amount of $1,500,000 to finance the design, construction, installation and other services required to construct or rehabilitate the City's groundwater well. The loan is payable annually over a 10-year period. The loan is unsecured and non-interest bearing. Quarterly repayment of the loan in the amount of $34,884 started upon completion of the project and full disbursement of the loan proceeds to the City. The balance at June 30, 2021 was $1,360,465.

Note 5 Capital Assets

Changes in capital assets for the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2021
Capital assets, not depreciated				
Land	$ 16,673,743	$ -	$ -	$ 16,673,743
Construction-in-process	216,627,422	12,234,906	(174,559,838)	54,302,490
Total capital assets, not depreciated	233,301,165	12,234,906	(174,559,838)	70,976,233
Capital assets, being depreciated				
Building and improvements	10,283,111	-	-	10,283,111
Utility plant and equipment	108,797,552	174,559,838	-	283,357,390
Capacity rights	2,439,604	-	-	2,439,604
Monitoring and injection equipment	20,788,664	105,840	-	20,894,504
Service connections	401,420	-	-	401,420
Total capital assets, being depreciated	142,710,351	174,665,678	-	317,376,029
Less accumulated depreciation				
Building and improvements	(3,540,161)	(275,374)	-	(3,815,535)
Utility plant and equipment	(30,212,368)	(3,626,585)	-	(33,838,953)
Capacity rights	(1,219,965)	(81,309)	-	(1,301,274)
Monitoring and injection equipment	(14,151,610)	(766,968)	-	(14,918,578)
Service connections	(102,935)	(8,028)	-	(110,964)
Total accumulated depreciation	(49,227,039)	(4,758,264)	-	(53,985,303)
Total capital assets, being depreciated, net	93,483,312	169,907,414	-	263,390,726
Total capital assets, net	$ 326,784,477	$ 182,142,320	$ (174,559,838)	$ $334,366,959

Changes in capital assets for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Capital assets, not depreciated				
Land	$ 16,673,743	$ -	$ -	$ 16,673,743
Construction-in-process	186,203,712	30,423,710	-	216,627,422
Total capital assets, not depreciated	202,877,455	30,423,710	-	233,301,165
Capital assets, being depreciated				
Building and improvements	10,283,111	-	-	10,283,111
Utility plant and equipment	108,806,232	-	(8,680)	108,797,552
Capacity rights	2,439,604	-	-	2,439,604
Monitoring and injection equipment	20,779,984	-	8,680	20,788,664
Service connections	402,849	-	(1,429)	401,420
Total capital assets, being depreciated	142,711,780	-	(1,429)	142,710,351
Less accumulated depreciation				
Building and improvements	(3,264,787)	(275,374)	-	(3,540,161)
Utility plant and equipment	(26,585,783)	(3,626,585)	-	(30,212,368)
Capacity rights	(1,138,656)	(81,309)	-	(1,219,965)
Monitoring and injection equipment	(13,320,669)	(830,941)	-	(14,151,610)
Service connections	(94,907)	(8,028)	-	(102,935)
Total accumulated depreciation	(44,404,802)	(4,822,237)	-	(49,227,039)
Total capital assets, being depreciated, net	98,306,978	(4,822,237)	(1,429)	93,483,312
Total capital assets, net	$ 301,184,433	$ 25,601,473	$ (1,429)	$ $326,784,477

Note 5 Capital Assets (Continued)

Major capital asset additions during 2021 include work on various stages of construction projects. A significant portion of these additions related to various projects were completed during the current year and transferred out of construction-in-process and into the related capital assets categories.

The District engaged in various construction projects throughout 2021. The balances of the various construction projects that comprise the construction-in-progress balances as of June 30, 2021 and 2020 are as follows:

		2021		2020
Leo J. Vander Lans Advanced Water Treatment Facility (LJVWTF) Expansion	$	**2,717,716**	$	1,831,014
Caltans Pipeline		**913,182**		913,182
Compliance Monitoring		**2,363**		2,363
Goldworthy Desalter		**518,534**		81,906
Regional Groundwater Monitoring Program		**2,415,974**		1,489,286
Safe Drinking Water Progam		**9,208,407**		8,119,982
Dominguez Gap Recycled Water Project		**1,109,730**		918,300
Replenishment operations (Interconnection Pipeline)		**16,464**		13,570
Groundwater Replenishment Improvement Project (GRIP)		**-**		169,003,981
Groundwater Infrastructure Improvements		**779,147**		779,147
Environmental and Compliance Monitoring		**6,224,981**		4,573,522
Bond interest for capital projects		**19,715,369**		19,715,369
WRD Headquarter Building Improvement		**1,250,287**		1,041,750
Supervisory Control and Data Acquisition (SCADA)		**2,721,415**		2,692,199
Asset Management		**1,637,026**		1,594,228
Paramount Equipment/Fleet Center		**557,727**		519,897
Regional Brackish Water Reclamation Program		**2,110,159**		1,620,023
General Engineering Administration		**290,958**		288,579
Pipeline Projects		**13,768**		13,289
Joint LA Basin Replenishment & Extraction Project		**2,099,283**		1,415,835
Total construction-in-process	**$**	**54,302,490**	$	216,627,422

Capitalized Interest

Starting the fiscal year ended June 30, 2019, the District no longer capitalize interest due to the implementation of GASB Statement No. 89.

Note 6 Unearned Revenue

Water Replenishment Assessment

Cities may prepay their water replenishment assessment per the terms of a groundwater banking agreement between the district and the respective city. There was no unearned revenue as of June 30, 2021 and 2020.

Advances from Caltrans

In April 2004, the District and the California Department of Transportation (Caltrans) entered into an agreement relating to groundwater in the vicinity of the I-105 freeway. The agreement calls for $8 million to be paid by Caltrans to the District to be used to pay the costs of the proposed pipeline project described in the agreement, and to pay the replenishment assessment levied against the Caltrans groundwater extractions from beneath the I-105 freeway section. Caltrans advanced the $8 million to the District to fund the proposed pipeline project. As of June 30, 2021, and 2020, the District has spent $2,953,738 and $2,944,139 on the project, leaving an unexpended balance on the advance of $5,046,262 and $5,055,861, respectively.

Note 7 Compensated Absences

Summary of changes in compensated absences for the years ended June 30, 2021 and 2020 are as follows:

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year	Due in More than One Year
2020-21	**$ 798,109**	**$ 632,951**	**$ (160,665)**	**$ 1,270,395**	**$ 595,925**	**$ 674,470**
2019-20	545,799	343,032	(90,722)	798,109	286,331	511,778

Note 8 Long-Term Debt

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
Replenishment Assessment Revenue Refunding Bonds,						
Series 2015	$ 139,335,000	$ -	$ (2,690,000)	$ 136,645,000	$ 2,830,000	$ 133,815,000
Add: Unamortized Premium	20,074,752	-	(800,322)	19,274,430	800,322	18,474,108
Rep lenishment Assessment Revenue Bonds,				-		
Series 2018	65,785,000	-	(1,035,000)	64,750,000	1,085,000	63,665,000
Add: Unamortized Premium	9,374,593	-	(333,813)	9,040,780	333,813	8,706,967
Clean Water State Revolving Fund Loan	73,960,352	-	(2,212,332)	71,748,020	2,233,117	69,514,903
Total long-term debt	$ 308,529,697	$ -	$ (7,071,467)	$ 301,458,230	$ 7,282,252	$ 294,175,978

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
Replenishment Assessment Revenue Refunding Bonds,						
Series 2015	$ 141,895,000	$ -	$ (2,560,000)	$ 139,335,000	$ 2,690,000	$ 136,645,000
Add: Unamortized Premium	20,875,074	-	(800,322)	20,074,752	800,322	19,274,430
Rep lenishment Assessment Revenue Bonds,						
Series 2018	65,785,000	-	-	65,785,000	1,035,000	64,750,000
Add: Unamortized Premium	9,708,406	-	(333,813)	9,374,593	333,813	9,040,780
Clean Water State Revolving Fund Loan	65,782,463	10,473,561	(2,295,672)	73,960,352	2,212,332	71,748,020
Total long-term debt	$ 304,045,943	$ 10,473,561	$ (5,989,807)	$ 308,529,697	$ 7,071,467	$ 301,458,230

Replenishment Assessment Revenue Refunding Bonds, Series 2015

On December 10, 2015, the District issued $148,345,000 of Replenishment Assessment Revenue Refunding Bonds, Series 2015. The bonds were rated AA+ from both Standard & Poor’s and Fitch Ratings. The proceeds were used to refinance the District’s outstanding 2004, 2008 and 2011 certificates of participation and provide $69,500,000, which will fund the District’s 5-year capital improvement plan, including projects such as the Groundwater Reliability Improvement Project, the expansion of the Goldsworthy Desalter, the Groundwater Basin Management Program and the Safe Drinking Water Program. The bonds call for level debt service payments and mature in annual installments through the year ended June 30, 2046.

Note 8 Long-Term Debt (Continued)

The Replenishment Assessment Revenue Bonds, Series 2015 debt service requirements to maturity are as follows:

Year Ending June 30		Principal		Interest		Total
2022	$	2,830,000	$	6,419,650	$	9,249,650
2023		2,975,000		6,274,525		9,249,525
2024		3,125,000		6,122,025		9,247,025
2025		3,285,000		5,961,775		9,246,775
2026		3,455,000		5,793,275		9,248,275
2027-2031		20,115,000		26,120,875		46,235,875
2032-2036		25,825,000		20,406,875		46,231,875
2037-2041		33,165,000		13,069,875		46,234,875
2042-2046		41,870,000		4,362,625		46,232,625
Total	$	136,645,000	$	94,531,500	$	231,176,500

Replenishment Assessment Revenue Bonds, Series 2018

On December 1, 2018, the District issued $65,785,000 of Replenishment Assessment Revenue Bonds, Series 2018. The bonds were rated AA+ from both Standard & Poor’s and Fitch Ratings. The bonds will fund the District’s 5-year Capital Improvement Plan including projects such as the Water Independence Now Program, Groundwater Basin Management Program, the Groundwater Quality Protection and Remediation Plan and the Regional Brackish Water Reclamation Program. The bonds call for level debt service payments and mature in annual installments through the year ended June 30, 2049.

Note 8 Long-Term Debt (Continued)

The Replenishment Assessment Revenue Bonds, Series 2018 debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2022	$ 1,085,000	$ 3,210,375	$ 4,295,375
2023	1,145,000	3,154,625	4,299,625
2024	1,200,000	3,096,000	4,296,000
2025	1,260,000	3,034,500	4,294,500
2026	1,325,000	2,969,875	4,294,875
2027-2031	7,725,000	13,756,875	21,481,875
2032-2036	9,925,000	11,561,625	21,486,625
2037-2041	12,745,000	8,741,875	21,486,875
2042-2046	16,365,000	5,121,125	21,486,125
2047-2049	11,975,000	917,875	12,892,875
Total	$ 64,750,000	$ 55,564,750	$ 120,314,750

Clean Water State Revolving Fund Loan

In October 2017, the Board of Directors of the District approved an agreement with California's State Water Resources Control Board (SWRCB) that will provide $95 million in funding for the construction of the Groundwater Reliability Improvement Project (GRIP), an advanced water treatment facility currently under construction in the City of Pico Rivera. Of the $95 million in funding, SWRCB has agreed to provide $15 million as grant funds while the remaining $80 million will be a loan that is payable in annual installments starting on December 31, 2020 and matures on December 31, 2048. The $80 million loan has an interest rate of 1%. During the years ended June 30, 2021 and 2020, the District drew down $0 and $10,473,561, respectively, from SWRCB.

Note 8 Long-Term Debt (Continued)

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

Year Ending June 30	Principal	Interest	Total
2022	$ 2,233,117	$ 717,480	$ 2,950,597
2023	2,255,448	695,149	2,950,597
2024	2,278,002	672,595	2,950,597
2025	2,300,782	649,815	2,950,597
2026	2,323,790	626,807	2,950,597
2027-2031	11,972,201	2,780,784	14,752,985
2032-2036	12,582,905	2,170,080	14,752,985
2037-2041	13,224,759	1,528,226	14,752,985
2042-2046	13,899,356	853,629	14,752,985
2047-2049	8,677,660	174,129	8,851,789
Total	$ 71,748,020	$ 10,868,694	$ 82,616,714

Note 9 Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in IRS Code Section 457 and 401(a) Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for District employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. The District is in compliance with this legislation. These assets are not the legal property of the District, and are not subject to claims of the District's general creditors. The assets and related liabilities are not shown on the statements of net position. The District has little administrative involvement and does not perform the investing function for this plan. Unaudited market value of all plan assets held in trust at June 30, 2021 and 2020 was $6,090,196 and $4,570,165, respectively.

Note 10 Defined Benefit Pension Plans

CalPERS Plans

General Information about the Pension Plans

Plan Description

The District's defined benefit pension plan (the "Plan") provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is part of the Miscellaneous Risk Pool Public Agency portion of the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California.

A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through the District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding provisions, assumptions and membership information that can be found on the CalPERS website.

Benefit 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 60 with at least 5 years of credited service. During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act ("PEPRA") went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan. PEPRA members become eligible for service retirement upon attainment of age 62 with at least 5 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 employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA employees are calculated as 2% of the average final 36 months compensation.

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

General Information about the Pension Plans (Continued)

Benefit Provided (Continued)

Participant is eligible for non-industrial disability retirement if becomes disabled and has 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 service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the District to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit.

The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one-month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

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 2 percent.

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

General Information about the Pension Plans (Continued)

Employee Covered by Benefit Terms

At June 30, 2019 and 2018, the valuation dates, the following employees were covered by the benefit terms:

	2019		2018	
	Classic	PEPRA	Classic	PEPRA
Active employees	20	20	22	17
Transferred and terminated employees	36	2	36	1
Retired employees and beneficiaries	36	0	33	0
	92	22	91	18

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 period ended June 30, 2020, the classic active employee contribution rates were 8.00% of annual pay, and the required employer contribution rates were 15.206% of the annual payroll; the PEPRA active employee contribution rate was 7.25% of annual pay, and the required employer contribution rates were 7.072% of the annual payroll.

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

General Information about the Pension Plans (Continued)

Contributions(Continued)

For the measurement period ended June 30, 2019, the classic active employee contribution rates were 8.00% of annual pay, and the required employer contribution rates were 14.369% of the annual payroll; the PEPRA active employee contribution rate was 7.25% of annual pay, and the required employer contribution rates were 7.266% of the annual payroll.

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2019 and 2018 valuations were rolled forward to determine the June 30, 2020 and 2019 total pension liabilities based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on 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. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Change of Assumption

In 2020, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Long-Term Expected Rate of Return

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

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

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return (Continued)

The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows for the measurement dates June 30, 2020 and 2019:

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 (2)	Real Return Years 11+ (3)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation 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%
	100.00%		

(1) In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
(2) An expected inflation of 2.00% used for this period.
(3) An expected inflation of 2.92% used for this period.

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the June 30, 2020 and 2019 total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of 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		
Measurement Date	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
June 30, 2020	$ 9,704,908	$ 5,992,089	$ 2,924,303
June 30, 2019	8,846,549	5,414,574	2,581,721

Pension Plan Fiduciary Net Position

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

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement periods July 1, 2019 to June 30, 2020 and July 1, 2018 to June 30, 2019:

	Increase (Decrease)		
Measurement Date	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) =(a) - (b)
Balance at June 30, 2019 (Valuation Date)	$ 25,515,966	$ 20,101,392	$ 5,414,574
Balance at June 30, 2020 (Measurement Date)	27,900,077	21,907,988	5,992,089
Net changes during July 1, 2019 to June 30, 2020	2,384,111	1,806,596	577,515

	Increase (Decrease)		
Measurement Date	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) =(a) - (b)
Balance at June 30, 2018 (Valuation Date)	$ 22,727,047	$ 17,854,392	$ 4,872,655
Balance at June 30, 2019 (Measurement Date)	25,515,966	20,101,392	5,414,574
Net changes during July 1, 2018 to June 30, 2019	2,788,919	2,247,000	541,919

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool for the measurement periods ended June 30, 2020 and 2019.

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation dates (June 30, 2019 and 2018). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement dates (June 30, 2020 and 2019). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2020 and June 30, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement periods (2019-20 and 2018-2019).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of the market value of assets.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the District's share of contribution.

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The District's proportionate share of the net pension liability was as follows:

2021 Measurement Date		2020 Measurement Date	
June 30, 2019	0.05284%	June 30, 2018	0.05057%
June 30, 2020	0.05507%	June 30, 2019	0.05284%
Change - Increase (Decrease)	0.002230%	Change - Increase (Decrease)	0.002270%

For the years ended June 30, 2021 and 2020, the District recognized pension expense in the amounts of $1,655,908 and $1,642,014 for CalPERS plan, respectively.

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan risk pool for the 2019-20 measurement period is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired). The EARSL for the miscellaneous plan risk pool for the 2018-19 measurement period is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired).

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

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

	June 30, 2021		June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,451,647	$ -	$ 1,190,808	$ -
Differences between actual and expected experience	308,790	-	376,065	(29,137)
Changes of assumptions	-	(42,738)	258,192	(91,527)
Adjustment due to differences in proportions	319,733	-	304,616	
Differences between the District's contribution and proportionate share of contribution	202,706	(27,629)	145,887	(42,980)
Net differences between projected and actual earnings on plan investments	178,006	-	-	(94,663)
Total	$ 2,460,882	$ (70,367)	$ 2,275,568	$ (258,307)

$1,451,647 and $1,190,808 reported as deferred outflows of resources related to pensions as of June 30, 2021 and 2020, respectively, resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the years ending June 30, 2022 and June 30, 2021.

Note 10 Defined Benefit Pension Plans (Continued)

CalPERS Plans (Continued)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

2021			2020		
Year Ending June 30,	Deferred Outflows (Inflows) of Resources		Year Ending June 30,	Deferred Outflows (Inflows) of Resources	
2022		314,064	2021	$	653,413
2023		313,014	2022		79,714
2024		226,412	2023		74,195
2025		85,378	2024		19,131
2026		-	2025		-
Thereafter		-	Thereafter		-
Total	$	938,868	**Total**	$	826,453

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan

General Information about the Pension Plan

Plan Description

The District provides retirement benefits to its elected directors who do not participate in CalPERS through a single-employer defined benefit plan administered as part of the Public Agency Retirement System (PARS). A separate audited GAAP-basis post-employment benefit plan report is not available for this Plan. Directors who retire at age 50 with 5 years of service with the District are eligible to receive pension benefits under the plan. The plan provides a benefit equal to the "3% at 60" plan factor of final average compensation for all years of service. The plan provides a benefit equal to "2% at 62" for Board members of the District hired after December 31, 2012 and are not participating in the CalPERS plan.

Benefit Provided

The plan provides a Tier I benefit for Board Members of the District on or after January 1, 2003 and hired prior on or before December 31, 2012 equal to the CalPERS "3.0% at 60" benefit. Final average compensation for Tier I is defined as the highest year of W-2 and/or 1099 compensation paid by the District.

The plan provides a Tier II benefit for Board Members of the District hired after December 31, 2012 equal to the CalPERS "2.0% at 62" benefit. Final average compensation for Tier II is the highest average annual compensation paid to an employee during any consecutive thirty-six (36) months of compensation with the District, and shall be based on normal monthly rate of pay of similarly-situated employees and shall not exceed an annual amount equal to 120% of the maximum taxable earnings under Social Security as of 2012 (adjusted annually by CPI).

Eligibility for an immediate benefit under Tier I is defined as reaching age 50 and completing five years of continuous service with the District. Eligibility for an immediate benefit under Tier II is defined as reaching age 52 and completing five years of continuous service with the District.

The plan provides a deferred retirement benefit to those members who terminate employment after completing at least five years of full-time continuous service with the District but do not meet the age requirements for an immediate benefit. The benefit will commence upon satisfying all of the Tier I or Tier II eligibility requirements.

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

General Information about the Pension Plan (Continued)

Members contribute 8% of their compensation to the Plan each year. If a member terminates prior to completing five years of full-time continuous service, then he or she will receive a refund of contributions accumulated with 5% interest per annum. The same benefit, along with an additional lump sum of $500, is paid to the surviving spouse or the designated beneficiary upon the death of a member who was actively employed at the time of his or her death.

Employee Covered by Benefit Terms

At June 30, 2020, the valuation date, the following employees were covered by the benefit terms:

Active employees	5
Transferred and terminated employees	0
Retired employees and beneficiaries	1
	6

Contributions

Employees contribute 8.00% of compensation, the employer contributed 9.01% of compensation during the years ended June 30, 2021 and 2020, respectively.

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

General Information about the Pension Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	4.50%
Inflation	2.50%
Salary increases	3.00%
Payroll Growth	3.00%
Cost of Living Adjustments	2.00%
Withdrawal	None assumed.
Disability	None assumed.
Mortality	Pre-retirement: Consistent with the Non-Industrial Rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2017. Post-retirement: Consistent with the Non-Industrial Rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2017.

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

General Information about the Pension Plan (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return was selected by the District. Below is a projection of the 30-year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the Plan's current asset allocation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2021 and 2020, as shown below:

2021

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Long-term Expected Geometric Real Rate of Return
US Cash	1.71%	-0.32%	-0.32%
US Core Fixed Income	82.52%	1.37%	1.26%
US Equity Market	11.85%	5.33%	3.70%
Foreign Developed Equity	2.04%	6.27%	4.52%
Emerging Markets Equity	1.39%	8.64%	4.95%
US REITs	0.49%	5.75%	3.57%
Total	100.00%		
Assumed Inflation - Mean		2.30%	2.30%
Assumed Inflation - Standard Deviation		1.16%	1.16%
Portfolio Real Mean Return		2.03%	1.91%
Portfolio Nominal Mean Return		4.33%	4.25%
Portfolio Standard Deviation			3.98%
Long-term Expected Rate of Return			4.50%

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

Long-Term Expected Rate of Return (Continued)

2020

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return	Long-term Expected Geometric Real Rate of Return
US Cash	3.53%	-0.22%	-0.20%
US Core Fixed Income	81.86%	0.92%	0.84%
US Equity Market	11.46%	4.82%	3.52%
Foreign Developed Equity	1.83%	6.32%	4.75%
Emerging Markets Equity	1.07%	8.35%	5.53%
US REITs	0.25%	5.32%	3.62%
Total	100.00%		
Assumed Inflation - Mean		2.21%	2.20%
Assumed Inflation - Standard Deviation		1.65%	1.65%
Portfolio Real Mean Return		1.52%	1.43%
Portfolio Nominal Mean Return		3.73%	3.60%
Portfolio Standard Deviation			3.76%
Long-term Expected Rate of Return			5.00%

Discount Rate

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return of 4.5%.

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

The following table shows the changes in net pension liability recognized over the measurement period of July 1, 2020 to June 30, 2021.

	2021 Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) -(b)
Balances at June 30, 2020 (Valuation Date)	$ 377,887	$ 516,344	$ (138,457)
Changes Recognized for the Measurement Period:			
Service cost	36,870	-	36,870
Interest on the total pension liability	18,574	-	18,574
Effect of economic/demographic gains or losses	37,609	-	37,609
Change of assumptions or inputs	42,052	-	42,052
Contributions from the employer	-	15,582	(15,582)
Contributions from employees	-	13,835	(13,835)
Net investment income	-	40,889	(40,889)
Benefit payments, including refunds of employee			-
contributions	(4,038)	(4,038)	-
Administrative expense	-	(2,752)	2,752
Net Changes during July 1, 2020 to June 30, 2021	131,067	63,516	67,551
Balances at June 30, 2021 (Measurement Date)	$ 508,954	$ 579,860	$ (70,906)

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

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

	2020		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) -(b)
Balances at June 30, 2019	$ 350,809	$ 468,892	$ (118,083)
Changes Recognized for the Measurement Period:			
Service cost	10,999	-	10,999
Interest on the total pension liability	18,042	-	18,042
Differences between expected and actual experience	-	-	-
Change of assumptions	-	-	-
Contributions from the employer	-	16,904	(16,904)
Contributions from employees	-	12,291	(12,291)
Net investment income	-	22,680	(22,680)
Benefit payments, including refunds of employee contributions	(1,963)	(1,963)	-
Administrative expense	-	(2,460)	2,460
Net Changes during July 1, 2019 to June 30, 2020	27,078	47,452	(20,374)
Balances at June 30, 2020 (Measurement Date)	$ 377,887	$ 516,344	$ (138,457)

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (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 June 30, 2021, calculated using the discount rate of 4.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.50%) or 1 percentage-point higher (5.50%) than the current rate:

	Plan's Net Pension Liability (Asset)		
Measurement Date	Discount Rate -1% (3.50%)	Current Discount Rate (4.50%)	Discount Rate +1% (5.50%)
June 30, 2021	$ 2,304	$ (70,906)	$ (134,961)

The following presents the net pension liability of the Plan as of the measurement date June 30, 2020, calculated using the discount rate of 5.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.00%) or 1 percentage-point higher (6.00%) than the current rate:

	Plan's Net Pension Liability (Asset)		
Measurement Date	Discount Rate -1% (4.00%)	Current Discount Rate (5.00%)	Discount Rate +1% (6.00%)
June 30, 2020	$ (93,184)	$ (138,457)	$ (175,610)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available upon request.

For the measurement periods ended June 30, 2021 and June 30, 2020, the District incurred a pension expense of $21,342 and $3,782, respectively.

Note 10 Defined Benefit Pension Plans (Continued)

Public Agency Retirement System ("PARS") Plan (Continued)

Pension Plan Fiduciary Net Position (Continued)

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

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 31,235	$ (35,467)	$ -	$ (50,244)
Changes of assumptions	43,186	-	11,704	-
Net differences between projected and actual earnings	-	(9,257)	-	-
on pension plan investments	-	-	6,446	-
Total	$ 74,421	$ (44,724)	$ 18,150	$ (50,244)

The amounts above are net of outflows and inflows recognized in the 2020-2021 measurement period and 2019-2020 measurement period expense.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

2021		2020	
Year Ending June 30,	Deferred Outflows (Inflows) of Resources	Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2022	$ 1,945	2021	$ (7,241)
2023	(1,340)	2022	(8,653)
2024	6,336	2023	(11,938)
2025	10,600	2024	(4,262)
2026	12,156	2025	-
Thereafter	-	Thereafter	-
Total	$ 29,697	Total	$ (32,094)

Note 11 Other Postemployment Benefits ("OPEB")

General Information about the OPEB

Plan Description

Union employees hired prior to December 20, 2001 qualify for postemployment healthcare benefits if they retire with 12 or more years of service at the District; however, they receive no benefits until age 55. Retirees, spouses and surviving spouses receive a benefit equal to the entire medical and dental premium cost. In addition, retirees participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Union employees hired on or after December 20, 2001 and before January 1, 2012 qualify for postemployment healthcare benefits if they retire from the District at age 55 or older with 12 or more years of service. Retirees, spouses and surviving spouses receive a benefit equal to the entire medical and dental premium cost. In addition, retirees participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Union employees hired after December 31, 2011 qualify for postemployment healthcare benefits if they retire from the District at age 55 or older with 10 or more years of service. They will be eligible for an employer contribution toward the cost of medical and dental coverage according to the following schedule:

Credited Years of Service	Percentage of Employer Contribution
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

Union employees hired after December 31, 2011 are not eligible to participate in the Medical Reimbursement Program or the Vision Reimbursement Program.

Note 11 Other Postemployment Benefits ("OPEB")(Continued)

General Information about the OPEB (Continued)

Plan Description (Continued)

Non-Union employees who commenced employment with the District on or before December 20, 2001, and their dependents, qualify for postemployment healthcare benefits if the employee had at least twelve years of service with the District and has reached the age of 55, regardless of the employee's then current employment status with the District when they reach age 55. In addition, retirees and their dependents participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Non-Union employees who commenced employment with the District on December 21, 2001 or thereafter, and their dependents, qualify for postemployment healthcare benefits if the employee had at least twelve years of service with the District and have reached age 55 at the time of retirement from the District. In addition, retirees and their dependents participate in a Medical Reimbursement Program and Vision Reimbursement Program.

Employee Covered by Benefit Terms

At June 30, 2019, valuation date, the following employees were covered by the benefit terms:

Category	Count
Active employees	46
Retired members and beneficiaries	17
Terminated vested	2
	65

Contribution

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2021 and 2020, the District's actual contributions were $1,519,550 and $1,120,825 in total payments, which were recognized as a reduction to the OPEB liability.

Note 11 Other Postemployment Benefits ("OPEB")(Continued)

General Information about the OPEB (Continued)

Net OPEB Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2019 valuation calculated the total OPEB liabilities based on the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal actuarial cost method
Actuarial assumptions:	
Net Investment Rate of Return	6.73%
Inflation	2.26%
Payroll Growth	3.25% per year
Health Plan Participation	100.00%
Morbidity Factors	CalPERS 2017 study
Disability	None assumed.
Mortality	The mortality rates used in this valuation are those described in the 2017 CalPERS experience study. Pre-retirement: CalPERS 2017 Mortaility Post-retirement: CalPERS 2017 Mortaility
Pre-Excise Tax Health Care Trend	Pre-65: Actual for 2020, decreasing to 5% for 2030 and later Post-65: Actual for 2020, 5% for 2021 and later

Change of Assumption

There was no change of assumption during June 30, 2019 valuation date and June 30, 2020 measurement date.

Note 11 Other Postemployment Benefits ("OPEB")(Continued)

General Information about the OPEB (Continued)

Total OPEB Liability

Long-Term Expected Rate of Return

As of June 30, 2020, and 2019, the measurement dates, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

Asset Class (1)	Target Allocation	Long-Term Expected Real Rate of Return (2)
Equity	43.00%	5.43%
Fixed Income	49.00%	1.63%
REITs	8.00%	5.06%
Total	100.00%	

(1) Target asset allocation in the CERBT Strategy 2 investment policy.
(2) JP Morgan arithmethic Long Term Capital Market assumptions and expected inflations of 2.26%.

Discount Rate

The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

Note 11 Other Postemployment Benefits ("OPEB")(Continued)

General Information about the OPEB (Continued)

Total OPEB Liability (Continued)

Discount Rate (Continued)

	June 30, 2020	June 30, 2019
Discount Rate	6.73%	6.73%
Bond Buyer 20-Bond GO Index	2.21%	3.50%

Change in Net OPEB Liability

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

	2020		
	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2019:	$ 14,160,592	$ 7,986,741	$ 6,173,851
Changes Recognized for the Measurement Period:			
Service cost	510,409	-	510,409
Interest on the total pension liability	973,429	-	973,429
Differences between expected and actual experience	(36,482)	-	(36,482)
Change of assumptions	-	-	-
Net investment income	-	432,290	(432,290)
Contributions from the employer	-	1,120,825	(1,120,825)
Benefit payments, including refunds of employee contributions	(420,825)	(420,825)	-
Administrative expense	-	(3,941)	3,941
Net changes during July 1, 2019 to June 30, 2020	1,026,531	1,128,349	(101,818)
Balances at June 30, 2020 (Measurement Date)	$ 15,187,123	$ 9,115,090	$ 6,072,033

Note 11 Other Postemployment Benefits ("OPEB")(Continued)

Change in Net OPEB Liability (Continued)

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

	2019		
	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2018	$ 12,246,541	$ 6,597,702	$ 5,648,839
Changes Recognized for the Measurement Period:			
Service cost	498,970	-	498,970
Interest on the total pension liability	844,995	-	844,995
Differences between expected and actual experience	1,004,789	-	1,004,789
Change of assumptions	(48,676)	-	(48,676)
Net investment income	-	512,264	(512,264)
Contributions	-	-	-
Contributions from the employer	-	1,264,283	(1,264,283)
Benefit payments, including refunds of employee contributions	(386,027)	(386,027)	-
Administrative expense	-	(1,481)	1,481
Net changes during July 1, 2018 to June 30, 2019	1,914,051	1,389,039	525,012
Balances at June 30, 2019 (Measurement Date)	$ 14,160,592	$ 7,986,741	$ 6,173,851

Sensitivity of the net OPEB liability to changes in the discount rate

The following table presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.73 percent) or 1-percentage-point higher (7.73 percent) than the current discount rate:

	Plan's Net OPEB Liability		
Measurement Date	Discount Rate - 1% 5.73%	Current Discount Rate 6.73%	Discount Rate +1% 7.73%
June 30, 2020	$ 8,486,152	$ 6,072,033	4,123,400
June 30, 2019	$ 8,424,797	$ 6,173,851	4,356,922

Note 11 Other Postemployment Benefits ("OPEB")(Continued)

Change in Net OPEB Liability (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Plan's Net OPEB Liability		
Measurement Date	**Trend - 1%**	**Current Trend Rate**	**Trend +1%**
June 30, 2020	$ 3,958,587	$ 6,072,033	$ 8,728,510
June 30, 2019	$ 4,203,247	$ 6,173,851	$ 8,650,775

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2021 and 2020, the District recognized OPEB expense in the amounts of $1,168,111 and $1,091,303, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Outflows of Resources	Deferred Inflows of Resources	Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	$ 1,519,550	$ -	$ 1,120,825	$ -
Differences between actual and expected experience	868,360	32,807	982,281	-
Changes of assumptions	576,217	38,868	688,693	43,772
Net differences between projected and actual earnings on OPEB plan investments	92,879	-	-	12,317
Total	$ 3,057,006	$ 71,675	$ 2,791,799	$ 56,089

The $1,519,550 and $1,120,825 reported as deferred outflows of resources related to OPEB resulting from the District's contribution subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the years ending June 30, 2022 and June 30, 2021, respectively.

Note 11 Other Postemployment Benefits ("OPEB")(Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expenses based on expected average remaining service lifetime for the measurement periods as follows:

2021			2020		
Year Ending June 30,		Deferred Outflows/ (Inflows) of Resources	Year Ending June 30,		Deferred Outflows/ (Inflows) of Resources
2022	$	240,880	2021	$	218,905
2023		244,175	2022		218,903
2024		235,626	2023		222,198
2025		243,470	2024		213,649
2026		217,818	2025		221,493
Thereafter		283,812	Thereafter		519,737
	$	1,465,781		$	1,614,885

Note 12 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; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2021 and 2020, the District participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of $5,000,000, combined single limit at $5,000,000 per occurrence. The District purchased additional excess coverage layers: $55 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

Note 12 Risk Management (Continued)

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to $100,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages. The District purchased additional coverage of $1,000,000, which increases the limit on the insurance coverage noted above.

- The District has coverage for replacement cash value of scheduled buildings, personal property, fixed equipment subject to $1,000 deductible per occurrence. However, if real property is not repaired or replaced within a reasonable period of time, then the actual cash value applies. Scheduled vehicles and mobile equipment are covered for actual cash value, subject to $500 deductible and $1,000 deductible per occurrence respectively. The District has a total insurable value of $153,253,764 and $144,469,295 for the years ended June 30, 2021 and 2020, respectively.

- Boiler and machinery coverage for the replacement cost of scheduled equipment up to $100 million program sublimit, subject to various deductibles ($25,000 - $50,000) depending on the type of equipment.

- Public officials' personal liability coverage up to $100,000 for each occurrence, with an annual aggregate of $100,000 per each elected/appointed official to which this coverage applies is subject to the terms, with a deductible of $1,000 per claim.

- Workers' compensation insurance provides coverage up to California statutory limits for all work related injuries/illnesses covered by California law.

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

Note 13 Net Position – Net Investment in Capital Assets

The calculation of net position – balances of net investment in capital assets at June 30, 2021 and 2020 are as follows:

	2021	2020
Capital assets, net	$ 334,366,959	$ 326,784,477
Long-term debt	(301,458,230)	(308,529,697)
Retention payable	(235,983)	(5,994,778)
Deferred amount on refunding	173,871	2,260,317
Unspent debt proceeds	47,656,628	54,530,393
Net investment in capital assets	$ 80,503,245	$ 69,050,712

Note 14 Commitments

Recycled Water Agreement

In January 2004, the District entered into a twenty-year agreement with the West Basin Municipal Water District (WBMWD) to purchase certain amounts of recycled water from WBMWD on an annual basis. Until completion of WBMWD's recycling facility expansion project, the District will purchase 7,500 Acre Feet (“AF”) of recycled water on an annual basis, or a lesser amount that is authorized by WBMWD's Regional Board Permit, at $430 per AF. After the expanded facility is completed and operable, the District will purchase 12,500 AF on an annual basis at $470 per AF of recycled water. The agreement also provides for annual increases in price.

Basin Improvement Project Funding Agreement

On May 1, 2015, the District approved a settlement agreement with the cities of Cerritos, Downey and Signal Hill. This settlement was due to litigation related to claims that the District failed to comply with the requirements under Proposition 218 when imposing its annual replenishment assessments. The District has funded $1,830,000 and $340,000 to the City of Cerritos and City of Signal Hill, respectively. As part of the agreement, the District would fund $2,830,000 in basin improvement projects of the City of Downey within seven years from the effective date of the agreement.

Note 14 Commitments (Continued)

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems and other District activities. The financing of such contracts is provided primarily from the proceeds of bonds issued by the District. The District has committed to approximately $10.5 million of open construction contracts as of June 30, 2021.

The contracts outstanding include:

Project Name	Total Approved Contract	Construction Costs to-date	Balance to Complete
LJVWTF Expansion Improvement(New)	$ 7,226,152	$ 2,217,120	$ 5,009,032
Goldsworthy Desalter Expansion(Capitalize FY18/19)	742,645	304,885	437,760
Caltrans Pipeline	745,698	745,698	-
Regional Groundwater Monitoring Program 2018 Wells(New)	3,910,500	2,202,215	1,708,285
Groundwater Infrastructure Improvement	1,021,000	1,021,000	-
Interconnection Pipeline	3,800,000	3,800,000	-
Safe Drinking Water Program	9,700,310	8,888,430	811,880
Dominguez Gap Recycled Water Project	441,754	142,525	299,229
WRD Headquarter Building Improvement	1,964,522	1,964,522	-
Groundwater Replenishment Improvement Project (ARC)	165,423,358	165,062,819	360,539
General Engineering Admin (New)	372,172	372,172	-
Environmental Monitoring	6,187,889	5,420,466	767,423
Whittier Narrow Conservation Pool	1,475,000	1,475,000	-
SCADA System Master	3,255,914	2,896,741	359,173
Asset Management	1,631,995	1,536,264	95,731
Paramount Equip/Fleet Center	535,312	535,312	-
Regional Brackish Reclamation Program (New)	1,712,837	1,648,481	64,356
Joint LA Basin Replenishment & Extraction Project	2,572,600	1,944,286	628,314
	$ 212,719,658	$ 202,177,936	$ 10,541,722

PFAS Remediation Program

The District is committed to managing and protecting local groundwater resources for over four million residents living in the 43 cities of Southern Los Angeles County. The District is working with water providers to address Perflourooctanic Acid (PFOA) and Perfluorooctanesulfonate (PFOS) in groundwater and to ensure that all potable water meets state and federal drinking water standards and is safe to drink. In fiscal year 2020/21, the District Board of Directors approved a $34 million grant program to address wells that have been contaminated with PFOA and PFOS. More information about PFAS Remediation Program is posted on District's website at www.wrd.org.

Note 15 Contingencies

Operating Leases

The District has entered into an operating lease for land which does not contain a purchase option. Rental expense was $172,734 and $132,294 for the years ended June 30, 2021 and 2020, respectively.

Future minimum annual fixed rentals required during the fiscal years 2022 through 2025 under this lease are:

Year ending June 30	Amount
2022	$ 16,246
2023	16,246
2024	16,246
2025	16,246
	$ 64,984

Litigation

The District is currently not engaged in any litigation. Additionally, the District is unaware of any potential claims that will have any material adverse effect on the District's financial condition.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements by the grantor agencies for expenditures disallowed under the terms of the grant. District management believes that such disallowances, if any, would not be significant.

Note 16 Impact of Coronavirus on the District's Operations

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the United States.

It is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities. However, the District's management believes that the financial impact, if any, will not materially affect the June 30, 2021 financial statements.

Note 17 Subsequent Events

The District has evaluated events subsequent to the balance sheet date through December 2, 2021, the date on which the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

(This page intentionally left blank)

Last Ten Fiscal Years

Measurement Date	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 (1)
District's proportion of the net pension liability	0.04592%	0.11629%	0.48070%	0.05019%	0.05057%	0.52840%	0.05507%
District's proportionate share of the net pension liability	$ 2,857,450	$ 3,190,280	$ 4,188,699	$ 4,977,020	$ 4,872,655	$ 5,414,574	$ 5,992,089
District's covered payroll	$ 3,413,694	$ 3,501,750	$ 3,748,587	$ 3,843,634	$ 4,290,759	$ 4,562,925	$ 4,699,813
District's proportionate share of its the net pension liability as a percentage of its covered payroll	83.71%	91.11%	111.74%	129.49%	113.56%	118.66%	127.50%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	81.98%	81.25%	77.11%	78.56%	73.43%	78.52%

(1) Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be displayed as it becomes available

Last Ten Fiscal Years

Measurement Period	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (1)
Total pension liability							
Service cost	$ 14,757	$ 14,757	$ 13,512	$ 13,512	$ 10,999	$ 10,999	$ 36,870
Interest	13,202	14,546	15,988	20,409	19,666	18,042	18,574
Differences between expected and actual experience	-	-	59,815	-	(79,798)	-	-
Effect of economic/demographic gains or losses	-	-	-	-	-	-	37,609
Changes of assumptions	-	-	-	-	18,590	-	42,052
Benefit payments, including refunds of employee contributions	(5,191)	(1,814)	(1,850)	(16,208)	(1,925)	(1,963)	(4,038)
Net change in total pension liability	22,768	27,489	87,465	17,713	(32,468)	27,078	131,067
Total pension liability - beginning	227,842	250,610	278,099	365,564	383,277	350,809	377,887
Total pension liability - ending (a)	$ 250,610	$ 278,099	$ 365,564	$ 383,277	$ 350,809	$ 377,887	$ 508,954
Plan Fiduciary Net Position							
Contributions - employer	$ 17,390	$ 21,266	$ 13,308	$ 12,571	$ 18,066	$ 16,904	$ 15,582
Contributions - employee	-	-	6,406	6,051	8,696	12,291	13,835
Net investment income	4,313	9,664	14,356	6,208	28,020	22,680	40,889
Benefit payments, including refunds of employee contributions	(5,191)	(1,814)	(1,850)	(16,208)	(1,925)	(1,963)	(4,038)
Administrative expense	(1,857)	(2,821)	(1,979)	(2,082)	(2,185)	(2,460)	(2,752)
Net change in plan fiduciary net position	14,655	26,295	30,241	6,540	50,672	47,452	63,516
Plan fiduciary net position - beginning	340,489	355,144	381,439	411,680	418,220	468,892	516,344
Plan fiduciary net position - ending (b)	$ 355,144	$ 381,439	$ 411,680	$ 418,220	$ 468,892	$ 516,344	$ 579,860
District's net pension assets - ending (a)-(b)	$ (104,534)	$ (103,340)	$ (46,116)	$ (34,943)	$ (118,083)	$ (138,457)	$ (70,906)
Plan fiduciary net position as a percentage of of the total pension asset	141.71%	137.16%	112.62%	109.12%	133.66%	136.64%	113.93%
Covered payroll	$ 88,771	$ 88,771	$ 100,642	$ 87,336	$ 87,366	$ 159,958	$ 164,757
District's net pension asset as a percentage of covered payroll	-117.76%	-116.41%	-45.82%	-40.01%	-135.16%	-86.56%	-43.04%

(1) Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be displayed as it becomes available.

Last Ten Fiscal Years

Fiscal year	2013-14 (1)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Acturially determined contribution	$ 576,966	$ 904,036	$ 801,773	$ 830,116	$ 901,063	$ 774,592	$ 1,190,808	$ 1,451,647
Contributions in relation to the actuarially determined contributions	(576,966)	(904,036)	(801,773)	(830,116)	(901,063)	(774,592)	(1,190,808)	(1,451,647)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll (2)	$ 3,413,694	$ 3,501,750	$ 3,748,587	$ 3,843,634	$ 4,290,759	$ 4,562,925	$ 4,699,813	$ 4,840,807
Contributions as a percentage of covered payroll	16.90%	25.82%	21.39%	21.60%	21.00%	16.98%	25.34%	29.99%

(1) Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be displayed as it becomes available.
(2) Includes one year's payroll growth using 3.00 percent payroll assumption from 2019-20 to 2020-21.

Notes to Schedule

Change in Benefit Terms: There were no changes in benefit term.

Changes of Assumptions: In 2020 and 2019,there were no change in assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. 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.

Last Ten Fiscal Years

Fiscal year	2013-14 (1)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Acturially determined contribution	$ 3,257	$ 3,257	$ 14,757	$ 14,757	$ 13,512	$ 11,729	$ 14,061	$ 14,412
Contributions in relation to the actuarially determined contributions	(14,538)	(17,390)	(21,266)	(13,308)	(12,571)	(18,066)	(16,904)	(15,582)
Contribution deficiency (excess)	$ (11,281)	$ (14,133)	$ (6,509)	$ 1,449	$ 941	$ (6,337)	$ (2,843)	$ (1,170)
Covered payroll (2)	$ 88,777	$ 88,771	$ 88,771	$ 100,642	$ 87,336	$ 87,366	$ 159,958	$ 164,757
Contributions as a percentage of covered payroll	16.38%	19.59%	23.96%	13.22%	14.39%	20.68%	10.57%	9.46%

(1) Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be displayed as it becomes available.

Notes to Schedule

Changes of assumptions: Discount rate of 4.50 percent in 2021 and 5.00 percent in 2020.

Valuation date: 30-Jun-20

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level dollar
Remaining amortization period	15 years as of valuation date
Asset valuation method	None
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	4.50%
Retirement age	Individual retirement ages assumed for each member based on expiration of term.
Mortality	Consistent with the Non-Industrial rates used to value the CalPERS plan.

Last Ten Fiscal Years

Measurement period	2016-17 (1)	2017-18	2018-19	2019-20
Total OPEB Liability				
Service cost	$ 363,121	$ 387,880	$ 498,970	$ 510,409
Interest	638,606	765,695	844,995	973,429
Change of benefit terms	-	247,812	-	-
Differences between expected and actual experience	106,713	9,090	1,004,789	(36,482)
Changes of assumptions	1,026,121		(48,676)	-
Benefit payments, including refunds of employee contributions	(240,933)	(301,888)	(386,027)	(420,825)
Net change in total OPEB liability	1,893,628	1,108,589	1,914,051	1,026,531
Total OPEB liability - beginning	9,244,324	11,137,952	12,246,541	14,160,592
Total OPEB liability - ending (a)	$ 11,137,952	$ 12,246,541	$ 14,160,592	$ 15,187,123
Plan Fiduciary Net Position				
Contributions - employer	1,048,933	301,888	1,264,283	1,120,825
Contributions - employee	-	-	-	-
Net investment income	382,144	376,091	512,264	432,290
Benefit payments, including refunds of employee contributions	(240,933)	(301,888)	(386,027)	(420,825)
Administrative expense	(2,853)	(3,271)	(1,481)	(3,941)
Net change in plan fiduciary net position	$ 1,187,291	$ 372,820	$ 1,389,039	$ 1,128,349
Plan fiduciary net position - beginning	5,037,591	6,224,882	6,597,702	7,986,741
Plan fiduciary net position - ending (b)	$ 6,224,882	$ 6,597,702	$ 7,986,741	$ 9,115,090
District's Net OPEB liability - end of year (a)-(b)	$ 4,913,070	$ 5,648,839	$ 6,173,851	$ 6,072,033
Plan fiduciary net position as a percentage of the total pension liability	56%	54%	56%	60%
Covered payroll	N/A	N/A	4,476,287	5,753,939
District's net OPEB liability as percentage of covered-employee payroll	N/A	N/A	138%	106%

(1) Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

Last Ten Fiscal Years

Fiscal Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Actuarially determined contribution (1)	$ 627,990	$ 754,917	$ 740,962	$ 740,962	$ 1,004,511
Contributions in relation to the actuarially determined contribution	(1,048,933)	(301,888)	(1,202,789)	(1,120,825)	(1,519,550)
Contribution deficiency (excess)	$ (420,943)	$ 453,029	$ (461,827)	$ (379,863)	$ (515,039)
Covered payroll	N/A	N/A	N/A	4,476,287	5,753,939
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	25%	26%

(1) Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

Notes to Schedule

Valuation date:	June 30, 2019
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Straight-line
Inflation	2.26%
Payroll Growth	3.25%
Investment rate of return	6.73%
Disability	None assumed
Mortality	The mortality rates used are those described in the 2017 CalPERS experience study.

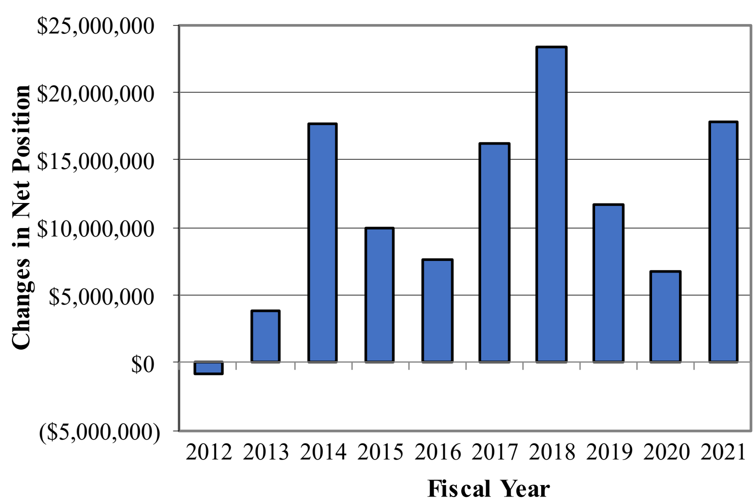
STATISTICAL SECTION
(Unaudited)

(This page intentionally left blank)

This part of the Water Replenishment District of Southern California's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

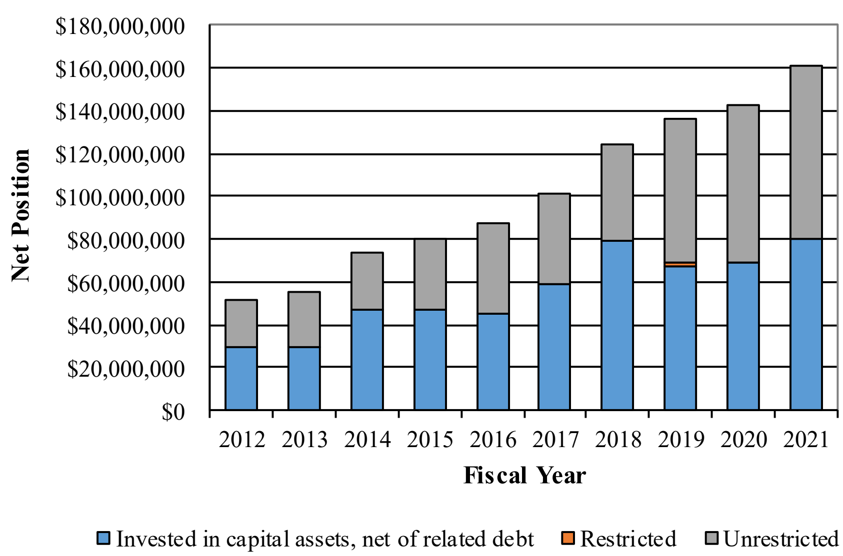
Contents **Page**

	Fiscal Year				
	2012	**2013**	**2014**	**2015**	**2016**
Changes in net position:					
Operating revenues (see Schedule 2)	$ 48,121,854	$ 46,003,068	$ 60,386,705	$ 80,154,123	$ 59,852,856
Operating expenses (see Schedule 3)	(44,170,360)	(38,868,302)	(44,086,875)	(69,991,319)	(51,786,834)
Depreciation and amortization	(2,446,962)	(2,495,964)	(2,537,023)	(2,629,444)	(4,003,734)
Operating income(loss)	1,504,532	4,638,802	13,762,807	7,533,360	4,062,288
Non-operating revenues(expenses)					
Property taxes, net of collection expenses	476,937	606,562	544,319	581,180	585,957
Investment income/(loss)	121,351	259,644	244,961	163,704	562,438
Interest expense	(3,802,841)	(3,935,225)	(3,130,364)	(2,144,351)	(2,148,520)
Election costs	-	-	-	(1,397,597)	-
Gain/(loss) on sale/disposition of assets	-	-	-	-	-
Other revenue/(expense), net	144,530	170,406	45,682	4,102,881	4,192,116
Net non-operating revenues (expenses)	(3,060,023)	(2,898,613)	(2,295,401)	1,305,817	3,191,991
Net income before capital contributions	(1,555,491)	1,740,189	11,467,406	8,839,177	7,254,279
Capital contributions	752,468	2,107,865	6,207,226	1,109,714	450,878
Changes in net position	(803,023)	3,848,054	17,674,632	9,948,891	7,705,157
Prior period adjustment	-	-	-	-	-
Adjusted changes in net position	(803,023)	3,848,054	17,674,632	9,948,891	7,705,157
Net position by component:					
Invested in capital assets, net of related debt	29,781,357	29,824,873	46,797,969	47,030,300	45,393,945
Restricted	-	-	-	-	-
Unrestricted	21,979,302	25,783,840	26,485,376	32,987,244	42,328,756
Total net assets	$ 51,760,659	$ 55,608,713	$ 73,283,345	$ 80,017,544	$ 87,722,701



Source: Water Replenishment District Finance Department

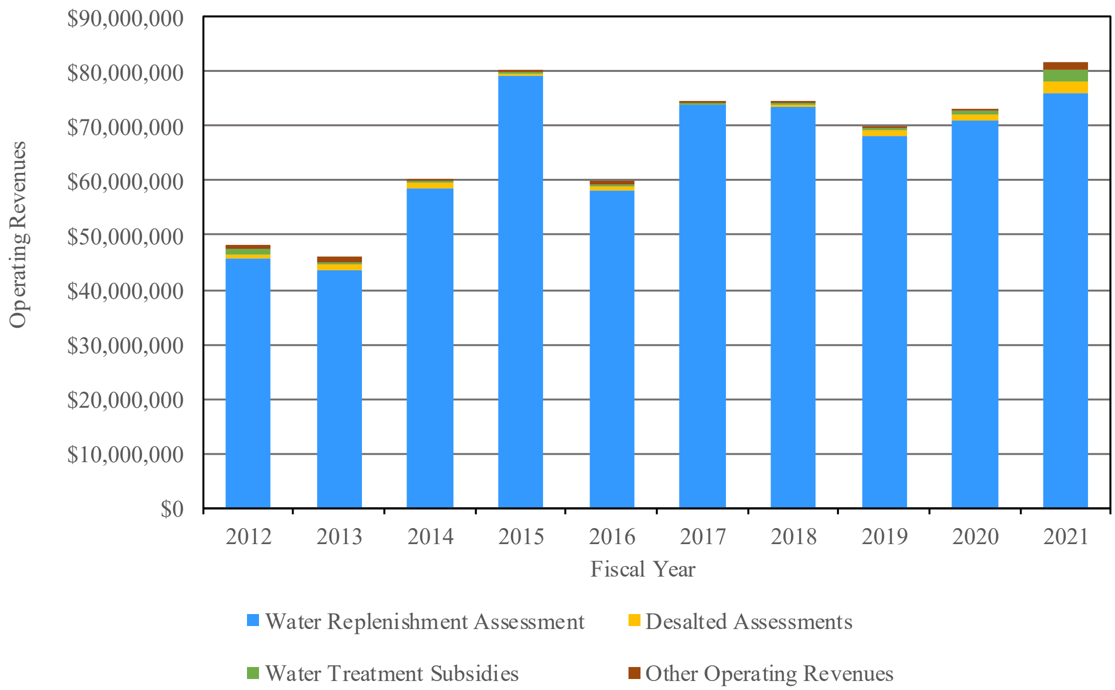
	Fiscal Year				
	2017	**2018***	**2019**	**2020**	**2021**
Changes in net position:					
Operating revenues (see Schedule 2)	$ 74,573,333	$ 74,289,639	$ 69,700,370	$ 73,228,665	$ 81,609,406
Operating expenses (see Schedule 3)	(62,347,174)	(57,072,594)	(55,541,243)	(64,700,484)	(63,226,824)
Depreciation and amortization	(4,014,947)	(4,112,063)	(4,657,627)	(4,822,237)	(4,758,264)
Operating income(loss)	8,211,212	13,104,982	9,501,500	3,705,944	13,624,318
Non-operating revenues(expenses)					
Property taxes, net of collection expenses	613,015	658,530	717,812	744,972	808,891
Investment income/(loss)	864,242	1,027,074	940,725	862,544	53,882
Interest expense	(2,875,746)	(6,174,350)	(10,105,952)	(11,957,054)	(11,730,855)
Election costs	(1,374,823)	(1,100,000)	(601,323)	-	(2,568,655)
Gain/(loss) on sale/disposition of assets	-	-	(1,367,459)	-	-
Other revenue/(expense), net	3,270,421	4,209,797	2,841,726	7,286,361	4,457,355
Net non-operating revenues (expense	497,109	(1,378,949)	(7,574,471)	(3,063,177)	(8,979,382)
Net income before capital contributions	8,708,321	11,726,033	1,927,029	642,767	4,644,936
Capital contributions	7,550,656	11,600,940	9,740,625	6,118,791	13,153,479
Changes in net position	16,258,977	23,326,973	11,667,654	6,761,558	17,798,415
Prior period adjustment	(3,031,941)	-	-	-	-
Adjusted changes in net position	13,227,036	23,326,973	11,667,654	6,761,558	17,798,415
Net position by component:					
Invested in capital assets, net of related debt	58,811,863	79,330,770	67,639,056	69,050,712	80,503,245
Restricted	-	-	1,675,642	-	-
Unrestricted	42,137,874	44,945,940	66,629,666	73,655,210	80,001,092
Total net assets	$100,949,737	$124,276,710	$135,944,364	$ 142,705,922	$ 160,504,337



* 2018 balances were reclassified.

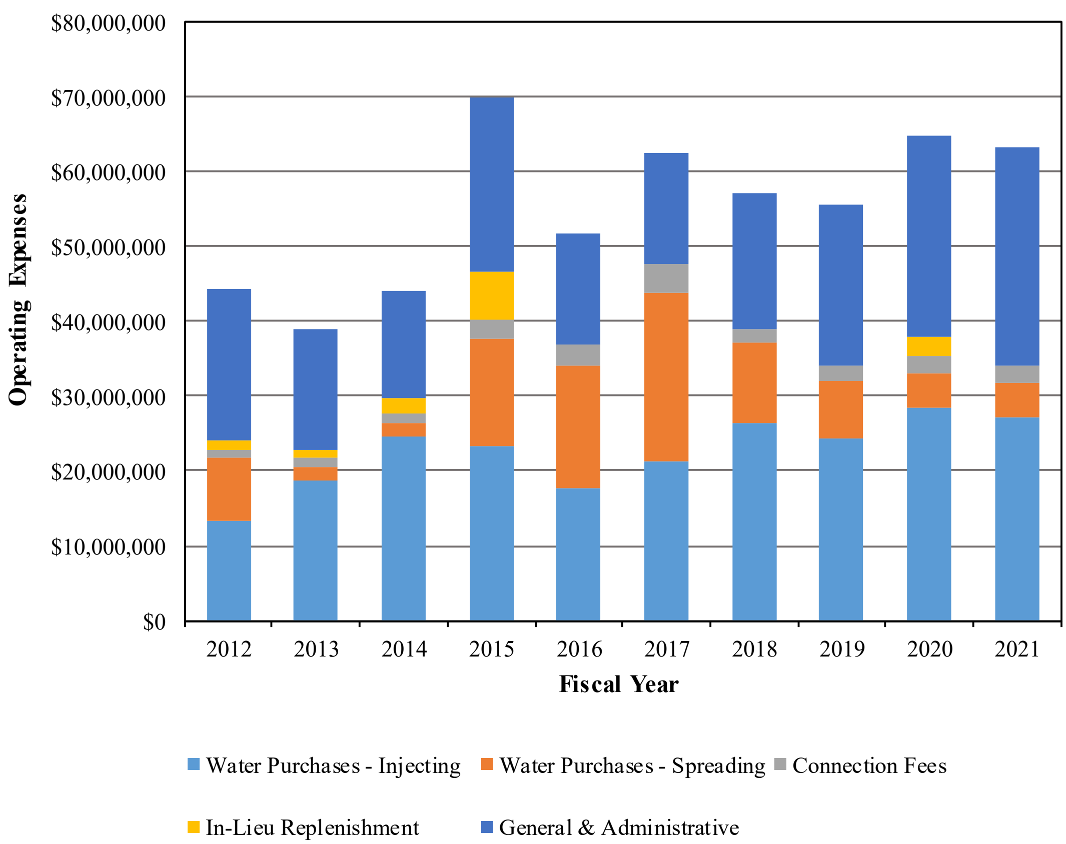
Source: Water Replenishment District Finance Department

Fiscal Year	Water Replenishment Assessment	Desalted Assessments	Water Treatment Subsidies	Other Operating Revenues	Total Operating Revenues
2012	$ 45,571,109	$ 913,204	$ 894,411	$ 743,130	$ 48,121,854
2013	43,710,697	868,531	591,292	832,548	46,003,068
2014	58,665,579	840,559	377,650	502,917	60,386,704
2015	79,085,428	517,963	182,649	368,083	80,154,123
2016	58,128,626	619,806	412,706	691,718	59,852,856
2017	73,822,097	-	355,914	395,322	74,573,333
2018	73,687,699	334,381	171,759	95,800	74,289,639
2019	68,007,111	1,138,025	497,799	57,435	69,700,370
2020	70,948,823	1,114,275	758,496	407,071	73,228,665
2021	76,161,044	1,925,675	2,047,303	1,475,384	81,609,406



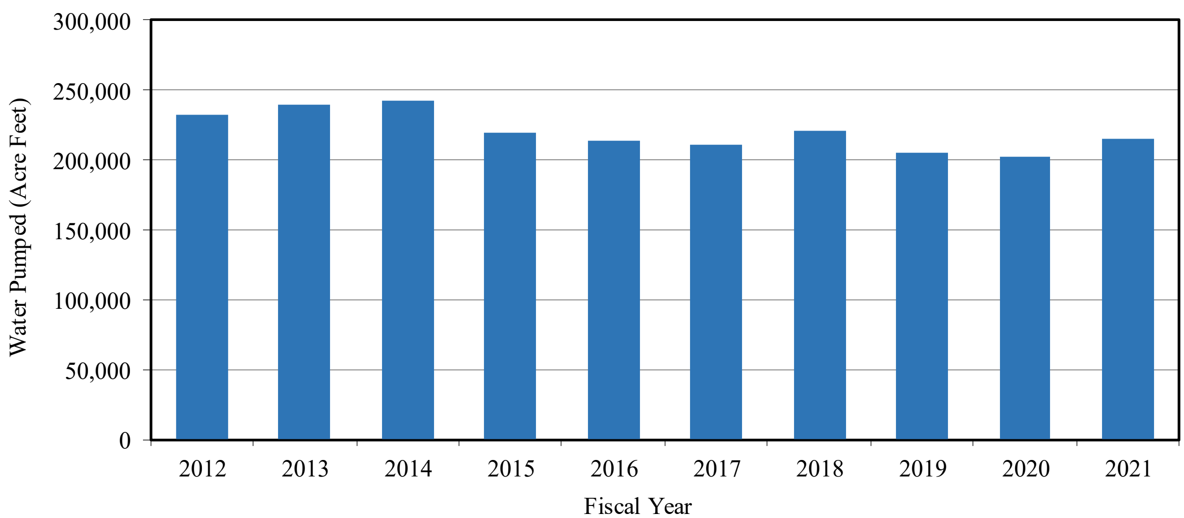
Source: Water Replenishment District Finance Department

Fiscal Year	Water Purchases - Injecting	Water Purchases - Spreading	Connection Fees	In-Lieu Replenishment	General & Administrative	Total Operating Expenses (excluding Depreciation)
2012	$ 13,466,495	$ 8,285,830	$ 1,146,511	$ 1,314,384	$ 19,957,140	$ 44,170,360
2013	18,599,786	2,021,060	1,187,540	888,692	16,171,224	38,868,302
2014	24,496,761	1,780,435	1,285,550	2,028,005	14,496,122	44,086,874
2015	23,385,697	14,325,715	2,586,820	6,241,887	23,451,200	69,991,319
2016	17,798,133	16,290,901	2,824,490	-	14,873,310	51,786,834
2017	21,344,615	22,333,722	4,010,063	-	14,658,774	62,347,174
2018	26,328,547	10,707,564	1,970,372	-	18,066,111	57,072,594
2019	24,286,777	7,688,844	2,036,791	-	21,528,831	55,541,243
2020	28,475,096	4,591,197	2,213,180	2,532,344	26,888,667	64,700,484
2021	27,176,259	4,662,502	2,299,044	-	29,089,019	63,226,824



Source: Water Replenishment District Finance Department

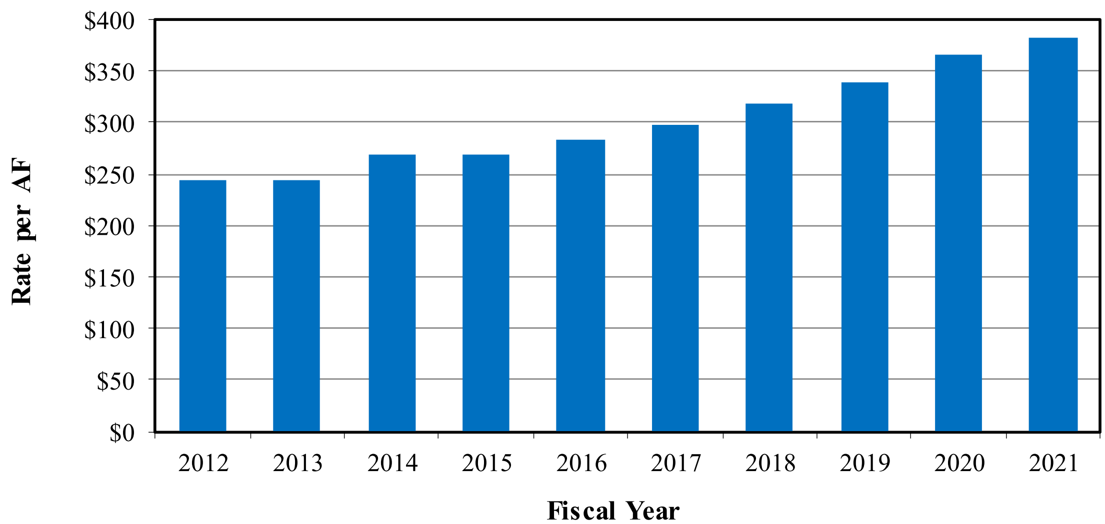
Fiscal Year	Water Pumped (Acre Feet)
2012	231,815
2013	239,691
2014	242,527
2015	219,068
2016	214,489
2017	210,600
2018	221,315
2019	205,198
2020	201,748
2021	215,577



Note: See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.

Source: Water Replenishment District Finance Department

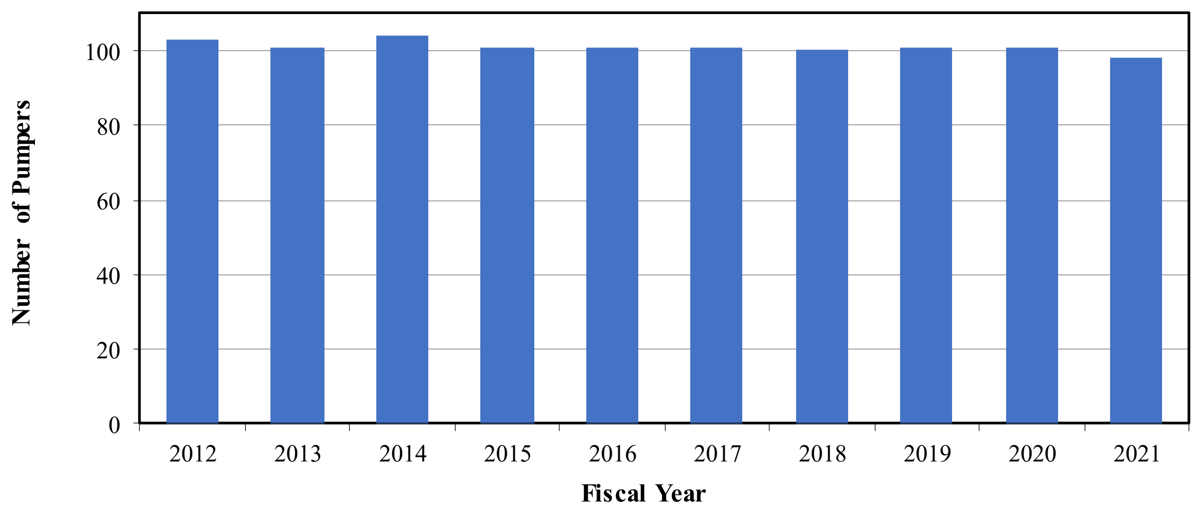
Fiscal Year	Rate per Acre Feet (AF)
2012	$244
2013	244
2014	268
2015	268
2016	283
2017	297
2018	318
2019	339
2020	365
2021	382



Notes: Rates as of June 30 of each fiscal year.

Source: Water Replenishment District Finance Department

Fiscal Year	Number of Pumpers
2012	103
2013	101
2014	104
2015	101
2016	101
2017	101
2018	100
2019	101
2020	101
2021	98

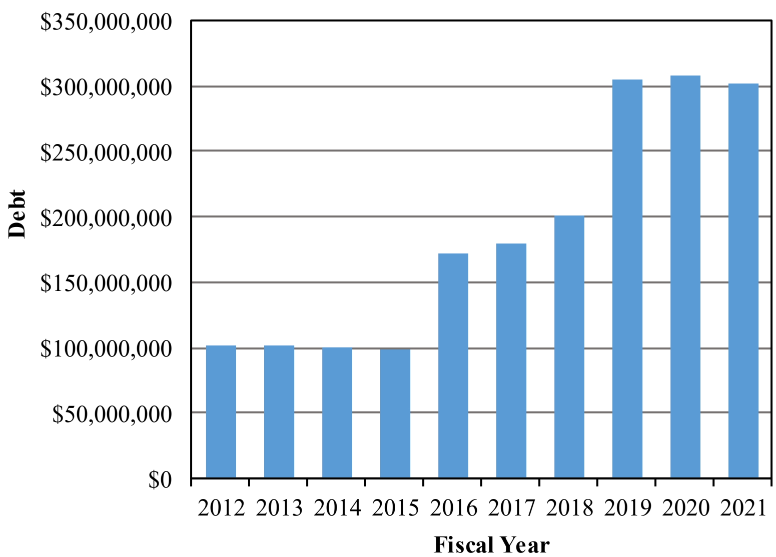


Source: Water Replenishment District Finance Department

	2021		2012	
Customer	**Water Pumped (Acre Feet)**	**Percentage of Total**	**Water Pumped (Acre Feet)**	**Percentage of Total**
Long Beach, City of	32,337	15%	25,378	11%
Golden State Water Company	25,331	12%	35,603	15%
California Water Service Company	15,820	7%	16,241	7%
Downey, City of	14,289	7%	16,132	7%
South Gate, City of	8,200	4%	8,329	4%
Cerritos, City of	8,086	4%	8,873	4%
Compton, City of	7,510	3%	6,256	3%
Lakewood, City of	7,344	3%	8,061	3%
Vernon, City of	6,420	3%	7,424	3%
Liberty Utilities Corporation	5,163	2%	2,520	1%
Total	130,500	61%	134,817	58%
Total Water Consumed (Acre Feet)	215,577	100%	231,815	100%

Source: Water Replenishment District Finance Department

Fiscal Year	Debt	Per Capita	As a Share of Personal Income
2012	$ 101,632,500	$ 10.20	0.023458%
2013	100,920,284	10.13	0.022784%
2014	100,148,068	10.00	0.021954%
2015	98,300,852	9.66	0.019656%
2016	171,569,874	16.70	0.033312%
2017	178,903,498	17.26	0.033798%
2018	201,450,473	20.64	0.039675%
2019	304,045,943	28.82	0.046278%
2020	308,529,697	30.08	0.044910%
2021	301,458,230	29.56	0.044009%



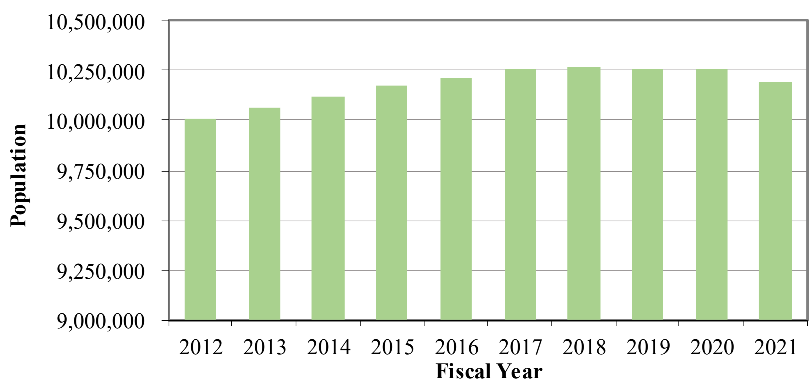
Source: Water Replenishment District Finance Department

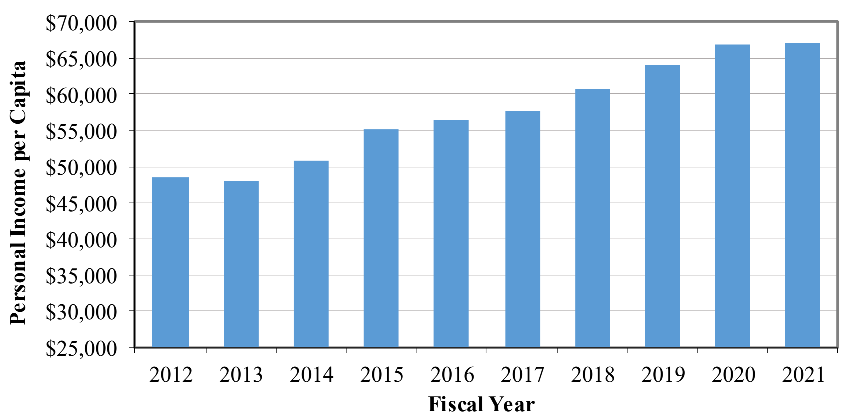
Fiscal Year	Net Revenues*	Water Purchase Payment	Revenue for Rate Covenant	Debt Service Total	Coverage Ratio
2012	$ 28,907,532	$ (24,213,220)	$ 4,694,312	$ 5,275,425	0.89
2013	30,868,456	(22,697,078)	8,171,378	5,490,931	1.49
2014	46,725,545	(29,590,753)	17,134,792	5,523,544	3.10
2015	61,550,688	(46,540,119)	15,010,569	6,553,382	2.29
2016	50,320,057	(36,913,524)	13,406,533	4,231,240	3.17
2017	64,662,237	(47,688,400)	16,973,837	9,246,245	1.84
2018	62,118,929	(39,006,483)	23,112,446	9,247,700	2.50
2019	52,671,802	(34,012,412)	18,659,390	9,639,683	1.94
2020	55,233,875	(37,811,817)	17,422,058	13,818,064	1.26
2021	57,840,515	(34,137,805)	23,702,710	16,726,543	1.42

Notes:
* Net revenue is total operating revenues minus operation & maintenance expenses, excluding water purchase payment and debt services payment

Source: Water Replenishment District Finance Department

Year	Unemployment Rate (1)	Total Population (2)	Personal Income (thousands of dollars) (2)	Personal Income per Capita (2)
2012	11.1%	10,006,227	$ 486,700,000	$ 48,640
2013	9.6%	10,064,909	483,600,000	48,048
2014	8.2%	10,124,206	514,500,000	50,819
2015	7.3%	10,176,031	560,000,000	55,031
2016	4.9%	10,211,351	577,000,000	56,506
2017	4.4%	10,255,733	591,000,000	57,626
2018	4.4%	10,269,935	624,000,000	60,760
2019	4.6%	10,260,237	657,000,000	64,034
2020	18.1%	10,257,557	687,000,000	66,975
2021	9.4%	10,198,389	685,000,000	67,167



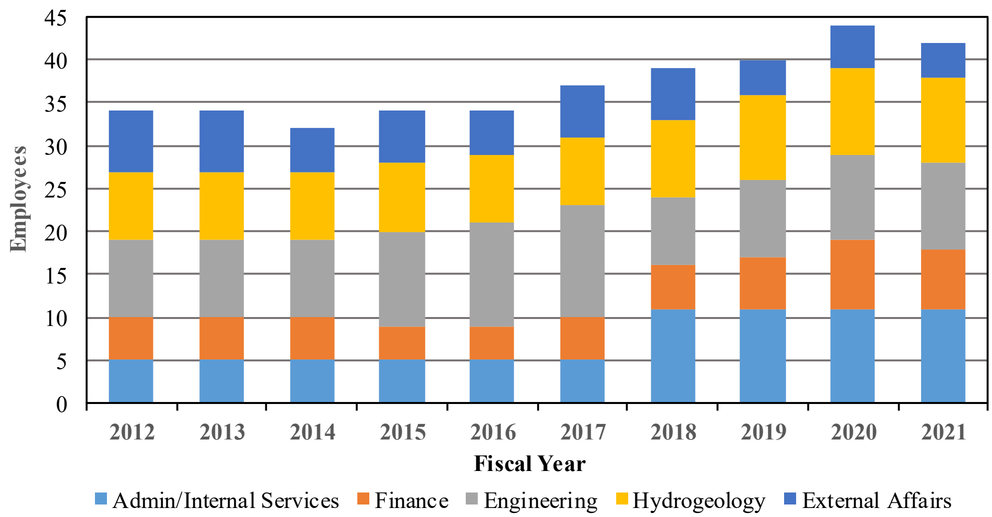


Notes:
(1) Only County data is updated annually. Therefore, the District has chosen to use its data since the County data is representative of the conditions of the District.
Sources: California Department of Finance and CaliforniaLaborMarketInfo, U.S. Bureau of Labor Statistics

(2) Per capita personal income was computed using Census Bureau mid-year population estimates and Real Per Capita Income estimates from CalGov's Los Angeles County Economic Forecast. All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Sources: Regional Economic Information System, Bureau of Economic Analysis,
CalGov.com/Los Angeles County Economic Forecast

	Employees									
Department	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Admin/Internal Services	5	5	5	5	5	5	11	11	11	11
Finance	5	5	5	4	4	5	5	6	8	7
Engineering	9	9	9	11	12	13	8	9	10	10
Hydrogeology	8	8	8	8	8	8	9	10	10	10
External Affairs	7	7	5	6	5	6	6	4	5	4
Total	**34**	**34**	**32**	**34**	**34**	**37**	**39**	**40**	**44**	**42**



Other Operating and Capacity Indicators

Fiscal Year	Number of Groundwater Pumps	Acre Feet Injected
2012	373	19,023
2013	361	23,277
2014	365	30,075
2015	353	28,881
2016	357	25,667
2017	360	25,906
2018	380	26,953
2019	383	23,057
2020	354	27,285
2021	363	26,070

Note:
Number of Wells
In previous years, the count of the number of production wells was based on wells labeled as "Active" in the wells database, regardless of whether they had production in the current Fiscal Year.
In order to provide a more accurate summary of active wells, we performed a review of the historical pumping table and identified all wells that had production greater than zero during each fiscal year.
A summary of this count is provided above.
Sources: Water Replenishment District Engineering and Finance Departments

	2021			2012		
Industry	**Number of Employees**	**Rank**	**% of Total**	**Number of Employees**	**Rank**	**% of Total**
Educational & Health Services	839,300	1	16.56%	701,400	1	14.30%
Professional & Business Services	598,800	2	11.81%	561,600	2	11.45%
Retail Trade, Transportation & Utilities	804,600	3	15.87%	771,900	3	15.74%
Government	558,700	4	11.02%	556,800	4	11.35%
Leisure & Hospitality	438,300	5	8.65%	414,400	5	8.45%
Manufacturing	306,900	6	6.05%	375,500	6	7.66%
Financial Activities	209,300	7	4.13%	212,400	7	4.33%
Information	177,000	8	3.49%	192,200	8	3.92%
Construction	148,100	9	2.92%	107,600	9	2.19%
Other Services	127,100	10	2.51%	141,700	10	2.89%
Ten Largest Industries	**4,208,100**		**83.00%**	**4,035,500**		**82.27%**
Other Industries	861,600		17.00%	869,400		17.73%
Total Industries	5,069,700		100.00%	4,904,900		100.00%

Note: The District is presenting employment by industry as we have been unable to obtain employment numbers by individual employers.

Source: California Employment Development Department

(This page intentionally left blank)

(This page intentionally left blank)