



2021

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

Prepared by:

*The Finance Department
Vista Irrigation District
Vista, CA*



VID VISTA IRRIGATION DISTRICT

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www.vidwater.org



A public agency serving the city of Vista and portions
of San Marcos, Escondido, Oceanside and San Diego County

**Vista Irrigation District
Comprehensive Annual Financial Report
For Fiscal Years Ended June 30, 2021 and 2020
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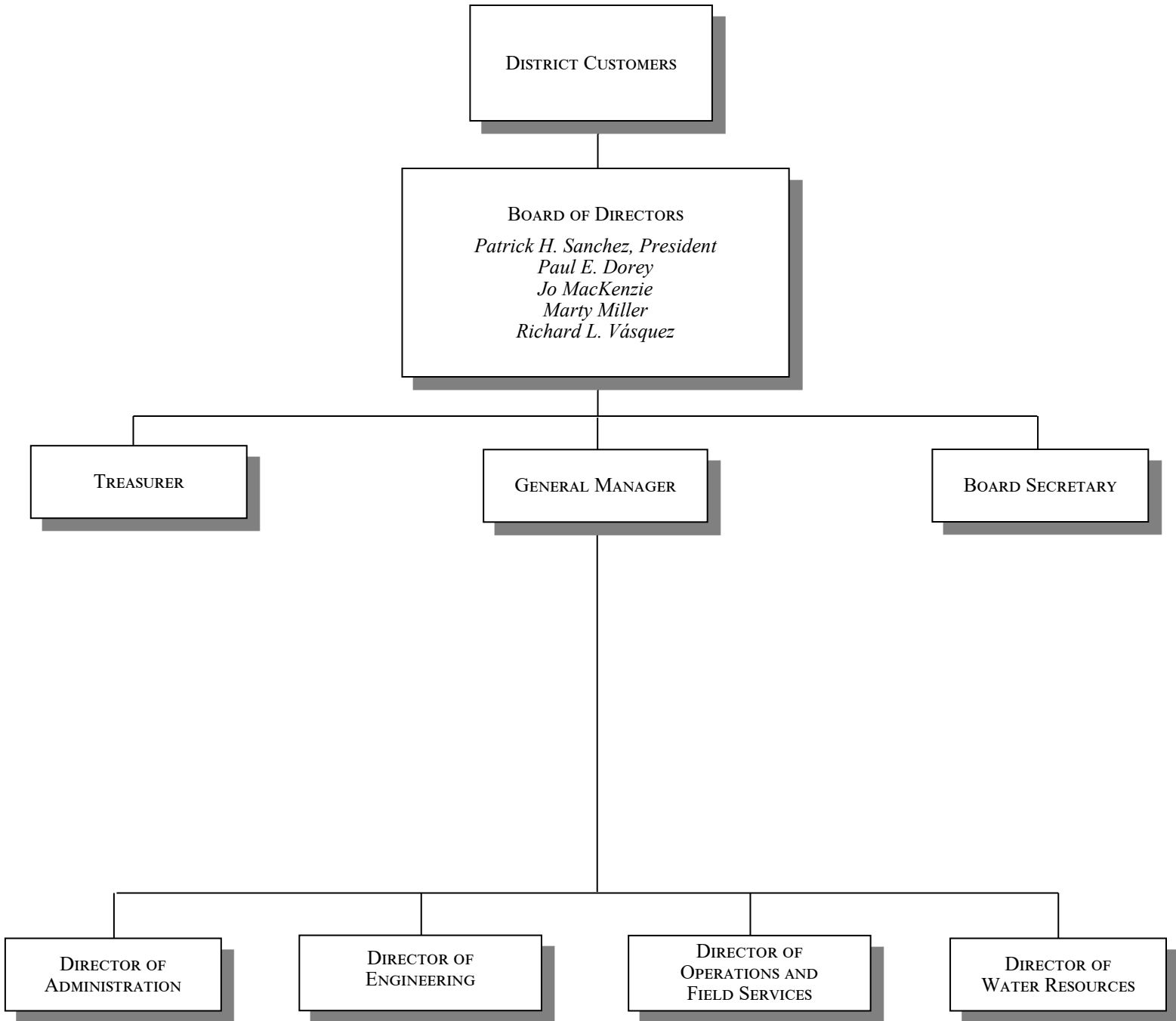
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Introductory Section



**Organization Chart
As of June 30, 2021**





1391 Engineer Street • Vista, California 92081-8840
Phone (760) 597-3100 • Fax: (760) 598-8757
www.vidwater.org

Board of Directors

Patrick H. Sanchez, *President*
Paul E. Dorey
Jo MacKenzie
Marty Miller
Richard L. Vásquez

Administrative Staff

Brett L. Hodgkiss
General Manager
Lisa R. Soto
Board Secretary

November 19, 2021

To the Board of Directors and customers served by the Vista Irrigation District:

We are pleased to present the Vista Irrigation District's (the District's) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2021. The purpose of the report is to provide the Board of Directors, our customers, and any other interested parties with reliable financial information about the District.

The report was prepared by the District's Finance Department following guidelines set forth by the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner that provides a fair representation of the financial position and results of operations of the District. Included are all disclosures we believe necessary to enhance your understanding of the financial condition of the District. Internal controls are an important part of any financial reporting framework, and management of Vista Irrigation District has established a comprehensive framework of internal controls to provide a reasonable basis for asserting that the financial statements are fairly presented. Because the cost of an internal control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement Management's Discussion and Analysis and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The District's financial statements have been audited by Davis Farr LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the

accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Profile of the District

District's Service Area

The District's service area consists of a 33-square mile area in the northwestern quadrant of San Diego County that lies west of the Interstate 15 Freeway and east of the Interstate 5 Freeway, encompassing approximately 21,152 acres. Within the District's boundaries are the City of Vista; portions of the cities of San Marcos, Escondido and Oceanside; and unincorporated areas of the county. The District provides potable water to its service area.

District's Authority

Vista Irrigation District is a special district of the State of California organized in 1923 under the Irrigation District Act (Water Code §20500, et. Seq.) and authorizing statutes (Water Code §22975, et. Seq.) and approved by voters on August 28, 1923 which coincided with the building of Henshaw Dam in 1923 by the San Diego County Water Company. Completion of the dam made it possible for the Vista community to receive a reliable source of water, instead of relying on wells in the area. In June 1946, the District purchased the San Diego County Water Company. Included in the purchase was the 43,000-acre Warner Ranch, which includes Henshaw Dam and Lake Henshaw. In 1954, the District became a member of the San Diego County Water Authority (SDCWA) in order to receive water imported from the Colorado River and Northern California.

The State of California Water Code also authorizes the District to exercise the power of eminent domain; to fix, revise and collect rates or other charges for the delivery of water, use of facilities or property, or provision of service; and to fix in each fiscal year, a water standby or availability charge on land within the boundaries of the District to which water is made available by the District. The District may also issue bonds, borrow money and incur indebtedness.

Governance

The District's Board of Directors is comprised of five members elected by the citizens within their geographical area. Each Director serves a four year staggered term and must be a resident of the division he or she represents. The District operates under a Board-Manager form of government. The General Manager is appointed by the Board, and administers the daily affairs of the District and carries out policies of the Board of Directors. The District budgets a staff of 89 under the direction of the Board-appointed General Manager.

Water Services

The District serves more than 29,000 customers. Typically, twenty percent of the District's water comes from its local water supply, Lake Henshaw, and eighty percent comes from three imported water sources, the Colorado River, the Pacific Ocean (desalination), and the Sacramento River/San Joaquin River Delta in Northern California. The District currently delivers approximately 17,300 acre feet of water annually to its customers.

The water system operates over 429 miles of pipe, 12 storage reservoirs, and 7 pumping stations. The District jointly owns the Escondido-Vista water treatment plant with the City of Escondido. The Escondido-Vista water treatment plant (EVWTP) has a permitted capacity of 75 MGD and treats raw water before it is delivered to customers.

Local Economy

District Economic Results

The estimated population of the District is 132,838 as of fiscal year 2021. According to the San Diego Association of Governments (SANDAG), the median age of residents within the District as calculated during the most recent US Census, was 34.3 years and the per capita personal income of residents in the City of Vista, which encompasses the majority of the District, was \$49,971. From 2011 to 2021 the population increased 5.6%, and median household income (adjusted for inflation) increased by 28.9%.

The demand for new connections increased, with the District's total service connections increasing in fiscal year 2021 from 28,879 connections to 29,007. Water sales for fiscal year 2021 were 17,322 acre feet, up 2098 acre feet or 13.8% from sales of 15,224 in fiscal year 2020. Of the 17,322 acre feet, or 5.6 billion gallons sold in fiscal year 2021, 71% was distributed for residential use, 9% for industrial and commercial use, 13% for landscape irrigation use, 5% for agricultural use and 2% for governmental use.

Until the Lake Henshaw area receives several years of average to above average rainfall, surface water run-off totals will not appreciably increase the lake level nor will a significant amount of groundwater recharge take place. As a result, the District will continue to need to purchase imported water to meet the balance of customer needs.

Bay-Delta Fix

The Bay-Delta, a 1,000 square mile network of islands and waterways at the confluence of the Sacramento and San Joaquin rivers east of San Francisco Bay, is a key water supply source for California, including the 3.1 million residents and business community in San Diego County.

Water supplies from the Bay-Delta come to San Diego County via the State Water Project. The Metropolitan Water District of Southern California (MWD) purchases the

water from the state Department of Water Resources under a water supply contract. This water has become increasingly unreliable in recent years as deteriorating ecological conditions have led to regulatory restrictions on pumping water supplies from the Bay-Delta. How much and when the District would begin paying for a Bay-Delta fix is undetermined at this time.

MWD Lawsuit

The San Diego County Water Authority (Water Authority) recently received a \$44.4 million rebate from the Metropolitan Water District of Southern California (Metropolitan). On February 25, 2021, the Water Authority's Board of Directors announced a plan to distribute the rebate to its 24 member agencies. Vista Irrigation District's pro-rata share of the rebate is \$1,571,006. The funds were received in April 2021.

The rebate was the result of decade-long rate case litigation between the Water Authority and the Metropolitan; The Water Authority won on several critical issues in the cases covering 2011 to 2014 and was deemed the prevailing party; as such, The Water Authority was owed legal fees and charges in addition to the damages and interest payments. The payment by Metropolitan was a damages award for Water Stewardship Charges that had been unlawfully assessed by Metropolitan on the Water Authority's independent water supplies transported through Metropolitan facilities from 2011 through 2014.

The rebate will be returned to rate payers by offsetting the Water Authority rate increases over the next five years beginning in 2022.

Long-Term Financial Planning

New facilities and system improvements are funded by water rates. Water rates are increased over time based on the long range capital improvement plan. Replacement facilities are financed by depreciation and interest on accumulated depreciation. Expanded facilities are funded by developer fees and capacity charges.

Items in the long range capital improvement plan are determined not only by the depreciation schedule, but through a process which assesses a combination of factors including age, condition and the critical nature of the facility. The long range capital improvement plan spreads projects over several years to maintain a constant level of capital projects to maximize the efficiency of District resources. Funds collected or accumulated in years in which there are no new or expanded facilities are placed into the District's capital improvement reserve account. Funds in the capital improvement reserve account are used to pay for construction projects in years that the costs of construction projects exceed the amount collected from water rates.

Major Initiatives

Mainline Replacement Program

In 1995 the Board of Directors initiated an on-going Main Replacement Program with the goal of replacing aging pipelines before they reach the end of their useful life and become a maintenance liability. Formalizing a Main Replacement Program has allowed pipe replacements to be prioritized based on the age of the line, leak history, and pipe material as well as factors related to site conditions. Another important factor is input from District crews, who evaluate the line's condition at the time repairs are being made.

Since its inception, the Board has allocated \$32.1 million to the program which has allowed the replacement of nearly 34.95 miles of older pipe ranging in size from 4 to 20 inches.

Accomplishments

Financial Statement Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Vista Irrigation District for its CAFR for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. 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 CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

We would like to express our appreciation to the Finance Department staff and the independent accounting firm of Davis Farr LLP for the efforts made to prepare this report. We would also like to thank the members of the District's Board of Directors for their continued interest and support in all aspects of the District's financial management.

Respectfully submitted,



Brett Hodgkiss
General Manager



Marlene Kelleher
Treasurer/ Director of Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Vista Irrigation District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

Board of Directors
Vista Irrigation District
Vista, California

Report on the Financial Statements

We have audited the accompanying financial statements of Vista Irrigation District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above s fairly, in all material respects, the respective financial position of the Vista Irrigation District as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Vista Irrigation District for the year ended June 30, 2020 was audited by other auditors whose report dated December 9, 2020 expressed an unmodified opinion on those financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis, the Schedule of the Proportionate Share of the Plan's Net Pension Liability and Related Ratios, Schedule of Contributions – Pension Plan , Schedule of Changes in the Net OPEB Liability and Related ratios and Schedules of Contributions – OPEB* 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vista Irrigation District's basic financial statements. The *introductory section* and the *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The *introductory section* and the *statistical section* 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2021 on our consideration of Vista Irrigation Districts' 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 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 Vista Irrigation District's internal control over financial reporting and compliance.

DavisFarrLLP

Irvine, California
November 19, 2021

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**VISTA IRRIGATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

Our discussion and analysis of the Vista Irrigation District’s financial performance provides an overview of the District’s financial activities for the year ended June 30, 2021. Please read it in conjunction with the District’s financial statements which begin on page 10. This annual financial report consists of two parts -- Management’s Discussion and Analysis (this section) and the Financial Statements.

Financial Statements

The District’s financial statements include four components:

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows
- Notes to Financial Statements

The statements of net position include all of the District’s assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net Position is displayed in two categories:

- Investment in capital assets
- Unrestricted

The statements of net position provide the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statements of revenues, expenses and changes in net position present information which shows how the District’s net position changed during each year. All of the year’s revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statements of revenues, expenses and changes in net position measure the success of the District’s operations during the year and determine whether the District has recovered its costs through user fees and other charges.

The statements of cash flows provide information regarding the District’s cash receipts and cash disbursements during the year. These statements report cash activity in four categories:

- Operating
- Noncapital financing
- Capital and related financing
- Investing

These statements differ from the statements of revenues, expenses and changes in net position by only accounting for transactions that result in cash receipts or cash disbursements.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by accounting principles generally accepted in the United States of America that are not otherwise present in the financial statements.

Financial Highlights

Fiscal Year 2021

- Overall, operating revenues increased 7.4%, while operating expenses increased by 13.0%.
- The District realized a \$1.4 million operating gain for fiscal year 2021 compared to a \$3.8 million operating gain for fiscal year 2020. The decrease in gain is primarily a result of the higher costs of purchased water in the current year, due to more imported water purchases, as a result of decreased availability of local water.
- Due to the on-going COVID-19 pandemic, late fees and other similar charges continued to be suspended during fiscal year 2021. For fiscal year 2021, the District estimated a loss of penalty revenues of approximately \$700,000 due to COVID-19 pandemic, as compared to pre-pandemic revenues. Water usage demand increased in fiscal year 2021, as residents spent more time at home due to COVID-19; increased activity in home, landscape, and construction projects; increased housing development, along with hotter weather.

Fiscal Year 2020

- Overall, operating revenues increased 0.8%, while operating expenses increased by 3.8%.
- The District realized a \$3.8 million operating gain for fiscal year 2020 compared to a \$5.1 million operating gain for fiscal year 2019. The decrease in gain was primarily a result of the Pension expense increasing by \$2.4 million due to the GASB 68 valuation for fiscal year 2020.
- Costs of purchased water were lower in the fiscal year 2020, due to less imported water activity, as a result of increased availability of local water.
- Due to the COVID-19 pandemic, late fees and other similar charges were suspended. In addition, the District experienced a decrease in new activity, causing a decrease in other fees such as capacity fees. For fiscal year 2020, the District estimated a loss of revenue of approximately \$300,000 due to COVID-19 pandemic. Water usage demand was similar in both fiscal years 2020 and 2019. The District also experienced a decrease in operating expenses such as travel and training, resulting in a savings of approximately \$50,000.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

Financial Analysis of the District

Net Position - The District's overall net position increased \$3.4 million between fiscal years 2020 and 2021, from \$130.3 to \$133.7 million, primarily due to operating revenue of \$1.4 million, as well as \$1.4 million in contributed capital. The District's overall net position increased \$5.9 million between fiscal years 2019 and 2020, from \$124.4 to \$130.3 million, primarily due to operating revenue of \$3.8 million. The investment in capital assets increased \$6.9 million in 2021 and \$4.5 million in 2020, which reflect the excess of net capital additions over the current year depreciation and dispositions.

**Vista Irrigation District's Net Position
(In Millions of Dollars)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current assets	\$ 56.7	\$ 54.3	\$ 48.5
Capital assets	<u>109.2</u>	<u>102.3</u>	<u>97.8</u>
Total Assets	<u>165.9</u>	<u>156.6</u>	<u>146.3</u>
Deferred outflows of resources	<u>5.9</u>	<u>4.8</u>	<u>5.0</u>
Current liabilities	14.7	11.2	9.6
Noncurrent liabilities	<u>21.0</u>	<u>18.6</u>	<u>16.2</u>
Total Liabilities	<u>35.7</u>	<u>29.8</u>	<u>25.8</u>
Deferred inflows of resources	<u>2.4</u>	<u>1.3</u>	<u>1.1</u>
Net Position:			
Investment in capital assets	109.2	102.3	97.8
Unrestricted	<u>24.5</u>	<u>28.0</u>	<u>26.6</u>
Total Net Position	<u>\$ 133.7</u>	<u>\$ 130.3</u>	<u>\$ 124.4</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

Change in Net Position – In fiscal year 2021, the District's operating revenues increased by 7.4% to \$54.6 million, and 96.3% of the District's operating revenues came from water sales. The increase in operating revenues resulted primarily due to increased water revenues, as a result of increased water usage, along with higher water rates in the current year. In fiscal year 2020, the District's operating revenues increased by 0.8% to \$50.8 million, and 95.9% of the District's operating revenues came from water sales. The increase in operating revenues resulted primarily due to increased water revenues, as a result of higher water rates in the current year.

During fiscal year 2021, the District's operating expenses increased 13.0% to \$53.2 million primarily due to increased imported water purchases, as result of the decreased availability of local water. During fiscal year 2020, the District's operating expenses increased 3.8% to \$47.0 million primarily due to an increase in pension expense as a result of GASB 68 valuations.

**Vista Irrigation District's Changes in Net Position
(In Millions of Dollars)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues			
Water sales, net	\$ 52.5	\$ 48.7	\$ 47.8
Property rentals	0.8	0.8	0.8
System fees	0.8	0.9	1.2
Other services	0.5	0.4	0.6
Total Operating Revenues	<u>54.6</u>	<u>50.8</u>	<u>50.4</u>
Operating Expenses	<u>53.2</u>	<u>47.0</u>	<u>45.3</u>
Operating Income	<u>1.4</u>	<u>3.8</u>	<u>5.1</u>
Nonoperating Revenues (Expenses)			
Property taxes	0.5	0.5	0.5
Investment income	0.1	0.9	0.9
Gain (Loss) on disposal of capital	-	-	3.7
Total Nonoperating Revenues	<u>0.6</u>	<u>1.4</u>	<u>5.1</u>
Contributed Capital	<u>1.4</u>	<u>0.7</u>	<u>1.5</u>
Changes in Net Position	3.4	5.9	11.7
Total Net Position - beginning	<u>130.3</u>	<u>124.4</u>	<u>112.7</u>
Total Net Position - ending	<u>\$ 133.7</u>	<u>\$ 130.3</u>	<u>\$ 124.4</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

Capital Assets

At June 30, 2021, the District had invested \$205.9 million in capital assets with \$96.7 million in accumulated depreciation. Net capital assets increased \$6.9 million as a result of capital acquisitions exceeding the annual depreciation and dispositions. During the year the District added \$10.3 million of capital assets. The largest capital additions were \$3.8 million for reservoir rehabilitation, \$2.6 million in costs for several mainline replacement projects, \$1.7 million for the repair of a concrete-lined ditch, \$0.3 million for a flume replacement study, \$0.2 million for pressure regulating station costs, and \$0.2 million for redevelopment project costs. This year’s capital reductions included the replacement/disposals of vehicles, office equipment/remodel, pump station motors, and other capital assets with a total historical cost of \$0.3 million. Depreciation for the year was \$3.4 million.

At June 30, 2020, the District had invested \$195.9 million in capital assets with \$93.6 million in accumulated depreciation. Net capital assets increased \$4.5 million as a result of capital acquisitions exceeding the annual depreciation and dispositions. During the year the District added \$7.7 million of capital assets. The largest capital additions were \$4.1 million for reservoir rehabilitation, \$2.6 million in costs for several mainline replacement projects, \$0.3 million for redevelopment project costs, and \$0.2 million for pressure regulating station costs. This year’s capital reductions included the replacement/disposals of pipelines, reservoir equipment, and other capital assets with a total historical cost of \$0.2 million. Depreciation for the year was \$3.2 million.

**Vista Irrigation District’s Capital Assets, Net
(In Millions of Dollars)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land, franchises and water rights	\$ 5.4	\$ 5.4	\$ 5.4
Buildings, canals, pipelines, reservoirs and dams	97.6	85.4	86.7
Equipment	2.9	2.6	2.7
Henshaw pumping project	0.3	0.3	0.3
Construction in progress	<u>3.0</u>	<u>8.6</u>	<u>2.7</u>
Total Capital Assets, Net	<u>\$ 109.2</u>	<u>\$ 102.3</u>	<u>\$ 97.8</u>

For more detailed information on capital asset activity, please refer to “Note 4 – Capital Assets” in the notes to the financial statements.

Long-term Debt

At June 30, 2021, the District had no debt and has no immediate need to issue debt.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for and the stewardship of the financial resources and facilities it manages and maintains. If you have questions about this report or need additional financial information, contact the Vista Irrigation District's Finance Department at 1391 Engineer Street, Vista, California 92081.

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents (note 2)	\$ 27,074,285	\$ 25,641,692
Investments (note 2)	19,494,561	19,483,935
Accounts receivable, net (note 3)	9,008,422	7,957,475
Taxes receivable	37,394	38,137
Accrued interest receivable	11,545	41,192
Other receivable	127,330	125,545
Inventories of materials and supplies	636,305	716,723
Prepaid expenses and other current assets	314,998	280,602
Total Current Assets	56,704,840	54,285,301
Noncurrent Assets:		
Capital assets: (note 4)		
Depreciable assets, net of accumulated depreciation:		
Buildings, canals, pipelines, reservoirs and dams	97,637,645	85,413,391
Equipment	2,868,872	2,556,308
Henshaw pumping project	253,158	296,943
Nondepreciable assets:		
Land, franchises and water rights	5,453,295	5,453,295
Construction in progress	3,001,940	8,614,923
Total capital assets	109,214,910	102,334,860
Total Noncurrent Assets	109,214,910	102,334,860
Total Assets	165,919,750	156,620,161
Deferred Outflows of Resources		
Pension related (note 6)	5,568,316	4,488,550
Other post-employment benefits (OPEB) related (note 7)	403,617	327,492
Total Deferred Outflows of Resources	5,971,933	4,816,042

The accompanying notes are an integral part of the financial statements.

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
Liabilities		
Current Liabilities:		
Accounts payable	\$ 10,204,541	\$ 8,708,940
Deposits	517,111	490,482
Compensated absences, current portion (note 1)	418,815	404,593
Accrued expenses and other liabilities, current portion (note 5)	<u>2,202,762</u>	<u>1,583,590</u>
Total Current Liabilities	<u>13,343,229</u>	<u>11,187,605</u>
Noncurrent Liabilities:		
Compensated absences, long-term portion (note 1)	1,007,030	893,429
Accrued expenses and other liabilities, long-term portion (note 5)	1,413,906	-
Net pension liability (note 6)	18,800,669	16,707,460
Net OPEB liability (note 7)	<u>1,155,368</u>	<u>1,002,426</u>
Total Noncurrent Liabilities	<u>22,376,973</u>	<u>18,603,315</u>
Total Liabilities	<u>35,720,202</u>	<u>29,790,920</u>
Deferred Inflows of Resources		
Pension related (note 6)	2,300,979	1,242,821
OPEB related (note 7)	<u>111,112</u>	<u>75,181</u>
Total Deferred Inflows of Resources	<u>2,412,091</u>	<u>1,318,002</u>
Net Position		
Investment in capital assets	109,214,910	102,334,860
Unrestricted	<u>24,544,480</u>	<u>27,992,421</u>
Total Net Position	<u>\$ 133,759,390</u>	<u>\$ 130,327,281</u>

The accompanying notes are an integral part of the financial statements.

VISTA IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Water sales, net (note 3)	\$ 52,527,704	\$ 48,703,324
Property rentals	836,723	771,289
System fees	754,464	924,945
Other services	454,878	408,369
Total Operating Revenues	<u>54,573,769</u>	<u>50,807,927</u>
Operating Expenses		
Purchased water	27,010,218	20,917,710
Wages and benefits	16,257,820	16,207,874
Contractual services	5,492,856	4,945,888
Depreciation	3,400,480	3,247,471
Supplies	1,330,707	1,288,380
Power	466,942	411,118
Office and general	361,044	408,249
Professional fees	281,135	719,175
Communications	49,299	49,025
Insurance	14,072	110,882
Burden allocation	(1,507,279)	(1,257,841)
Total Operating Expenses	<u>53,157,294</u>	<u>47,047,931</u>
Operating Income	<u>1,416,475</u>	<u>3,759,996</u>
Nonoperating Revenues (Expenses)		
Property taxes	539,949	507,604
Investment income	61,093	903,373
Gain on disposal of capital assets	50,523	35,014
Other nonoperating revenues (expenses)	-	(32,341)
Total Nonoperating Revenues (Expenses)	<u>651,565</u>	<u>1,413,650</u>
Income Before Contributed Capital	2,068,040	5,173,646
Contributed Capital	<u>1,364,069</u>	<u>750,830</u>
Changes in Net Position	3,432,109	5,924,476
Total Net Position - beginning	<u>130,327,281</u>	<u>124,402,805</u>
Total Net Position - ending	<u>\$ 133,759,390</u>	<u>\$ 130,327,281</u>

The accompanying notes are an integral part of the financial statements.

**VISTA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 53,521,040	\$ 50,835,085
Payments to suppliers	(37,251,971)	(30,497,351)
Payments to employees	(8,188,978)	(8,362,875)
Collection of deposits	939,408	974,513
Return of deposits	(912,779)	(1,739,482)
MWD rebate proceeds	1,571,006	-
(Payment to) Receipts from others	-	(32,341)
Net Cash Provided by Operating Activities	<u>9,677,726</u>	<u>11,177,549</u>
Cash Flows From Noncapital Financing Activities		
Receipts from property taxes	<u>540,693</u>	<u>501,709</u>
Net Cash Provided by Noncapital Financing Activities	<u>540,693</u>	<u>501,709</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from disposal of capital assets	63,363	38,459
Acquisition and construction of capital assets	<u>(8,929,302)</u>	<u>(6,985,003)</u>
Net Cash Used by Capital and Related Financing	<u>(8,865,939)</u>	<u>(6,946,544)</u>
Cash Flows From Investing Activities		
Proceeds from maturities of investments	19,500,000	19,500,000
Interest on cash and investments	59,638	490,336
Purchase of investments	<u>(19,479,525)</u>	<u>(19,268,860)</u>
Net Cash Provided by Investing Activities	<u>80,113</u>	<u>721,476</u>
Net Increase in Cash and Cash Equivalents	1,432,593	5,454,190
Cash and Cash Equivalents - beginning	<u>25,641,692</u>	<u>20,187,502</u>
Cash and Cash Equivalents - ending	<u>\$ 27,074,285</u>	<u>\$ 25,641,692</u>

The accompanying notes are an integral part of the financial statements.

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 1,416,475	\$ 3,759,996
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,400,480	3,247,471
Other nonoperating expenses	-	(32,341)
 Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Accounts receivable, net	(1,050,947)	27,158
Other receivable	(1,785)	(125,545)
Inventories of materials and supplies	80,417	(104,057)
Prepaid expenses and other assets	(34,396)	7,836
Deferred outflows of resources	148,563	211,913
Accounts payable	1,495,602	2,252,023
Deposits	26,629	(764,969)
Accrued expenses and other liabilities	2,033,078	42,041
Compensated absences	127,824	75,196
Net pension liability	2,093,209	1,916,360
Net OPEB liability	152,942	414,678
Deferred inflows of resources	<u>(210,365)</u>	<u>249,789</u>
Net Cash Provided by Operating Activities	<u>\$ 9,677,726</u>	<u>\$ 11,177,549</u>
 Noncash Investing, Capital and Financing Activities		
Contributed capital assets	\$ 1,364,069	\$ 750,830
Increase in fair value of investments	\$ 31,101	\$ 410,427

The accompanying notes are an integral part of the financial statements.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

Description of the Reporting Entity

Vista Irrigation District (District) is a public entity established in 1923, pursuant to the Irrigation District Act of the California Water Code, for the purpose of providing water services to the properties in the District. The District's service area lies within the northwestern quadrant of San Diego County, encompassing approximately 21,089 acres. Historically, the District has received 20% of its water supply from Lake Henshaw which, along with the surrounding 43,000 acre Warner Ranch, is owned and operated by the District. The remaining 80% of the District's supply comes from Northern California through the State Water Project and from the Colorado River. These sources are conveyed to the District via aqueducts owned and operated by water wholesalers, the Metropolitan Water District of Southern California and the San Diego County Water Authority. The District is governed by a Board of Directors consisting of five directors elected by geographical divisions, based on District population, for four-year alternating terms.

The criteria used in determining the scope of the reporting entity are based on the provisions of the Governmental Accounting Standards Board (GASB). The District is the primary government unit and currently has no component units. Component units are those entities which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the District.

Basic Financial Statements

The basic financial statements are comprised of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, the Statements of Cash Flows and the notes to the basic financial statements.

Basis of Presentation

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect: the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, all investment instruments are considered to be cash equivalents if purchased with a maturity of three months or less and are readily convertible to known cash amounts.

Investments

Investments are reported at fair value in the statements of net position. All investment income, including changes in the fair value of investments, is recognized as revenues in the statements of revenues, expenses, and changes in net position. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

Accounts Receivable

Accounts receivable includes both billed and unbilled water sales provided to District customers. An allowance for doubtful accounts is provided for uncollectible accounts based on the District’s bad debt experience and on management’s estimate.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Inventories of Materials and Supplies

Inventories of materials and supplies consist primarily of materials used in the construction and maintenance of the water system and are valued at average cost.

Prepaid Expenses

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

Capital Assets and Depreciation

The District records at cost the acquisition of capital assets greater than \$5,000 and with a useful life of 3 or more years. Contributed assets are recorded at their acquisition value at the date of acceptance by the District. Self-constructed assets are recorded in the amount of labor, material, and overhead incurred. Depreciation is charged to expense and is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

	<u>Useful Life</u>
Buildings, canals, pipelines, reservoirs and dams	15 - 80 years
Equipment	3 - 25 years
Henshaw pumping project	10 - 20 years

Burden Allocation

The District allocates overhead burden costs to pipeline installation jobs, inspection work, fixed fee jobs, damage claims, and other small jobs. The overhead burden costs include management salaries, benefits, use of equipment, warehousing, and handling.

Vacation, Sick Leave, and Compensatory Time Off

The District records a liability equal to 100% of vacation earned and compensatory time off, and an applicable percentage of sick leave available to employees at year end (25%-100%), which is included in compensated absences, current and long-term portions. At June 30, 2021 and 2020 compensated absences, current portions were \$418,815 and \$404,593, respectively. Compensated absences, long-term portions were \$1,007,030 and \$893,429, for June 30, 2021 and 2020 respectively.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Postemployment Benefits Other Than Pensions (OPEB)

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

Deferred Outflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has pension-related and other postemployment benefits related items in this category.

Deferred Inflows of Resources

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. The District has pension-related and other postemployment benefits related items in this category.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Operating Revenues and Expenses

Operating activities generally result from providing services and producing and delivering goods. As such, the District considers fees received from water sales, capacity fees, connection and installation fees and property rentals to be operating revenues. The collection of deposits and return of deposits related to operating activities are reported in the District's cash flows from operating activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The collection of deposits and return of deposits related to the specific purpose of deferring the cost of acquiring, constructing or improving assets are reported in the District's cash flows from capital and related financing activities.

Net Position

In the Statements of Net Position, net position is classified in the following categories:

- Investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. The District has no outstanding debt at June 30, 2021 and 2020.
- Restricted net position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted net position - This amount is all net position that does not meet the definition of "investment in capital assets" or "restricted net position".

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

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

Property Taxes

Property taxes are attached as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are due in two installments. The first installment is due on November 1, and is payable through December 10 without penalty. The second installment is due February 1, and becomes delinquent on April 10. Property taxes are remitted to the District from the County of San Diego at various times throughout the year.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 1 - Reporting Entity and Summary of Significant Accounting Policies (Continued)

Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters. To help mitigate this risk, the District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Authority). The Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

The District participates in the following self-insurance programs of the Authority:

Property Loss - Insured up to \$500,000,000 per occurrence, except boiler & machinery \$100,000,000 per occurrence, earthquake \$2,500,000 program aggregate, and flood \$25,000,000 (total insurable value \$33,192,437). Deductibles are as follows: \$5,000 for buildings, personal property, mobile equipment, licensed vehicles/trailers; \$25,000 for boiler & machinery, except \$50,000 if turbine or power generation equipment; 5% of TIV for earthquake; and \$100,000 for flood. The Authority is self-insured up to \$100,000 per occurrence and excess insurance coverage has been purchased.

General Liability - Insured up to \$55,000,000 per occurrence with no deductible; the Authority is self-insured up to \$5,000,000 and excess insurance coverage has been purchased.

Auto Liability - Insured up to \$55,000,000 per occurrence with no deductible for property damage; the Authority is self-insured up to \$5,000,000 and excess insurance coverage has been purchased.

Public Officials' Liability - Insured up to \$55,000,000 per occurrence; the Authority is self-insured up to \$5,000,000 and excess insurance coverage has been purchased.

Crime - Insured up to \$100,000 per occurrence with \$1,000 deductible; the Authority is self-insured.

Cyber Liability - Insured up to \$5,000,000 per occurrence/\$5,000,000 aggregate with up to \$50,000 deductible depending on annual revenues.

Workers' Compensation (WC) and Employer's Liability (EL) - Insured up to statutory limits per occurrence for WC and up to \$4,000,000 for EL. The Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

The District also purchases Dam Failure Liability insurance - up to \$4,000,000 per occurrence; the District's self-insured retention is \$1,000,000 and excess coverage has been purchased.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims experience. The nature and amounts of these adjustments cannot be estimated and are charged to expense as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 2 - Cash and Investments

The following is a detail of cash and cash equivalents as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 6,451	\$ 6,635
Deposits	945,125	871,986
State Treasurer's investment pool	15,338,939	14,395,293
California Asset Management Program	<u>10,783,770</u>	<u>10,367,778</u>
Total cash and cash equivalents	<u>\$ 27,074,285</u>	<u>\$ 25,641,692</u>

As of June 30, 2021 and 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2021</u>	<u>2020</u>
State Treasurer's investment pool	less than 12 months	\$ 15,338,939	\$ 14,395,293
California Asset Management Program	less than 12 months	<u>10,783,770</u>	<u>10,367,778</u>
Total cash equivalents		<u>\$ 26,122,709</u>	<u>\$ 24,763,071</u>
U.S. Treasury bills	6 months weighted average	<u>\$ 19,494,561</u>	<u>\$ 19,483,935</u>
Total Investments		<u>\$ 19,494,561</u>	<u>\$ 19,483,935</u>

Authorized deposits and investments of the District are governed by the California Government Code as well as policies set forth by the District's Board of Directors. Within the contents of these limitations, permissible instruments include FDIC-insured institutions' certificates of deposit and savings accounts, corporate medium-term notes, U.S. government agency/instrumentalities, money market instruments, money market mutual funds, mortgage backed securities, U.S. government bills, notes and bonds, and asset backed securities. Funds may also be invested in the local government investment pools.

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 2 - Cash and Investments (Continued)

The District is a voluntary participant in the California Asset Management Program (CAMP), an investment pool managed by Public Financial Management, Inc. CAMP was established under provisions of the California Joint Exercise of Powers Act. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio).

Interest Rate Risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting investment maturities to five years. Express authority is granted to invest in investments with term to maturity of greater than five years with a maximum term of ten years, provided the investments are in accordance with stated policy and total investments shall not exceed the amount of long term liabilities outstanding. Investments exceeding five years will be matched with a corresponding liability.

Credit Risk. State law and District policy limits investments in money market funds to the top ratings issued by nationally recognized statistical rating organizations. The District's investment in the California Asset Management Program was rated AAAM by Standard & Poor's Corporation. The District's investment in the California State Treasurer's investment pool (LAIF) was unrated. U.S. Treasury bills are exempt from rating disclosures.

Concentration of Credit Risk. The District manages the concentration of credit risk by limiting local government investment pools and money market funds to a maximum of 40% and 20%, respectively, of the District's total available investment capital as outlined in the District investment policy. Furthermore, no more than 10% of the District's available investment capital can be invested in a single money market fund.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. All deposits are entirely insured or collateralized. State law requires banks to secure the District's deposits by pledging government securities valued at 110% of the amount of the deposit as collateral. The District may waive the collateral requirement for deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC). Beginning on January 1, 2013, combined deposits are insured by the FDIC up to \$250,000. As of June 30, 2021, the District's bank balances were \$966,155, of which \$250,000 were insured and the remaining \$716,155 were collateralized with securities held by the pledging institution's trust department. As of June 30, 2020, the District's bank balances were \$845,499, of which \$250,000 were insured and the remaining \$595,499 were collateralized with securities held by the pledging institution's trust department.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 2 - Cash and Investments (Continued)

Fair Value Measurements

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

The District has the following recurring fair value measurements as of June 30, 2021:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Fixed Income Securities:				
Treasury Bills	\$ -	\$ 19,494,561	\$ -	\$ 19,494,561
Total Leveled Investments	<u>\$ -</u>	<u>\$ 19,494,561</u>	<u>\$ -</u>	<u>19,494,561</u>
LAIF*				15,338,939
California Asset Management Program*				<u>10,783,770</u>
 Total Investment Portfolio				 <u>\$ 45,617,270</u>

*Not subject to fair value measurement.

The District has the following recurring fair value measurements as of June 30, 2020:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Fixed Income Securities:				
Treasury Bills	\$ -	\$ 19,483,935	\$ -	\$ 19,483,935
Total Leveled Investments	<u>\$ -</u>	<u>\$ 19,483,935</u>	<u>\$ -</u>	<u>19,483,935</u>
LAIF*				14,395,293
California Asset Management Program*				<u>10,367,778</u>
 Total Investment Portfolio				 <u>\$ 44,247,006</u>

*Not subject to fair value measurement.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 3 - Accounts Receivable, Net

As of June 30, 2021 and 2020, the net balances were comprised of accounts receivable balances of \$9,284,379 and \$8,116,114, respectively, less the allowances for doubtful accounts of \$275,957 and \$158,639, respectively.

On the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2021 and 2020, the balances of water sales, net of uncollectible accounts expense, were comprised of water sales revenues of \$52,677,347 and \$48,737,922, respectively, less uncollectible amounts of \$149,643 and \$34,598, respectively.

Note 4 - Capital Assets

Capital assets consist of the following at June 30, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 5,453,295	\$ -	\$ -	\$ 5,453,295
Construction in progress	8,614,923	8,798,392	(14,411,375)	3,001,940
Total capital assets not being depreciated	<u>14,068,218</u>	<u>8,798,392</u>	<u>(14,411,375)</u>	<u>8,455,235</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	172,063,807	15,182,403	(168,020)	187,078,190
Equipment	6,687,341	723,950	(179,415)	7,231,876
Henshaw pumping project	3,111,870	-	-	3,111,870
Total capital assets being depreciated	<u>181,863,018</u>	<u>15,906,353</u>	<u>(347,435)</u>	<u>197,421,936</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(86,650,416)	(2,956,477)	166,348	(89,440,545)
Equipment	(4,131,033)	(400,219)	168,248	(4,363,004)
Henshaw pumping project	(2,814,927)	(43,785)	-	(2,858,712)
Total accumulated depreciation	<u>(93,596,376)</u>	<u>(3,400,481)</u>	<u>334,596</u>	<u>(96,662,261)</u>
Total capital assets being depreciated, net	<u>88,266,642</u>	<u>12,505,872</u>	<u>(12,839)</u>	<u>100,759,675</u>
Total capital assets, net	<u>\$ 102,334,860</u>	<u>\$ 21,304,264</u>	<u>\$ (14,424,214)</u>	<u>\$ 109,214,910</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 4 - Capital Assets (Continued)

Capital assets consist of the following at June 30, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 5,453,295	\$ -	\$ -	\$ 5,453,295
Construction in progress	2,693,197	6,802,645	(880,919)	8,614,923
Total capital assets not being depreciated	<u>8,146,492</u>	<u>6,802,645</u>	<u>(880,919)</u>	<u>14,068,218</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	170,710,043	1,573,259	(219,495)	172,063,807
Equipment	6,462,114	240,848	(15,621)	6,687,341
Henshaw pumping project	3,111,870	-	-	3,111,870
Total capital assets being depreciated	<u>180,284,027</u>	<u>1,814,107</u>	<u>(235,116)</u>	<u>181,863,018</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(84,031,822)	(2,836,250)	217,656	(86,650,416)
Equipment	(3,778,046)	(367,002)	14,015	(4,131,033)
Henshaw pumping project	(2,770,708)	(44,219)	-	(2,814,927)
Total accumulated depreciation	<u>(90,580,576)</u>	<u>(3,247,471)</u>	<u>231,671</u>	<u>(93,596,376)</u>
Total capital assets being depreciated, net	<u>89,703,451</u>	<u>(1,433,364)</u>	<u>(3,445)</u>	<u>88,266,642</u>
Total capital assets, net	<u>\$ 97,849,943</u>	<u>\$ 5,369,281</u>	<u>\$ (884,364)</u>	<u>\$ 102,334,860</u>

Note 5 – Accrued Expenses and Other Liabilities

During March 2021, the District received \$1,571,006 from the San Diego County Water Authority (Water Authority), as their pro-rata share of a rebate from a case litigation between the Water Authority and the Metropolitan Water District of Southern California and was recorded to income as non-operating. The District determined the funds do not belong to the District but rather to the rate payers. The rebate will be returned to the rate payers, as a reduction to rates, over the next five years beginning in calendar year 2022. A non-operating expense and a liability to the rate payers was recognized. The \$1,571,006 amount was recorded in Accrued Expenses and Other Liabilities under current and noncurrent portions.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Description

The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information is listed in the Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. The actuarial valuation report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan's provisions and benefits in effect at measurement date June 30, 2020 are summarized as follows:

	Miscellaneous Plan		
	Tier 1	Tier 2	PEPRA
Hire date	prior to 1/1/2012	from 1/1/12 to 12/31/12	on or after 1/1/13
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% - 2.418%	1.0% to 2.5%
Required employee contribution rates	4.5%	7.0%	6.25%
Required employer contribution rates			
Normal cost rate	18.706%	8.081%	6.985%
Payment of unfunded liability	\$973,332	\$800	\$5,189

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability

The District's net pension liabilities were measured as of June 30, 2020 and 2019 using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020, and June 30, 2018 rolled forward to June 30, 2019 using standard update procedures.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement periods ended June 30, 2020 and June 30, 2019, the total pension liabilities were determined by actuarial valuations as of June 30, 2019 and 2018, with update procedures used to roll forward the total pension liabilities. The total pension liabilities for the Plan were based on the following actuarial methods and assumptions:

Valuation Dates	June 30, 2019 and 2018
Measurement Dates	June 30, 2020 and 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

(1) Annual increases vary by category, entry age, and duration of service.

(2) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. 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.

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

Long-term Expected Rate of Return

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

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

The expected real rates of return by asset class at measurement date June 30, 2020 are as follows:

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

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.00% used for this period

(c) An expected inflation of 2.92% used for this period

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

The expected real rates of return by asset class at measurement date June 30, 2019 were as follows:

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

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.00% used for this period

(c) An expected inflation of 2.92% used for this period

Discount Rate

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

Miscellaneous Plan:

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2019 (VD)	\$ 99,920,150	\$ 83,212,690	\$ 16,707,460
Balance at: 6/30/2020 (MD)	\$ 104,274,315	\$ 85,473,646	\$ 18,800,669
Net Changes during 2019-20	\$ 4,354,165	\$ 2,260,956	\$ 2,093,209

Valuation Date (VD), Measurement Date (MD).

The District's proportionate share of the net pension liabilities were based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The changes in the District's proportionate share of the collective net pension liabilities were as follows:

Proportionate Share - June 30, 2019	<u>0.41722%</u>
Proportionate Share - June 30, 2020	<u>0.44572%</u>
Change - Increase (Decrease)	<u><u>0.02850%</u></u>
Proportionate Share - June 30, 2018	<u>0.39247%</u>
Proportionate Share - June 30, 2019	<u>0.41722%</u>
Change - Increase (Decrease)	<u><u>0.02475%</u></u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability (Continued)

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

The following presents the District's proportionate share of the net pension liability of the Plan as of the June 30, 2020 and 2019 measurement dates, 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 or 1 percentage-point higher than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability - 2020	\$ 32,677,035	\$ 18,800,669	\$ 7,335,062

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability - 2019	\$ 30,147,025	\$ 16,707,460	\$ 5,614,048

Pension Plan Fiduciary Net Position

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan (Continued)

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

For the fiscal years ending June 30, 2021 and June 30, 2020, the District incurred a pension expense of \$4,518,796 and \$4,843,507, respectively for the Plan.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,447,195	\$ -
Differences between expected and actual experience	968,854	-
Changes in assumptions	-	134,094
Net difference between projected and actual earnings on pension plan investments	558,504	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	2,166,885
Changes in employer's proportion	1,593,763	-
Total	\$ 5,568,316	\$ 2,300,979

\$2,447,195 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2022	\$ 61,615
2023	217,085
2024	273,568
2025	267,874
2026	-
Thereafter	-
	\$ 820,142

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 6 - Defined Benefit Pension Plan (Continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,155,181	\$ -
Differences between expected and actual experience	1,160,404	(89,908)
Changes in assumptions	796,689	(282,420)
Net difference between projected and actual earnings on pension plan investments	-	(292,099)
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	376,276	(578,394)
Total	<u>\$ 4,488,550</u>	<u>\$ (1,242,821)</u>

\$2,155,181 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions were recognized in future pension expense as follows:

<u>Fiscal Year Ended June 30:</u>	Deferred Outflows/(Inflows) of Resources, Net
2021	\$ 1,145,457
2022	(125,400)
2023	11,466
2024	59,025
2025	-
Thereafter	-
	<u>\$ 1,090,548</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan

Plan Description

The District provides post-retirement medical benefits to retirees through the Association of California Water Agencies (ACWA) health program and managed through the California Employers' Retiree Benefit Trust (CERBT).

The plan is an agent multiple-employer defined benefit healthcare plan that provides retiree medical benefits to eligible retirees and spouses. The plan pays 100% of the cost (premiums) for benefits. To be eligible for retiree health benefits, an employee must retire under CalPERS on or after age 50 with at least 15 years (10 years for at-will employees) of service with the District. Coverage is available to the retiree and the spouse for a combined maximum of 15 years (20 years for at-will employees). The maximum coverage period for the retiree is 10 years and the spouse can be covered for up to the same number of years as the retiree subject to the combined maximum. Employees hired on or after January 1, 2012 are not eligible to continue health benefits at retirement. A separate financial report is not prepared for the plan.

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	29
Active employees	<u>53</u>
Total	<u><u>82</u></u>

Contributions

The Plan and its contribution requirements are established by District policy and may be amended by the Board of Directors. The annual contribution is based on the actuarially determined contribution. For the measurement dates ended June 30, 2020 and 2019, the District's contributions were \$122,021 and \$101,590, respectively.

Net OPEB Liability

The District's net OPEB liabilities were measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liabilities is shown below.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuations was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020 and 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75% and 2.50%
Projected Salary Increase	3.00% per annum, in aggregate
Expected long term investment rate of return	7.00%
Healthcare Cost Trend Rates	6.0% HMO/6.0% PPO, decreasing to 5%
Pre-retirement Turnover	Derived from termination rates under the CalPERS pension plan
Mortality	Derived from CalPERS pension plan updated to reflect most recent experience study

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation at measurement date June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
CERBT		
Global Equity	59.00%	5.50%
Global Debt Securities	25.00%	2.35%
Inflation Assets	5.00%	1.50%
Commodities	3.00%	1.75%
REITs	8.00%	3.65%
Total	<u>100.00%</u>	

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation at measurement date June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
CERBT		
Global Equity	59.00%	5.50%
Global Debt Securities	25.00%	2.35%
Inflation Assets	5.00%	1.50%
Commodities	3.00%	1.75%
REITs	8.00%	3.65%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that District’s contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan (Continued)

Changes in the Net OPEB Liability

The changes in the net OPEB liability during measurement period June 30, 2020 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 6,427,433	\$ 5,425,007	\$ 1,002,426
Changes in the Year:			
Service cost	134,815	-	134,815
Interest on the total OPEB liability	438,783	-	438,783
Differences between actual and expected experience	(133,334)	-	(133,334)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	122,021	(122,021)
Net investment income	-	167,864	(167,864)
Administrative expenses	-	(2,563)	2,563
Benefit payments	(597,943)	(597,943)	-
Net Changes	(157,679)	(310,621)	152,942
Balance at June 30, 2020	<u>\$ 6,269,754</u>	<u>\$ 5,114,386</u>	<u>\$ 1,155,368</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan (Continued)

Changes in the Net OPEB Liability (Continued)

The changes in the net OPEB liability during measurement period June 30, 2019 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 6,169,970	\$ 5,582,222	\$ 587,748
Changes in the Year:			
Service cost	147,996	-	147,996
Interest on the total OPEB liability	421,739	-	421,739
Differences between actual and expected experience	211,413	-	211,413
Changes in assumptions	62,548	-	62,548
Changes in benefit terms	-	-	-
Contribution - employer	-	101,590	(101,590)
Net investment income	-	329,378	(329,378)
Administrative expenses	-	(1,950)	1,950
Benefit payments	(586,233)	(586,233)	-
Net Changes	<u>257,463</u>	<u>(157,215)</u>	<u>414,678</u>
Balance at June 30, 2019	<u>\$ 6,427,433</u>	<u>\$ 5,425,007</u>	<u>\$ 1,002,426</u>

Change of Assumptions

The inflation assumption was adjusted from 2.50% to 2.75% for the valuation completed June 30, 2020.

Change of Benefit Terms

There were no changes of benefit terms.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan (Continued)

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

The following presents the net OPEB liability of the District as of the June 30, 2020 and 2019 measurement dates, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current discount rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability - 2020	\$ 1,570,581	\$ 1,155,368	\$ 775,178
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability - 2019	\$ 1,441,063	\$ 1,002,426	\$ 601,690

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

The following presents the net OPEB liability of the District as of the June 30, 2020 and 2019 measurement dates, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (5.00% HMO/5.00% PPO decreasing to 4.00% HMO/4.00% PPO) or 1-percentage point higher (7.00% HMO/7.00% PPO decreasing to 6.00% HMO/6.00% PPO) than the current healthcare cost trend rates:

	1% Decrease (5.00% HMO/ 5.00% PPO decreasing to 4.00% HMO/ 4.00% PPO)	Current Healthcare Cost Trend Rates (6.00% HMO/ 6.00% PPO decreasing to 5.00% HMO/ 5.00% PPO)	1% Increase (7.00% HMO/ 7.00% PPO decreasing to 6.00% HMO/ 6.00% PPO)
Net OPEB Liability - 2020	\$ 652,725	\$ 1,155,368	\$ 1,724,267

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in Health-Care Cost Trend Rates (Continued)

	1% Decrease (5.50% HMO/ 5.50% PPO decreasing to 4.00% HMO/ 4.00% PPO)	Current Healthcare Cost Trend Rates (6.50% HMO/ 6.50% PPO decreasing to 5.00% HMO/ 5.00% PPO)	1% Increase (7.50% HMO/ 7.50% PPO decreasing to 6.00% HMO/ 6.00% PPO)
Net OPEB Liability - 2019	\$ 533,459	\$ 1,002,426	\$ 1,532,743

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

For the year ended June 30, 2021 and 2020, the District recognized OPEB expense of \$258,212 and \$226,435, respectively.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 145,464	\$ -
Differences between actual and expected experience	105,707	111,112
Change in assumptions	31,274	-
Differences between projected and actual earnings	121,172	-
Total	<u>\$ 403,617</u>	<u>\$ 111,112</u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan (Continued)

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

\$145,464 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Amount</u>
2022	\$ 45,336
2023	81,334
2024	25,734
2025	16,861
2026	(22,224)
Thereafter	-

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 122,021	\$ -
Differences between actual and expected experience	158,560	-
Change in assumptions	46,911	-
Differences between projected and actual earnings	-	75,181
Total	<u>\$ 327,492</u>	<u>\$ 75,181</u>

\$122,021 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Amount</u>
2021	\$ 28,475
2022	28,473
2023	64,471
2024	8,871
2025	-
Thereafter	-

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 – OPEB Plan (Continued)

Payable to the OPEB Plan

At June 30, 2021 and 2020, the District had no outstanding amount of contributions to the OPEB plan required for the years ended June 30, 2021 and 2020.

Note 8 - Commitments and Contingencies

Commitments

On May 17, 2017 the District settled its long-standing water rights lawsuit with various Indian bands. Per the terms of the Settlement Agreement, the District and the City of Escondido are responsible for all costs associated with maintaining and operating the local water system, including the cost of undergrounding of a canal on the San Pasqual Indian Reservation. The cost of the undergrounding project (Project) will be divided evenly between the District and the City of Escondido. Per the terms of the Settlement Agreement, the Project must be completed no later than May 17, 2023. During fiscal year 2021, the District incurred \$0.4 million in expenses related to the Project, with a remaining current estimated cost of \$25 million.

The District has been named as defendant in various other legal actions. In the opinion of management and legal counsel, it is too early to determine the outcome and effect on the District's financial position.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

Schedule of the Proportionate Share of the Plan's Net Pension Liability and Related Ratios

Last 10 Fiscal Years*

	Measurement Date						
	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014*
Plan's Proportion of the Net Pension Liability ¹	0.17279%	0.16305%	0.15349%	0.15753%	0.14938%	0.22908%	0.21738%
Plan's Proportionate Share of the Net Pension Liability	\$ 18,800,668	\$ 16,707,460	\$ 14,791,100	\$ 15,622,668	\$ 12,926,266	\$ 15,723,785	\$ 13,526,753
Plan's Covered Payroll ²	\$ 8,272,132	\$ 8,034,376	\$ 7,982,625	\$ 7,576,845	\$ 7,601,853	\$ 7,473,687	\$ 7,494,718
Plan's Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	227.28%	207.95%	185.29%	206.19%	170.04%	210.39%	180.48%
Plan's Proportionate Share of the Fiduciary Net Position as a % of the Plan's Total Pension Liability	75.10%	75.26%	75.26%	73.31%	74.06%	80.66%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions ³	\$ 3,818,933	\$ 3,448,002	\$ 3,091,757	\$ 2,954,163	\$ 2,678,414	\$ 2,268,191	\$ 1,789,539

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

² Covered Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

³ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the Measurement Period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net positions, as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

Notes to Schedule:

Benefit Changes:

There were no changes in the benefit terms.

Changes in Assumptions:

There were no changes in assumptions.

* Measurement period 2013-14 (fiscal year 2015) was the first year of implementation.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

Schedule of Contributions - Pension Plan

Last 10 Fiscal Years*

	Fiscal Year-End						
	2021	2020	2019	2018	2017	2016	2015*
Actuarially Determined Contribution	\$ 2,447,195	\$ 2,155,181	\$ 2,007,718	\$ 1,862,822	\$ 1,816,735	\$ 1,924,128	\$ 1,488,966
Contributions in Relation to the							
Actuarially Determined Contribution	(2,447,195)	(2,155,181)	(2,007,718)	(1,862,822)	(1,816,735)	(9,682,740)	(1,488,966)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,758,612)	\$ -
Covered Payroll ¹	\$ 8,208,274	\$ 8,272,132	\$ 8,034,376	\$ 7,982,625	\$ 7,576,845	\$ 7,601,853	\$ 7,473,687
Contributions as a % of Covered							
Payroll	29.81%	26.05%	24.99%	23.34%	23.98%	127.37%	19.92%

¹ Covered Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

Notes to Schedule:

Fiscal Year End: 6/30/21
Valuation Date: 6/30/19

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll
Asset Valuation Method	Fair Value of Assets
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	Annual increases vary by category, entry age, and duration of service.

* Measurement period 2013-14 (fiscal year 2015) was the first year of implementation.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

Schedule of Changes in the Net OPEB Liability and Related Ratios

Last 10 Fiscal Years*

Measurement date	Measurement Date			
	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:				
Service cost	\$ 134,815	\$ 147,996	\$ 143,685	\$ 134,285
Interest on total OPEB liability	438,783	421,739	420,585	416,970
Differences between actual and expected experience	(133,334)	211,413	-	-
Changes in assumptions	-	62,548	-	-
Benefit payments, including refunds of member contributions	(597,943)	(586,233)	(517,935)	(500,111)
Net Change in Total OPEB Liability	(157,679)	257,463	46,335	51,144
Total OPEB Liability - Beginning of Year	6,427,433	6,169,970	6,123,635	6,072,491
Total OPEB Liability - End of Year (a)	6,269,754	6,427,433	6,169,970	6,123,635
Plan Fiduciary Net Position:				
Contributions - employer	122,021	101,590	94,656	500,111
Net investment income	167,864	329,378	439,596	533,100
Administrative expenses	(2,563)	(1,950)	(10,309)	(2,706)
Benefit payments, including refunds of member contributions	(597,943)	(586,233)	(517,935)	(500,111)
Net Change in Plan Fiduciary Net Position	(310,621)	(157,215)	6,008	530,394
Plan Fiduciary Net Position - Beginning of Year	5,425,007	5,582,222	5,576,214	5,045,820
Plan Fiduciary Net Position - End of Year (b)	5,114,386	5,425,007	5,582,222	5,576,214
Net OPEB Liability - Ending (a)-(b)	\$ 1,155,368	\$ 1,002,426	\$ 587,748	\$ 547,421
Plan fiduciary net position as a percentage of the total OPEB liability	81.57%	84.40%	90.47%	91.06%
Covered - employee payroll	\$ 4,811,000	\$ 5,559,000	\$ 6,109,000	\$ 6,182,000
Net OPEB liability as percentage of covered - employee payroll	24.02%	18.03%	9.62%	8.86%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

Inflation was changed on valuation 6/30/2019 from 2.75% to 2.5%

* Fiscal year 2018 was the first year of implementation.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

Schedule of Contributions - OPEB
Last 10 Fiscal Years*

	Fiscal Year-End			
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 231,973	\$ 225,216	\$ 200,852	\$ 195,002
Contributions in relation to the actuarially determined contributions	<u>(145,464)</u>	<u>(122,021)</u>	<u>(101,590)</u>	<u>(94,656)</u>
Contribution deficiency (excess)	<u>\$ 86,509</u>	<u>\$ 103,195</u>	<u>\$ 99,262</u>	<u>\$ 100,346</u>
Covered - employee payroll	\$ 4,811,000	\$ 5,178,000	\$ 5,559,000	\$ 6,109,000
Contributions as a percentage of covered - employee payroll	3.02%	2.36%	1.83%	1.55%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2019	6/30/2017	6/30/2017
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Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age			
Amortization method	Level percentage of payroll, closed			
Asset valuation method	Fair Value			
Inflation		2.75%	2.50%	2.75%
Salary increases		3.00%	3.00%	3.00%
Investment rate of return		7.00%	7.00%	7.00%
Mortality	CalPers pension plan			

* Fiscal year 2018 was the first year of implementation.



Statistical Section

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STATISTICAL SECTION

This part of the Vista Irrigation District’s (the “District”) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

CONTENTS	PAGE
Financial Trends	49
<i>These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	51
<i>These schedules contain information to help the reader access the District’s most significant local revenue source.</i>	
Demographic and Economic Information	55
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.</i>	
Operating Information	58
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table I
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
Net Position									
Investment in capital assets	\$ 109,214,910	\$	102,334,860	\$	97,849,943	\$	94,645,829	\$	89,924,833
Unrestricted	24,544,480		27,992,421		26,552,862		18,084,612		15,418,929
Total Net Position	<u>\$ 133,759,390</u>	<u>\$</u>	<u>130,327,281</u>	<u>\$</u>	<u>124,402,805</u>	<u>\$</u>	<u>112,730,441</u>	<u>\$</u>	<u>105,343,762</u>

	<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>
Net Position									
Investment in capital assets	\$ 84,550,252	\$	82,551,852	\$	81,758,263	\$	83,082,019	\$	82,359,487
Unrestricted	21,630,198		19,724,448		31,251,239		24,015,914		17,912,540
Total Net Position	<u>\$ 106,180,450</u>	<u>\$</u>	<u>102,276,300</u>	<u>\$</u>	<u>113,009,502</u>	<u>\$</u>	<u>107,097,933</u>	<u>\$</u>	<u>100,272,027</u>

Source: Vista Irrigation District

Table II
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues:										
Water sales	\$ 52,527,704	\$ 48,703,324	\$ 47,799,794	\$ 49,802,101	\$ 45,948,385	\$ 41,193,157	\$ 44,594,810	\$ 46,858,642	\$ 44,675,640	\$ 38,929,306
Property rentals	836,723	771,289	807,180	823,871	770,023	718,075	738,767	705,845	666,495	475,148
Other services	454,878	408,369	569,180	451,600	645,880	657,891	428,667	454,842	206,602	285,692
System fees	754,464	924,945	1,225,043	731,240	1,029,580	622,039	853,041	667,311	228,954	297,553
Total operating revenues	54,573,769	50,807,927	50,401,197	51,808,812	48,393,868	43,191,162	46,615,285	48,686,640	45,777,691	39,987,699
Operating Expenses:										
Purchased water	27,010,218	20,917,710	21,287,616	22,569,140	23,826,729	18,721,053	19,235,486	21,351,934	19,438,447	14,767,680
Wages and benefits	16,257,820	16,207,874	13,591,552	14,461,797	13,492,353	11,870,598	12,298,601	12,026,730	11,902,693	12,223,638
Depreciation	3,400,480	3,247,471	3,157,173	2,968,997	2,719,379	2,581,311	3,363,263	3,222,382	3,122,974	3,022,459
Contractual services	5,492,856	4,945,888	5,240,188	4,292,413	3,495,060	4,125,191	3,827,299	3,932,249	3,551,800	3,554,268
Supplies	1,330,707	1,288,380	1,359,577	1,531,232	1,450,699	1,396,166	1,309,636	1,369,388	969,997	1,078,481
Professional fees	281,135	719,175	596,320	603,257	949,374	700,489	658,616	634,801	799,509	831,775
Power	466,942	411,118	466,694	405,854	525,897	656,238	662,164	603,100	735,024	434,811
Office and general	361,044	408,249	536,420	557,713	481,697	489,547	488,237	445,363	477,700	422,474
Insurance	14,072	110,882	385,026	543,145	535,788	531,811	489,023	476,242	407,580	363,291
Uncollectible accounts	-	-	-	-	-	-	-	60,389	54,046	72,180
Communications	49,299	49,025	51,755	53,326	56,779	49,845	55,126	57,814	61,278	72,668
Burden allocation	(1,507,279)	(1,257,841)	(1,363,958)	(1,433,392)	(1,422,130)	(1,255,779)	(945,126)	(947,821)	(934,908)	(1,074,815)
Total operating expenses	53,157,294	47,047,931	45,308,363	46,553,482	46,111,625	39,866,470	41,442,325	43,232,571	40,586,140	35,768,910
Operating Income	1,416,475	3,759,996	5,092,834	5,255,330	2,282,243	3,324,692	5,172,960	5,454,069	5,191,551	4,218,789
Nonoperating Revenues (Expenses):										
Property taxes	539,949	507,604	487,062	450,512	423,469	384,960	381,843	443,255	387,889	313,008
Investment income	61,093	903,373	859,164	346,063	168,777	129,591	63,423	45,451	53,471	47,225
Gain (Loss) on disposal of capital assets	50,523	35,014	3,722,423	19,210	(139,088)	(16,209)	30,557	(3,819)	9,414	(6,235)
Federal and state assistance (refund)	-	(32,341)	49,198	-	-	-	42,810	-	64,015	-
Legal settlement	-	-	-	-	(66,961)	(83,905)	(55,173)	(94,732)	(57,090)	(83,096)
Total Nonoperating Revenues	651,565	1,413,650	5,117,847	815,785	386,197	414,437	463,460	390,155	457,699	270,902
Income Before Contributed Capital	2,068,040	5,173,646	10,210,681	6,071,115	2,668,440	3,739,129	5,636,420	5,844,224	5,649,250	4,489,691
Contributed Capital	1,364,069	750,830	1,461,683	1,315,564	1,257,820	165,021	499,911	67,345	1,176,656	552,881
Change in net position	3,432,109	5,924,476	11,672,364	7,386,679	3,926,260	3,904,150	6,136,331	5,911,569	6,825,906	5,042,572
Net Position, beginning of year	130,327,281	124,402,805	112,730,441	110,106,710	106,180,450	102,276,300	113,009,502	107,097,933	100,272,027	95,229,455
Prior Period Adjustment	-	-	-	(4,762,948)	-	-	(16,869,533)	-	-	-
Net Position, end of year	\$ 133,759,390	\$ 130,327,281	\$ 124,402,805	\$ 112,730,441	\$ 110,106,710	\$ 106,180,450	\$ 102,276,300	\$ 113,009,502	\$ 107,097,933	\$ 100,272,027

Source: Vista Irrigation District

Table III
WATER SALES BY USER TYPE
Last Ten Fiscal Years

Fiscal Year Ended	<u>Residential</u>		<u>Commercial/Industrial</u>		<u>Irrigation</u>		<u>Agricultural</u>		<u>Governmental</u>		Average Rate
	<u>Value</u>	<u>Acre Feet</u>	<u>Value</u>	<u>Acre Feet</u>	<u>Value</u>	<u>Acre Feet</u>	<u>Value</u>	<u>Acre Feet</u>	<u>Value</u>	<u>Acre Feet</u>	
2021	\$24,139,088	12,288.3	\$3,385,503	1,670.9	\$4,486,971	2,241.2	\$1,700,825	848.6	\$553,930	272.9	\$1,978
2020	\$21,166,639	10,747.0	\$3,239,744	1,621.9	\$3,624,924	1,836.0	\$1,463,693	742.8	\$570,427	276.2	\$1,975
2019	\$20,866,138	10,747.2	\$3,441,266	1,740.4	\$3,635,381	1,820.5	\$1,593,200	815.6	\$720,781	360.6	\$1,954
2018	\$22,332,964	11,643.8	\$3,530,165	1,809.8	\$4,230,231	2,149.4	\$1,871,045	964.0	\$729,793	370.0	\$1,930
2017	\$19,568,389	10,767.2	\$3,365,773	1,720.3	\$3,237,014	1,765.9	\$1,635,378	883.5	\$704,645	359.0	\$1,840
2016	\$17,679,019	10,153.3	\$3,037,823	1,681.5	\$2,562,469	1,389.9	\$1,588,646	882.3	\$477,063	268.1	\$1,763
2015	\$20,141,952	11,900.4	\$3,214,629	1,866.1	\$3,377,886	1,954.8	\$1,646,475	954.0	\$766,433	441.3	\$1,703
2014	\$21,671,513	13,079.4	\$3,275,725	1,945.6	\$3,835,833	2,287.1	\$1,810,450	1,075.1	\$1,276,974	740.5	\$1,666
2013	\$20,750,003	13,114.2	\$3,144,742	1,953.8	\$3,384,426	2,098.8	\$1,665,459	1,031.2	\$1,159,166	706.4	\$1,592
2012	\$17,831,592	12,190.5	\$2,677,141	1,796.0	\$2,561,020	1,728.2	\$1,405,719	938.3	\$897,168	588.3	\$1,472

Source: Vista Irrigation District

Table IV
SERVICE CONNECTIONS
Last Ten Fiscal Years

Fiscal Year Ended	<u>Residential</u>	<u>Commercial/Industrial</u>	<u>Irrigation</u>	<u>Agricultural</u>	<u>Fire Service</u>	<u>Governmental</u>	<u>Total</u>
2021	24,770	1,576	957	333	1,281	90	29,007
2020	24,470	1,571	954	524	1,269	91	28,879
2019	24,393	1,581	944	515	1,258	89	28,780
2018	24,268	1,584	934	568	1,244	90	28,688
2017	24,209	1,582	928	572	1,240	91	28,622
2016	24,036	1,587	918	574	1,237	91	28,443
2015	24,191	1,606	914	586	1,236	92	28,625
2014	24,191	1,608	897	562	1,228	94	28,580
2013	24,048	1,601	889	567	1,218	92	28,415
2012	24,061	1,603	887	555	1,211	92	28,409

Source: Vista Irrigation District

Table V
WATER RATES
Last Ten Fiscal Years

Fiscal Year Ended	VID Commodity Charge per HCF*				Monthly ¾” Meter Charge
	Domestic - Tier 1	Domestic - Tier 2	Domestic - Tier 3**	Agricultural	
2021	\$4.44	\$4.98	\$4.98	\$4.76	\$40.97
2020	\$4.35	\$4.89	\$4.89	\$4.67	\$40.97
2019	\$4.27	\$4.81	\$4.81	\$4.59	\$38.85
2018	\$4.24	\$4.78	\$4.78	\$4.56	\$37.05
2017	\$4.16	\$4.70	\$4.70	\$4.48	\$35.85
2016	\$4.04	\$4.58	\$4.58	\$4.36	\$34.76
2015	\$3.73	\$4.27	\$4.27	\$4.05	\$33.67
2014	\$3.61	\$4.15	\$4.15	\$3.93	\$32.85
2013	\$3.52	\$4.06	\$4.06	\$3.84	\$31.87
2012	\$3.29	\$3.83	\$3.83	\$3.61	\$30.04

* HCF = One Hundred Cubic Feet

** The tier 3 rate is only imposed during times of water delivery cutbacks stipulated by the San Diego County Water Authority. When no water delivery cutbacks are imposed by the Water Authority, Tier 3 usage is billed at the Tier 2 rate.

Source: Vista Irrigation District

Table VI
PRINCIPAL WATER CUSTOMERS
Current Fiscal Year and Nine Years Prior

<u>Fiscal Year ended June 30, 2021</u>			<u>Fiscal Year ended June 30, 2012</u>		
<u>Customer</u>	<u>Usage in Acre Feet</u>	<u>Percent of Water Sold</u>	<u>Customer</u>	<u>Usage in Acre Feet</u>	<u>Percent of Water Sold</u>
City	64.8	0.37%	Golf Course	206.2	1.20%
Courthouse	62.7	0.36%	Courthouse	123.0	0.71%
Industrial	51.6	0.30%	Industrial	62.5	0.36%
Industrial	48.8	0.28%	Agricultural	47.2	0.27%
Multi-Family	44.3	0.26%	Agricultural	37.2	0.22%
Mobile Home Park	36.5	0.21%	Agricultural	36.8	0.21%
Mobile Home Park	35.7	0.21%	High School	36.2	0.21%
Mobile Home Park	34.2	0.20%	Mobile Home Park	34.9	0.20%
Agricultural	34.4	0.20%	Mobile Home Park	34.9	0.20%
High School	27.9	0.16%	Industrial	34.8	0.20%
Total Top Ten Customers	<u>440.9</u>	<u>2.55%</u>	Total Top Ten Customers	<u>653.7</u>	<u>3.79%</u>
Other Customers	<u>16,881.3</u>	<u>97.45%</u>	Other Customers	<u>16,587.3</u>	<u>96.21%</u>
Total Water Sales	<u><u>17,322.2</u></u>	<u><u>100.00%</u></u>	Total Water Sales	<u><u>17,241.0</u></u>	<u><u>100.00%</u></u>

Source: Vista Irrigation District

**Table VII
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Year	Total Population	Average Household Size	Unemployment Rate*	Per Capita Personal Income*	Total Personal Income (1)
2021	132,838	3.15	<i>n/a**</i>	<i>n/a**</i>	<i>n/a**</i>
2020	134,609	3.15	9.8%	\$49,971	\$6,726,557
2019	133,836	3.15	3.6%	\$50,895	\$6,811,618
2018	133,707	3.16	3.6%	\$50,153	\$6,705,874
2017	133,681	3.17	4.3%	\$46,116	\$6,164,899
2016	130,925	3.17	5.0%	\$46,951	\$6,147,086
2015	129,691	3.17	4.7%	\$45,334	\$5,879,460
2014	129,085	3.16	5.8%	\$38,963	\$5,029,572
2013	128,254	3.15	7.1%	\$42,945	\$5,507,897
2012	126,917	3.14	8.3%	\$36,795	\$4,669,878

* NOTE: Values in *italics* text are for the City of Vista. All other values are for the Vista Irrigation District.

** NOTE: Data for the current year is not yet available.

(1) Amounts presented may vary from the prior year's report due to inflation adjustments.

Source: SANDAG

Table VIII
Principal Employers – County of San Diego
Current Fiscal Year and Nine Years Prior

Fiscal Year Ended June 30, 2021 ⁽¹⁾			Fiscal Year Ended June 30, 2012 ⁽²⁾		
Employer Name	Industry	No. of Employees	Employer Name	Industry	No. of Employees
University of California, San Diego	Education	10,000+	U.S. Dept. of Defense	Military	10,000+
County of San Diego	Government	10,000+	Federal Government	Government	10,000+
United States Navy, San Diego	Government - Military	10,000+	State of California	Government	10,000+
City of San Diego	Government	10,000+	University of California, San Diego	Education	10,000+
San Diego Unified School District	Education	10,000+	County of San Diego	Government	10,000+
Sharp Healthcare	Healthcare	10,000+	Sharp Healthcare	Healthcare	10,000+
Scripps Healthcare	Healthcare	10,000+	Scripps Health	Healthcare	10,000+
Qualcomm, Inc.	Technology	5,000-9,999	San Diego Unified School District	Education	10,000+
Kaiser Medical Center	Healthcare	5,000-9,999	Qualcomm Inc.	Technology/ Communications	10,000+
San Diego State University	Education	5,000-9,999	City of San Diego	Government	10,000+

Source: ¹ San Diego's Top 10 Employers www.sandiegostop10.com/employers.aspx

² Vista Irrigation District 2012 CAFR/San Diego Source Book

Table IX
NUMBER OF EMPLOYEES
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Employees	85	87	87	90	89	87	88	84	90	94
Average Years of Service	10.8	10.2	10.8	11.6	12.8	12.0	11.6	11.9	11.7	11.8

Source: Vista Irrigation District

Note- Based on active employees at fiscal year-end.

Table X
OPERATING AND CAPITAL INDICATORS
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Area (acres)	21,152	21,152	21,152	21,152	21,160	21,160	21,160	21,200	21,200	21,200
Miles of water main (4" and larger) *	429	429	429	429	473	473	473	473	473	471
Number of enclosed reservoirs	12	12	12	12	12	12	12	12	12	12
Capacity of enclosed reservoirs (acre feet)	142	142	142	142	141	141	142	142	142	142
Number of open reservoirs	1	1	1	1	1	1	1	1	1	1
Capacity of open reservoirs (acre feet) **	51,832	51,832	51,774	51,774	51,774	51,774	51,774	51,774	51,774	51,774
Number of pump stations	7	7	7	7	7	7	7	7	7	7
Number of pumps	18	18	18	18	18	18	18	18	18	18
Total capacity of pumps (horsepower)	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,055
Number of service connections	29,007	28,879	28,780	28,688	28,622	28,443	28,625	28,580	28,415	28,409
Production peak (million gallons per day)	22	21	22	21	22	20	24	32	28	26
Average production (million gallons per day)	16	15	14	16	15	14	16	18	18	17
Total rainfall (inches) - Lake Henshaw	15	29	35	12	34	21	16	13	14	20
Total rainfall (inches) - Vista	4	21	16	4	20	11	8	5	9	11
Average daily temperature (F) - Lake Henshaw	59	58	58	60	60	59	60	60	57	55
Average daily temperature (F) - Vista	63	63	62	64	63	64	64	63	62	61
Electricity purchased (1,000 kWh) - Service Area	1,007	1,017	1,075	1,060	712	1,081	1,094	1,078	1,244	1,123
Electricity purchased (1,000 kWh) - Lake Henshaw	1,368	302	1,783	1,077	1,964	3,176	3,352	3,310	3,800	1,315
Natural gas purchased (therms)	7,256	8,829	7,833	6,926	5,768	5,970	5,573	5,777	6,500	6,990
Mainline repairs	17	19	31	20	40	29	33	32	41	40

* Miles of pipe within the Vista Irrigation District system was updated consistent with the findings set forth of the 2018 Potable Water Master Plan.

** Capacity of open reservoir was updated according to a 2018 study.

Source: Vista Irrigation District